

MAIDSTONE BOROUGH COUNCIL

Policy and Resources Committee

**MINUTES OF THE MEETING HELD ON WEDNESDAY 24 OCTOBER
2018**

Present: Councillors Mrs Blackmore, Boughton, M Burton, Clark, Cox (Chairman), English, Field, Mrs Gooch, McKay, McLoughlin, D Mortimer, Newton, Perry and Springett

71. APOLOGIES FOR ABSENCE

It was noted that apologies were received by Councillors Garland and Harvey.

72. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that Councillor English was present as a substitute for Councillor Harvey.

73. URGENT ITEMS

There were no urgent items.

74. NOTIFICATION OF VISITING MEMBERS

There were no visiting members.

75. DISCLOSURES BY MEMBERS AND OFFICERS

Councillor Boughton informed the Committee that in his professional life he had held meetings with Central Government departments relating to flood risk alleviation on the River Medway. However this was not a disclosable interest and he intended to speak and vote on item 15. Flood Risk Update.

76. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

77. TO CONSIDER WHETHER ANY ITEMS SHOULD BE TAKEN IN PRIVATE BECAUSE OF THE POSSIBLE DISCLOSURE OF EXEMPT INFORMATION.

RESOLVED: That item 17. Kent Medical Campus Innovation Centre – Business Case be taken in private due to the possible disclosure of exempt information.

78. MINUTES OF THE MEETING HELD ON 19 SEPTEMBER 2018

RESOLVED: That the minutes of the meeting held on 19 September 2018 be agreed as a correct record of the meeting and signed.

79. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

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

There were no questions from members of the public.

81. COMMITTEE WORK PROGRAMME

RESOLVED: That the Committee Work Programme is noted.

82. REPORTS OF OUTSIDE BODIES

There were no reports of Outside Bodies to consider.

Note: Councillor Blackmore arrived during consideration of this item at 6.39 pm.

83. POLICY AND RESOURCES COMMITTEE RISK UPDATE

Mrs Alison Blake, Audit Manager, updated the Committee on its Corporate risks, along with work that had been undertaken by Mid Kent Audit that identified emerging future risks. Two of the main risks that had been identified as particularly severe were the risk of poor partner relations and increased housing pressures. Mrs Blake confirmed that once the new Strategic Plan had been agreed, the Corporate Risk Register was also scheduled to be reviewed.

The Committee made the following comments:

- In terms of presentation of the risk registers, showing the inherent risk rating before the effect of planned or actual controls would provide greater clarity to the process of risk management.
- Controls and assurance activity should be split out, but presented together.
- Estates risks had not been specifically identified in the Committee's risk register.
- It should not be stated that risks within the red quadrant could be tolerated – as these were severe risks to the Council.

Mrs Blake informed the Committee that the risk management framework was due to be reviewed as it had been in place for three years. It was confirmed that Audit, Governance and Standards Committee would take a

prominent role in this review but that all members were welcome to contribute. Mrs Blake confirmed that the comments made by the Committee would be considered as part of the review.

RESOLVED: That the Corporate risks (as set out in appendix 1) are noted.

84. DEVELOPMENT OF THE NEW STRATEGIC PLAN

Ms Anna Collier, Policy and Information Manager, presented a report to the Committee on the development of the new Strategic Plan. It was noted that the plan presented to the Committee was under public consultation, and had been drafted as a result of the feedback received from members at the various workshops and engagement events that had taken place.

The Committee considered the report and concluded that the best way to ensure that the plan had been considered thoroughly was through a final workshop considering all of the feedback from members and the public. Ms Collier confirmed that a workshop was scheduled to take place before the next Policy and Resources Committee meeting to undertake this task.

RESOLVED: That the development of the new Strategic Plan report be noted.

Note: Councillor English left the meeting at 7.26 pm during consideration of this item.

85. 100% BUSINESS RATES RETENTION PILOT - UPDATE

Mr Mark Green, Director of Finance and Business Improvement, gave a presentation to the Committee providing an update on the projects that had been undertaken as a result of additional funding secured through participating in the Kent and Medway 100% Business Rates Retention pilot.

Mr Green outlined that progress had been made on most of the projects, with around half the budget spent or already committed. For those projects that were not progressing as planned, alternative uses for the funds to achieve similar outcomes had been identified.

The Committee noted that the Council had made a bid to the Housing and Commercial Growth Fund element of the Business Rates Retention pilot for a project to improve the bus station. The decision on this project was the responsibility of the North Kent Cluster of local authorities.

In response to a question from a member of the Committee, Mr Green confirmed that although there had been slow progress on spending the funds allocated to the member grant scheme, there had been a lot of interest from members in the scheme.

The Committee raised the issue of underspends, and queried whether the initial projections on potential income were on target. Mr Green explained that if there were underspends then member approval would be sought to carry them forward to 2019/20 if appropriate, and projections showed that the Council was due to collect a greater proportion of business rates from the scheme than originally anticipated.

RESOLVED: That the progress with the Business Rates Retention pilot projects are noted.

