

POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday 23 March 2022
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Mrs Blackmore, Brice, Burton (Chairman), Cooke, Cox, English, Harper, Khadka, Kimmance, Munford, Parfitt-Reid, Perry (Vice-Chairman), Mrs Ring, Round and de Wiggondene-Sheppard

The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.

AGENDA

Page No.

1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members
5. Disclosures by Members and Officers
6. Disclosures of Lobbying
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
8. Minutes of the Meeting Held on 9 February 2022 1 - 12
9. Presentation of Petitions

Notice has been given pursuant to Council Procedure Rule 13 of the intention to present a petition in the following terms:

Maidstone Borough Council (MBC) and Homes England are proposing a 'new town' development of 5,000 new homes in the middle of the Kent countryside in the village of Lenham, Kent.

MBC's 'new town' dubbed Heathlands is in an unsustainable location, half way between Maidstone and Ashford. The large majority of current residents rely heavily on private car to get about due to limited public transport with hourly train and bus services.

The only way MBC can make their 'new town' look sustainable is

Issued on Tuesday 15 March 2022

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

to rob the existing Lenham village community of their 140 year old rail station on the Southeastern Railway mainline and move it 2 miles down the road to the middle of the proposed development - currently open and green countryside.

As a community we will not let MBC brazenly steal an existing and much used community asset for their whim to be a 'master-developer'.

MBC's corporate objective to embrace growth and enable new infrastructure should not mean stealing infrastructure from one place and putting it in another.

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| 10. Questions and answer session for members of the public (if any) | |
| 11. Questions from Members to the Chairman (if any) | |
| 12. Committee Work Programme | 13 |
| 13. Public Sector-Led Garden Community Update | 14 - 20 |
| 14. Further development of the Lockmeadow Leisure Complex | 21 - 28 |
| 15. Maidstone Town Centre Strategy | 29 - 48 |
| 16. Maidstone House - Next Steps | 49 - 58 |
| 17. Archbishops Palace - Expressions of Interest | 59 - 69 |

PART II

To move that the public be excluded for the items set out in Part II of the Agenda because of the likely disclosure of exempt information for the reasons specified having applied the Public Interest Test.

Head of Schedule 12 A and Brief Description

- | | | |
|--|---|---------|
| 18. Exempt Appendix A (Item 16 - Maidstone House - Next Steps) - Tenancy Schedule | Paragraph 3 – Information relating to the financial or business affairs of any particular individual (including the authority holding that information) | 70 |
| 19. Exempt Appendices (Item 17 - Archbishops Palace - Expressions of Interest) - Balfour Hospitality Proposal and AB Team Proposal | Paragraph 3 – Information relating to the financial or business affairs of any particular individual (including the authority holding that information) | 71 - 96 |
| 20. Minutes (Part II) of the Meeting held on 9 February 2022 | Paragraph 1 – Information relating | 97 - 98 |

to any individual

Paragraph 3 –
Information relating
to the financial or
business affairs of
any particular
individual (including
the authority holding
that information)

INFORMATION FOR THE PUBLIC

In order to ask a question at this meeting, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 21 March 2022). You will need to provide the full text in writing.

If your question is accepted, you will be provided with instructions as to how you can access the meeting.

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 21 March 2022). You will need to tell us which agenda item you wish to speak on.

If you require this information in an alternative format please contact us, call **01622 602899** or email committee@maidstone.gov.uk.

To find out more about the work of the Committee, please visit www.maidstone.gov.uk.

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 9 FEBRUARY 2022

Present: Councillors Mrs Blackmore, Brice, Burton (Chairman), Cooke, Cox, English, Garten, Harper, Khadka, Kimmance, Munford, Parfitt-Reid, Round and S Webb

Also Present: Councillor J Sams

174. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Perry, Ring and de Wiggondene-Sheppard.

175. **NOTIFICATION OF SUBSTITUTE MEMBERS**

Councillor S Webb was present as Substitute Member for Councillor Perry.

Councillor Garten was present as Substitute Member for Councillor Ring.

176. **URGENT ITEMS**

There were three urgent updates to Item 21 – Medium Term Financial Strategy which contained updated financial figures relating to the issue's determination, following the publication of the Local Government Finance Statement.

177. **NOTIFICATION OF VISITING MEMBERS**

Councillor J Sams was in attendance for Item 11 – Questions from Members to the Chairman.

178. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

179. **DISCLOSURES OF LOBBYING**

All Committee Members had been lobbied on Item 16 – Public Sector-Led Garden Community Update.

Councillor Munford had also been lobbied on Item 17 – Biodiversity and Climate Change Action Plan Update.

Councillors Cooke, English, Khadka, Kimmance and Munford had been lobbied on Item 19 – Church Road, Otham Review.

180. EXEMPT ITEMS

RESOLVED: That all Item 25 – Property Acquisition, be taken in private due to the possible disclosure of exempt information.

181. MINUTES OF THE EXTRAORDINARY MEETING HELD ON 19 JANUARY 2022

RESOLVED: That the Minutes of the Extraordinary Meeting held on 19 January 2022 be agreed as a correct record and signed.

182. MINUTES (PART I) OF THE MEETING HELD ON 19 JANUARY 2022

RESOLVED: That the Minutes (Part I and II) of the meeting held on 19 January 2022 be approved as a correct record and signed.

183. MINUTES (PART I) OF THE URGENT MEETING HELD ON 24 JANUARY 2022

RESOLVED: That the Minutes (Parts I and II) of the Urgent Meeting held on 24 January 2022 be approved as a correct record and signed.

184. MINUTES (PART I) OF THE URGENT MEETING HELD ON 20 JULY 2020

RESOLVED: That the Minutes (Parts I and II) of the Urgent Meeting held on 20 July 2020 be approved as a correct record and signed.

185. PRESENTATION OF PETITIONS

There were no petitions.

186. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were four questions from members of the public.

Question from Mr Stuart Jeffrey to the Chairman of the Policy and Resources Committee

'The Council's climate budget suggests around £600k on electrifying its fleet and retrofitting its buildings. With the huge rise in cost of energy, the poor state of many homes, the significant reduction in energy (and high ROI) with insulation, and the rise in the number of people choosing between heating or eating, has the council got the right priority for this money or should it be spent making life more bearable for our most vulnerable citizens while reducing the Borough's carbon footprint significantly?'

The Chairman responded to the question.

Mr Jeffrey asked the following supplementary question:

'If, as you suggest, this is a routine replacement of vehicles, are you really investing £1 million into Climate Change or are you stealing from one budget to make the Council look better?'

The Chairman responded to the supplementary question.

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

'Please can you confirm on what occasions members or officers of this Council have met with Network Rail to discuss moving Lenham railway station to Lenham Heath since their letter to Mr Cornall on 30 June 2021?'

The Chairman responded to the question.

Ms Hammond asked the following supplementary question:

'We don't want you to make the same planning mistakes you did with church road. If Heathlands doesn't manage to secure a new railway station in the centre of the development at the outset, will you commit to ditching this develop proposal once and for all?'

The Chairman responded to the supplementary question.

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

'Earlier this week, new research published by Transport for New Homes and backed by the RAC Foundation concluded that new greenfield housing estates were adding to traffic jams, carbon emissions and trapping communities into car-dependency. Their research found that the 18 significant new developments they studied were largely planned in the wrong place, too far from town centres and the promises of new public transport and active travel infrastructure failed to materialise. Their findings have all the hallmarks of what this Council is proposing with the Heathlands 5,000-home 'new town'. How do you envisage the Heathlands proposition meeting the aim of your Climate & Biodiversity Plan, specifically on the aim to support the shift from cars to active travel and public transport?'

The Chairman responded to the question.

Mr Heeley asked the following supplementary question:

'You only have to look at Kings Hill as a perfect example of where internalisation doesn't work; everybody comes off of King's Hill to go to work and everyone comes on to go to work and if this council is actually committed to ensuring Climate Change at the heart of every decision that you take, which is what you stated last year, can you not accept that building a new town in the middle of the countryside furthest away from existing town centre's Maidstone and Ashford is a retrograde step to achieving sustainable development'.

The Chairman responded to the supplementary question.

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

'Tonight's Heathlands update report confirms that £635,000 has been spent by MBC on the Heathlands proposition to date. Tonight's Medium Term Finance Strategy report states that the projected budget for 2021/22 for Heathlands is £1.6m. Please can you confirm what the remaining £1m will be spent on before the end of March?'

The Chairman responded to the question.

Ms Duff asked the following supplementary question:

'We believe there's a further £1 million allocated in the Medium-Term Financial Strategy for the next five-year capital plan. Do you think that spending £2.5 million on being a property developer is a good use of the Council's public funds when it can't afford to support the Maidstone Park and Ride?'

The Chairman responded to the supplementary question.

The full responses were recorded on the webcast and made available to view on the Maidstone Borough Council website. The question-and-answer session took place between 9:06 to 20:55 of the recording.

To access the webcast, please use the link below:

[Policy and Resources Committee Meeting - 9 February 2022 - YouTube](#)

187. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were two questions from Members to the Chairman

Question from Councillor J Sams to the Chairman of the Policy and Resources Committee

'What effect will the process of creating the new senior management structure, with officers required to apply for their jobs, have on the local plan review work?'

The Chairman responded to the question.

Question from Councillor J Sams to the Chairman of the Policy and Resources Committee

'After the discussion at the last meeting around Heathlands community engagement being facilitating 10 miles away from Lenham, which alternative venue has now been found?'

The Chairman responded to the question.

Councillor Sams asked the following supplementary question:

'Can I ask that this committee ask the PR company to liaise with the ward Councillors to facilitate the community engagement event in a timely fashion for the benefit of the Lenham residents?'

The Chairman stated that question should be addressed to the Chairman, however a response was provided.

The full responses were recorded on the webcast and made available to view on the Maidstone Borough Council website. The question-and-answer session took place between 21:24 to 25:07 of the recording.

To access the webcast, please use the link below:

[Policy and Resources Committee Meeting - 9 February 2022 - YouTube](#)

188. COMMITTEE WORK PROGRAMME

RESOLVED: That the Committee Work Programme be noted.

189. PUBLIC SECTOR-LED GARDEN COMMUNITY UPDATE

The Director of Regeneration and Place introduced the report and stated that further technical information was being prepared by the Council and Homes England to be submitted to the Local Planning Authority, ahead of the public examination of the Council's Local Plan Review.

The positive progress made concerning the Land Options agreements was reiterated, with further progress expected in the near future.

In response to questions, the Director of Regeneration and Place confirmed that the venue selected for the public engagement exercises had been chosen jointly between the Council and Homes England. Homes England had significant experience in conducting similar events within larger venues with a wide range of facilities.

The Committee strongly felt that at least some of the public engagement exercises proposed should take place in Lenham, to allow the local residents to attend with greater ease. The facilities within the local area, such as Lenham Village Hall, were felt to be suitable for the engagement exercises proposed.

Several Members highlighted the importance of ensuring the safety of all attendees, particularly that of employees, during the public engagement exercises. It was suggested that security be provided if necessary, to allow some of the engagement to take place locally.

RESOLVED: That

1. The report be noted; and
2. Officers be requested to revisit the choice of venue with Homes England, being mindful that it will be situated inside of Lenham.

190. BIODIVERSITY AND CLIMATE CHANGE ACTION PLAN UPDATE

The Biodiversity and Climate Change Manager introduced the report and stated that the Council's Biodiversity and Climate Change Action Plan (BDCCAP) had scored joint 25th place nationally out of 325 councils and was the highest scoring local authority within Kent. It was recommended that the future annual review of the BDCCAP be undertaken by the Biodiversity and Climate Change Manager in consultation with the Committee Chairman.

The contents of the four appendices attached to the report were outlined. Specific attention was drawn to the importance of providing adequate funding to demonstrate the Council's continued commitment to tackling climate change and biodiversity loss, alongside the use of external funding opportunities when possible. A total of five actions had been completed, 57 were ongoing or due to commence shortly, five had been delayed, mainly due to the Covid-19 pandemic, and one had stalled.

The proposed actions moving forward included improving the data collection for the Key Performance Indicators as outlined in Appendix 4 to the report.

