

## **MAIDSTONE BOROUGH COUNCIL**

### **Policy and Resources Committee**

#### **MINUTES OF THE MEETING HELD ON WEDNESDAY 24 JANUARY 2018**

**Present:** Councillors Barned, Mrs Blackmore, Boughton, Brice, D Burton, Cox, English, Fermor, Mrs Gooch, Harper, Harvey, Hastie, McLoughlin, Perry and Mrs Wilson (Chairman)

129. APOLOGIES FOR ABSENCE

It was noted that apologies were received from Councillors Harwood and Garland and apologies for lateness were received from Councillor Blackmore.

130. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that the following members were present as substitute members:

- Councillor Burton for Councillor Garland; and
- Councillor English for Councillor Harwood.

131. URGENT ITEMS

There were no urgent items.

132. NOTIFICATION OF VISITING MEMBERS

There were no visiting members.

133. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

134. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

135. EXEMPT ITEMS

**RESOLVED:** That all items be taken in public, as proposed.

136. MINUTES OF THE MEETING HELD ON 13 DECEMBER 2017

**RESOLVED:** That the minutes of the meeting held on 13 December 2017 be agreed as a correct record of the meeting and signed.

137. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

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

There were no questions from members of the public.

139. QUESTIONS FROM MEMBERS OF THE COUNCIL TO THE CHAIRMAN OF THE COMMITTEE

**Question to the Chairman of the Policy and Resources Committee from Councillor Louise Brice**

*Please can you provide an update on the activity of the Business Terrace: both a breakdown of the number of users of the Maidstone Business Terrace for the current year vs. the previous year, as compared with projections; as well as a general update on recent and upcoming events?*

The Chairman explained to the Committee that Councillor Brice had indicated that a written response was sufficient to answer her question, and that a briefing note had been circulated to the Committee in response to the question.

Councillor Brice confirmed that she did not have a supplementary question.

140. COMMITTEE WORK PROGRAMME

Mr Mark Green, The Director of Finance and Business Improvement, updated the Committee that the Business Terrace Update and Digital Strategy items had been moved from the February meeting of the Committee to the March meeting.

**RESOLVED:** That the Committee Work Programme is noted.

141. BUSINESS RATES RETENTION PILOT 2018/19

Mr Mark Green, the Director of Finance and Business Improvement, presented a report to the Committee on the outcome of Maidstone Borough Council's application to become part of the Kent Business Rates Retention Pilot in 2018/19. The Committee noted that:

- Kent District Councils, Medway Council and Kent County Council had submitted a successful joint bid to Central Government to retain 100% of the growth of the Business Rates pool in Kent for 2018/19.
- The retained Business Rates growth for each authority would be split into two funding pots. 70% of the funding would be distributed

to precepting authorities in the form of a Financial Sustainability Fund (FSF). The remaining 30% would be assigned to a Housing and Commercial Growth Fund.

- Maidstone Borough Council was projected to receive £640,000 under the FSF for 2018/19 only, with no guarantee of the pilot being extended for future years.
- The report proposed that as the FSF was a one off sum, the funding be used to support one off projects that would provide longer term benefits. For example investing in capital items as well as revenue projects that had the potential to leverage in funding from other sources.
- As well as the £640,000 FSF payment, Maidstone Borough Council would have an opportunity to secure local investments from the Housing and Commercial Growth Fund for the North Kent Cluster which was worth a projected £3.2 million.

In response to questions from the Committee, Mr Green confirmed the following:

- The general principles of the types of projects under consideration for funding were what was being agreed at this stage, and that a list of specific projects was due to be considered at a future Policy and Resources Committee meeting.
- The principles around the distribution of the Housing and Commercial Growth Fund had not yet been agreed by the North Kent Cluster as the governance arrangements of this element of the scheme were not part of the bid to Central Government.
- The funding provided by the 100% Business Rates growth retention pilot bid was intended to be used to mitigate the effect of economic growth in the borough, therefore to use this funding to limit Council Tax increases would be contrary to the bid that had been submitted to Central Government.

**RESOLVED:**

1. The Committee notes that Kent and Medway have been selected to carry out a 100% business rates retention pilot in 2018/19.
2. Preliminary estimates indicating that Maidstone Borough Council may receive an additional £640,000 in Business Rates income in 2018/19 as a consequence is noted.
3. The following parameters for the allocation of the additional Business Rates income in the 2018/19 budget are agreed:

Optimising impact of FSF expenditure

In order to achieve maximum impact from the FSF, it is proposed that it is focused on a small number of discrete projects, distinct from existing agreed revenue and capital expenditure. A greater number of projects would risk spreading management input into individual projects too thinly, and would lead to relatively small budgets for each project, thus limiting their potential to make an impact.

