

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

**MINUTES OF THE MEETING HELD ON WEDNESDAY 10
FEBRUARY 2021**

Present: Councillors Brice, M Burton, Chappell-Tay, Clark, Cox (Chairman), English, Mrs Gooch, Harvey, McKay, Mortimer, Perry, Round, Springett and de Wiggondene-Sheppard

Also Present: Councillors Harper, Naghi, J Sams and T Sams

141. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Newton.

Councillor Brice joined the meeting at 6.39 p.m.

142. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

143. URGENT ITEMS

There was an urgent update and an urgent item; Item 18a – Appendices A and C and Item 22 – Management of Residential Assets. The reason for urgency was that both items were not available at the time of publication with the former contributing to the financial figures presented within Item 18 – Medium Term Financial Strategy and Budget Proposals.

An urgent update, in the form of an updated Appendix B for Item 15 – Strategic Plan Refresh, had been circulated to the Committee.

144. CHANGE TO THE ORDER OF BUSINESS

Item 13 – Reference from the Strategic Planning and Infrastructure Committee – Biodiversity and Climate Change Action Funding, Item 18 – Medium Term Financial Strategy and Budget Proposals and Item 18a – Appendices A and C would be considered together as they related to the Council's finances.

145. NOTIFICATION OF VISITING MEMBERS

Councillors Naghi, J Sams and T Sams were present as Visiting Members for Item 14 – Council-Led Garden Community Update.

Councillor Harper was present as a Visiting Members for Item 15 – Strategic Plan Refresh and Item 16 – Further Development of the Lockmeadow Leisure Complex.

Councillor Naghi was present as a Visiting Member for Item 16 - Further Development of the Lockmeadow Leisure Complex and Item 18 – Medium Term Financial Strategy and Budget Proposals.

146. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

147. DISCLOSURES OF LOBBYING

Councillors M Burton, Chappell-Tay and Round had been lobbied on Item 13 – Reference from the Strategic Planning and Infrastructure Committee – Biodiversity and Climate Change Action Funding.

Councillors M Burton, Chappell-Tay, Clark, Mrs Gooch, Harvey, McKay, Mortimer, Perry, Round, Springett and de Wiggondene-Sheppard had been lobbied on Item 14 – Council-Led Garden Community Update.

Councillors Chappell-Tay and Round had been lobbied on Item 15 – Strategic Plan Refresh.

Councillor Round had been lobbied on Item 16 – Further Development of the Lockmeadow Leisure Complex.

Councillors M Burton, Chappell-Tay and Round had been lobbied on Item 18 – Medium Term Financial Strategy and Budget Proposals.

Councillor M Burton had been lobbied on Item 20 – Heather House and Pavilion Building.

148. EXEMPT ITEMS

RESOLVED: That the following items be taken in private due to the possible disclosure of exempt information:

- Item 19 – Sub-Lease of Premises
- Item 20 – Heather House and Pavilion Building
- Item 21 – Granada House
- Item 22 – Management of Residential Assets

149. MINUTES OF THE MEETING HELD ON 20 JANUARY 2021

RESOLVED: That the Minutes of the meeting held on 20 January 2021 be agreed as a correct record and signed at a later date.

150. PRESENTATION OF PETITIONS

There were no petitions.

151. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were three questions from Members of the Public.

Question from Ms Kate Hammond to the Chairman of the Policy and Resources Committee

'Tonight's update report for the Council-led garden community project states that "Officers are attempting to engage with the objecting landowners to understand their individual concerns and the extent to which these can be addressed." The eighteen objecting landowners have repeatedly sought to have their property removed from your masterplan. The landowners do not need a discussion; they simply just need the Council to respect their wishes. Do you believe it is acceptable for a local authority to be pressurising landowners to sell their land and engage in negotiations when they have stated their wishes very clearly?'

The Chairman responded to the question.

Ms Hammond asked the following supplementary question:

'Is it possible for you to give some sort of guarantees around that right now or is this something you are not willing to do at this particular time?'

The Chairman responded to the supplementary question.

Question from Ms Gail Duff to the Chairman of the Policy and Resources Committee

'Is the Policy & Resources Committee 'in too deep' with the Heathlands Council-led garden community to be able to make a rational decision on this plan; and would they agree that this is not the right housing solution for Maidstone?'

The Chairman responded to the question.