The Committee expressed support for the national recognition received by the BDCCAP. The importance of the plan's continued implementation, alongside its review at regular intervals was reiterated due to its wide scope and cross-cutting nature. However, it was felt that the plan's future oversight should be considered from May 2022, given the Council's agreed change in governance arrangements.

RESOLVED: That

1. The progress made towards the delivery of the Biodiversity and Climate Change Action Plan, including the identification of Key Performance Indicators and allocation of budget against projects to deliver the agreed actions, be noted;
2. The changes to the Biodiversity and Climate Change Action Plan, as outlined in Appendix A to the report, be agreed;
3. The Biodiversity and Climate Change Manager be given delegated responsibility to review the Action Plan on an annual basis in consultation with the Chairman of the Committee; and
4. The further financial resources required beyond 2022 to deliver the Council's Biodiversity and Climate Change ambitions, be noted; and
5. A revised process for review be set out post May 2022.

191. DIGITAL STRATEGY 2022-25

The Director of Finance and Business Improvement introduced the report, highlighting the improved use of digital communication channels since the

strategy's introduction. In updating the strategy, five workstream channels had been proposed to increase its deliverability with a designated Lead Officer for each stream. The proposed strategy was shown within Appendix 1 to the report.

The Committee expressed support for the proposed strategy and the previous actions undertaken relating to digital inclusion. However, the importance of supporting all residents was highlighted.

In response to questions, the Head of Policy, Communications and Governance stated that the borough's libraries were likely to be used to promote digital access for local communities.

RESOLVED: That the draft Digital Strategy, as shown in Appendix 1 to the report, be agreed.

192. CHURCH ROAD, OTHAM REVIEW

The Head of Policy, Communications and Governance introduced the report and stated that the Democracy & General Purposes (D&GP) Committee had previously agreed the review's key lines of enquiry and had since considered the findings. The D&GP Committee had recommended that the only resulting action should be an increase in the information provided to the public concerning the planning process.

The Committee felt that a substantial amount of training had been provided to Councillors ahead of the application's determination, including prior to the Policy and Resources Committee meeting as the Planning Referrals Body. Therefore, the Committee expressed support for the decision taken by the D&GP Committee.

RESOLVED: That the decision of the Democracy & General Purposes Committee, as shown in Appendix 3 to the report, be endorsed.

193. ADJOURNMENT OF MEETING

The Committee adjourned for a short break between 8.20 p.m. to 8.30 p.m.

194. FINANCE, PERFORMANCE AND RISK MONITORING REPORT

The Director Finance and Business Improvement introduced the financial update and stated that a £200,00 favourable variance was expected by the end of the financial year due to underspending against the budget.

The Senior Business Analyst introduced the performance update; the Key Performance Indicators (KPI) for the 'Percentage of Non-domestic Rates Collected' and the 'Percentage of Council Tax Collected' had missed their targets by 1.97% and 0.66% respectively. The contributing factors were outlined. Three of the KPIs across the Council's other Services Committees had missed their targets by more than 10%.

The Deputy Head of Audit introduced the risk management update and stated that two additional corporate risks had been added to the corporate risk register since the previous quarter; Loss of workforce cohesion and talent, and Covid-19: Community & business recovery. The updates to the other risks within the register were outlined, with the corporate leadership team continuing to review the financial uncertainty risk.

RESOLVED: That

1. The Revenue position as at the end of Quarter 3 including the actions being taken or proposed to improve the situation, 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, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted;
4. The Risk updates, attached as Appendix 3 to the report, be noted; and
5. The Recovery and Renewal Update, attached as Appendix 4 to the report, be noted.

195. MTFS AND BUDGET PROPOSALS

The Director of Finance and Business Improvement introduced the report and referenced the urgent updates provided following the Local Government Finance Settlement's release. The Council had been provided with additional funding relating to the collection of Business Rates and the Lower Tier Services Grant which had increased the projected surplus for 2022/23 from £8,000 to £76,000. It was recommended that the surplus be reserved to address increased expenditure relating to inflationary pressures.

It was proposed that £1 million of the New Homes Bonus be used for strategic policy and plan-making, with the remainder to be transferred to a housing investment fund in light of the Committee's previous decision to support the Affordable Housing Programme. The significant amount of subsidy required across that programme's period was noted.

The consideration of the Medium-Term Financial Strategy (MTFS) by the Council's other Service Committees was briefly outlined, alongside the proposed increase in Council Tax up to the referendum limit.

In response to questions, the Director of Finance and Business Improvement explained the inflationary estimates used in producing the MTFS. The additional £800,000 allocated to the contingency fund would allow the Council to suitably offset any future inflationary pressures.

The Committee expressed support for the MTFS as proposed.

RESOLVED: That as per the amended papers

1. The outcomes of consideration of the budget proposals by the Service Committees, be noted;
2. The Budget Growth and Savings proposals as set out in Appendix A to the report, be agreed;
3. The first £1 million of 2022/23 New Homes Bonus be allocated for Strategic Policy and Plan Making, with the balance transferred to a Housing Investment Fund to be used to subsidise the Council's Affordable Housing Programme;
4. The Strategic Revenue Projection as set out in Appendix B to the report, be agreed;
5. Council be recommended to agree a £5.40 increase in Band D Council Tax for 2022/23;
6. Council be recommended to agree the Revised Estimates for 2021/22 and the Budget Estimates for 2022/23 as set out in Appendix C to the report;
7. Council be recommended to agree the Capital Programme as set out in Appendix D to the report;
8. Council be recommended to agree the Treasury Management Strategy, Investment Strategy and Capital Strategy as set out Appendix E to the report;
9. The projected level of General Fund balances being in excess of the agreed minimum level of £4 million, as set out in Appendix F to the report, be noted;
10. The updated Medium-Term Financial Strategy as set out in Appendix G to the report, be agreed; and
11. The appropriate matters for decision to set a balanced budget for 2022/23 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.

196. **EMPLOYMENT SUB-COMMITTEE**

The Democratic and Electoral Services Manager introduced the report and stated that the proposed Sub-Committee membership reflected the wishes of political Group Leaders.

RESOLVED: That

1. The Employment Sub-Committee be appointed to conduct interviews for a new Director; and

2. The Sub-Committee's membership be politically balanced with the membership in accordance with the wishes of Group Leaders.

197. APPRAISAL SUB-COMMITTEE

The Democratic and Electoral Services Manager introduced the report and stated that the proposed Sub-Committee membership reflected the wishes of political Group Leaders.

RESOLVED: That

1. The Appraisal Sub-Committee be appointed to carry out the Annual Appraisal process for the Chief Executive and Directors; and
2. The Sub-Committee's membership be politically balanced with the membership in accordance with the wishes of Group Leaders.

198. MAIDSTONE BOROUGH COUNCIL - PROPOSED SENIOR MANAGEMENT STRUCTURE

The Chief Executive introduced the report and stated that the proposed change in senior management structure responded to the recent ambitions expressed, and decisions made by the Council's Service Committees. The proposed changes would total £175,000 per annum, with the previously mentioned salary and grading bench-marking exercise as ongoing.

The proposals contained within Appendix 2 to the report were outlined, with particular attention drawn to specific areas; a 'Head of Capital Projects' and additional Project Manager roles were proposed in response to the agreed Affordable Housing Programme. The properties would be managed by the Head of Housing and Community Services.

The impetus placed on the pace and scope of planning, to include the Local Plan Review, and place-based enforcement had contributed to the proposal for a Head of Spatial Planning and Economic Development, a supporting Programme Manager and a Head of Planning. The former would also support the delivery of the Economic Development Strategy and the formulation of the Town Centre Strategy. A Leisure and Culture Team would be created to cohesively manage the Council's assets, such as the Hazlitt Theatre and Museum.

The Head of Policy, Communications and Governance's role would be expanded and included within the Corporate Leadership Team to enhance the Council's strategy, policy development and public engagement amongst other factors. The increased responsibilities of the role were outlined.

In response to feedback from the Committee, the Chief Executive confirmed that the job specifications and descriptions relating to the structure, if agreed, would be further refined in considering the skills required to fulfil the roles' responsibilities. Informal engagement had

occurred with the existing senior management structure, with formal consultation to occur, if was agreed. Group Leaders had been informally consulted.

The Committee expressed support for the proposal which was felt to be ambitious and reflective of the Council's future aspirations. The Chief Executive, alongside the existing staff at all management levels within the Council, were thanked for their work.

RESOLVED: That the proposed senior management structure for the Council as presented in Sections 2.4 and 2.5 of the report, alongside Appendix 2 to the report, be agreed.

Note: Councillor Blackmore left the meeting after the item's consideration at 9.37 p.m.

199. EXCLUSION OF THE PUBLIC

RESOLVED: That the public be excluded from the meeting for the following item of business because of the likely disclosure of exempt information for the reason specified, having applied the Public Interest Test:

Head of Schedule 12A and Brief Description

Item 25 – Property Acquisition

Paragraph 1 – Information relating to an Individual

Paragraph 3 – Information relating to the financial or business affairs of an individual (including the authority holding that information)

200. PROPERTY ACQUISITION

The Director of Regeneration and Place introduced the report and outlined the contributing factors to the proposed property acquisition.

The Director of Regeneration and Place responded to questions on the financial aspects of the proposal and its future use. The Committee expressed support for the proposal.

RESOLVED: That

1. The Council enter into an agreement for the purchase of the property on the terms as set out in the report, up to an agreed amount.
2. Delegated authority be given to the Director of Regeneration and Place for the following:

- a. To negotiate and finalise the terms of the agreement entered into and to purchase the Property on the terms set out in the agreement;
- b. To purchase the property in accordance with the agreement; and
- c. Instruct solicitors to negotiate and complete all necessary deeds, agreements and all documents arising from or ancillary to (a) and (b).

201. MINUTES (PART II) OF THE MEETING HELD ON 19 JANUARY 2022

RESOLVED: That the item be considered alongside Item 9 – Minutes (Part I) of the Meeting held on 19 January 2022.

202. MINUTES (PART II) OF THE URGENT MEETING HELD ON 24 JANUARY 2022

RESOLVED: That the item be considered alongside Item 10 – Minutes (Part I) of the Urgent Meeting held on 24 January 2022.

203. MINUTES (PART II) OF THE URGENT MEETING HELD ON 20 JULY 2020

RESOLVED: That the item be considered alongside Item 11 – Minutes (Part I) of the Urgent Meeting held on 20 July 2020.

204. DURATION OF MEETING

6.30 p.m. to 9.58 p.m.

2021/22 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Public Sector Led Garden Community Update	P&R	20-Apr-22	Officer Update	Yes	William Cornall	William Cornall
Recovery and Renewal Strategy Update	P&R	20-Apr-22	Officer Update	Yes	Alison Broom	Angela Woodhouse
Asset Management Strategy	P&R	TBC	Strategy Update	Yes	Mark Green	Georgia Hawkes
Commissioning and Procurement Strategy	P&R	TBC	Strategy Update	Yes	Mark Green	Georgia Hawkes

Agenda Item 13

POLICY AND RESOURCES 23 March 2022 COMMITTEE
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PUBLIC SECTOR-LED GARDEN COMMUNITY UPDATE

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	William Cornall, Director of Regeneration & Place
Report Author	William Cornall, Director of Regeneration & Place
Wards affected	All, but in particular Harrietsham & Lenham and Headcorn Wards.
Classification	Public

Executive Summary

Officers from both the Council and Homes England continue to focus upon matters relating to land assembly and the production of further technical reports to be provided to the Local Planning Authority. Furthermore, the first four community engagement events have been completed, and 40% of the total land required is now under Option to Homes England. As in the case of previous reports to this Committee, the contents of this report relate to the Council's position as a potential property owner/developer and not as Local Planning Authority (LPA).

Purpose of Report

To provide this Committee with an update on progress with respect to the Heathlands Garden Community proposition.