#### Alignment with strategic objectives

The projects will respond to the Council's corporate priorities. In general, therefore, they will promote social, economic and environmental wellbeing. They are likely to relate to one or more of the three action areas – A Home for Everyone, Town Centre Regeneration and Clean and Safe. They must also be consistent with relevant Council strategies such as the Economic Development Strategy. Performance against corporate priorities is evaluated regularly through public engagement, eg through Resident Surveys, so it would be appropriate to consider projects that residents are likely to see as improving their quality of life.

#### Leveraging benefit of expenditure

The FSF provides a relatively limited sum of money, and is only available on a one-off basis. Accordingly, it is important that any investment of the FSF exploits the opportunities for leveraging additional income, either by creating a future income stream or by attracting a matching contribution in cash or through partnership working, eg with external organisations like central government or Kent County Council.

#### Identification and sign-off of projects

Officers will develop more detailed proposals for investment of the FSF. Further information will be contained in the budget proposals for consideration by this Committee at its meeting on 14 February. A process will be set out in this report for project approval.

Voting: Unanimous.

### 142. MEDIUM TERM FINANCIAL STRATEGY – CAPITAL PROGRAMME

Mr Mark Green, the Director of Finance and Business Improvement, gave a presentation to the Committee outlining the Council's Capital Programme which was part of the Medium Term Financial Strategy.

Mr Green outlined the changes to the Capital Programme contained in the report, which were:

- A new project added for essential safety works to the Mote Park Lake Dam.

- An expansion to the Commercial Investment programme, as the Council had a strong track record in delivering sustainable investments in Commercial property, for example units on the Parkwood Industrial Estate.
- Funding of the Capital Programme had previously been possible using the Council's reserves and New Homes Bonus. However as these funding sources would no longer be sufficient to fund the programme, the Capital Programme was now proposed to be partly funded through Prudential Borrowing after 2019/2020.

The Committee considered the report and requested that further detail be provided about the Software/PC replacement item in the programme. The Committee suggested that a sinking fund be set up for future replacement of IT equipment rather than use the Capital Programme for this purpose in the future.

Mr William Cornall, the Director of Regeneration and Place, confirmed that a project considering the redevelopment around the Train Station in Staplehurst was in its early stages. Mr Cornall confirmed that if the project was feasible then it was possible that it could be funded through the regeneration fund within the Capital Programme.

Note: Councillor Blackmore arrived during consideration of this item.

**RESOLVED:**

1. The Capital Strategy Principles outlined below are agreed:

The Council has developed some core principles for the inclusion of schemes within the capital programme. Schemes may be included in the capital programme if they fall within one of the four following categories:

- (i) Required for statutory reasons, eg to ensure that Council property meets health and safety requirements;
- (ii) Self-funding schemes focused on strategic plan priority outcomes;
- (iii) Other schemes focused on strategic plan priority outcomes; and
- (iv) Other priority schemes which will attract significant external funding.

2. The Capital Funding Projection set out in Appendix B to this report is agreed.
3. The Capital Programme 2018/19 onwards as set out in Appendix C to this report is agreed.

4. A prudential borrowing limit of £44,651,000 over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2018/19 is noted.

Voting: For - 14 Against - 0 Abstentions - 1

143. FEES AND CHARGES

Mr Mark Green, the Director of Finance and Business Improvement, introduced the Fees and Charges report for the Policy and Resources Committee. Mr Green conveyed to the Committee that this report was the regular annual review of Fees and Charges for services within the Committee's remit.

The Committee noted that the largest area within the Committee's remit for which Fees and Charges were collected was the Mid Kent Enforcement Service. However as the fees and charges for this service were set by statute the Committee was not able to change the level of fees and charges levied by the service.

In response to questions from the Committee, Mr Green confirmed that:

- The electricity supply problems had been resolved in Jubilee Square; and
- Income for Environmental Enforcement had reduced due to the early termination of the contract for Litter Enforcement. However the Communities, Housing and Environment Committee had agreed to set up an in house enforcement team to carry out a variety of different enforcement activities.

**RESOLVED:**

1. That the proposed discretionary fees and charges set out in Appendix 1 to this report are agreed.
2. That the centrally determined fees and charges set out in Appendix 1 to this report are noted.
3. That the overall change in fees and charges attached at Appendix 2 are noted.

Voting: Unanimous

144. DURATION OF MEETING

6.32 p.m. to 7.46 p.m.

