

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON 14 JUNE 2023

Present:

Committee Members:	Councillor Bartlett (Chairman) and Councillors Cannon, Conyard, Cooke, Mrs Gooch, Harper, Hinder, Knatchbull and S Thompson
Lead Members:	Councillor Perry (Cabinet Member for Corporate Services)

6. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Clark and Webb.

7. NOTIFICATION OF SUBSTITUTE MEMBERS

The following Substitute Members were noted:

Councillor Conyard for Councillor Clark
Councillor Knatchbull for Councillor Webb

8. URGENT ITEMS

The Chairman said that he intended to take the Minutes of the meeting held on 12 April 2023 as an urgent item to enable the Committee to consider them before the next meeting.

9. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

10. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

11. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

Note: Councillor Cannon entered the meeting during consideration of this item. He stated that he had no disclosures of interest or of lobbying.

12. EXEMPT ITEMS

RESOLVED: That the items on the agenda be taken in public as proposed.

13. MINUTES OF THE MEETING HELD ON 23 MAY 2023

RESOLVED: That the Minutes of the meeting held on 23 May 2023 be approved as a correct record and signed subject to the amendment of the resolution contained in Minute 131 to read:

RESOLVED: That Councillor Gooch be elected as *Vice-Chairman* for the 2023/24 Municipal Year.

14. MINUTES OF THE MEETING HELD ON 12 APRIL 2023

RESOLVED: That the Minutes of the meeting held on 12 April 2023 be approved as a correct record and signed.

15. FORWARD PLAN RELATING TO THE COMMITTEE'S TERMS OF REFERENCE

The Committee considered the Forward Plan for the period 30 May 2023 to 30 September 2023 as far as it related to its terms of reference.

During the discussion, reference was made to the situation regarding the Archbishops' Palace following the expiry of the former preferred development partner's exclusivity period and the vacation of the building by Kent County Council. It was suggested and agreed that a report to the September meeting of the Committee be requested from the Cabinet Member for Corporate Services and Officers on the current status of the Archbishops' Palace.

RESOLVED: That the Forward Plan be noted and that a report to the September meeting of the Committee be requested from the Cabinet Member for Corporate Services and Officers on the current status of the Archbishops' Palace.

16. 4TH QUARTER FINANCIAL, PERFORMANCE AND RISK MONITORING REPORT

The Cabinet Member for Corporate Services introduced a report setting out the financial and performance position for the services reporting into the Committee as at 31 March 2023 (Quarter 4) explaining that:

- The Council had set a balanced budget for the financial year 2023/24 at its meeting on 22 February 2023. An allowance had been built into the budget for continuing high levels of demand for temporary accommodation. This had been offset by, for example, interest and investment income and increased parking income.
- Work had already started on the process of updating the Medium-Term Financial Strategy for 2024/25-2028/29 and achieving the objective of setting a balanced budget for 2024/25. He hoped that it would not be necessary to use reserves.
- There had been some slippage in capital expenditure. For example, the budget for Corporate Property Acquisitions was not utilised as no suitable properties for purchase were identified. The budget had been carried forward into 2023/24.
- The report also included an update on progress against the Committee's Key Performance Indicators (KPIs) and suggested three new ones including the

percentage of households receiving Council Tax Support and the percentage change of carbon emissions from Maidstone Borough Council buildings/fleet which tied in with the Council's long-term objective to achieve as close to Net Zero by 2030 for its own operations.

- There was also a recommendation relating to the write-off of uncollectable Business Rates.
- Reference was also made in the report to the treasury function (the Council had locked in £80 million of private sector borrowing at a competitive rate to be drawn down between 2024 and 2026) and there was an update on corporate and operational risks. The main risk related to financial uncertainty and the elections risk had been updated and re-framed to reflect the implications of voter ID on future elections.

During the discussion, Members endorsed the early action being taken on the development of an updated Medium-Term Financial Strategy for 2024/25-2028/29 and a budget for 2024/25.

In response to questions:

The Director of Finance, Resources and Business Improvement advised the Committee that:

- A report would be submitted to the next meeting of the Committee setting out the overall approach to developing the budget for next year.
- In terms of the funding of the Council's 1,000 Affordable Homes programme, it was the intention to build up a Housing Investment Fund over a period of time using one-off funding from Central Government. In 2022/23, an initial tranche of £3.2m was earmarked from New Homes Bonus and transferred to the Housing Investment Fund. There was no assurance that such grants would continue to be available in the future, so if the Council were to provide affordable housing as part of its Capital Programme it needed to maximise the amount of one-off resources such as New Homes Bonus that are transferred into the Housing Investment Fund.
- It was assumed that a capital sum of around £50,000 per unit needed to be set aside as a lump sum subsidy for each unit of affordable housing.
- The assumption for inflation in the budget was 5%. Inflation was running at more than that and there was an inflation contingency included within the Earmarked Reserves. In the long run, the challenge would be if the Council Tax Referendum Limit remained lower than the rate of inflation.
- Borrowing in excess of the initial £80 million secured at relatively low rates would depend on the future pattern of interest rates. If interest rates remained high, this would threaten the viability of future investments.

The Cabinet Member advised the Committee that the Council needed to be careful regarding the use of reserves and generally speaking they should be used for exceptional one-off projects and not drawn down without a plan to replace them.

The Director of Finance, Resources and Business Improvement undertook to:

- Raise with the Communications Team concerns about the delivery of the Borough Insight magazine to addresses in the north of the Borough.
- Update Members on how other authorities in Kent had spent their UK Shared Prosperity funding and the reasons for the purchase of videography equipment and a promotional video.
- Provide a breakdown of the two elements of the overspend in relation to Household Waste Collection (additional bin purchases and consultancy costs relating to the new waste collection contract) and further information about the external expertise used to assist with the contract negotiations.
- Provide details of progress on the Air Quality Action Plan.

RESOLVED:

1. That the Revenue position as at the end of Quarter 4 for 2022/23, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted.
2. That the Capital position at the end of Quarter 4 for 2022/23 be noted.
3. That the Performance position as at Quarter 4 for 2022/23, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.
4. **To RECOMMEND to the Cabinet:** That the proposed new KPIs for 2023/24 be endorsed.
5. That the Risk Update, attached at Appendix 3 to the report, be noted.
6. That the Recovery and Renewal Update, attached at Appendix 4 to the report, be noted.
7. That the UK Shared Prosperity Fund update, attached at Appendix 5 to the report, be noted.
8. **To RECOMMEND to the Cabinet:** That the uncollectable Business Rates (NNDR) listed at Appendix 6 to the report be approved for write-off.

At the conclusion of the discussion and voting, the Cabinet Member thanked the Director of Finance, Resources and Business Improvement and his team for their work on this report and these sentiments were endorsed by the Committee.

17. **DURATION OF MEETING**

6.30 p.m. to 7.36 p.m.