This report makes the following recommendations to this Committee:

1. That this Committee notes the report.

Timetable

Meeting	Date
Policy and Resources Committee	23 rd March 2022

PUBLIC SECTOR-LED GARDEN COMMUNITY UPDATE

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Continuing with the development of the Heathlands Garden Community proposition will materially improve the Council's ability to achieve all the corporate priorities.</p>	Director of Regeneration & Place
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The Heathlands Garden Community proposition supports the achievement of all the cross-cutting objectives.</p> <p>Through delivering much needed homes to include 40% affordable housing. The emerging masterplan is landscape led with up to 50% of the total proposed as green space. Led by the ambitions set out in the Strategic Plan the Council can ensure that the design principles of development where it is the master planner reflect the commitment to reduce health inequalities amongst other things.</p>	Director of Regeneration & Place

Risk Management	See section 4.	Director of Regeneration & Place
Financial	Investment in the Garden Community forms part of the Council's five-year capital programme and budgetary provision exists for the expenditure described in the report and the plans outlined here. Spend to date on the project by the Council is £645,062.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Director of Regeneration & Place
Legal	There are no legal implications arising from this report as it is for noting only.	Interim Head of Legal Partnership
Privacy and Data Protection	No impact identified	Policy and Information Team
Equalities	An Equalities Impact Assessment will be completed if the proposal forms part of the draft spatial strategy of the Local Plan Review at Regulation 19 stage.	Equalities and Communities Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals more broadly. However, the period of uncertainty whilst the opportunity is being explored could negatively affect local residents.	Public Health Officer
Crime and Disorder	The recommendation will not have a negative impact on Crime and Disorder.	Head of Service or Manager
Procurement	N/A.	Head of Service & Section 151 Officer
Biodiversity and Climate Change	The revised masterplan brief seeks a biodiversity net gain within the area defined by the proposed redline.	Head of Policy Communications & Governance Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

2.1 The Council is pursuing this project as it is consistent with its Strategic Plan priority of “embracing growth and enabling infrastructure” and the desired outcomes within it:

- The Council leads master planning and invests in new places which are well designed.
- Key employment sites are delivered.
- Housing need is met including affordable housing.
- Sufficient infrastructure is planned to meet the demands of growth.

2.2 The updates since the last report are as follows:

2.3 **Public engagement.** The following events have now taken place:

- Great Danes Hotel Sunday 6th March (11am-5pm), 23 attendees
- Great Danes Hotel Monday 7th March (11am-6pm), 19 attendees
- Online open briefing Tuesday 8th March (6pm), 10 attendees
- Lenham Community Centre 9th March (1pm-8pm), plus a 1-hour pre-briefing for the Parish Council, circa 250 attendees (but maybe as high as 300).

2.4 These events were organised and promoted by “We are Fabrick”, as follows:

- Booked 6,832 leaflets to be hand distributed across Lenham, Lenham Heath, Harrietsham, Sandway, Hollingbourne, Leeds and Charing. This was managed by a professional mailing company, DLM, who are members of the DMA (Data & Marketing Association) and ISO 9001 registered. They also provide GPS tracking.
- A press release was issued to all local press.
- A Facebook page has been created and posts (including paid) have been delivered.
- Posters were placed in shops and a community venue in Lenham.
- Emailed all community groups, sports groups etc with a copy of the mailer asking them to promote the event to their members.
- The website www.heathlandsgc.co.uk is live and social media activity was created to refer people to the site where information about the events was published.

On Friday 3rd March, “We are Fabrick” received a signed certificate of delivery from DLM, this confirmed that 6,832 leaflets had been delivered. However, it became apparent that some residents’ leaflets had not been received. They investigated and late Monday DLM confirmed that not all leaflets had been delivered. The tracking data DLM finally provided on 11th March shows only 47% of the leaflets were actually delivered.

Postcode	Household Count	Amount Delivered	
ME17 1	2,801	1,227	44%
ME17 2	1,903	864	45%
TN27 0	2,128	1,134	53%
	6,832	3,225	47%

This situation undoubtedly caused lower than expected attendances at the Great Danes and online events, and the Council wishes to apologise to the local communities for this situation. Consequently, further events are now being planned to take place in Lenham after the May elections.

The Council and Homes England will receive a full refund from DLM and will also explore the recovery of other associated costs from DLM too.

The events themselves went well, where attendees were able to talk with representatives of the Council and Homes England and read various information displays too.

For those that want to look at a recording of the online event, this can be done by following the link below:

[Heathlands Garden Community \(heathlandsgc.co.uk\)](http://heathlandsgc.co.uk)

For future events, the Council and Homes England will seek a single point of contact at the Parish Council with whom the future events can be confidentially planned in terms of possible dates, venue, scope, and objectives (prior to them being formally announced and publicised).

Homes England Partnership. This continues to go from strength to strength, as Homes England have brought both expertise and resources to the project that continue to pay dividends. Their staff have worked on many similarly sized projects across the country, and their expertise is proving invaluable. At the engagements events they provided 5 staff across the four days, who all worked incredibly hard to answer the many questions from the attendees.

Land Assembly. Homes England now have 40% of the 822 acres required under Option. I.e., a further 10% (of the total) has now been secured, and Homes England remain in an advanced position with the remainder.

Local Plan Review. The Council and Homes England (as promoters) now have a Statement of Common Ground with the Planning Authority which sets out the areas where further work is required prior to the Examination in Public. This is a live / working document and its key areas of focus are Highways; Employment; AONB setting considerations and developing an overall roadmap to planning application stage. The work referred to previously on Nutrient Neutrality and the station proposals is well underway and will be submitted to the LPA in the coming weeks.

Station proposals. The January 2022 report to this committee discussed the optioneering work that is underway. For the avoidance of any doubt, the preferred option is for a new station at Heathlands in addition to retaining all the existing local stations too. This is the option best supported by the evidence produced to date and is the one favoured by the promoters too.

3. AVAILABLE OPTIONS

3.1 This report is for noting.

4. **RISK**

4.1 When this proposal was presented to this Committee in September 2019, the likely risks were set out as follows:

- **At risk consultancy expenditure.**
- **Maintaining cohesion amongst the landowner group.**
- **Possible negative perceptions of a broader role for the Council in the context of acting as master developer.**
- A period of uncertainty for the community affected.

4.2 The first three risks (bold) have diminished because of the progress that has been made, particularly in respect of entering into the collaboration agreement with Homes England, the scheme securing "draft allocation" status in the Maidstone Local Plan Review, and the fact that there is now a smaller landowner pool, with several land parcels now under Option.

4.3 Further risks that had since been added are:

- **Terms cannot be agreed with the principal landowners.**
- Challenge from individuals or organisations that oppose the principle and/or the specific details of the Council's public sector-led garden community.

4.4 The first of these newer risks (bold) is subsiding given the progress made with the land Options. The next emerging risk of significance is that:

- The Heathlands proposal is not supported by the (to be) appointed Local Plan Inspector.

4.5 The Council and Homes England now have plenty of time to work with Homes England's professional teams to produce further technical evidence to give the project the best chance of being supported by the examiner. Should the proposal ultimately become an "allocation" in the Local Plan Review, a fresh project risk register will be established, that will look to the longer-term risks.

5. **CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

5.1 Nothing further to report.

6. **NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

6.1 The next steps will be:

- Homes England to enter into the finalised option agreements with the remaining principal landowners.
- Homes England and the Council to undertake the public engagement work (acting as land promoters), with "We Are Fabrick".
- Homes England and the Council to prepare the (Town) Planning Strategy.
- Continue to develop the proposal to respond to public engagement feedback received either through the LPA's Reg 19 consultation or our own engagement work and to prepare to defend the proposal at the Examination in Public.
- Appoint an external consultant team to further develop the outline strategic

business case for the delivery of the new railway station / halt.

7. **REPORT APPENDICES**

7.1 None

8. **BACKGROUND PAPERS**

8.1 None.

**Policy and Resources
Committee**

23 March 2022

Further Development of the Lockmeadow Leisure Complex

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Alexa Kersting-Woods, Leisure Property Manager
Classification	Public
Wards affected	All

Executive Summary

The Lockmeadow Leisure Complex is a key element in the Council’s strategic priority to make Maidstone a thriving place. Following the Council’s acquisition of the complex in November 2019, further investment has taken place in accordance with the original business case for the purchase. This envisaged that, by investing in the property, the Council could generate additional revenues and make the complex more attractive to residents and visitors. In spite of the Covid-19 pandemic, this investment is now paying off, as set out in this report.

The report sets out a proposal for further investment amounting to £250,000 to upgrade the market building and the undercroft, which will help to ensure that these parts of the complex can achieve their full potential. The investment comes from the sum of £1.8 million allocated to Lockmeadow in the capital programme approved at the Policy and Resources Committee meeting on 19 January 2022, which was subsequently approved by full Council on 23 February 2022.

Purpose of the report

For decision.

This report makes the following recommendations to this Committee:

1. To support the proposals for improvement works.
2. To approve the requested capital spend.
3. To delegate authority to the Director of Finance and Business Improvement 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.
4. To authorise the Head of Mid Kent Legal Services to complete the necessary contract documentation and agreements associated with the works.

Timetable	
<i>Meeting</i>	<i>Date</i>
Policy and Resources Committee	23 March 2022

Further Development of the Lockmeadow Leisure Complex

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Further investment in Lockmeadow will materially improve the Council's ability to make Maidstone a Thriving Place.	Director of Finance and Business Improvement
Risk Management	Already covered in the risk section.	Director of Finance and Business Improvement
Financial	The plans contained in this report would require a capital investment of £250,000. This will come out of the £1.8m already allocated in the capital spending programme.	Director of Finance and Business Improvement
Staffing	We deliver the activities set out in the report with our current staffing.	Director of Finance and Business Improvement
Legal	Advice on procurement (if needed) and negotiating and drafting contracts can be provided by the Contracts and Commissioning Team.	Legal – Contracts and Commissioning Team Leader
Privacy and Data Protection	There are no specific privacy or data protection issues to address.	[Policy & Information Manager]
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	[Policy & Information Manager]
Public Health	The further development of the children's play area helps to make it a suitable place for children to play, socialise and be active.	[Senior Public Health Officer]

Crime and Disorder	Security of the play area is be provided through our existing security provision at Lockmeadow. This is through 24-hour on-site security guards and monitored CCTV.	Director of Finance and Business Improvement
Procurement	There would need to be a recruitment process for the construction works.	Director of Finance and Business Improvement
Biodiversity and Climate Change	As part of a current and ongoing decarbonisation study Lockmeadow’s heating, insulation, lighting, renewable energy potential, EV charging potential will be explored in detail and corresponding energy plans will be devised to reach Net Zero by 2030 in line with MBC’s commitment. Furthermore, nature-based solutions for flood prevention around the Lockmeadow carpark and riverbank are also being explored. Findings from these studies will support proposals for improvement works.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

2.1 Lockmeadow comprises:

- leisure centre with an Odeon multiplex cinema, 18-lane bowling alley, a trampoline park, restaurants and a two-level David Lloyd swimming pool and gym complex
- car parks
- a market hall operated by the Council.

2.2 In November 2019, the Council purchased the long leasehold interest (105 years unexpired). The rationale for the purchase was to take control of a centrally located site which plays a key role in Maidstone’s leisure offer and would help the Council realise its priority of making the borough a Thriving Place. Projected financial returns from the acquisition met the Council’s investment criteria. It was anticipated that further investment would be required to maximise returns from the site and to ensure continued high levels of tenant occupancy, and this was factored into the business case for the purchase.

2.3 Investment to date has been as follows.

Phase 1 – External improvements

External improvements were carried out in 2020 to improve the look of the building and the site in general. They included modernisation of the external facia, removal or replacement of railings and a new, more welcoming entrance to the car park. In addition, the cattle shed type structure at the rear of the car park was removed to open the site to its attractive riverside location.

Phase 2 – Food Hall and Play Area

When the Council acquired Lockmeadow, there were two vacant units located on the ground floor of the centre. It was proposed, and agreed by this Committee, that a new approach was needed to attract tenants and maximise income from the site. As a result, the empty units were converted into a Food Hall, branded as 'Love Food at Lockmeadow'. The Food Hall not only generates revenue for the Council and brings additional footfall to the complex, but it also helps local businesses to grow. One of the food hall tenants has been voted as Maidstone number 1 restaurant on trip advisor

In addition, a play area has been installed between the Millennium Bridge foot path and the Town Square. This has increased footfall to the site and will attract customers for all our tenants.

