

MAIDSTONE BOROUGH COUNCIL

Policy and Resources Committee

**MINUTES OF THE MEETING HELD ON WEDNESDAY 7
SEPTEMBER 2016**

Present: Councillor Mrs Wilson (Chairman), and
Councillors Mrs Blackmore, Brice, D Burton, Cox, Ells,
Fermor, Garland, Garten, Mrs Gooch, Harper, Harvey,
Harwood, Pickett, Mrs Ring

Also Present: Councillor Hastie

59. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors Boughton, McLoughlin, Powell and Round.

60. NOTIFICATION OF SUBSTITUTE MEMBERS

The following Substitute Members were noted:

Councillor Burton for Councillor McLoughlin;
Councillor Ells for Councillor Powell;
Councillor Garten for Councillor Boughton;
Councillor Ring for Councillor Round.

Councillor Brice entered the meeting at 6.33 p.m.

61. URGENT ITEMS

The Chairman agreed to take the revised version of the report of the Director of Finance and Business Improvement relating to the Business Rates Retention Consultation as an urgent item, as the version that was published was not the final version and it was necessary to agree the response to the consultation to meet the deadline.

62. NOTIFICATION OF VISITING MEMBERS

It was noted that Councillor Hastie was in attendance as an observer.

63. DISCLOSURES BY MEMBERS AND OFFICERS

Councillor Harwood disclosed an interest in item 12 – Medway, Teise and Beult Flood Alleviation due to a conflict of interest with his professional role.

64. DISCLOSURES OF LOBBYING

It was noted that all but one Member had been lobbied on item 12 – Medway, Teise and Beult Flood Alleviation.

65. EXEMPT ITEMS

The Chairman moved that the Minutes (Part II) of the meeting held on 26 July 2016 be taken in public, but the information contained therein should remain private. This was agreed.

66. MINUTES (PART I) OF THE MEETING HELD ON 26 JULY 2016

RESOLVED: That the Minutes (Part I) of the meeting held on 26 July 2016 be approved as a correct record and signed.

67. MINUTES (PART II) OF THE MEETING HELD ON 26 JULY 2016

RESOLVED: That the Minutes (Part II) of the meeting held on 26 July 2016 be approved as a correct record and signed.

68. MATTERS ARISING FROM THE MINUTES

52. Report of the Head of Policy and Communications – Annual Governance Statement 2015-16 and Local Code of Corporate Governance

It had been recorded in the minutes that the Members Handbook would be circulated to all Members. The Chairman advised Councillors to contact Democratic Services if they had not yet received this.

53. Report of the Head of Policy and Communications – Strategic Plan Performance Update Quarter 1

The minutes stated that the last sentence of the Performance Comment for the key performance indicator relating to the processing of major planning applications in 13 weeks had been recommended for amendment to the Service Manager. The Chief Executive confirmed that the Service Manager had been notified of this recommendation.

69. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

70. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC (IF ANY)

There were no questions from members of the public.

Mr Stephen Day and Councillor Geraldine Brown had notified that they wished to address the Committee regarding item 12 – Medway, Teise and Beult Flood Alleviation. It was noted that the public speakers would be invited to address the Committee at that agenda item, and that the item be brought forward.

71. REPORT OF THE DIRECTOR OF FINANCE & BUSINESS IMPROVEMENT - MEDWAY, TEISE AND BEULT FLOOD ALLEVIATION

Councillor Harwood disclosed an interest and left the meeting before the officers introduction.

The Property and Procurement Manager introduced the report updating the Committee on developments in relation to flood alleviation.

It was explained that:

- Broad findings had indicated that constructing flood storage in the Beult and Teise areas would not make a meaningful difference to flooding.
- The Environment Agency had recommended property level funding as the best form of community resilience.

Mr Stephen Day was invited to address the Committee. Mr Day stated that property level interventions only provided protection up to one metre in depth, and that this was unsuitable in areas such as Yalding where flood levels had surpassed one metre. Alternative measures were being investigated at a local level.

Councillor Geraldine Brown was invited to address the Committee. Councillor Brown informed Members that a joint parish flooding group had been set up to consider a combination of options put forward by specialists. Property level protection was not considered beneficial for listed, timber framed buildings, and the proposed funding for property level protection would not be made available to businesses.

During discussion the following points were made:

- Consultation and discussion with Parish Councils was a priority. Communication with Parish Councils had been in progress but not with all affected Parishes and not with the newly formed joint parish flooding group.
- Defra had requested the Environment Agency to pursue alternate options to flood storage at Teise and Beult. As Defra would be the main funder of any scheme, this would suggest that there would be no benefit in pursuing the flood storage options.
- Rural areas had been the focus of previous discussions. However, urban and town centre areas had also been adversely affected by flooding. The work on the town centre bridges gyratory included flood alleviation interventions.
- Reports produced by the Environment Agency had been scrutinised by a specialist contractor on behalf of the Council. They did not contradict any of the Environment Agency's modelling. The

consultants would be able to provide technical advice on any options that are put forward for consideration.

- Options such as tree planting alongside waterways and part dredging of rivers had been investigated by the Environment Agency but had found this would make little improvement in the areas under consideration.
- The cost of interventions would be beyond the budget of the Council alone. The Council could lobby funding organisations to support the objectives of Parish Councils.

RESOLVED:

1. That work be continued with the Environment Agency and Kent County Council as part of the Executive Group, and local communities, to develop flood mitigation measures including property level resilience across the Medway, Teise and Beult catchment area and the affected urban area.