86. FLOOD RISK ALLEVIATION - UPDATE

Mr Green introduced his report outlining measures taken to alleviate flood risk in the Borough. The Committee noted that a variety of measures were included in the report, including property level flood protection, work on the Medway Street Subway in the Town Centre, work undertaken to fulfil the Council's legal obligations as a landowner and measures for Natural Flood Management.

Mr Green explained that a new area of work included in this report, compared to previous reports, was that of Natural Flood Management. The Council had been working with the Medway Flood Partnership on potential schemes to assist with keeping water upstream on the river Medway in order to mitigate flood risk. The schemes identified were Headcorn School/Hogg Stream, River Beult, and Bockingfold Farm. An additional project in this area around Landowner Relations Development had also been identified, in order to improve the likelihood of further schemes being developed through working in partnership with local landowners.

The Committee considered the report and concluded that ward members should be consulted with, as well as the Chairman of Policy and Resources Committee, when any future feasibility studies for Natural Flood Management schemes were considered.

It was noted that not all the areas affected by flooding were included in the 'wards affected' section of the report. Mr Green confirmed that all wards affected by flooding would be included in this section in future reports.

RESOLVED:

1. That progress with flood management schemes to be delivered by the Medway Flood Partnership be noted.
2. That the capital investment criteria set out in paragraph 1.19 be noted.
3. That £100,000 be allocated for the Natural Flood Management schemes described in paragraph 1.14 and Appendix 1.

Voting: Unanimous

4. That authority is delegated to the Director of Finance and Business Improvement in consultation with the Chairman of Policy and Resources Committee and relevant ward members to commission feasibility studies as required for any further schemes that meet the capital funding criteria.

Voting: Unanimous

87. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting due to the possible disclosure of exempt information having considered the public interest test.

88. KENT MEDICAL CAMPUS INNOVATION CENTRE - BUSINESS CASE

Ms Abi Lewis, Economic Development Officer, and Ms Dawn Hudd, Head of Regeneration and Economic Development, presented the Business Case for building an Innovation Centre at the Kent Medical Campus for the Committee's approval.

Ms Lewis conveyed to the Committee that the objective of the proposed Innovation Centre was to support the creation and development of innovative businesses with high growth potential in the life science, healthcare and medical technology sectors, acting as a stimulus for development on the wider Kent Medical Campus site as well as delivering a new source of growth and jobs which will strengthen the competitiveness of the Maidstone economy. In order to achieve this objective, a business case had been drawn together for a 37,000 square foot Innovation Centre designed to accommodate these businesses. The business case included a deal to lease the land from the landowner of the Medical Campus, architect's designs for the facility along with a breakdown of projected costs and income.

It was noted that a European Regional Development Fund (ERDF) bid had been made to assist with financing the scheme to ensure it was viable, and projections showed an internal rate of return of the remaining funding that the Council would be providing. Ms Lewis confirmed that the investment appraisal covered 17 years. Payback of the capital cost would be through retention of business rates at the Enterprise Zone being ringfenced to fund the project, selling services to the businesses located in the centre and rental fees for the offices.

In response to a question from the Committee, Ms Lewis confirmed that an agreement had been reached with the landowner of the Kent Medical Campus to acquire the land required to build the medical centre.

Ms Hudd reported to the Committee that it would be updated on a regular basis on the progress of the project; with decisions around accepting tenders for building and operating the site being key future decisions the Committee will need to make. The Committee would also be made aware

of the outcome of the ERDF bid in January once the outcome had been announced.

The Committee raised concerns about the effect of the UK leaving the European Union, and the impact this would have on the ERDF bid. Ms Hudd assured the Committee that the Government had provided guarantees that any funding commitments made under the ERDF process would be honoured by the government.

RESOLVED:

1. That an indicative total scheme cost for the development of the Innovation Centre is approved.
2. That the likely financial returns of the Innovation Centre scheme are noted.
3. That delegated authority is granted to the Director of Finance and Business Improvement to borrow to fund the scheme, following the granting of planning permission and confirmation of ERDF grant award.
4. That delegated authority is granted to the Head of Regeneration and Economic Development to submit a planning application and deal with associated planning matters on behalf of the Council as landowner.
5. That delegated authority is granted to the Director of Finance and Business Improvement to approve the exchange of contracts to acquire land required for the development of the Innovation Centre on Kent Medical Campus with completion being subject to a satisfactory planning permission and the successful award of ERDF grant; together with such ancillary steps required to complete the legal agreements associated with delivery of the scheme.
6. That delegated authority is granted to the Head of Regeneration and Economic Development to undertake a procurement process for the construction works and all ancillary services.
7. That delegated authority is granted to the Head of Regeneration and Economic Development to undertake a procurement process for an operator of the Innovation Centre.
8. That future business rates income from other developments on Kent Medical Campus be ring fenced in the first instance to mitigate against the risk that the Innovation Centre does not perform as expected.

Voting: Unanimous

89. DURATION OF MEETING

6.32 pm to 8.33pm.