2.4 Income from Lockmeadow since acquisition is shown below.

	Target	Actual	Variance	
	£000	£000	£000	%
Lockmeadow - main complex				
Year to 31.3.20 (4 months only)	568	562	-6	-1.1%
Year to 31.3.21	1,705	1,068	-637	-37.4%
Year to 31.3.22 (projected)	1,710	1,697	-13	-0.8%
Year to 31.3.23	1,796			
Market				
Year to 31.3.20	164	136	-28	-16.9%
Year to 31.3.21	168	46	-122	-72.3%
Year to 31.3.22 (projected)	168	76	-92	-54.7%
Year to 31.3.23	156			

Income from the main complex was below target in 2020/21, as all but one of the tenants were forced to close because of the Covid-19 pandemic. Rather than enforcing the Council's contractual entitlement to rent payments, a strategy was followed of offering lease extensions in return for rent holidays. This has given the Council greater assurance about the

longevity of tenancies and increased the capital value of its assets, in return for a short-term adverse impact of £637K on revenues.

2.5 Income from the main complex has recovered strongly in 2021/22 and is expected to be at or close to the target of £1.71 million. Visitor numbers have recovered to pre-pandemic levels. During February 2022 half term week we reached a record-breaking visitor level of 50,007 in a week compared to the same week pre pandemic of 41,515. Between 1st January and February 27th 2022 footfall was 130,637 compared to 111,516 in the corresponding period in 2020.

2.6 The neighbouring market hall and outdoor markets were in long-term decline prior to the pandemic and suffered badly during the pandemic. They are only now (Spring 2022) returning to pre-pandemic levels of trading.

2.7 Investment in Market Hall

To date, new investment has focused on the main leisure complex at Lockmeadow. However, it is considered that there is potential for increased levels of occupancy in the market hall and an expanded and improved market. To help the Council achieve this it is proposed to invest in improving the appearance of this area of the complex and to extend to it the same quality and type of branding as is now employed elsewhere.

Specifically, the scheme would bring the Lockmeadow 'grey' to the outside of the market buildings. It would create a new entrance to the hall, as currently the main door is very low-key and looks like a fire exit. The scheme would incorporate the new market branding in external signage and improve the visibility of the signage.

The hall already has a busy programme of bookings. There is much going on, ranging from dog shows and auctions to an archery club, but we still have gaps to fill in the calendar. Currently utilisation is running at approximately 70% on average, although it is higher at some times of the year. An improved look will make it a more appealing venue and the signage will make it more noticeable to the 1,000's of visitors to the site each week.

2.8 Undercroft

Our Saturday market in the undercroft is currently attracting around 30 stallholders each week. It is doing well in comparison to other Kent markets but the stall holders often complain about the undercroft being dark and uninviting. It is therefore proposed to invest in an improved environment, as it is anticipated that these measures would be successful in attracting new stallholders. If we were able to increase the number of stalls from the current average of 30 to 50 stalls this would generate an approximate income increase of £15,750 per annum.

The market brand colours would be applied to the pillars in the undercroft and the lighting would be improved to make the space more attractive. (A

similar effect has been achieved successfully at Maidstone Bus Station in the recent refurbishment there).

In conclusion, the impact of this project will be that the hall and market would look better and would be more in keeping with the rest of the site.

2.9 Play area expansion

The play area at Lockmeadow is proving really popular and is a great asset to the site. It is now proposed to expand it with some play equipment for older children. This installation would take place at the same time as the work described above in the market hall and undercroft.

2.10 Costs

Based on initial estimates, a budget of £250,000 is sought for the work described above. It is estimated that increasing the number of stallholders from 30 to 50 and increasing the occupancy of the market hall from approximately 50% to 75% would yield additional annual income of around £25,000, meaning that the investment would pay back within ten years. This investment return is very comfortably in excess of the Council's criterion of a 4% annual return on capital investment.

3. AVAILABLE OPTIONS

- 3.1 Option 1 – Carry out further investment in order to generate an improved return from the market and undercroft.
- 3.2 Option 2 – Take no further action at this time.

4. REASONS FOR PREFERRED OPTION

- 4.1 This report recommends option 1. The proposals are in line with the overall strategy for investment in Lockmeadow and the performance to date indicates that they will help to ensure an improved level of income.

5. RISK

- 5.1 The risks associated with the proposals in this report, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework.
- 5.2 Specific key high-level risks and mitigation arising from this project are set out below:

Risk	Mitigation
Failure to generate additional bookings in market hall	We could look at how we could generate income ourselves by organising events such as plant and art sales and larger scale events such as music and food festivals.

Risk	Mitigation
Failure to attract further stall holders	We could run incentive schemes to attract new traders such as a number of free taster sessions. We could also offer discounts to charities for fundraising stalls.
Failure of leisure economy to recover from coronavirus	The recovery in footfall at Lockmeadow suggests that there is a lot of suppressed demand for the kind of activities available at the complex. However, in the event of a permanent and irrevocable downturn in the leisure economy, our ownership of the entire Complex gives us the scope to seek strategic solutions including finding different uses of the site.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The strategic context to the acquisition of Lockmeadow, i.e. setting 'Thriving Place' as a priority, the Medium-Term Financial Strategy and the Capital Programme, have been discussed extensively with Members. Members agreed the acquisition of Lockmeadow and support the Council's ambitions for the site.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Should the Committee approve the recommendations of this report, the work described will proceed.

8. REPORT APPENDICES

None.

9. BACKGROUND PAPERS

None.

**Policy and Resources
Committee**

23rd March 2022

Maidstone Town Centre Strategy

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Alison Broom, Chief Executive
Lead Officer and Report Author	Philip Coyne, Interim Director, Local Plan Review
Classification	Public
Wards affected	All

Executive Summary

This report updates the Policy and Resources Committee further to previous reports that the committee has considered around the proposed Maidstone Town Centre Strategy, including feedback on discussions in relation to this topic at service committees in the November cycle of last year.

Based upon the above, the report now seeks the committee’s agreement to the updated scope of the strategy, a potential governance structure that will commence in the next municipal year, and a process of engagement to commence in parallel with the new governance structure.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. That the Committee agrees the updated scope and core workstreams of the Town Centre Strategy as set out in appendices 1 and 2 respectively.
2. That the Committee approves the proposed governance structure at paragraph 2.5.
3. That the Committee agrees the principles of the proposed engagement strategy described in paragraph 2.13 and within appendix 3.

Maidstone Town Centre Strategy

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p>Impact on Corporate Priorities</p>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>The Town Centre Strategy will contribute to all of these objectives by promoting growth in the town centre which will impact positively on both the local and regional economies, whilst providing new homes and jobs within a greener, more legible and pedestrian friendly environment.</p>	<p>Interim Local Plan Review Director, Philip Coyne</p>
<p>Cross Cutting Objectives</p>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>A specific focus for the Town Centre Strategy will be around protecting and celebrating Maidstone’s heritage and promoting biodiversity.</p> <p>The Strategy will also seek to take a new approach to the connectivity between inward investment and employment/training opportunities for local people which, coupled with investment in health infrastructure will help to tackle both social mobility and health inequalities.</p>	<p>Interim Local Plan Review Director, Philip Coyne</p>
<p>Risk Management</p>	<p>Already covered in the risk section.</p>	<p>Interim Local Plan Review Director, Philip Coyne</p>

Financial	Provision has been made for the costs of preparing the Town Centre Strategy within the Council's agreed budget and medium term financial plan. These costs will need to be reviewed regularly as work progresses.	[Section 151 Officer & Finance Team]
Staffing	It is intended that the costs of preparing the proposed strategy in 2022/23, including staff, will be contained within the budget envelope agreed by Full Council in February 2022; this includes a share of the £1m top slice of New Homes Bonus. The scale and breadth of this work will require time support from across the Council, including at management level. It is also proposed that a project manager be appointed (also previously approved by this committee) and that the Interim Director for the Local Plan Review will coordinate the work.	Interim Local Plan Review Director, Philip Coyne
Legal	<ul style="list-style-type: none"> Depending on the Committee's chosen approach, varying levels of Legal input may be required and should be sought at the relevant milestones in the project. Any future statutory document will need to be progressed in accordance with the relevant statutory and regulatory requirements that govern it. 	Cheryl Parks, Mid Kent Legal Services (Planning)
Privacy and Data Protection	No impact identified at this stage.	Policy and Information Team
Equalities	We recognise the recommendations may have varying impacts on different communities within Maidstone. An Eq.IA will be completed alongside the strategy.	Policy & Information Manager
Public Health	We recognise the recommendations may have varying impacts on the health of the population or individuals within Maidstone and health impact assessments will be carried out as appropriate.	Public Health Officer
Crime and Disorder	An integral aspect of the Town Centre Strategy will be the creation of an environment which helps to discourage crime and antisocial behaviour.	Interim Local Plan Review Director

Procurement	The development of the strategy is likely to require specialist knowledge and expertise; commissioning will be undertaken in accordance with the council's processes including those for procurement.	Interim Local Plan Review Director
Biodiversity and Climate Change	The Town Centre Strategy is in line with MBC commitment to support residents and business to lower their carbon footprints, enhance biodiversity, adapt to the impacts of climate change such as from flooding, support green job creation, and reduce pollution.	Biodiversity and Climate Change Officer

2. INTRODUCTION AND BACKGROUND

2.1 Reports concerning the Town Centre Strategy were presented to this committee in September and October of last year. These led to discussions around the principle of an ambitious Town Centre Strategy for Maidstone. This Strategy would be designed to establish and provide clarity on the Council's long-term vision for the town centre, complemented by a comprehensive delivery plan to achieve this. This work would be underpinned by a set of core principles which reflect the vision for both the county town at the heart of Kent and a borough with vibrant and prosperous urban and rural communities.

2.2 The strategy would seek to guide regeneration, development, infrastructure provision, the use of our town centre spaces and, in the short / medium term, the provision of support to town centre communities and businesses in continuing to recover from, and respond to, the impacts of the Covid-19 pandemic and a post-Brexit economy. Integral to the strategy would also be the proactive management of potential change resulting from the relaxation of planning rules regarding the transition of business premises between uses.

2.3 Central to the approach of the strategy would be:

- the re-invention and renaissance of Maidstone town centre as an exemplar of sustainability,
- a strong focus around heritage, arts, culture, leisure and the visitor economy,
- creating a place where people want to live and feel safe,
- an equal emphasis upon the town centre as a district/regional destination for those visiting it from within the borough and beyond, and its role as a local centre for those who live in the town centre or in the surrounding area.

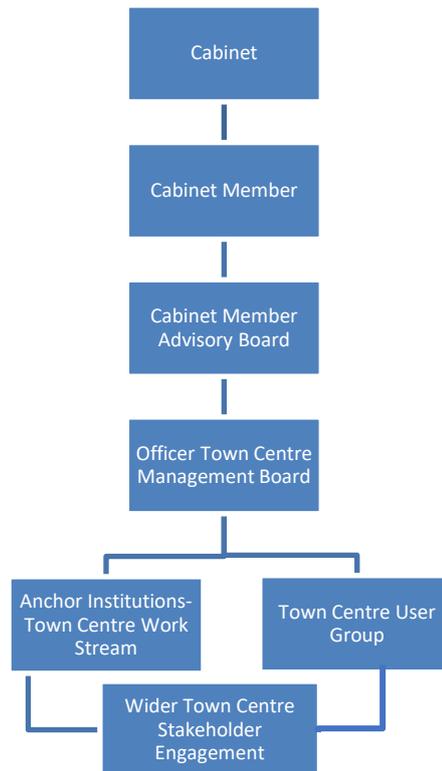
2.4 The committee instructed officers to take reports to the November 2021 cycle of service committees for feedback around the scope and key workstreams of the proposed strategy. The overall scope and key workstreams have now been updated for further consideration by this committee and are contained at appendices 1 & 2. However, for reference, a summary of key topics raised at service committees is provided below:

- *Recognising the various levels of service provision that the town centre provides to different user groups*

- *Recognition of the "town centre community"*
- *More focus around heritage*
- *Catering for all age groups*
- *Efficient maintenance of the town centre*
- *Maximisation of places and spaces*
- *Role of evening economy*
- *Importance of cultural events*
- *Potential for greater further education/higher education in the town centre*
- *Potential for a bigger theatre*
- *Potential role of lighting strategy in the town centre*
- *Fully exploiting river frontage opportunities*
- *Quality of retail frontages*
- *How we use the markets*
- *Issues raised by residential PD conversions in commercial/evening economy area*
- *The importance of governance, and of the council being seen to lead the strategy, including the role of town centre members*

Proposed Governance Arrangements

2.5 The proposed governance arrangements for the strategy and related work are set out below and reflect the decision already taken by the council to move from a committee system of decision making to an Executive model in May 2022.



