

Cabinet

11 March 2025

Property Review: Operational Properties

Addendum Report

Portfolio Holder: Councillor Zoë Van Dyke, Portfolio Holder for Business Management

Report from: Sunny Ee, Assistant Director, Regeneration

Author: David England, Head of Valuation and Asset Management

Summary:

The report was considered by the Regeneration, Culture and Environment Overview and Scrutiny Committee on 26 February 2025 and the minutes of the discussion are set out in this Addendum Report.

This Addendum also provides some Director comments in response to the discussion by the Committee.

1. **Regeneration, Culture and Environment Overview and Scrutiny Committee**
 - 1.1. The report was considered by the Committee on 26 February 2025 and the draft minutes of the discussion are as follows:
 - 1.2. The Committee was informed that this was the second phase of the Property Review following the report on non-operational properties in October 2024.
 - 1.3. The Committee agreed to allow Mr Rana, Director of Sambhana Care and Take Care Ltd to address the Committee.
 - 1.4. Mr Rana informed the Committee that he was representing the tenants of Hopewell Drive Business Centre, where low rents had helped a range of businesses in 20 units across 2 floors survive. Mr Rana recognised the importance of the services provided by the businesses as well as the jobs created and felt that support for local businesses would be more beneficial in the long term as opposed to the short-term fix of disposing of the site.

- 1.5. Members expressed concerns regarding the disposal of Albatross Avenue car park and Lower Stoke car park without undertaking consultation prior to reaching a decision. A briefing note from Stoke Parish Council was distributed to the Committee regarding its concerns about the disposal of Lower Stoke car park.
- 1.6. Officers explained the steps that would be taken when looking at whether a property should be disposed of and said that if a property was declared surplus this could change subject to the consultation, timing, value and costs.
- 1.7. Officers informed Members that they would be happy to consult with Parish Councils and appropriate Village Hall Associations if it was deemed necessary before deciding to bring Albatross Avenue and Lower Stoke car parks to Corporate Landlord Board for a decision.
- 1.8. With regards to Hopewell Drive Business Centre, officers reassured the Committee that if this was disposed of, the new owner would need to honour all the existing leases at the property and that a covenant would be included as part of any disposal process to ensure it that it was not used for residential use and that it remained as employment space.
- 1.9. Clarification was sought from Members regarding Upnor Castle and Cooling Village public toilets as these were not owned by Medway Council. Officers explained that the Council currently managed the Castle under a Local Management Agreement with the Guardians of the Castle (English Heritage) and that subject to Cabinet's approval, the Council could hand back the management of Upnor Castle to English Heritage. With regard to Cooling Village public toilets, officers were seeking approval to consult on divesting the Council from running them on the basis that the Parish Council or the owners of the toilets would be better placed to run them.
- 1.10. Members expressed concern about the impact that disposing of town centre car parks would have on town centres and whether the wider impact had been considered. Officers explained that correctly pricing properties would be essential, and that the Council would rely on commercial sense in the market and that these issues would be considered when reaching decisions on disposals at Corporate Landlord Board.
- 1.11. **Decision:**
 - a) The Committee noted that Cabinet would be asked to approve the recommendations set out in sections 1.1.1 to 1.1.4 of the report on 11 March 2025 and requested the following amendments to the report to Cabinet:
 - i) Lower Stoke car park & Albatross Avenue car park to both be moved from the disposal list at 1.1.2 into the list of properties at 1.1.3 where it is recommended that consultation is carried out before Cabinet makes a decision.

- ii) Hopewell Drive Business Centre is disposed of subject to:
 - A covenant that restricts it from being used for residential use.
 - The leases to existing occupiers being honoured by the new owner.

b) The Committee noted the information set out in section 1.2 of the report.

2. Director's Comments

2.1. In relation to the discussion at the above Committee, the Director has the following comments:

2.2. Lower Stoke Car park: The Regeneration, Culture and Environment Overview and Scrutiny Committee requested that this property is added to the list of properties, where consultation should take place, prior to Cabinet making a decision about the future of the property. If Cabinet agrees, this will move this property from table 4.6 in the Cabinet report to table 4.7.

2.3. **Background:**

It is not Council Policy to consult prior to the closure and disposal of Council car parks, in addition to this, this car park is let to Stoke Parish Council, so is not operated by Medway Council. However, officers have been and will continue to informally consult with Stoke Parish Council in its capacity as Parish Council and tenant of the car park and if the car park is declared surplus, officers will negotiate with the Parish Council with a view to agreeing a sale to the Parish Council at market value.

2.4. If Cabinet agrees the recommendation by the Committee, then officers will formally consult with the Parish Council and where necessary, the wider public, prior to reporting back to Cabinet before it makes a decision in respect of the future of the property.

2.5. Albatross Avenue Car Park Strood: The Committee requested that this property is added to the list of properties, where consultation should take place, prior to Cabinet making a decision about the future of the property. If Cabinet agrees, this will move this property from table 4.6 in the Cabinet report to table 4.7.

2.6. **Background:**

This is a free car park, which is managed by Medway Council. It is not Council Policy to consult prior to the closure and disposal of Council car parks, in addition to this, the car park is in an urban area so there is no Parish Council to consult with. If Cabinet does decide to declare the car park surplus, then before any buyer could use it for alternative uses, planning consent would be required and full consultation would need to take place as part of the planning application process.

- 2.7. If Cabinet agrees the recommendation by the Committee, then officers will carry out consultation prior to reporting back to Cabinet before it makes a decision in respect of the future of the property.
- 2.8. Hopewell Business Centre: the Committee requested that as part of any sale of the property, that it is sold subject to:
 - A covenant that restricts it from being used for residential use.
 - The leases to existing occupiers being honoured by the new owner.
- 2.9. Officers confirm that the property will be offered for sale on this basis.