

Council

22 January 2026

Disposal of the Former Civic Centre Site, Strood Waterfront

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

Report from: Sunny Ee, Assistant Director, Regeneration

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Summary

This report advises the Council of the sale of the former Civic Centre site in Strood. Cabinet at its meeting on 9 April 2019 (decision no. 55/2019) agreed to delegate authority to the Director of Regeneration, Culture, Environment and Transformation and Deputy Chief Executive, in consultation with the Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships to dispose of the above site on the best terms reasonably obtainable, whilst securing development of the site.

This report is submitted to Full Council for information in line with constitutional requirements.

1. Recommendation

- 1.1. The Council is requested to note the sale of the former Civic Centre site in Strood.

2. Budget and Policy Framework

- 2.1. The limit of authority for the Chief Executive and Directors to act in respect of the disposal of land and property is £500,000 per property, with disposals above this value to be agreed by the Cabinet.
- 2.2. At its meeting on 9 April 2019, the Cabinet agreed to delegate authority to the Director of Regeneration, Culture, Environment and Transformation and Deputy Chief Executive, in consultation with the Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships to dispose of the former Civic Centre site on the best terms reasonably obtainable, whilst securing development of the site. The equivalents of these posts now are the Director of Place and the Portfolio Holder for Economic and Social Regeneration and Inward Investment and the Portfolio Holder for Climate Change and Strategic Regeneration.

- 2.3. Disposal of the site was agreed by the Director of Place in consultation with the Portfolio Holder for Economic and Social Regeneration and Inward Investment and the Portfolio Holder for Climate Change and Strategic Regeneration on 2 June 2025, with the sale being completed on 12 December 2025.
- 2.4. As the sale value of £2,200,200 is above the threshold of £1,000,000, there is a requirement to submit a report to Full Council for information only. This is in accordance with the financial limits in the Council's Constitution. This report complies with that constitutional requirement.

3. Background

- 3.1. Before Local Government Reorganization in April 1998, the former Civic Centre site was the main offices of Rochester Upon Medway City Council and the property vested in Medway Council in April 1998.
- 3.2. Subsequently, Medway Council acquired Gun Wharf and was then able to vacate various office buildings including the former Civic Centre Site in Strood.
- 3.3. Since then, the buildings on the site have been demolished and the site has been protected from flooding using external funding.
- 3.4. The site is an important regeneration site, and it was vital that the Council secured redevelopment of the whole site as well as a capital receipt.
- 3.5. The previous OJEU procurement exercise was unsuccessful, so the Council negotiated with Medway Development Company (Land & Projects) Ltd (MDC) in order to secure the sale and redevelopment of the site.
- 3.6. These negotiations were successful, and the Council transferred the site to MDC on 12 December 2025 at a price of £2,200,200. MDC has secured consents and funding to redevelop the site for a residential-lead redevelopment of 195 homes.
- 3.7. As the sale value of the site is above £1,000,000, there is a constitutional requirement for it to be reported to Full Council for information.

4. Risk management

- 4.1. The Cabinet report (9 April 2019) set out the following risks in relation to development and disposal of the site.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Lack of developer interest.	Lack of interest in the site and/or using the OJEU process.	Very low risk as market research has already been carried out and there was a lot of interest in the site and using the OLEU process.	DII

Risk	Description	Action to avoid or mitigate risk	Risk rating
Preferred developer withdraws bid.	Preferred developer withdraws their offer or does not sign up the terms and conditions within the Development Agreement.	<p>Exchange of contracts will take place early in the negotiation period, prior to the submission of the planning application.</p> <p>The Development Agreement will be drafted in consultation with the developer.</p> <p>External solicitors with current knowledge of the market will be instructed to draft and negotiate the Development Agreement to ensure speedy exchange of contracts.</p>	DII
Poor quality development	Development on scheme is of poor quality and does not meet expectations for high quality mixed-use development.	Revised Strood Waterfront illustrative masterplan sets out expectations of high-quality development.	DII
Poor market conditions slow progress of development.	Difficult market conditions discourage purchase of units.	The scheme will be designed to be flexible and adaptable to changing market conditions.	CII

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

5. Consultation

- 5.1. Corporate Management Team, the Council's regeneration, finance and legal teams, and the relevant service departments were all consulted in advance of the Cabinet decision and the subsequent sale to MDC and there were no objections to the proposal to dispose of the site, whilst securing its redevelopment.
- 5.2. Following the Cabinet decision to delegate authority to the Director of Regeneration, Culture, Environment and Transformation and Deputy Chief Executive in consultation with the Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships to dispose of the above site on the best terms reasonably obtainable, whilst securing development of the site, the Director of Place in consultation with the Portfolio Holder for Economic and Social Regeneration and Inward Investment and the Portfolio Holder for Climate Change and Strategic Regeneration agreed to dispose of the site to MDC on 2 June 2025, with the sale being completed on 12 December 2025.

6. Financial and legal implications

- 6.1. Using the receipt from the sale to pay off debt at 7.9% pa will generate savings of over £173,815pa and the disposal will also remove the cost of holding and maintaining the site.
- 6.2. The Council has a duty under Section 123 of the Local Government Act 1972, to obtain best consideration when it disposes of or grants leases for over seven years or more of land and property.
- 6.3. There were no onerous covenants, which prevented the Council disposing of the site.

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Appendices

None

Background papers

[Strood Waterfront, Former Civic Centre Site - report to Cabinet 9 April 2019.](#)