Political Leadership and Member Engagement

2.6 It is proposed that post May 2022, executive political leadership and oversight will be provided by the new Cabinet - with component parts of the strategy and work programme falling under the purview of the appropriate

Cabinet Member for the purposes of day-to-day decision making. This would be supported by quarterly update reports to Cabinet.

2.7 Councillor workshops will be arranged at key points in the strategy development process to enable all members to contribute views, ideas and feedback.

Day to Day Management

2.8 In terms of management governance, it is proposed that this should be provided through an officer project board, chaired by the Chief Executive, and with the operational lead taken by the Interim Director for the Local Plan Review. The Board would comprise workstream leads for the various activities together with temporary co-optees for one off work areas as appropriate. It would be open to attendance by cabinet member (s) to ensure good communication between managerial and political leadership.

Stakeholder Communication and Engagement

2.9 Due to the variety of important roles which the town centre plays it is essential that work on the strategy engages a wide spectrum of key stakeholders. The proposed scope of this work is attached appendix 3.

2.10 The key aims of this engagement will be:

- To raise awareness of the strategy
- To ensure transparency
- Provide the basis of evidence-based decision making
- To work in partnership with and gain feedback from local organisations and businesses
- To gain feedback from local people and others who use the town centre on what they would like to see in its future
- To obtain feedback from those who do not use the town centre and the reasons for this
- To ensure that all sections of the community and wider stakeholders can access the consultation
- To ensure wide engagement and an appropriate cross section of community involvement
- To co-design where possible
- To test spatial ideas and options to see if they successfully address the community's aspirations
- To test draft proposals and plan for consultation with stakeholders and the community

2.11 It is proposed to establish a town centre user group to act as a source of ideas and a sounding board as the strategy and action plan are developed. This would include elected members from the wards in the immediate vicinity of the town centre, ensuring cross party participation – the details of which will be developed after the local elections in May 2022.

Anchor Institutions

2.12 It is proposed that an Anchor Institutions Group be established comprising representatives of key public/quasi-public 'anchor' organisations. Amongst other things, this group would have the potential for invaluable input to the vision for the town centre, the Town Centre Strategy and the delivery plan.

Communication and Engagement Plan

2.13 It is proposed that a comprehensive programme of ongoing community and stakeholder engagement be undertaken to ensure the broadest possible input and influence from across the borough. This will be augmented by an equally broad visitor and investment marketing campaign designed to enhance our economic development, visitor economy and inward investment work. This work will be subject to regular review and reported back as part of updates to the cabinet.

3. AVAILABLE OPTIONS

Option1:

3.1 Do Nothing. This committee could choose a non-interventionist approach and simply monitor how the town centre recovers from economic and structural change resulting from the Covid-19 pandemic and Brexit, and propose interventions only when this is clearer.

Option 2:

3.1 This committee could choose to follow a statutory planning approach and prepare a Development Plan Document for the town centre which would form part of the Council's Local Development Scheme.

Option 3:

3.2 This committee could choose to take a project-based approach, relying upon a number of key investment and infrastructure projects to form the basis of wider growth

Option 4:

3.3 This committee could take a strategy approach, with project development and commencement waiting until the strategy is adopted to steer an overall programme of work.

Option 5:

3.4 This committee could choose to take a "hybrid" approach which develops and delivers projects in parallel with preparing the strategy.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The preferred option is Option 5. This approach will enable early action in continuing to pursue recovery-based work, progress already adopted

opportunity sites, and identifying/developing business cases for and progressing new projects and key infrastructure needs such as sustainable transport, health, education and inward investment.

- 4.2 This approach also enables early intervention and the gathering of market intelligence in order to position the Town Centre to take advantage of investment, relocation or third-party funding opportunities that may arise from post covid/ post Brexit economic restructuring. The approach also provides the basis for future statutory documents such as a development plan document or even a future local plan with a prime focus around the town centre and its' environs.
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5. RISK

- 5.1 As part of both the Officer Town Centre Management Board and individual projects, risk registers will be established, maintained and monitored in the normal way.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 This report references and outlines previous consultation with service committees. In addition, the report proposes a comprehensive engagement strategy going forward.
-

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 If approved, the report will result in the establishment of a governance and reporting framework as detailed in sections 2.5 and 2.8 above. Project or programme development arising from the report will be managed within the remit of the agreed framework.
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8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Scope of the Strategy
 - Appendix 2: Strategy Content
 - Appendix 3: Engagement and Communication Strategy
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APPENDIX 1: Scope of Strategy

A number of the issues forming the basis of some very positive and productive discussion and debate at service committees had already been recognised within the scope and key workstreams (appendix 2) of the proposed strategy as previously considered by this committee. However, where discussion identified more in-depth, or additional topics, this has been updated.

- The reaffirmation of Maidstone as the county town of Kent through physical regeneration, cultural renaissance, the celebration of heritage and the further development of diverse and high-quality employment, retail and leisure opportunities.
- Consideration of future land/building uses and the achievement of high-quality and sustainable design that respects and celebrates Maidstone's heritage, whilst improving the quality and character of the town, its environment and its functionality.
- Cross-cutting principles to ensure that the town centre is resilient to the effects of climate change and is a flagship of the Council's aspiration to achieve carbon neutrality by 2030.
- A phased approach which continues to build upon current post pandemic recovery work, but also identifies short, medium and long term projects and interventions, including those around key factors such as environment, community safety, business support and where appropriate the necessary forward planning and maintenance.
- Integration of the Council's commitments to a Maidstone Borough that works for everyone, incorporates reductions in deprivation and health inequalities and brings improvement in social mobility.
- Ensuring the town centre and the wider urban area can continue to play a significant role in meeting the borough's housing need through the enablement of development, investment and support for the delivery of quality homes across the housing market to develop sustainable communities.
- Developing the Town Centre in a manner which reflects and respects the various roles it plays, and functions it provides for a range of users including the existing town centre community, those from the urban/semi-rural/ rural locations and those from further afield who work or visit the town centre
- Tackling education and skills differentials across all sectors of the community, in order to ensure that local residents are equipped to compete for employment and training opportunities resulting from investment and reinvestment.
- Ensuring that the Town Centre has a sense of place and identity which is reflected through services and activities which provide for a range of age brackets.
- Promoting Maidstone as a 'smart town' by bringing together the use of new and emergent technologies and data capture techniques in tackling a range of issues from traffic and air quality, to the efficient use of buildings and spaces and the ability of all stakeholders to reach target audiences more easily.

APPENDIX 2: What will the strategy include?

Our Town Centre Strategy needs to comprise of a number of interrelated, interdependent and complementary workstreams; initial thinking is set out below and again this document has been updated to reflect feedback from service committee's.

- A clear and ambitious vision for the Town centre up to and beyond 2050
- A town centre masterplan which identifies potential areas of change, potential "quarters" based on clusters or potential growth areas for particular activities and looks at the impacts of structural change in the economy upon key factors such as, the scale of retail, commercial and other space. This may include a review of the use of Article 4 Directions in the Town Centre to protect important space for its most appropriate future use and avoid conflict between new conversions and other activities.
- A transport movement and infrastructure plan designed to facilitate the well-managed movement of traffic with minimum impact on pedestrian safety and air quality, together with safe, well-lit and legible pedestrian routes throughout the town centre, attractive low carbon public transport options and cycle routes based on logical desire lines.
- A site assembly and implementation framework designed to assist strategic acquisitions by the Council and other partners, together with relocation strategies to ensure that investment and jobs are protected and opportunities for growth fully exploited.
- An inward investment strategy based around a proactive approach to identifying investors, developers and end-users in order to ensure the realisation of the overall strategy.
- An economic development and visitor economy plan based around the current economic development strategy, and seeking to secure reinvestment from existing stakeholders in the town, along with the provision of opportunities for new investment in diversifying Maidstone's visitor and evening economy offer through development in arts, culture, events and a range of leisure opportunities which provide for all age groups.
- A comprehensive events strategy which builds on the current town centre programme, includes activities which celebrate the town centres heritage and culture, are designed to promote movement throughout the town centre and have a focus on those events likely to create repeat visits.
- Building up on work around visitor economy and events an ongoing process of "market investigation" to ensure that any opportunities for major "game changing" visitor economy/culture projects that would compliment the vision for the Town Centre.
- A sustainable town plan designed to ensure that all aspects of the town's transport system, built and natural/semi-natural environments make a positive contribution to the achievement of the boroughs 2030 carbon neutrality target.
- A housing and community plan to ensure that the town's housing stock is of a good standard and of a sufficiently broad nature in terms of both type and tenure to provide for existing and future residents.
- A skills and inclusive growth plan to ensure that residents from throughout the borough are equipped with the skills to compete for

employment and training opportunities arising from the strategy, and that the skill base and training infrastructure across the borough becomes an integral part of Maidstone's inward investment offer.

- A smart town plan to ensure that technology and data capture is harnessed in the context of the easy movement of vehicles and public transport, improvements in air quality, and the ability of the business community and other stakeholders to maximise dwell time and spend capture in the town centre.
- A marketing and communications strategy designed to manage community business and stakeholder engagement in the process, whilst simultaneously marketing the town to investors, developers, occupiers and visitors.
- A plan for the Council's role in investment and direct delivery.

Town Centre Strategy

Communications & Engagement Plan May 2022 – April 2023

Background:

The purpose of the communications and engagement plan for the town centre strategy is to ensure that the views of the stakeholders are understood and that there is consistent messaging with previous initiatives both of which will help guide the regeneration, development, and the provision of infrastructure. It will support the key message that Maidstone is the County Town of Kent, encourage and plan for the maximisation of town centre spaces and places, and provide ongoing support to our communities and businesses.

Town Centre Strategy scope and focus are detailed in Appendix 1 and 2 and the purpose of this document is to ensure that ongoing stakeholder engagement is integral to all of the activities that will form part of the strategy.

Aims:

A comprehensive programme of ongoing community and stakeholder engagement will be undertaken to ensure the broadest possible input and influence from across the borough and surrounding areas. This will be augmented by an equally broad visitor and investment marketing campaign designed to complement our economic development, visitor economy and inward investment work.

The key aims of the communications and engagement will be:

- To raise awareness of the project by creating proactive messaging, engagement and scheduled proactive communications as key events, milestones and changes are planned/happen in Maidstone Town Centre.
- To ensure transparency
- To provide the basis of good evidence-based decision making
- To work in partnership with local organisations and businesses
- To gain feedback from local people and people who use the town centre on what they would like to see in its future
- To gain feedback from local people who do not use the town centre in order to establish why
- To ensure a wide engagement and cross section of community involvement
- To test spatial ideas and options to see if they successfully address the community's aspirations
- To test draft proposals and plan for consultation with stakeholders and the community

Key Messages:

Communications will be key to reestablishing Maidstone as the County Town.

Through clear and targeted communications and engagement we aim to 're-crown' Maidstone as the County Town and to do this we would introduce a robust and specific communications plan to enable us to do that. We want our target audiences with repeated proactive

Town Centre Strategy

Communications & Engagement Plan May 2022 – April 2023

messaging to encourage recognition of Maidstone as a centre for living, leisure, business, investment, education and more. We would outline the benefits of Maidstone by highlighting its heritage, places and green spaces, retail and entertainment, visitor locations and promote its infrastructure, connectivity and location from both an inward investment and visitor economy perspective.

