

## **CABINET**

**24 AUGUST 2021**

### **FUTURE HIGH STREET FUND – PROPERTY ACQUISITION**

Portfolio Holder: Councillor Alan Jarrett, Leader of the Council  
Councillor Adrian Gulvin, Portfolio Holder for Resources  
Councillor Jane Chitty, Portfolio Holder for Planning, Economic Growth and Regulation  
Councillor Rodney Chambers OBE, Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships

Report from: Richard Hicks, Director of Place and Deputy Chief Executive

Author: Richard Carden, Senior Regeneration and Project Manager

#### **Summary**

This report sets out a proposal to acquire property in Chatham Town Centre using money from the Future High Street Fund (FHSF), which if approved, would utilise vacant brownfield sites in Chatham Town Centre and increase the provision of much needed residential and commercial space.

#### **1. Budget and policy framework**

- 1.1. The Chatham Future High Street Fund is part of the Council's Capital Programme. Full Council added the full element of the Future High Street Fund (£9,497,720) 18 February 2021 (minute number 749/2021).
- 1.2. The decision to invest in specific commercial property and to take steps to regenerate Chatham as our City Centre are matters for Cabinet.
- 1.3. In addition, there is a constitutional requirement that Cabinet decisions in respect of land and property transactions over £500,000 are to be reported to the next Council meeting for information.

#### **2. Background**

- 2.1. The Council has been allocated £9.5m from the Future High Street Fund (FHSF) via the Ministry of Housing, Communities and Local Government (MHCLG).

2.2. The aim of the FHSF is to renew and reshape town centres and high streets in a way that drives growth, improves visitor experience and ensures future sustainability. The FHSF is intended to improve and provide additional workspace and public realm improvements in Chatham Town Centre.

### 3. Options

3.1. The FHSF bid outlined the Council's ambition to acquire underused sites for mixed use development, with commercial development on the ground floor, to support sustainable live-work opportunities within the City Centre.

3.2. Option 1 - Cabinet decline to spend the money as agreed with MHCLG for grant funding, to acquire property in Chatham.

3.3. Option 2 - Cabinet agree to the recommendations within this report and the conditions set out in the exempt appendix.

### 4. Advice and analysis

4.1. Option 1 would breach the funding agreement and could result in funds being returned to MHCLG.

4.2. Option 2 is recommended, as this will help regenerate Chatham by bringing underutilised and unused properties back into use, which will result in further active frontage in the town centre and also the provision of much needed residential and workspace.

4.3. Option 2 complements Medway's overall strategy for Chatham and supports a holistic approach to living and working within Medway, providing residential development in the centre of Chatham, increasing the footfall and potential spending power directly into the town centre and supporting the economic regeneration of Medway.

4.4. Option 2 is in line with the funding agreement between the Council and MHCLG.

### 5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk Rating
Returning funding to MHCLG	If funding is not spent in line with the outputs specified with the funding body, there is a risk of the funding being withdrawn	Deliver outputs in line with the funding bid, by acquiring and utilising brownfield sites to deliver economic benefits within the City Centre	D1

The Council is unable to negotiate a price that represents best value	The Council must obtain land at best value	The Council has obtained specialist advisors to calculate and specify a value they advise is acceptable	C2
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## 6. Climate change implications

- 6.1. The re-purposing and re-development of underutilised brownfield sites to provide residential and commercial units is supportive of minimising the impact of housing/commercial provision on the environment. The development will look to include urban greenspaces where possible and increase the energy efficiency of the building.

## 7. Financial implications

- 7.1. Medway Council has been allocated £9.5m through the FHSF which must be spent in accordance with the terms set out by the funding body, MHCLG. This funding was added to the Council's Capital Programme in February 2021 and a breakdown of the schemes funded from that allocation is provided in Appendix 1 to the Round 1 2021/22 Capital Budget Monitoring Report, elsewhere on this agenda. Within the £9.5m funding, there is an allocation for property acquisition and delivery (as detailed in the exempt appendix).

## 8. Legal implications

- 8.1. The Council has entered into a memorandum of understanding (MOU) with MHCLG, therefore the funding should be spent in accordance with outputs and outcomes identified within the agreement.
- 8.2. The Council has general powers to acquire land and property stemming from the Local Government Act 1972 (Section 120). These enable local authorities to acquire property for any of their functions, or for the benefit, improvement or development of their area. These were expanded slightly by the Local Government Act 2000 which introduced wellbeing powers which allows the Council to acquire land to improve the economic wellbeing of the area.

## 9. Recommendations

- 9.1. It is recommended that the Cabinet delegates authority to the Director of Place and Deputy Chief Executive, in consultation with the Leader, Portfolio Holder for Resources, Portfolio Holder for Planning, Economic Growth and Regulation and Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships to:
- i) acquire property in Chatham Town Centre, that is not yet in Medway's ownership, as set out in Exempt Appendix 1, on the best terms

reasonably obtainable, which will be subject to a detailed viability report.

- ii) dispose of or let on the best terms reasonably obtainable, any property acquired or that has had works undertaken using FHSF money, to Medway Development Company or others to enable the sites to be developed, sold and / or let.

## 10. Suggested reason for decisions

- 10.1. To facilitate the continued development and improvements within Chatham Town Centre.

### Lead officer contact

Richard Carden - Snr Project Delivery Manager  
Telephone: (01634) 334354  
Email: richard.carden@medway.gov.uk

### Appendices

Exempt Appendix 1 – FHSF Property acquisition breakdown

### Background papers

None.