**ESTIMATED CAPITAL PROGRAMME RESOURCES 2018/19 - 2022/23**

<b>Source of funding</b>	<b>Estimate</b>					<b>Total £000</b>
	<b>18/19 £000</b>	<b>19/20 £000</b>	<b>20/21 £000</b>	<b>21/22 £000</b>	<b>22/23 £000</b>	
Contribution from Earmarked Reserve (New Homes Bonus)	3,200	3,400	0	0	0	6,600
Capital Grants (Disabled Facilities)	800	800	800	800	800	4,000
Internal Borrowing	18,401	0	0	0	0	18,401
Prudential Borrowing	4,132	17,983	8,086	7,225	7,225	44,651
<b>TOTAL</b>	<b>26,533</b>	<b>22,183</b>	<b>8,886</b>	<b>8,025</b>	<b>8,025</b>	<b>73,652</b>

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## PROPOSED FIVE YEAR CAPITAL PROGRAMME 2018/19 - 2022/23

	17/18	Five year plan					Total
	Projected £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	
Housing Development and Regeneration	1,666	9,066	14,631	3,786	3,350	3,350	34,183
Temporary Accommodation	3,914	4,500	600	600	600	600	6,900
Disabled Facilities Grants	692	1,192	800	800	800	800	4,392
Flood Action Plan	5	500	500	63			1,063
Public Realm Capital Improvements	50	150	25	25			200
Commercial Waste		180					180
Gypsy Site Fencing Works	42						0
<b>Sub-total Communities, Housing &amp; Environment</b>	<b>6,369</b>	<b>15,588</b>	<b>16,556</b>	<b>5,274</b>	<b>4,750</b>	<b>4,750</b>	<b>46,918</b>
Mote Park Dam Works	0	1,300	600				1,900
Mote Park Visitor Centre	74	562	1,073				1,635
Mote Park Adventure Zone	1,469	515	375				890
Continued Improvements to Play Areas	469	881					881
Museum Development Plan	145	175	170	90			435
Crematorium Development Plan	264	353					353
Other Parks Improvements		100					100
<b>Sub-total Heritage, Culture &amp; Leisure</b>	<b>2,421</b>	<b>3,886</b>	<b>2,218</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>6,194</b>
Property Investment Strategy	3,597	2,403	2,500	2,500	2,500	2,500	12,403
Infrastructure Delivery		600	600	600	600	600	3,000
Town Centre Public Realm	444	2,540					2,540
Corporate Property	200	756	175	175	175	175	1,456
Software / PC Replacement	143	115	84	247			446
Maidstone East/Sessions Square	576	296					296
Feasibility Studies	50	50	50				100
<b>Sub-total Policy &amp; Resources</b>	<b>5,010</b>	<b>6,760</b>	<b>3,409</b>	<b>3,522</b>	<b>3,275</b>	<b>3,275</b>	<b>20,241</b>
Bridges Gyrotory Scheme	160	299					299
Riverside Towpath	40						0
<b>Sub-total Strategic Planning, Sustainability &amp; Transportation</b>	<b>200</b>	<b>299</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>299</b>
<b>TOTAL</b>	<b>14,000</b>	<b>26,533</b>	<b>22,183</b>	<b>8,886</b>	<b>8,025</b>	<b>8,025</b>	<b>73,652</b>