Key issues identified in the Town Centre strategy that will be reflected and focused on through the communications and engagement plan include:

- Recognising the various levels of service provision that the town centre provides to different user groups including existing 'town centre communities'
- Ensuring the reflection of heritage
- Catering for all age groups
- Maximisation of places and spaces
- Provision of employment and access to business and professional services
- Role of evening economy
- Importance of cultural events
- Potential for greater further education/higher education in the town centre
- Quality retail offer

Message taglines:

A visioning exercise will be undertaken with Senior Members early in the new municipal year to agree the taglines based on concepts such as:

- Make it Maidstone - to live, work, do business and visit
- Maidstone is the County Town of Kent
- Maidstone is Open for Business

Audiences:

Multi channelled communications approach to reach; Residents, Businesses, Councillors, Parishes, MBC staff, Community Groups, Care Homes, Doctors Surgeries and Hospitals, Schools and Colleges, Local Media, One Maidstone, Online communities, volunteer sector.

Reach using a wide variety of channels including; direct contact to residents through Maidstone Stay Connected (MBC targeted newsletters), 'Bang The Table' (digital media platform), community engagement, posters, leaflets, films with recognised and trusted spokesperson, stakeholders workshops, social media, Borough Insight, business trade press, MBC website, targeting resident groups.

Town Centre Strategy

Communications & Engagement Plan May 2022 – April 2023

Communications and engagement schedule:

Key Message / activity	Communication method	Date
<p>Visioning Exercise</p> <p>Work with members to confirm the vision and create key messages and taglines to be used in the strategy</p>	All Member workshop	June 2022
<p>Introducing Town Centre Campaign (tagline to be agreed):</p> <p>Inform Councillors, Parish Councils, staff and stakeholders of the planned approach</p>	<p>To introduce and promote the Town Centre campaign through a variety of channels including:</p> <ul style="list-style-type: none"> • Member Bulletin and briefings • Parish newsletters • All Staff Webinars • Inside MBC - staff newsletter and all staff email • Stakeholder Working Groups • Individual messages to stakeholders 	June 2022
<p>Establish brand identity:</p> <p>Working with MBC in-house design team to create and establish a standalone brand that residents, business, stakeholders and visitors would recognise being associated with the town centre.</p> <p>This would be used throughout all our communications and marketing material</p>	To be promoted and established by introducing the brand on all communications and marketing material that is distributed regarding Maidstone town centre.	July 2022

Town Centre Strategy

Communications & Engagement Plan May 2022 – April 2023

<p>– internally and externally, social media, online, printed documents – i.e. posters, advertising and signage.</p>		
<p>Branded Town Centre website:</p> <p>Create a dedicated - Town Centre focussed website that is clear and exciting.</p> <p>Setting out clear core messages, easy to navigate and setting out what Maidstone has to offer and USPs as to why people want to live, work, move to, visit, stay - spend time, and do business at.</p> <p>It would be targeted at residents, communities, stakeholders, businesses and potential people looking to visit or move to the town.</p>	<p>To be introduced and promoted through a variety of channels:</p> <ul style="list-style-type: none"> • Email to Councillors and stakeholders • Stakeholder engagement groups • Social media community groups • Maidstone Stay Connected newsletter • Bang the Table • Use online Nextdoor Neighbour Community Groups • Social media posts on Facebook, Instagram and Twitter and to any Facebook Community groups • Article in Borough Insight • Article in business newsletter • Joint PR with One Maidstone • Inside MBC and staff webinars 	<p>July 2022</p>
<p>Consultation:</p> <p>Running consultation activities throughout the project to ensure that all stakeholders have an opportunity to contribute at relevant points and activities to ensure</p>	<ul style="list-style-type: none"> • Survey/questionnaire – snap • Polls – ‘Bang the Table’ • Community mapping (virtual/physical) ‘Bang the table’- • Walking workshop • Focus Groups /Open Space 	<p>To be aligned with Project and Events Plan</p>

Town Centre Strategy

Communications & Engagement Plan May 2022 – April 2023

- planning for real – technology to support Planning events (interactive workshops)
- Liaison with groups e.g. Business forum, community groups, cultural and heritage groups
- Tools to communicate
- Public/community meetings
- Road shows/stalls
- Dedicated website space
- E-bulletins/newsletter sign up
- Social media

Events Plan:

Creating a series of regular events in the town centre – opportunities to comment and give views, highlighting how vibrant, user friendly and exciting Maidstone is.

- In addition to the comms tools and channels above we would:
- Create a dedicated events calendar heavily promoted through a variety of social media channels and platforms
 - Update and issue events calendar on a quarterly basis coinciding with the seasons throughout the year
 - of social media and digital channels
 - Using all of the communications channels to create and share the new events messages
 - Create a series of posters and banners displayed throughout the town centre at various locations (lamppost banners, bus stops etc), advertising Make it Maidstone events

May 2022 (promoting summer events)
 August 2022 (promoting autumn events)
 November 2022 (promoting winter events)
 February 2023 (promoting spring events)
 *Continuing in the same pattern as above moving forward

Town Centre Strategy

Communications & Engagement Plan May 2022 – April 2023

	<ul style="list-style-type: none"> • MBC 'Stay Connected' events newsletter • Ensure that the town centre site holds the latest information (Bang the Table) 	
<p>Public engagement events:</p> <p>Hold public and community engagement events including consultations, surveys and workshops to ensure all stakeholders have the opportunity to comment, give views and co-design, help our partners and residents understand why are we a county town and to inform us as to what they would like to see, need and want in Maidstone.</p> <p>Schedule a series of events focusing on outlying urban areas of Maidstone to encourage people to engage with MBC and feel part of the town.</p>	<p>To be promoted through a variety of channels:</p> <ul style="list-style-type: none"> • MBC Stay Connected events newsletter • Ensure that the town centre site holds the latest information (Bang the Table) • Social media community groups • Use online Nextdoor Neighbour Community Groups • Social media posts on Facebook, Instagram and Twitter and to any Facebook Community groups • Article in Borough Insight • Inside MBC and staff webinars 	<p>To initially be introduced every other month: July/August, October and December 2022 and ongoing to establish and continue building public engagement and confidence</p>
<p>Maidstone Quarters – establish and introduce areas of interest:</p> <p>Set and establish clear 'quarters' of Maidstone introducing inspirational areas and desire lines around the town centre to acknowledge and celebrate the History & Heritage, Arts & Culture,</p>	<p>To be promoted through a variety of channels including:</p> <ul style="list-style-type: none"> • MBC Stay Connected events newsletter • Bang the Table • Social media community groups • Use online Nextdoor Neighbour Community Groups 	<p>Autumn 2022 ongoing</p>

Town Centre Strategy

Communications & Engagement Plan May 2022 – April 2023

<p>Leisure and Lifestyle, Business in the town.</p>	<ul style="list-style-type: none">• Social media posts on Facebook, Instagram and Twitter and to any Facebook Community groups• Article in Borough Insight• Inside MBC and staff webinars	
<p>Why is Maidstone the County Town?</p> <p>Introduce a dedicated campaign focusing on and tapping into the history of Maidstone; this could initially be illustrated through as the existing heritage quarter and reintroducing it as an important part of the heritage of the county town of Kent.</p>	<p>This would be promoted through a variety of comms channels including:</p> <ul style="list-style-type: none">• Maidstone heritage film• Museum led guided heritage tours around the town• MBC Stay Connected events newsletter• Bang the Table• Social media community groups• Use online Nextdoor Neighbour Community Groups• Social media posts on Facebook, Instagram and Twitter and to any Facebook Community groups• Articles in Borough Insight• Inside MBC and staff webinars	<p>Autumn 2022 and ongoing</p>

Town Centre Strategy

Communications & Engagement Plan May 2022 – April 2023

**POLICY AND RESOURCES
COMMITTEE**

23 March 2022

Maidstone House – Next Steps

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service/Lead Director	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Alexa Kersting-Woods, Leisure Property Manager
Classification	<p>Public report with private appendix.</p> <p>The information contained within Appendix A is considered exempt under the following paragraph of part I of schedule 12A to the Local Government Act 1972:-</p> <p>3 = Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> <p>Public interest test</p> <p>On applying the public interest test, the public interest in non-disclosure of the financial information relating to tenants outweighs the public interest in revealing this information. The reasons in favour of disclosure are transparency in relation to income from a council property and the reasons against disclosure are the impact on the council's commercial position and the financial affairs of the third parties involved.</p>
Wards affected	All

Executive Summary

The Council acquired a long leasehold interest in Maidstone House and The Link in December 2021. This report sets out management arrangements for the building, proposed investment plans and a strategy for its future use.

Purpose of the report

For decision.

This report makes the following recommendations to this Committee:

1. To approve the management approach for Maidstone House set out in the report.
2. To delegate authority to the Director of Finance and Business Improvement, in consultation with the Chair of Policy and Resources Committee, to release capital programme funding for the projects set out in paragraphs 2.19 and 2.23, up to an overall limit of £0.5 million.
3. To delegate authority to the Director of Finance and Business Improvement to undertake a procurement process and award such contracts for delivery of the works in accordance with financial procedure rules and applicable public contracts regulations and principles.
4. To authorise the Head of Mid Kent Legal Services to complete the necessary contract documentation and agreements associated with the works.

Timetable

<i>Meeting</i>	<i>Date</i>
Policy and Resources Committee	23 rd March 2022

Maidstone House – Next Steps

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Providing suitable office accommodation for the Council helps to support all its corporate priorities. The presence of the Council in the Town Centre and its role as a major property occupier and owner helps support the priority of making Maidstone a thriving place.	Director of Finance and Business Improvement
Cross Cutting Objectives	Upgrading Maidstone House provides an opportunity to address the cross-cutting objective of respecting biodiversity and environmental sustainability, and specifically to contribute towards the Council's carbon reduction target.	Director of Finance and Business Improvement
Risk Management	This has been addressed in section 5 of the report.	Director of Finance and Business Improvement
Financial	The financial implications are set out in the report and the proposals meet the criteria of the medium term financial strategy.	Director of Finance and Business Improvement
Staffing	There will be significant implications for staff in the way that the Council provides office accommodation in the future. Details are set out in the report.	Director of Finance and Business Improvement
Legal	Legal can assist with the negotiation and drafting of any necessary leases and contracts required by the management approach in the report	Legal – Team Contracts & Commissioning and Property and Regeneration Team Leader
Privacy and Data Protection	There is no specific impact.	Director of Finance and Business Improvement
Equalities	There is no specific impact.	[Equalities and Corporate Policy Officer]
Public Health	There is no specific impact.	[Public Health Officer]

Crime and Disorder	There is no specific impact.	Director of Finance and Business Improvement
Procurement	All procurements will be carried out in line with the Council's procurement regulations.	Director of Finance and Business Improvement
Biodiversity and Climate Change	Upgrading the Council's office accommodation provides an opportunity to address the cross-cutting objective of respecting biodiversity and environmental sustainability, and specifically to contribute towards the Council's carbon reduction target.	Director of Finance and Business Improvement Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 Following a decision of this Committee at its meeting on 29 July 2021, the Council acquired a long leasehold interest (199 years) in Maidstone House and The Link from Capital and Regional, owners of the Mall shopping centre. The acquisition was completed in December 2021.
- 2.2 The objective of the decision was to reduce the Council's accommodation costs and to give it greater flexibility, allowing it to adjust occupancy up and down as necessary and to let space not required by the Council itself to third parties. Ownership of the site also supports the Council's objective to make Maidstone a thriving place, by giving it the opportunity to invest in Maidstone House and the Link and to continue developing the facilities they offer.
- 2.3 The purchase consideration was £7.07 million, which was comfortably within the level authorised by the Policy and Resources Committee. Funding for the purchase came from the Council's internal resources and Public Works Loan Board borrowing.
- 2.4 Details of the accommodation acquired are as follows.