Ms Duff asked the following supplementary question:

'It seems that no matter what Save Our Heathlands say that this committee doesn't want to listen to the serious constraints and concerns being raised locally by the residents. You now seem willing to pass this over to Homes England who will in time come to realise that the proposed development doesn't stack up. Is this committee afraid of admitting that it's got it wrong in this case and to draw a line under this sorry saga?'

The Chairman responded to the supplementary question.

Question from Mr Steve Heeley to the Chairman of the Policy and Resources Committee

'The Initial Infrastructure Feedback to the Local Plan Review confirmed that Network Rail had 'little support' for a new rail station on either line at Lenham Heath. The promised motorway junction and high-speed rail station have both fallen away. It now seems that a new mainline rail station to serve the proposed new town also looks undeliverable. What enabling infrastructure, if any, is this project going to deliver to get 12,000 new residents to and from Lenham sustainably without using a car?'

The Chairman responded to the question.

Mr Heeley asked the following supplementary question:

'The problem with the assumption on internal trips is that the masterplan provides for 800 jobs for 12,000 residents and there's no secondary school, so you can assume for internal trips that if there's no trips to make to employment or education or leisure, then everybody has to travel off of the site. The A20 does not have the capacity to accommodate the considerable increase in traffic, Maidstone town centre is over 12 miles away which rules out genuine walking and cycling trips in any considerable volumes, so what can the sustainable transport strategy actually include that's meaningful to make this development look sustainable?'

The Chairman responded to the supplementary question.

The full responses was recorded on the webcast and were made available to view on the Maidstone Borough Council Website.

To access the webcast recording, please use the below link:

<https://www.youtube.com/watch?v=1tLvANonyWU>

152. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

153. COMMITTEE WORK PROGRAMME

RESOLVED: That the Committee Work Programme be noted.

154. COUNCIL-LED GARDEN COMMUNITY UPDATE

The Director of Regeneration and Place introduced the report and stated that the work necessary to draft the collaboration agreement between the Council and Homes England was ongoing. The agreement would be presented to the Committee at its March 2021 meeting.

It was noted that there had been positive progress with the principal landowners and that the land north of the railway line towards the A20

was currently being explored, as requested by the Local Planning Authority. This could reduce the number of land ownerships within the red line.

In response to statements from the Visiting Members, the Director of Regeneration and Place stated that the narrative used for the Public Health section of the report would be further considered.

RESOLVED: That the report be noted.

155. STRATEGIC PLAN REFRESH

The Head of Policy, Communications and Governance introduced the report and outlined the changes implemented following the previous feedback received on the proposed areas of focus shown at Appendix A to the report.

An urgent update to Appendix B had been circulated to the Committee which included the comments from the Communities, Housing and Environment Committee and the Strategic Planning and Infrastructure Committee. These were that two indicators; homelessness as a result of domestic abuse and office vacancy rates be added to the list of proposed Key Performance Indicators (KPIs). The latter would depend on whether the Council continued to purchase the data which contained the information requested.

In discussing Appendix A, it was requested that 'across the borough' replace 'for the borough' within proposed area of focus to 'Deliver a sustainable and vibrant leisure and culture offer for the Borough'.

In discussing Appendix B, it was requested that the recovery column for the town centre footfall indicator include when footfall figures have plateaued as well as when pre-covid-19 levels were achieved.

RESOLVED: That

1. Full Council be recommended to approve the revised areas of focus, as set out in Appendix A to the report, for the strategic plan 2021-2026; and
2. The Key Performance Indicators, as set out in the Urgent Update – Appendix B, for 2021-22 be agreed.

156. FURTHER DEVELOPMENT OF THE LOCKMEADOW LEISURE COMPLEX

The Leisure Property Manager introduced the report, stating that the Phase I development works had been completed in December 2020. The Phase II works focused on creating a food hall, expanding the outside terrace and the installation of a children's play area. The projects would be funded through the previously allocated £1.5 million from the capital budget.

As a review of the car parking payment system was ongoing, the installation of bollards had been put on hold. The review had intended to discover how many cars would be accessing the site but this was not achievable in the current climate. The bollards could be installed quickly if needed.