## Medium Term Financial Strategy 2018/19

## Fees Charges

## Policy Resources Committee

Fees and Charges April 2017 - March 2018	* Includes VAT	Discretionary Fee	Statutory Fee	2016-2017 Actuals	2017 - 2018 Current Estimate	Current Charges 2017-2018	Proposed Charges 2018-2019	% Change	2017-2018 +/- Income	2018 -2019 Estimate	Comments
<b>Business Terrace</b>											
Business Terrace											
<b>Offices (month)</b>				49636	49,580					49,580	Average price increase of 21.43% on 2015 prices. Removing the need for further inflation-based increases for several years
Office 1		x				600.00	600.00	0.00%			
Office 2		x				250.00	250.00	0.00%			
Office 3		x				250.00	250.00	0.00%			
Office 4		x				167.00	167.00	0.00%			
Office 5		x				360.00	360.00	0.00%			
Office 6		x				360.00	360.00	0.00%			
Office 7		x				525.00	525.00	0.00%			
Office 8		x				375.00	375.00	0.00%			
Office 9		x				500.00	500.00	0.00%			
Office 10		x				375.00	375.00	0.00%			
Office 11		x				250.00	250.00	0.00%			
Office 12		x				250.00	250.00	0.00%			
Office 13		x				845.00	845.00	0.00%			
Office 14		x				496.00	496.00	0.00%			
Office 15		x				1,457.00	1,457.00	0.00%			
Office 16		x				1,165.00	1,165.00	0.00%			
Office 17		x				1,078.00	1,078.00	0.00%			
<b>Hot desks and meeting space</b>				9362	40,100					40,100	Prices unchanged due to market demand. Increased awareness will increase usage, increasing income
Hot desk day pass		x				10.00	10.00	0.00%			
Hot desk package 30 (month)		x				40.00	40.00	0.00%			
Hot desk package 50 (month)		x				62.50	62.50	0.00%			
Hot desk package 100 (month)		x				120.00	120.00	0.00%			
Hot desk unlimited (month)		x				162.50	162.50	0.00%			
Meeting room (hour)		x				5.00	5.00	0.00%			
Seminar Room (half day)		x				58.33	58.33	0.00%			
Seminar Room (full day)		x				125.00	125.00	0.00%			
<b>Business Terrace Total</b>				<b>58,998</b>	<b>89,680</b>				<b>0</b>	<b>89,680</b>	
<b>Economic Development-Jubilee Square</b>											
<b>Jubilee Square (EN40 B724)</b>				8155	3500					3500	
Use of premises licence		x				68.00	68.00	0.00%			
Use of electricity (incl Openreach call out)		x				22.00	80.00	263.64%			
Promotional/educational stands		x				230.00	240.00	4.35%			
Promotional with use of Licence		x				250.00	240.00	-4.00%			
Events (min) charity fee		x				105.00	50.00	-52.38%			
<b>Economic Development Total</b>	****			<b>8,155</b>	<b>3,500</b>				<b>0</b>	<b>3,500</b>	

## Medium Term Financial Strategy 2018/19

## Fees Charges

Fees and Charges April 2017 - March 2018	* Includes VAT	Discretionary Fee	Statutory Fee	2016-2017 Actuals	2017 - 2018 Current Estimate	Current Charges 2017-2018	Proposed Charges 2018-2019	% Change	2017-2018 + / - Income	2018 -2019 Estimate	Comments
<b>Legal Services</b>											
<b>Business Tenancies and Leases</b>				56,729	43,400					43,400	
Licences (minimum charges)						212.00	0.00				Discontinued
Initial lease/tenancy (minimum charges)						318.00	0.00				Discontinued
Renewal (minimum charges)						162.00	0.00				Discontinued
Licences to assign/sublet/change use/alter premises (minimum charges)						162.00	0.00				Discontinued
Hourly Rate		x				210.00	215.00	2.38%			This fee may be varied depending on the cost of delivering the service
New Road licences											
						Contribution negotiated with asset management team	Contribution negotiated with asset management team				
<b>Council Land</b>											
Routine transactions* (subject to minimum charge)						527.00	0.00				Discontinued
Hourly Rate		x				210.00	215.00	2.38%			This fee may be varied depending on the cost of delivering the service
Complex transactions (hourly rate shown - subject to a minimum charge of £1,000)						207.00	0.00				Discontinued
Sale as mortgagee in possession (minimum charge)						369.00	0.00				Discontinued
<i>*Includes sale of council land and disposal of public open spaces (advertising is a separate fee)</i>											
<b>Easement</b>											
Residential (minimum charge)						222.00	0.00				Discontinued
Commercial (minimum charge)						333.00	0.00				Discontinued
Hourly Rate		x				210.00	215.00	2.38%			This fee may be varied depending on the cost of delivering the service
<b>Completion of Section 106 Planning Agreements</b>											
Routine (minimum charge)						578.00	0.00				Discontinued
hourly rate		x				210.00	215.00	2.38%			This fee may be varied depending on the cost of delivering the service
Complex (minimum charge)						1,060.00	0.00				Discontinued
Complex (per hour)						207.00	0.00				Discontinued
Variation (minimum charge)						581.00	0.00				Discontinued
Variation (per hour)						210.00	215.00	2.38%			
<b>Other Legal work (not covered by the above)</b>											
External hourly rate		x				210.00	215.00	2.38%			
<b>Administrative Fees (plus postage where applicable)</b>											
A4 Documents Single Sided per page						0.50	0.50	0.00%			
A4 Documents Double Sided per page						1.00	1.00	0.00%			
Colour A4 Documents Single Sided per page						1.00	1.00	0.00%			
Copies of Legal Agreements/Deeds etc						5.00 to 40.00	5.00 to 40.00	0.00%			
<b>Legal Services Total</b>				<b>56,729</b>	<b>43,400</b>					<b>0</b>	<b>43,400</b>