	Approx Gross Internal Area (sq ft)
Maidstone House	
Ground Floor - Reception and KCC	3,685
Floor 1 – Business Terrace	10,983
Floors 2-6 – Offices	59,518
Floor 7 – Plant Room	845
Sub-total	75,031
The Link	

Ground Floor – Entrance	2,866
Floor 1 – MBC and DWP	7,437
Mezzanine – MBC and DWP	1,796
Floor 2 – Business Terrace	4,851
Sub-total	16,950
Grand total	91,981 sq ft
Car parking	
Undercroft (level 4)	87 spaces
Level 5 (accessed via multi-storey)	50 spaces
Rooftop	57 spaces
Total	194 spaces

2.5 The Council currently occupies offices on floor 5 and part of floor 6, and shares the Link with the DWP. The Business Terrace is let by the Council to start-ups and growing businesses. The remainder of the accommodation is subject to a number of leases to third parties, which generate total income of approximately £500K per annum. Details are set out in Exempt Appendix A. These leases expire over the next few years, apart from the lease to Kent County Council, which runs to 2077.

2.6 This report sets out a proposed approach to managing the Council's investment as follows.

- Building management
- Business Terrace
- The Link
- Letting strategy – short term
- Letting strategy – medium to long term
- Future capital investment and carbon reduction
- Future redevelopment of the Mall

Building management

2.7 Prior to the acquisition of the long lease on Maidstone House and the Link, the Council and the Business Terrace already occupied around two thirds of the combined space. The Council has a facilities management team and contracts in place for cleaning, equipment maintenance, etc. through which it has managed this space. These arrangements will continue and will be managed on a day-to-day basis by the Leisure Property Manager. Where building works would previously have fallen to Capital and Regional as landlord, the Council will now manage these, utilising external advice and support as appropriate.

2.8 Prior to the council's acquisition of Maidstone House, Capital and Regional levied a Service Charge for items such as the Ground Floor reception service and cleaning of common parts. Following the acquisition, these services are being undertaken by external managing agents instructed by the Council, Fidum Property Management, who have also taken on the responsibility for collection of rent from sub-tenants and service charge accounting. These are specialist activities which it is appropriate to outsource. Procurement of

property management services is subject to the Council's procurement regulations and remains under review.

- 2.9 There are a number of residual services which the Council continues to obtain from Capital and Regional under the terms of our lease, such as maintenance of car park barriers.

Business Terrace

- 2.10 The Business Terrace was established on the First Floor Terrace of Maidstone House in 2015 with the two-fold purpose of providing affordable space to business start-ups, in line with the Council's Economic Development Strategy, and utilising unused space to which the Council had committed itself under the original lease with Capital and Regional. The Business Terrace has subsequently expanded, such that it now occupies the entire First Floor.
- 2.11 The Business Terrace's offer to tenants includes not only space for rent, but also business advice and the benefits of working with a cluster of similar businesses.
- 2.12 The Business Terrace has been extremely successful, both in achieving high occupancy rates and hence recouping most of the Council's occupancy costs, and in providing an environment in which businesses have succeeded in establishing themselves and growing to a level where they are able to move on to bigger space elsewhere. Firemind Limited, who occupy part of the 6th Floor of Maidstone House, is just one business that has grown successfully from inception in the Business Terrace.
- 2.13 In light of the Business Terrace's track record, both in promoting economic development and as a viable enterprise in its own right, it is proposed that the First Floor of Maidstone House continues to be dedicated to this use. The acquisition of Maidstone House will allow the Council to offer longer tenancies than is possible currently and offers the potential for the Business Terrace to expand in line with demand.

The Link

- 2.14 The Link (formerly known as the Gateway) was originally conceived as a One Stop Shop for Kent County Council and MBC's customer services. In the event, KCC withdrew from the project and the Council has sub-let space on the Ground and First Floor of the Link to the Department of Work and Pensions, who use the site to provide a Job Centre Plus (JCP). The Council continues to use part of these areas to deliver Customer Services.
- 2.15 The Link is an ideal location for the JCP, being located in the centre of the town. Unusually for JCP premises, the Link has the potential for providing the DWP with back office space in Maidstone House. It is anticipated that the Council will continue its relationship with the DWP.

Letting strategy – short term

- 2.16 Apart from the Ground Floor unit which is let to Kent County Council on a long term peppercorn rent, the leases are all due to expire over the next few years.
- 2.17 The office space is of a high standard. Where space is vacant or falls vacant, our agents are confident that it can be let readily. The Council is in a position to offer full repairing leases or serviced office space according to tenants' requirements.
- 2.18 It was assumed in constructing the business case for the acquisition of Maidstone House that the offices would be fully let at commercial rates. The rental income obtained is therefore reflected in the Council's budgets and financial strategy. It is therefore appropriate to continue seeking to maximise utilisation of office space on a commercial basis.
- 2.19 It was envisaged when acquiring Maidstone House that capital investment would be required in the building and this was reflected in the business case for the purchase. In line with this, it is proposed that the offer to potential tenants is enhanced by providing a more attractive reception area, cosmetic improvements to the exterior of the building on the ground floor, and better signage. Initial indications are that the likely cost of this work would be in the region of £150,000. We will engage with members, staff and tenants in developing detailed plans.

Letting strategy – medium to long term

- 2.20 The Council currently lets space in the Link to the Department for Work and Pensions and to KCC on the ground floor of Maidstone House. Both are public sector tenants with whom we would wish to continue developing our relationship. The Council has also periodically let office space in Maidstone House to the DWP and other public sector organisations. More generally, the Council has strong links with other public sector organisations both locally in Kent and further afield. It is worth building on this experience, as there are benefits from co-location with other public sector bodies, such as the opportunity to work more closely together and to facilitate customer access to our respective organisations. Interest has already been expressed from a number of other public sector organisations in this concept.
- 2.21 It is therefore proposed that, while continuing to maximise occupancy and rental income in the short term, the Council seeks to identify public sector organisations who would be interested in taking space at Maidstone House over the longer term. Such partnerships with the Council could eventually lead to Maidstone House forming a hub for public services.
- 2.22 The development of a public sector hub needs to be balanced with the Council's continuing commitment to supporting start-ups through the Business Terrace, and offering such businesses the space in which to continue growing successfully, thus promoting economic development in the borough. We believe that the objectives of providing a base for public services and promoting business growth are entirely compatible. Indeed, there are potential synergies, with public sector organisations providing a market for digital and related services which start-ups are well-equipped to serve.

Future capital investment and carbon reduction

2.23 As indicated in paragraph 2.18, some investment will be required in Maidstone House in order to enhance the offer to potential tenants. Capital investment will also be required to replace aging plant and equipment, in particular the lifts. The opportunity will be taken wherever possible to achieve low-energy solutions and thereby support the Council's carbon reduction objectives. It is estimated that costs for the initial phase of works, to include refurbishment of the lifts, will amount to £300,000.

Future redevelopment of the Mall

2.24 We understand that Capital and Regional have no current plans for redevelopment of the Mall. However, there may be a development opportunity associated with the Mall in the future. In drawing up the terms of our 199 year lease, careful consideration was given to ensuring that the Council's interest be protected in such an event. In any case, we would expect Capital and Regional or any successor as owner of the Mall to engage closely with the Council in any development proposals, such that we can ensure that any development is consistent with the emerging Town Centre strategy. If appropriate, the Council would seek equity participation in a redevelopment.

3. AVAILABLE OPTIONS

- 3.1 Option 1 - Approve the management approach set out in this report.
 - 3.2 Option 2 – Propose an alternative approach.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 This report recommends that the approach set out here be approved, for the reasons stated, and that a budget is committed from the Council's agreed capital programme to enable it to be implemented.
-

5. RISK

- 5.1 We are satisfied that the risks associated with this approach are within the Council's risk appetite and will be managed as per the Policy.
- 5.2 Specific key high-level risks and mitigation are set out below:

Risk	Mitigation
Downturn in office letting	Where leases are due to expire, we will seek to secure our income by negotiating new leases of say 15 – 20 years duration. In the event of a catastrophic downturn in the economy, leading to tenant failure, our ownership of the entire building gives us the scope to seek strategic solutions.
Tenant failure	The position with existing tenants will be monitored carefully and appropriate due diligence will be undertaken on any new tenants. The approach of offering a 'public sector hub' implies that tenants will be at low risk of failing.
Occupancy rates are lower than anticipated	The Council's position as a major public sector occupier and landlord gives it a number of options that might not be available to a commercial landlord. For example, it would be in a strong position to offer office sharing arrangements to other public sector tenants. (The Council has already successfully sub-let parts of its current demise at Maidstone House to the NHS and the DWP).
Future income below projected levels	The relatively low financing costs enjoyed by the Council gives a wide margin in which income could fall short of projected levels, with the project nevertheless remaining cash positive.
Structural issues with building	A Building Survey was undertaken as part of the due diligence work on acquisition.
Management issues	Managing agents will handle those areas where the Council lacks sufficient in-house skills and experience.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 The overall approach to occupation and management of Maidstone House and the Link was discussed extensively with members prior to obtaining approval for the acquisition. The detailed arrangements set out in this report are consistent with the overall approach envisaged originally.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The measures described above will be implemented following Committee approval.

8. REPORT APPENDICES

Exempt Appendix A – Tenancy Schedule

9. BACKGROUND PAPERS

None

**POLICY AND RESOURCES
COMMITTEE**

23 March 2022

ARCHBISHOP’S PALACE – EXPRESSIONS OF INTEREST

Final Decision-Maker	Policy & Resources Committee
Lead Director	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Deborah Turner, Corporate Property
Classification	<p>Public report with private appendices.</p> <p>The information contained within Appendices 1 and 2 is considered exempt under the following paragraph of part I of schedule 12A to the Local Government Act 1972:-</p> <p>3 = Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> <p>On applying the public interest test, the public interest in non-disclosure of the appendices outweighs the public interest in disclosing this information. The reasons in favour of disclosure are public interest in the use of an important heritage and cultural asset in the Town Centre and value for money</p> <p>And the reasons against disclosure are the commercial confidentiality expected in a tender exercise, the potential negative impact on the council’s financial position in respect of tenders received and commercial negotiations through releasing the information which would not be in the public interest.</p>
Wards affected	High Street

Executive Summary

The Archbishop’s Palace is due to be returned to the Council’s possession later in 2022. A Feasibility Study has been carried out into potential future uses and consultation undertaken with the public. The Council invited expressions of interest in working with the Council in developing one or more of the options set out in the Feasibility Study. This report summarises the responses received to the invitation for Expressions of Interest and proposes a way forward.

This report makes the following recommendations to this Committee:

1. That the Committee selects one of the two bidders described in this report as the Council's preferred partner in the development of further proposals for the future operation of the Archbishop's Palace.
2. That the Director of Finance and Business Improvement is granted delegated authority to enter into a time-limited Exclusivity Agreement with the preferred partner.

Timetable	
<i>Meeting</i>	<i>Date</i>
Policy & Resources Committee	23 March 2022

ARCHBISHOP'S PALACE – EXPRESSIONS OF INTEREST

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p><i>The four Strategic Plan objectives are:</i></p> <ul style="list-style-type: none"> • <i>Embracing Growth and Enabling Infrastructure</i> • <i>Safe, Clean and Green</i> • <i>Homes and Communities</i> • <i>A Thriving Place</i> <p>The project described in this report supports the Council's Strategic Plan objectives, most notably A Thriving Place.</p>	Director of Finance & Business Improvement
Cross Cutting Objectives	<p><i>The four cross-cutting objectives are:</i></p> <ul style="list-style-type: none"> • <i>Heritage is Respected</i> • <i>Health Inequalities are Addressed and Reduced</i> • <i>Deprivation is reduced and Social Mobility is Improved</i> • <i>Biodiversity and Environmental Sustainability is respected</i> <p>The report recommendations support the achievements of the cross-cutting objectives by respecting the heritage of the existing building with sensitive design and addressing environmental sustainability by upgrade works to improve the use and condition of the building.</p>	Director of Finance & Business Improvement
Risk Management	Already covered in the risk section.	Director of Finance & Business Improvement
Financial	Once a detailed financial proposal has been submitted by the preferred bidder, the financial impact of that scheme can be fully considered. The running costs of the building are currently £250k per annum which are at present paid for by the tenant.	Director of Finance & Business Improvement

Staffing	We may need access to extra external expertise to deliver the recommendations.	Director of Finance & Business Improvement
Legal	Acting on the recommendations is within the Council's powers as set out in local authority legislation (including the general power of competence under the Localism Act 2011) and the Council's Constitution.	Legal Team
Privacy and Data Protection	No implications.	Director of Finance & Business Improvement
Equalities	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Equalities and Communities Officer
Public Health	No implications.	Director of Finance & Business Improvement
Crime and Disorder	No implications.	Director of Finance & Business Improvement
Procurement	The Council has followed a procurement exercise in order to obtain Expressions of Interest.	Director of Finance & Business Improvement
Biodiversity and Climate Change	<p>Implications include, new or change of use of buildings must integrate with MBC's Biodiversity and Climate Change Action Plan and Net Zero 2030 commitment.</p> <p>MBC is currently initiating a decarbonisation study that will include the Archbishop's Palace and Gate House, and seek decarbonised heating systems, insulation and renewable energy options to meet MBC's Net Zero commitment – any new use/lease of the Archbishop's Palace would need to comply with recommendations made by this study.</p>	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

Background

2.1 The Archbishop's Palace is currently let to Kent County Council (KCC) for use as a Registry Office and Coroners Court. The lease to KCC expired on 31st October 2020 but KCC have held over under the existing lease and remain in occupation. The intention is for KCC to vacate the building later in 2022, at which point responsibility for the property will pass back to Maidstone Borough Council.

