

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 14 March 2012

PHASE II OF THE HIGH STREET IMPROVEMENT PROJECT

Issue for Decision

To consider whether to accept a grant from the Homes and Communities Agency, if offered, and agree to their grant conditions, to enable the construction of Phase II of the High Street Improvement Project.

Decision Made

1. That delegated authority be given to the Director of Regeneration and Communities, in consultation with the Leader of the Council, to negotiate and agree the terms of the grant offer and grant conditions with the Homes and Communities Agency (HCA).
2. That delegated authority be given to the Head of Legal Services to enter into the grant agreement with the HCA.
3. That the Council's expenditure on Phase II must not exceed the grant awarded by the HCA.

Reasons for Decision

In March 2011 the Cabinet agreed to proceed with a phased approach to the implementation of the High Street Improvement Project. Phase I commenced in September 2011 and is due to be complete in May 2012. Phase I includes the area from the junction of Mill Street and Bank Street up the High Street to the entrance of the Mall on King Street. Phase II concerns the Lower High Street, below the Mill Street junction with High Street, down to Fairmeadow. An artist's illustration of Phase II is set out at Appendix 1 to the report of the Director of Regeneration and Communities. The Cabinet report in March 2011 recommended that the Cabinet consider Phase II when capital resources become available.

In 2011 the HCA, Maidstone Borough Council and West Kent Borough and District Authorities set out housing and regeneration priorities for the sub region in a document called The Local Investment Plan (LIP). The High Street Improvement Project was described within this document as a priority for the Council. This project did not attract HCA funding at the time but earlier this year the HCA indicated that they were prepared to consider the project for funding if they were faced with under spend in their approved list of projects across the country. HCA grant funding must be spent in the financial year it is allocated, and only against expenditure already incurred.

On the 12th March 2012 HCA asked the Council to work with them to prepare the grant offer letter and legal documentation in anticipation of grant funding becoming available. Whilst this is a positive indication that they expect some funding to be returned to them it does not guarantee that it will happen. As it may not be known until very late in March whether funding will be available, it is necessary to obtain the necessary approvals so that the Borough Council is able to enter into agreement with the HCA at very short notice.

The HCA have stated that one of the conditions of the grant will be that the Council commits to delivering Phase II of the High Street Project. Effectively, if offered, the HCA grant will pay for all expenditure incurred by the Council in 2011/12 on the project estimated to be in the order of £1.4m, enabling the Council to pay for Phase II.

A further report to Cabinet in April will set out the contractual arrangements proposed for Phase II if the Council is awarded the grant.

Alternatives considered and why rejected

The alternative action would be not to prepare for the grant offer in advance but that would mean accepting that the grant might be missed if the offer was made at the very end of March as it would not be possible to obtain the necessary approvals before deadline of the 31st March.

The Council could choose not to accept the grant but that would mean missing an opportunity for the early delivery and completion of one of the Council's stated flag ship regeneration projects.

Background Papers

None

The Cabinet determined this decision was urgent because, if the grant funding is awarded, the Council will need to be in a position to have a signed legal agreement with the HCA in place before 31st March 2012 and be in a position to receive the grant payment within the same time frame. In accordance with Paragraph 18 of the Overview and Scrutiny Procedure rules of the Constitution, the Mayor, in consultation with the Head of Paid Service and the Chairman of the Regeneration and Economic Development Overview and Scrutiny Committee, agreed that the decision was reasonable in all the circumstances and should be treated as a matter of urgency and not be subject to call-in.