Several Members expressed concerns about the significant traffic in the surrounding area, with the Leisure Property Manager having confirmed that the Highways Authority, Kent County Council, had applied for an experimental transport order that could create a one-way system. This would prevent drivers from turning right into Hart Street. The Chief Executive confirmed that the Council had been in contact with KCC regarding the traffic management concerns since September 2020.

There were some concerns that insufficient information had been provided to the Committee and that the improvement works should be conducted at a later date. In response to questions, the Leisure Manager highlighted that conducting the improvement works during the lockdown period was preferred and that 24/7 security was in place at the site. The aim of encouraging small businesses into the site was referenced, as three expressions of interest has been received from local businesses. It was hoped that by increasing Lockmeadow's offerings, visitor dwell time would increase. The Committee expressed support overall for investing into the Lockmeadow complex.

RESOLVED: That

1. The proposed improvement work be supported;
2. The requested capital spend be approved;
3. The Director of Finance and Business Improvements be given delegated authority to seek planning permission for and deal with associated planning matters in relation to the landlord works described in the report and to undertake a procurement process and award such contracts for delivery of the works in line with financial procedure rules and applicable public contracts regulations and principles; and
4. The Head of Mid Kent Legal Services be authorised to complete the necessary contract document and agreements associated with the works.

Note: Councillor Round temporarily left the meeting during the item's discussion, at 8.41 p.m.

157. 3RD QUARTER FINANCE, PERFORMANCE & RISK MONITORING REPORT 2020/21

The Director of Finance and Business Improvement introduced the financial appendix and reconfirmed that the financial impact of Covid-19 to the Council was projected at £7.5 million. This had been mitigated

somewhat by £2.5 million in unspecified/unallocated Covid-19 government funding and that the Council Tax and Business Rates losses would be accounted for in future financial years. The topics covered within the financial appendix of the report were outlined.

In referencing the Business Rate Retention Pilot Schemes that were put on hold last year, it was proposed that a portion of the funding be directed towards the Bus Station Improvement Project. A correction to the fifth recommendation on the report, to reference Appendix 4 rather than 7, was noted.

The Senior Business Analyst introduced the performance update and stated that two of the three Key Performance Indicators (KPIs) did not reach the third quarter target; one by more than 10%. The Success of Relief Duty Outcomes had achieved 35.29% against the 60% target, however the contributing factors to this were outlined. 194 applicants were relieved from homelessness, with a prevention duty outcome of 74.88%. Littering offences had contributed to the KPI on acceptable levels of litter having missed the set target.

Nine KPIs had missed their third quarter target across the Council's three other Service Committees.

The Deputy Head of Audit Partnership introduced the risk monitoring update which focused on the 11 highest scoring areas of risk and outlined the information contained within the report. There had been no changes to the risk ratings, with the two Covid-19 related risks highlighted: internal resilience and capacity and ability to influence recovery externally.

It was noted that some risks had been moved onto the operational risk register to be monitored by the wider and corporate leadership teams. An update would be provided on the operational register during the fourth quarter update. Early horizon scanning, to identify further potential risks to be included in the corporate risk register had been conducted. The register would be aligned with the Council's recovery from Covid-19 and the agreed changes to the Strategic Plan.

In response to questions, the Director of Finance and Business Improvement stated that further information on the income from Maidstone Property Holdings was provided on page 89 of the agenda pack.

RESOLVED: That

1. The Revenue position as at the end of Quarter 3 for 2020/21, including the actions being taken of proposed to improve the position, where significant variances have been identified, be noted;
2. The Capital position as at the end of Quarter 3 be noted;

3. The Performance position as at Quarter 3 for 2020/21, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted;
4. The Risk Update, attached as Appendix 3 to the report, be noted;
5. The release of £92,000 from earmarked reserves to progress business rates retention pilot projects, and retention of £96, 641 for projects which will remain on hold, as detailed in Appendix 4 to the report, be agreed;
6. The proposed reallocation of unspent funding from the business rates retention pilot as set out in Paragraph 2.8 of the report, be agreed;
7. The uncollectable Non-Domestic Rates (NDR) listed in Appendix 5 to the report, be approved for write-off; and
8. The irrecoverable housing benefits payments listed in Appendix 6 to the report, be approved for write-off.

158. REFERENCE FROM THE STRATEGIC PLANNING AND INFRASTRUCTURE COMMITTEE - BIODIVERSITY AND CLIMATE CHANGE ACTION FUNDING

RESOLVED: That the item be considered alongside Item 18 – Medium Term Financial Strategy and Budget Proposals and Item 18a – Urgent Update to Item 18 – Medium Term Financial Strategy and Budget Proposals – Appendices A and C.

