



Overview and Scrutiny Committee

Held at:	Council Chamber - Civic Centre, Folkestone
Date	Wednesday, 27 September 2017
Present	Councillors Miss Susan Carey, Peter Gane (Chairman), Mrs Claire Jeffrey (Vice-Chair), Mrs Mary Lawes (In place of Ian Meyers), Michael Lyons, Frank McKenna, Russell Tillson and Mrs Rodica Wheeler
Apologies for Absence	Councillor Clive Goddard, Councillor Ms Janet Holben and Councillor Ian Meyers
Officers Present:	Andy Jarrett (Head of Strategic Development Project), Sue Lewis (Committee Services Officer), Tim Madden (Corporate Director - Organisational Change), Brendan McGowan (Project Manager) and Susan Priest (Corporate Director - Strategic Development)
Others Present:	

38. **Declarations of Interest**

There were no declarations of interest.

39. **Proposed Acquisition Former Gasworks Site, Ship Street, Folkestone.**

Report C/17/37 seeks authority to acquire the former gasworks site in Ship Street, Folkestone (East Folkestone Ward) for the provision of 85 homes. The derelict site is at the centre of a residential area and has attracted no interest from private sector developers owing to the site constraintst and associated costs. The site will therefore remain derelict for the foreseeable future unless the Council acts.

The scheme requires significant investment in remediating the land which would make the scheme .. However, there is now an opportunity to apply for Housing Infrastructure Fund (HIF) monies towards these abnormal costs under its Marginal Viability Fund (MVF) to make the development feasible financially for the Council. Authority is therefore sought to apply for M V F grant.

The re-development of this site will make a major contribution to the regeneration of East Folkestone, provide 85 homes towards the Council's housing targets, increase Council tax revenues and act as a catalyst for further regeneration with the site, once developed, being a nominated location for further investment under the Great Places scheme being undertaken by the Creative Foundation.

The proposal is not one that will generate a substantial commercial return for the Council and there is a risk that there could be a degree of loss. However, the proposal is an opportunity to secure significant regeneration benefits and meet the Council's aims of generating new jobs and enabling new homes, including affordable homes to be built.

Susan Priest, Corporate Director – Strategic Development informed members that the deadline for funding is midnight on Thursday 28 September to apply for Housing Infrastructure Fund (HIF) monies towards these abnormal costs under its Marginal Viability Fund (MVF) to make the development feasible financially for the Council.

Members are aware of the background to the site, which stopped use in 1956 and is sited in a deprived area of the town. Officers acknowledge the challenges ahead in securing the site but Andy Jarrett, Head of Strategic Development Projects informed that the proposed development would make a significant contribution to delivering the Council's corporate strategy.

Members were informed that many councils up and down the country will be trying to secure some of the government funding but officers feel they have demonstrated the need for the development in their application and have also secured support from numerous sources such as the MP, KCC and the Creative Foundation and are waiting on a response from Folkestone Town Council.

The site will be policy compliant for the 30% affordable housing with the remaining 70% for sale or rent. There is no specific requirement for strategic open space on the site as it is situated close to Radnor Park and this is seen as acceptable but officers will pick up anything additional through the detailed stages of planning work.

It is clear members are in support of the application in principle as they all want to see the site developed and acknowledge the benefits it will bring to the surrounding area, not only by providing more homes but improving the appearance in the town, and also providing more jobs opportunities for local businesses to tender for building works and associated construction jobs.

Mr Jarrett informed members that an assessment by the Council and Environment Agency had been undertaken to find out what is still on the site in respect of contamination and abnormal ground conditions. It was agreed that the summary be forwarded to members for information.

Proposed by Councillor Michael Lyons

Seconded by Councillor Mrs Claire Jeffrey and

Resolved:

1. To receive and note Report C/17/37.

(Voting: For 8; Against 0; Abstentions 0)

40. Exclusion of the Public

Proposed by Councillor Mrs Claire Jeffrey

Seconded by Councillor Peter Gane and

Resolved:

To exclude the public for the following item of business on the grounds that it is likely to disclose exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 –

‘Information relating to the financial or business affairs of any particular person (including the authority holding that information). “Financial or business affairs” includes contemplated as well as current activities.’

(Voting: For 8; Against 0; Abstentions 0)

41. Proposed Acquisition Former Gasworks Site, Ship Street, Folkestone.

Members went in to a private session to enable the committee to discuss particular aspects of the financial implications relating to the proposed acquisition of Former Gasworks Site, Ship Street, Folkestone.

In particular the committee discussed the nature of potential risk in the site. Members acknowledged that there may be risks and officers gave reassurances that contingencies were included in the cautious valuation of revenue returns.

There remains a risk of unanticipated costs due to contamination and abnormal ground conditions not covered by the grant and the Council has provided substantial contingencies in the assessment of remediation and construction costs. In terms of rising cost pressures there is always an element of risk for any development.