

## **Item 07 – 12 Otford Road, Sevenoaks – Business Park Development Project**

The attached report was considered by the Finance & Investment Advisory Committee on 11 January 2024. The relevant Minute extract is below.

### **Finance & Investment Advisory Committee (11 January, Minute 43)**

The Property Investment & Development Surveyor presented the report, which set out the proposed mixed-use commercial development project at 12 Otford Road, Sevenoaks. The scheme would regenerate the site and support economic development, and would be funded through external borrowing. The Council were considering multiple exit strategies, including building and holding the site; this would be finalised closer to the completion of the project.

The officer outlined the scheme in further detail. The site would combine industrial usage and a café with a drive-through, as well as parking. The café would be the core income stream, with a 15-year lease, with the industrial element as speculative income. It was anticipated that the planning application for the site would be submitted by September 2024, with approval by December 2024. The scheme aimed to be completed by Summer 2025. Risks for the development included poor ground conditions at the site, which would be mitigated with an investment of £400,000 in assessing the area and installing deep foundations, and market risks, which necessitated regular reappraisals and detailed design work.

In response to questions, the officer explained that the site was 3.2 acres in size, with the development encompassing 1.2 acres only. This would allow for a green buffer to be provided between the development and the Site of Special Scientific Interest (SSSI) which bordered the site. The officer clarified that the scheme was primarily to regenerate the area. If the scheme were to become unviable, within the Member-approved budget, then it would be brought back through the committee system for re-evaluation.

Members discussed the proposal. They noted their concern that a drive through café did not support the Council's ambition for Net Zero. The officer advised them that the site would also receive significant foot traffic, due to its proximity to other sectors, and that the drive-through was an additional factor. The site's inclusion in the Sevenoaks Town Neighbourhood Plan as the access point for a walking & wheeling route to Dunton Green would be considered before the site was progressed.

They further expressed concern regarding the compounding risk of developments sharing risk factors, such as market pressures. They noted that as detail was added to the scheme, these risks could be better addressed. The officer clarified the checks and balances in place to mitigate this also. Members discussed the possible exit strategies, and noted that it would be preferential for the Council to retain the site if possible.

Resolved: That it be recommended to Cabinet that:

- (a) It be recommended to Council that the capital funding of the scheme as outlined at Appendix B (Project Costs & Funding) be agreed and it be noted that the scheme will only progress subject to financial viability being confirmed and planning permission granted.
- (b) subject to approval of the recommendation by Council at (a) above, provision of the project cost estimated at £3,635,004 is made within the Capital Programme; and
- (c) subject to approval of the recommendation (a) by Council, authority be delegated to the Strategic Head of Property and Commercial, following consultation with the Head of Legal Services and the Chief Officer Finance and Trading, to enter into necessary professional appointments/contracts to deliver the scheme.