159. URGENT UPDATE TO ITEM 18 - MTFS AND BUDGET PROPOSALS - APPENDICES A AND C

RESOLVED: That the item be considered alongside Item 13 – Reference from the Strategic Planning and Infrastructure Committee – Biodiversity and Climate Change Action Funding and Item 18 – Medium Term Financial Strategy and Budget Proposals.

160. MTFS AND BUDGET PROPOSALS

The Director of Finance and Business Improvement introduced the report and noted that the budget had been under consideration for the past few months. The proposed increase in the minimum level of reserves held by the Council, from £2 million to £4 million was highlighted.

The Council's budget deficit had been reduced to £1.6 million, with actions proposed to close the gap over the next three years. There was an additional £860,000 in government funding which was not ring-fenced but was intended to assist in the Council's response to Covid-19, with any remaining funding to be diverted to the Council's recovery strategy. The Committee would receive a report on the strategy in the future.

Feedback from the Council's other Service committees on the perceived impracticality of two savings proposals was highlighted i.e., the £75,000 of savings in year three arising from planning policy, and the £120,000 arising from the restructure of democratic representation. The latter would not occur as the Democracy and General Purposes Committee had chosen not to proceed to the consultation stage for Whole Council elections. As the savings would have occurred in three years' time, it was proposed that they be included as general savings within the Council's budget, with new methods to generate the savings identified in the future.

In addressing the reference from the Strategic Planning and Infrastructure Committee, the importance of the Local Plan (LP) and planning policy development was reiterated. It was stated that whilst the £200,000 (per annum) expenditure allocated to the LP had now been found to be insufficient, the report set out a way forward that was intended to address the Strategic Planning and Infrastructure Committee's concerns. The additional funding requirements would be identified through Officers reviewing the budget for the Local Plan and planning policy, through to the plan's adoption in 2023. The resulting proposals would be presented to the Committee and the Strategic Planning and Infrastructure Committee.

In response to the concerns expressed, the Director of Finance and Business Improvement provided assurance that the proposals outlined would provide the necessary funding for the LP and planning policies.

The proposed increase in Council Tax was questioned due to the current economic climate. It was noted that if the Council Tax increases were not approved, there would be a financial shortfall.

RESOLVED: That

1. The outcomes of consideration of the budget proposals by the Council's Service Committee's be noted;
2. The updated Strategic Revenue Projection, as set out in Appendix A to the report, be agreed;
3. The Budget Savings Proposals as set out in Appendix B to the report, be agreed;
4. The £5.31 increase in Band D Council Tax for 2021/22 for recommendation to Council, be agreed;
5. The Revised Estimates for 2020/21 and the Budget Estimates for 2021/22, as set out in Appendix C to the report, for recommendation to Council, be agreed;
6. The Capital Programme, as set out in Appendix D to the report, for recommendation to Council, be agreed;

7. The Treasury Management Strategy, Investment Strategy and Capital Strategy, as set out in Appendix E to the report, for recommendation to Council, be agreed;
8. The increase in the minimum level of reserves to £4 million, be agreed;
9. The updated Medium Term Financial Strategy, as set out in Appendix G to the report, be agreed; and
10. The appropriate matters for decision to set a balance budget for 2021/22 and the necessary level of Council Tax in accordance with the Local Government Finance Act 1992 and the Localism Act 2011, including the decisions made above, be recommended to Council.

It was noted that by agreeing the recommendations as per the report on the Medium-Term Financial Strategy, the request from the Strategic Planning and Infrastructure Committee was refused.

Note: Councillor Round returned to the meeting at 8.47 p.m.

161. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information for the reason specific, having applied the public interest test:

Head of Schedule 12A and Brief Description

Sub-Lease of Premises	3 – Financial/Business Affairs
Heather House and Pavilion Building	3 – Financial/Business Affairs
Granada House	3 – Financial/Business Affairs
Management of Residential Assets	1 – Individual

162. SUB-LEASE OF PREMISES

The Director of Finance and Business Improvement introduced the report and stated that a public sector body had requested that the Council sub-lease an area of office space for a period of six months on a fixed term contract.

