

## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE EXECUTIVE**

Decision Made: 26 October 2022

#### **Archbishop's Palace - Exclusivity Agreement**

##### **Issue for Decision**

The Archbishop's Palace is due to be returned to the Council's possession in early 2023. The Policy and Resources Committee agreed at its meeting on 23 March 2022 to enter into an Exclusivity Agreement with Balfour Hospitality to develop detailed plans for the Palace. Extensive work has already been undertaken by Balfour Hospitality and an extension of the Exclusivity Agreement is required to enable this work to be completed.

##### **Decision Made**

That the Exclusivity Agreement with Balfour Hospitality be extended for a further six months following which there will be a further review.

##### **Reasons for Decision**

##### **Background**

The Archbishop's Palace is currently let to Kent County Council (KCC) for use as a Registry Office and Coroners Court. The lease to KCC expired on 31st October 2020 but KCC have held over under the existing lease and remain in occupation. The intention is for KCC to vacate the building early in 2023, at which point responsibility for the property will pass back to Maidstone Borough Council.

Recognising that the Palace is a landmark building of unique significance for the Borough and the town of Maidstone, extensive work has been carried out to consider future uses of the building. Initially, a feasibility report was commissioned from architects Simon Innes Associates, with a brief to identify potential uses that would deliver the following objectives:

- Respect the historic fabric of the building
- Bring the building promptly back into active use
- Any proposed use should be economically viable
- Develop linkages to the property with the surrounding area, particularly the River Medway, Lockmeadow and the Town Centre

The last point recognised the key role of the Palace in a potential Heritage Quarter, bordering the rivers Medway and Len, and including All Saints Church and the Archbishop's Tithe Barn and Stables (now the Carriage Museum).

The feasibility report from Simon Innes Associates was presented to the former Policy & Resources Committee in July 2021. It identified four possible uses for the Palace and provided a brief commentary on the viability of those uses, the uses being:

1. Co-Working and/or Serviced Offices
2. Training and Seminar Centre
3. Wedding and Seminar Venue
4. Boutique Hotel.

The Committee proposed a further two potential uses, ie:

1. Commercial Mixed Use
2. Mixed Use Culture and Weddings.

The Committee agreed a programme for taking forward these ideas, including a public consultation exercise held in Autumn 2021. The public consultation drew over 2,000 responses. Details were reported to the Policy and Resources Committee at its meeting on 20<sup>th</sup> October 2021. The top three options were a wedding and seminar venue, mixed use culture and weddings, and a boutique hotel.

Expressions of Interest (EOI) were invited, asking potential partners to explain their proposed use of the Palace and their reasons for why that option should be considered, their source of funding, their previous experience of heritage properties, evidence of similar projects/case studies, proposed timescales, methodologies and any proposed partnership arrangements. The invitation highlighted the results of the public consultation and residents' top priorities and stated that proposals that reflected residents' preferred options would be favourably considered.

An open tendering process was conducted in order to test the market as fully as possible. The opportunity was advertised via Kent Business Portal and the Contracts Finder website. Wide publicity was given to the opportunity and there has been direct engagement with businesses in Kent and elsewhere that were considered likely to be interested.

Submissions made in response to the tendering process were considered by the Policy and Resources Committee at its meeting on 23 March 2022. It was agreed to enter into an Exclusivity Agreement with Balfour Hospitality, to enable them to carry out detailed work and develop a proposal for future use of the Palace.

Balfour Hospitality is a group of businesses including hotels, restaurants and the Hush Heath Winery. The bid proposed a luxury boutique hotel based within the Palace grounds together with restaurant, conference, wedding and training facilities. The hotel was envisaged as the focus for the development of wine tourism in Kent. Hush Heath forms part of a partnership of eight wineries in Kent, all of which would benefit from the development of tourism, in the same way as happens in the Champagne region of France, Napa Valley in California and Margaret River in Australia. Balfour Hospitality sees the town of Maidstone as the ideal location for such a hotel, being the county town of Kent, as well as being within easy reach of London.

Balfour Hospitality would provide public access to the Archbishop's Palace, in the same way as the Hush Heath Estate, which is open every day of the year except Christmas Day. In conjunction with the hotel, the Palace would be a venue for training in wine and hospitality.

## **Work Carried Out to Date**

Balfour Hospitality have carried out extensive work to develop their proposals, comprising ground investigations, architectural and design work, obtaining advice on planning and conservation and landscaping, and structural surveys. An archaeological survey of the site has been carried out. Balfour Hospitality have engaged with local stakeholders including All Saints Church and Kent Garden Trust. We understand that this work confirms that Balfour Hospitality will be able to put forward a business case for a lease of the site and a planning application for the necessary works.

At this stage, it is envisaged that further time will be required in order to carry out the necessary work, including submission of a planning application. It was recommended in the report that the Exclusivity Agreement with Balfour Hospitality be extended for a further three months and that delegated authority be given to the Director of Finance, Resources and Business Improvement to agree two further three-month extensions if required, and in consultation with the Lead Member for Corporate Services. However, the Executive considered that it would be more appropriate to extend the agreement for a further six months following which there will be a further review.

## **Consultation Results and Previous Committee Feedback**

Progress on this project has been reported regularly to Members. Specific consultation with the public has also been carried out.

The issue was considered by the Corporate Services Policy Advisory Committee on 12 October 2022. The Committee raised some concerns but agreed the recommendations of the report.

## **Alternatives Considered and Why Rejected**

To terminate discussions with Balfour Hospitality. However, extensive work has already been carried out in developing plans for the Archbishop's Palace. The response to the invitation for expressions of interest did not indicate a wide range of alternative options on which the Council could rely if discussions with Balfour Hospitality are terminated.

## **Background Papers**

None

I have read and approved the above decision for the reasons (including possible alternative options rejected) as set out above.



Signed: \_\_\_\_\_  
Leader of the Council – Councillor David Burton

Full details of the report for the decision and any consideration by the relevant Policy Advisory Committee can be found at the following area of the [website](#).

Call-In: Should you be concerned about this decision and wish to call it in, please submit a call-in form signed by any three Members to the Proper Officer by: **5pm 4 November 2022**