## Medium Term Financial Strategy 2018/19

## Fees Charges

Fees and Charges April 2017 - March 2018	* Includes VAT	Discretionary Fee	Statutory Fee	2016-2017 Actuals	2017 - 2018 Current Estimate	Current Charges 2017-2018	Proposed Charges 2018-2019	% Change	2017-2018 +/- Income	2018 -2019 Estimate	Comments
<b>Town Hall</b>											
Fees & Charges		x		0	1,840					1,840	
<b>Town Hall Lettings F071</b>		x		1302	2,150					2,150	Tenants are currently being sought for the ground floor and the charge will be subject to negotiation with prospective tenants.
<b>Town Hall Total</b>				<b>1,302</b>	<b>3,990</b>				<b>0</b>	<b>3,990</b>	
<b>Maidstone House ( parking at MBC)</b>											
<b>Maidstone House (Staff Parking at MBC) Total</b>	*	x		0	15,000	480.00	480.00	0.00%	0	15,000	Per annum - officer working over 25 hours
		x		<b>0</b>	<b>15,000</b>				<b>0</b>	<b>15,000</b>	
<b>Mid Kent Enforcement Service (MKES)</b>											
				370,848	710,580				165,420	876,000	This operates as a shared service, the income is gross and the net profit is shared equally between the 3 authorities.
Compliance Fees - statutory charge		x				75.00	75.00	0.00%			
Enforcement Fees - statutory charge		x				235.00	235.00	0.00%			Budget for 2017/18 full year effect and set as per cabinet report 14/04/2015
<b>Shared MKES Total</b>				<b>370,848</b>	<b>710,580</b>				<b>165,420</b>	<b>876,000</b>	
<b>GRAND TOTAL</b>				<b>496,032</b>	<b>866,150</b>				<b>165,420</b>	<b>1,031,570</b>	

## Medium Term Financial Strategy 2018/19

## Fees and Charges

## Policy and Resources Committee

Service Area	2016-17	2017-18	Proposed	2018-19
	Outturn	Estimate	change in	Estimate
	£	£	£	£
Environmental Enforcement & Community Protection	4,804	3,900	0	3,900
Environmental Health	5,100	3,480	0	3,480
Licensing	30,657	29,560	0	29,560
Hackney Carriage and Private Hire Drivers Licences	114,899	133,360	0	133,360
HMO Licensing	21,850	13,380	0	13,380
Marde/Ulcombe Caravan Sites	74,918	66,200	0	66,200
Recycling & Refuse Collection	1,073,603	1,116,380	0	1,116,380
Environmental Enforcement & Community Protection	111,524	101,520	-99,000	2,520
Environmental Health	12,746	9,570	0	9,570
Licensing (statutory)	0	0	0	0
<b>Communities, Housing &amp; Environment Total</b>	<b>1,450,101</b>	<b>1,477,350</b>	<b>-99,000</b>	<b>1,378,350</b>
Museum	52,683	64,500	0	64,500
Parks and Open Spaces	42,711	60,040	0	60,040
Cemetery	112,560	137,640	0	137,640
Crematorium	1,262,045	1,213,420	0	1,213,420
Market	163,017	179,840	-40,000	139,840
<b>Heritage, Culture &amp; Leisure Total</b>	<b>1,633,016</b>	<b>1,655,440</b>	<b>-40,000</b>	<b>1,615,440</b>
Business Terrace	58,998	89,680	0	89,680
Jubilee Square	8,155	3,500	0	3,500
Legal Services	56,729	43,400	0	43,400
Town Hall	1,302	3,990	0	3,990
Maidstone House (staff parking)	0	15,000	0	15,000
Mid Kent Enforcement Service*	370,848	710,580	165,420	876,000
<b>Policy &amp; Resources Total</b>	<b>496,032</b>	<b>866,150</b>	<b>165,420</b>	<b>1,031,570</b>
Street Naming & Numbering	66,995	49,000	0	49,000
Parking Services – off street	2,354,496	2,492,610	200,000	2,692,610
Park & Ride	232,617	236,830	0	236,830
Development Control – Pre-application fees	155,619	115,000	0	115,000
Parking Services	218,341	186,020	0	186,020
Local Land Charges	254,747	253,750	50,000	303,750
Building Control	377,697	326,850	0	326,850
Development Control – Planning & Conservation	1,277,616	1,520,530	0	1,520,530
Parking services - PCNs	884,204	864,660	0	864,660
<b>Strategic Planning, Sustainability &amp; Transportation Total</b>	<b>5,822,332</b>	<b>6,045,250</b>	<b>250,000</b>	<b>6,295,250</b>
<b>Grand Total</b>	<b>9,401,481</b>	<b>10,044,190</b>	<b>276,420</b>	<b>10,320,610</b>