The benefits of the proposal were outlined.

RESOLVED: That

1. The Director of Finance and Business Improvement be given delegated authority to negotiate and agree terms for a sub-lease or

licence in respect of part of a floor of Maidstone House for a term of six months for an agreed rental income.

2. The Head of Legal Services be given delegated authority to complete the necessary legal formalities and all agreements and deeds arising from or ancillary to the sub-lease or licence on the terms agreed by the Director of Finance and Business Improvement or to appoint solicitors to complete such legal formalities and documents if considered necessary; and
3. The Director of Finance and Business Improvement be given delegated authority to vary the terms of the sub-lease or licence in consultation with the Chair and Vice-Chair of the Policy and Resources Committee in order to maximise the economic benefits of the transaction and that the Head of Legal Services be authorised to complete the necessary legal formalities and all deeds agreements arising from or ancillary to the transaction.

163. HEATHER HOUSE & PAVILION BUILDING

The Housing Delivery Manager introduced the report and highlighted that the scheme proposed had been considered by the Communities, Housing and Environment Committee on 5 January 2021. Local residents and stakeholders had been consulted during engagement exercises.

The new proposal included a new community centre on the Heather House Site and 11 dwellings on the Pavilion Building site, with pre-application advice supportive of the schemes design. A significant funding shortfall had been identified, which would be reduced to £308,000 if the Council's bid to the Land Release Fund was successful. It was noted that the funding gap could be mitigated through the use of CIL payments, grant funding, the Council itself or through a combination of the approaches.

The proposed design focused on providing toilet facilities, kitchen facilities, a sports hall, welcome area and changing facilities. Additional space was available to extend the community facility if the site's future management company wished to do so.

Further consultation with the rugby clubs that used the existing premises would take place before a planning application was submitted for the proposal.

The importance of regeneration to the Parkwood area through the proposed design scheme was highlighted. The Committee expressed support for the proposal and reiterated the significance of improving the community facility.

RESOLVED: That

1. At risk expenditure of £200,000 to make a combined detailed planning application for both sites in accordance with the scheme designs outlined in the report and going out to tender for the works

contract and procurement of the management provider for the proposed new community centre, be agreed;

2. The Head of Mid Kent legal Services be authorised to negotiate and complete all necessary deeds and agreements arising from or ancillary to the application for planning permission; and
3. The construction project would not commence until a follow-up report has been presented to the Committee to approve the final scheme costs and necessary financial commitments associated with the development and management of the sites; to include how the funding gap identified has been bridged, subject to the necessary planning consent, tenders for the works contracts and management provider being received for the scheme.

164. GRANADA HOUSE

The Housing Manager introduced the report and outlined the works that had been undertaken on the property to date and the design scheme proposed.

The additional dwellings proposed would be leased at market rents. The rental income generated from the properties and the increased cost of the scheme were outlined.

It was noted that the installation of a lift was not required by Building Regulations nor was it technically possible to provide. Further funding could be secured from Homes England to assist in the proposed development, however the proposal was to move forward with the development regardless.

The Committee felt that the design scheme should be presented to the Communities, Housing and Environment Committee to fully consider the Housing Policy impact before a decision was made.

RESOLVED: That consideration of the item be deferred, to allow the design scheme to be presented to the Communities, Housing and Environment Committee to fully consider the impact on Housing Policy before a decision was made.

165. MANAGEMENT OF RESIDENTIAL ASSETS

The Head of Housing and Community Services introduced the report and highlighted that the Council had retained a small number of service tenancies together with some tenancies let on long leases. Agreement was needed on how to manage these tenancies once the staff members residing at the property retires and the accommodation was no longer required for the betterment of an employee's duties.

RESOLVED: That

1. The Director of Finance and Business Improvement be granted delegated authority to dispose of or to transfer residential property to Maidstone Property Holdings Ltd on the basis set out in Paragraph 4 of the report; and
2. The Director of Finance and Business Improvement be granted delegated authority to grant such leases to Maidstone Property Holdings Limited on terms to be agreed, and to authorise the negotiation and completion of such leases and all necessary and ancillary deeds and agreements and that the Head of Mid Kent Legal Services be authorised to negotiate and complete the necessary legal formalities and all such leases, deeds and agreements in due course.

166. DURATION OF MEETING

6.30 p.m. to 10.30 p.m.