

# NOTES OF THE ECONOMIC REGENERATION & INVESTMENT BOARD

## 28<sup>th</sup> March 2019

**Attending:** Cllr. Clarkson (Chairman)  
Cllr. Galpin  
Cllr. Ovenden  
Cllr. Shorter

**Also Present:** Cllr. Clokie  
Cllr. White

Chief Executive  
Principal Solicitor for Property & Projects  
Commercial, Development & Regeneration Officer  
Head of Corporate Property and Projects  
Development & Regeneration Manager  
Head of Culture  
Head of Planning and Development  
Communications & Marketing Manager  
Director of Finance and Economy  
Head of Finance  
Commercial Development Manager  
Member Services and Ombudsman Complaints Officer

Archie Cowan – Gen2

	<b>ACTION</b>
<p><b>1. Declarations of Interest</b></p> <p>Archie Cowan declared an interest in agenda item number 4 – proposed sale of Elwick (Phase 2), as he was part of the consultancy who had indicated an interest in the site. He would leave the Chamber for the entire item.</p> <p>The Chairman advised that the agenda would be re-ordered so that the the items relating to the proposed sale of Elwick (Phase 2) and the Elwick A3 update would be discussed at the end of the agenda after Archie Cowan had left the meeting.</p>	
<p><b>2. Notes of the Previous Meeting</b></p> <p>The Notes of the Meeting of the Economic Regeneration and Investment Board on 18<sup>th</sup> January 2019 were received and noted.</p>	

<p><b>3. KCC/ABC Joint Venture Proposition</b></p> <p>The Commercial, Development &amp; Regeneration Officer introduced this item and highlighted the key points in the report. He explained that this was an information report to Members, seeking guidance on a future approach and the level of support the Council wished to provide to the project. He said that the costs provided in the report were indicative assumptions only and that they were still to be confirmed by KCC.</p> <p>Members were pleased that KCC had taken on this project, but felt the Council must consider carefully the risks relating to any investment. Members felt that further financial information was required in order to make any firm decision. A Member said that he would like specific calculations on the cost of the industrial units with potential voids versus the expense to the Council of buying the fabric of the proposed studio building. It was agreed that another meeting was required on this issue once further financial information was available. Members indicated that at present they were not inclined to become involved in ownership relating to this project, but would consider investment in the industrial units in due course, if the finances proved viable.</p> <p><b>Action: to be discussed at the next meeting, once further financial information was provided by Officers.</b></p>	<p><b>PMcK</b></p>
<p><b>4. Coachworks</b></p> <p>The Head of Corporate Property and Projects introduced this item and highlighted the key aspects of the report. He said this was an information report to advise Members on the progress of this project.</p> <p>Members were pleased to note that the project was moving at pace. However, they expressed concern that a supervisor should be in place to ensure that the contractor was using processes in line with the Council's principles, and to oversee the details of the project. The Head of Corporate Property and Projects advised Members that a dedicated in-house resource had been put in place to undertake client supervision on this project.</p>	
<p><b>5. Housing Acquisitions Update</b></p> <p>The Development &amp; Regeneration Manager introduced this item and drew Members' attention to the main points in the report.</p> <p>In response to a question, the Development &amp; Regeneration Manager said that it was intended to sell 7 of the new homes on the open market. Members questioned the need to sell any homes in this way. The Development &amp; Regeneration Manager replied that it was desirable to provide a mix of private and Affordable Housing as this would help to bring the site forward. Members sought reassurance that the Housing Revenue Account (HRA) had the authority to become involved in a</p>	

<p>commercial venture. The Principal Solicitor advised that the land would sit within the General Fund (GF) until it was used for housing purposes as defined by the legislation. Once the land was used for housing purposes then any income or expenditure associated with that land needed to be accounted for in the HRA.</p> <p>A Member asked that the text within the report be amended so that 'subsidy' was replaced by 'sale of property contributions'.</p> <p>Members requested that Officers produce a protocol and justification of the intended process of moving funds from the GF to the HRA in this way.</p> <p><b>Action: Members agreed the proposed acquisition. Officers to produce a protocol and justification of the process of moving funds from the GF to the HRA.</b></p>	<p style="text-align: center;"><b>GH</b></p> <p style="text-align: center;"><b>PMCK/SH</b></p>
<p><b>6. Strategic Acquisition</b></p> <p>This item was introduced by Archie Cowan, who highlighted the main points within the report.</p> <p>The Chairman advised that a bid had been made during the week under the Chief Executive's delegated powers. This was an excellent commercial opportunity and Officers had moved swiftly to secure it. However, the Council's offer was subject to approval by this Board, Cabinet and Council.</p> <p>In response to a question, Archie Cowan said that an asbestos survey had been undertaken to clarify the situation, and the results were clear.</p> <p>A Member said that he supported the Council's bid but that he wanted the new Administration and Officers, in due course, to undertake an assessment of the Council's future aspirations for the site.</p> <p>A question was asked whether the lease was secure under the Landlord and Tenants Act 1954. Archie Cowan responded that the Council would be entitled to serve relevant notices upon a tenant to achieve repossession on the grounds of development. However, a court process would need to be pursued.</p> <p>Members noted that there was a Compulsory Purchase Order for Kent Highways to widen the A28 on part of the site.</p> <p><b>Action: Members agreed the proposed acquisition and that a report should go to Cabinet and Council in April.</b></p> <p>(Archie Cowan left the Chamber)</p>	<p style="text-align: center;"><b>PMcK</b></p>

<p><b>7. Proposed Sale of Elwick (Phase 2)</b></p> <p>PMcK introduced this item. He said that current market testing indicated interest from several potential investors.</p> <p>Members acknowledged that it had been the intention previously to sell this land. However, they now considered that this was potentially a very valuable piece of land which could be crucial in the future plans for regeneration of the town centre. The Chairman said there was now unanimous agreement amongst Members that they no longer wanted to see this site used predominantly for residential purposes. It was agreed that the Leader and the Chief Executive would seek a meeting with the developer/landowner to discuss further. This matter would be discussed again at a future Board meeting.</p> <p><b>Action: the Leader and Chief Executive to meet with the developer/landowner, and the item to be brought back to a future Board meeting.</b></p>	<p><b>TK/ PMcK</b></p>
<p><b>8. Update on Elwick A3 units</b></p> <p>The Commercial, Development &amp; Regeneration Officer introduced this item and ran through the main points of the report.</p> <p>Members were pleased to note the positive position regarding potential tenants. The Chairman also advised that Picturehouse reported a successful first three months of operation.</p>	
<p><b>9. Any Other Business</b></p> <p>The Chairman advised that, following the sale of the Connect38 building, the Council would be in receipt of overage payment. Members considered that this was a positive outcome from the Council's original investment in the commercial quarter. A Member said the Council should set up a reporting system for the outcome of investments in the long term. He suggested that a confidential report should go to Cabinet periodically advising Members on investment outturns.</p>	<p><b>PMcK</b></p>

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