For – 14 Against – 0 Abstain - 0

2. That engagement with affected Parish Councils and the Medway, Teise and Beult Flood Group be undertaken.

For – 14 Against – 0 Abstain – 0

72. POLICY AND RESOURCES COMMITTEE WORK PROGRAMME 2016-17

Councillor Harwood re-entered the meeting.

It was noted that the September meeting of the Committee would not be webcast as the webcasting system would be replaced during that week.

RESOLVED: That the Policy and Resources Committee Work Programme 2016-17 be noted.

73. REPORT OF THE DIRECTOR OF FINANCE & BUSINESS IMPROVEMENT - BUSINESS RATES RETENTION CONSULTATION

The Director of Finance and Business Improvement introduced the report and outlined the government's announcement that local authorities would be allowed to retain 100% of business rates incomes by 2020. A consultation was being undertaken and the Council's proposed response was presented to the Committee for agreement and attached at appendix 2 to the report.

It was clarified that:

- Although local authorities currently kept 50% of business rates income, in reality only 7% of this was retained by Maidstone Borough Council.
- Retention of 100% business rates would be on the basis of providing additional services and accepting greater responsibility.

Members considered the draft response to the consultation and raised the following points:

- Demand led service areas were not appropriate for funding by a local authority as sustainability and continuity of service was of importance.
- The draft response was congruent with the draft responses of neighbouring and similar sized district authorities.
- If local authorities were able to vary the charge, businesses may put authorities under pressure to reduce business rates. Consultation with businesses would be required to ascertain potential consequences. However it was accepted that should the authority have the power to vary charges, it was under no obligation to use this power.

With specific reference to the draft response at appendix 2 to the report the following comments were made:

- The response to Question 2 named national agencies whose expenditure should be channelled through local authorities. It was put forward that those organisations had extensive technical knowledge and utilised a wealth of data, and that a local authority would be unable to finance the same level of resources. It was put to the Committee that the sentence should omit reference to specific national agencies, and should read 'expenditure from national agencies, where appropriate, should be channelled through local authorities.'
- The response to Question 7 stated that the Council was strongly in favour of rewarding growth. It was put to the Committee that this should read 'rewarding sustainable growth'.

The recommendations on the paper were moved and seconded.

An amendment was moved to include the proposed changes to Question 2 and Question 7 in the motion.

For – 12 Against – 0 Abstain – 3

The substantive motion including the proposed changes to Question 2 and 7 was voted on.

For – 14 Against – 0 Abstain - 1

RESOLVED:

1. That the commitment to greater devolution implicit in 100% business rates retention be welcomed, and that it be ensured that additional responsibilities are properly funded and are linked to local authorities' role in driving sustainable economic growth.
2. That the draft response to the consultation document 'Self-Sufficient local government: 100% Business Rates Retention' as set out in appendix 2 to the report of the Director of Finance and Business Improvement be agreed subject to the following amendments:
 - a. That the first sentence of the draft response to Question 2 of the consultation be amended to read: 'Expenditure from national agencies, where appropriate, should be channelled through local authorities, which are best placed to ensure that it is invested effectively to meet local needs.'
 - b. That the draft response to Question 7 of the consultation be amended to read: 'We are strongly in favour of rewarding sustainable growth.'

For – 15 Against – 0 Abstain – 0

74. REPORT OF THE DIRECTOR OF FINANCE & BUSINESS IMPROVEMENT - MEDIUM TERM FINANCIAL STRATEGY AND EFFICIENCY PLAN

The Director of Finance and Business Improvement presented the report which set out a combined Medium Term Financial Strategy for the five years 2017/18 to 2021/22 and Efficiency Plan in response to the government's four year local government finance settlement from 2016/17 to 2019/20.

It was explained that:

- The officer proposal was for the Committee to accept the funding offer to provide security over the four year period. The budget gap at the end of the Medium Term Financial Strategy planning period was expected to reach £4.2M. The potential savings set out in the Efficiency Plan would help to reduce the gap.
- Consultation would be undertaken with residents using electronic surveys and face to face meetings. The process would culminate with the budget setting in March 2017.

During discussion the following points were raised:

- Focus should be placed on the Commercialisation Strategy and developing new income streams founded upon current Council assets and services.

- The majority of local authorities were choosing to proceed with the government's finance settlement although concerns had been expressed by many regarding whether the settlement was more beneficial long term. If there were further cuts to funding, then the four year settlement would provide stability. If the financial outlook improved then there was a risk that an authority would be locked into the four year agreement and be unable to benefit from the change in circumstances.
- A base contingency of £200,000 would be put back into the budget for stability.

In reference to the Efficiency Plan it was stated that:

- The MOSCOW (Must, Should, Could, Won't) ratings were illustrative of how the ratings could work, and did not represent formal decisions.
- The consultation would be partly delivered through a Councillor led road show. The consultation would need to centre upon residents priorities and be communicated clearly and concisely.

RESOLVED:

1. That the draft Medium Term Financial Strategy and Efficiency Plan set out at Appendix A to the report of the Director of Finance and Business Improvement be agreed.

For – 13 Against – 1 Abstain – 1

2. That it be recommended to Council that the Government's offer of a four year funding settlement be accepted, subject to recommendation 3.
3. That it be recommended to Council that authority be delegated to the Chief Executive and the Section 151 Officer, in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee, to make any amendments to the Efficiency Plan, within the parameters of the agreed Medium Term Financial Strategy, that may be required based on emerging new information between now and the submission deadline.

For – 12 Against – 1 Abstain – 2

75. DURATION OF MEETING

6.31 p.m. to 8.50 p.m.