2.2 Recognising that the Palace is a landmark building of unique significance for the borough and the town of Maidstone, extensive work has been carried out to consider future uses of the building. Initially, a feasibility report was commissioned from architects Simon Innes Associates, with a brief to identify potential uses that would deliver the following objectives:

- Respect the historic fabric of the building
- Bring the building promptly back into active use
- Any proposed use should be economically viable
- Develop linkages to the property with the surrounding area, particularly the River Medway, Lockmeadow and the Town Centre

The last point recognised the key role of the Palace in a potential Heritage Quarter, bordering the rivers Medway and Len, and including All Saints Church and the Archbishop's Tithe Barn and Stables (now the Carriage Museum).

2.3 The feasibility report from Simon Innes Associates was presented to this Committee in July 2021. It identified four possible uses for the Palace and provided a brief commentary on the viability of those uses, the uses being:

1. Co-Working and/or Serviced Offices
2. Training and Seminar Centre
3. Wedding and Seminar Venue
4. Boutique Hotel.

The Committee proposed a further two potential uses, ie:

5. Commercial Mixed Use
6. Mixed Use Culture and Weddings.

2.4 The Committee agreed a programme for taking forward these ideas and preparing to take back the Palace from Kent County Council, comprising the following steps. There has been some slight slippage in the timetable.

Public consultation on options	October 2021
Invitation for expressions of interest from potential partners	December 2021
Selection of a preferred partner	March 2022
Exclusivity period during which we will work with the preferred partner to develop detailed plans for the Palace.	March 2022 – October 2022

- 2.5 The public consultation drew over 2,000 responses. Details were reported to this Committee at its meeting on 20th October 2021. The top three options were a wedding and seminar venue, mixed use culture and weddings, and a boutique hotel.
- 2.6 The invitation for Expression of Interest (EOI) asked potential partners to explain their proposed use of the Palace and their reasons for why that option should be considered, their source of funding, their previous experience of heritage properties, evidence of similar projects/case studies, proposed timescales, methodologies and any proposed partnership arrangements. The invitation highlighted the results of the public consultation and residents’ top priorities, and stated that proposals that reflected residents’ preferred options would be favourably considered.
- 2.7 An open tendering process was conducted in order to test the market as fully as possible. The opportunity was advertised via Kent Business Portal and the Contracts Finder website. Wide publicity has been given to the opportunity and there has been direct engagement with businesses in Kent and elsewhere that were considered likely to be interested.
- 2.8 In the event, only two submissions were received. The business cases put forward by the two bidders are attached to this report as exempt appendices. Feedback from likely candidates that did not submit bids suggest that the obstacles that prevented putting bids forward included the complexity of the site and how open the grounds were to the public. As such, businesses were not able to see how the Palace could be adapted to fit an existing operating model.
- 2.9 Summary information about the bids is set out below and a commentary given on both.

Balfour Hospitality

- 2.10 Balfour Hospitality is a group of businesses including hotels, restaurants and the Hush Heath Winery. The group was established and is run by Richard and Leslie Balfour-Lynn. Richard Balfour-Lynn has a long career in the hospitality industry, having developed the Malmaison and Hotel Du Vin boutique hotel groups.

- 2.11 The bid proposes a luxury boutique hotel based within the Palace grounds and restaurant/conference/wedding and training facility within the Palace building itself. (See Appendix A). The hotel is envisaged as the focus for the development of wine tourism in Kent. Hush Heath forms part of a partnership of eight wineries in Kent and it is felt that all would benefit from the development of tourism, in the same way as happens in the Champagne region of France, Napa Valley in California and Margaret River in Australia. The town of Maidstone is seen as the ideal location for such a hotel, being the county town of Kent, as well as being within easy reach of London.
- 2.12 To be financially viable, the hotel would require a minimum of 25 bedrooms, which would principally be provided in three new buildings within the perimeter of the Palace site.
- 2.13 Balfour Hospitality would provide public access to the Archbishop's Palace, in the same way as the Hush Heath Estate, which is open every day of the year except Christmas Day. In conjunction with the hotel, the Palace would be a venue for training in wine and hospitality.
- 2.14 Balfour Hospitality propose taking a 99 year lease of Archbishop's Palace to facilitate funding and long term investment.

AB (Archbishops) Team

This is an in-house team of Maidstone Borough Council officers, who have developed a proposal at their own initiative, independently of the authors of this report.

- 2.15 The principal proposed use of the Palace is as a wedding venue, taking advantage of the building's history, its gardens and its riverside location. It is anticipated that income would be generated mainly from hire of the Palace for weddings from Friday to Sunday.
- 2.16 The bid envisages that operation of the Palace would be integrated with other Council services. A catering and hospitality provider would be procured and the kitchen facilities would be provided exclusively by the Council-procured contractor, with whom the Council would work to develop and customise the Palace's kitchen and other facilities.
- 2.17 Financial projections have been prepared to accompany AB's business plan. These indicate that the business would be profitable at an operating level. It is assumed that the Council would provide the necessary capital investment.
- 2.18 The team have proposed the continued participation in the annual heritage days in September, providing free tours of the Palace and grounds to ensure open public access.

Commentary

2.19 A brief commentary on the bids is set out below, based on the Council's objectives for Archbishop's Palace (1-4) and further priorities identified during the process of consultation with members and the public (5-6).

Objective	Balfour Hospitality	AB Team
<p>1. Respect the historic fabric of the building</p>	<p>The history and appeal of the Palace building is fundamental to BH's vision. The business has experience elsewhere of developing historic buildings and working with Historic England.</p> <p>Although this aspect of the bid does not affect the fabric of the Palace itself, BH propose three new buildings in the grounds to provide hotel accommodation. This will be a key topic for discussion between BH, the LPA and Historic England and will have an impact on the broader setting of the building.</p> <p>At their own initiative, BH have engaged Simon Innes, a historic buildings specialist who carried out the initial MBC feasibility study on options for the Palace.</p>	<p>Limited changes are envisaged to the building in the near term, specifically expansion of the kitchen and reshaping of the reception area.</p>
<p>2. Bring the building promptly back into active use</p>	<p>BH envisage pre-application discussions with the LPA and Historic England over the next six months, alongside developing plans to RIBA Stage 2.</p> <p>BH predict they require one year from confirmation of planning to realise the vision set out in BH's plans and bring the building back into use.</p>	<p>As limited changes are envisaged to the building, a period of 6-12 months could be a reasonable timeframe to assume for the necessary adaptation and conversion to take place after KCC vacate the building.</p>
<p>3. Any proposed use should be economically viable</p>	<p>BH state that a minimum of 25 bedrooms is required for a boutique hotel to be financially viable. This is supported by independent advice obtained by MBC from hotel consultants.</p> <p>As BH is an established business with relevant experience, it should be able to access the necessary funds to develop its plans.</p> <p>Successful implementation remains dependent on a range</p>	<p>There is an established market for wedding venues, the main expected income source for this bid.</p> <p>The team assumes that it would have the financial backing of the Council, giving it access to finance for investment.</p> <p>The relatively limited scope of the proposed business activities reduces the risks from financial failure.</p>

Objective	Balfour Hospitality	AB Team
	of factors, including growth of the local hospitality and tourism sectors and general economic conditions.	
4. Develop linkages to the property with the surrounding area	BH recognise the significance of the Palace's setting. The proposal seeks to enhance this by improving the surrounding landscape and developing the gardens, as well as reducing the impact of Mill Street on the grounds.	The AB proposal recognises that the Palace is just one of a group of iconic buildings. In the longer term AB envisages bringing the Undercroft, the Gatehouse and the Carriage Museum within the scope of its offering.
5. Public access	BH plan to maintain the Palace and gardens for public use and access throughout the year. The scale of the planned business means that it is likely to be viable to have a regular staff presence on site. This is consistent with the approach that Hush Heath adopts at its winery.	AB aims to make the building accessible to the community. No specific initiatives are described in the proposal. The cost of providing access at all times could impair the financial viability of the bid, given the relatively smaller scale of the business.
6. Wider contribution to local community, culture and economic prosperity	The hotel would attract more visitors to Maidstone, with benefits for the local economy. BH also see the Palace as helping to promote the Kent wine and food industry, leading to wider economic benefits. They have contacts with Mid Kent College and aim to create space for training in the topics of wine and hospitality.	AB envisages making full use of local businesses as part of the supply chain for the Palace, including food, catering and service providers.

Next Steps

- 2.20 Following a decision about which of the two bidders the Council wishes to work with, the next step would be to enter into an Exclusivity Agreement with the preferred partner.
- 2.21 By entering into an Exclusivity Agreement, both the Council and the preferred partner would have an opportunity to explore options. In the case of Balfour Hospitality in particular, this would be likely to include discussions with planners and Historic England to develop a scheme that meets the objective of being economically viable whilst protecting the heritage of the building.

2.22 The Exclusivity Agreement will define the outputs from this phase. These would include, but not be limited to:

Development of detailed designs;
Consideration of buildability, sequencing, and construction risk;
Definition of how the works are to be packaged works (and the risks of interfaces between packages);
Proposals for selection of specialist contractors;
Development of cost plan and works programme;
Completion of surveys and investigations necessary prior to submission of a planning application
Consideration of all related planning matters.

2.23 Crucially, discussions would take place with the Local Planning Authority and Historic England to ensure that any proposals have the support and guidance of the statutory bodies.

3. AVAILABLE OPTIONS

3.1 **Option 1:** To select one of the two potential partners.

3.2 **Option 2:** To re-open invitations for expressions of interest.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The preferred option is Option 1. Extensive work has already been carried out to encourage potential partners to come forward. For the reasons set out above, it is unlikely that a further invitation to bid process would yield a different response.

5. RISK

5.1 Empty Building - By selecting a preferred partner now, we are more likely to have an agreed plan for the building when it is returned to MBC from KCC. Although it may not be possible to commence any refurbishment work immediately, there is less risk of reputational damage to the Council.

5.2 Maintenance and Management Costs - Any decisions as to the future of the building will affect the management and maintenance of the building both in terms of regime, cost and staff. These costs can be contained if there is a clear plan for the building in future.

5.3 Expertise and Resources - Historic sites require particular attention when considering any form of alteration and/or development. Careful consideration will be required when assessing the next steps as to whether the Council and its preferred partners can mobilise the necessary expertise and resources.

5.4 Communication - Engagement with stakeholders is key to ensure that the best option for the Council and its objectives are met.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 Progress on this project has been reported regularly to Policy and Resources Committee. Specific consultation with the public has been carried out as described above.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 See paragraph 2.20 above.

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

On applying the public interest test, the public interest in non-disclosure of the appendices outweighs the public interest in disclosing this information. The reasons in favour of disclosure are public interest in the use of an important heritage and cultural asset in the Town Centre and value for money. And the reasons against disclosure are the commercial confidentiality expected in a tender exercise, the potential negative impact on the council's financial position in respect of tenders received and commercial negotiations through releasing the information which would not be in the public interest.

Exempt Appendix A: Balfour Hospitality proposal

Exempt Appendix B: AB Team proposal

9. BACKGROUND PAPERS

None.

Agenda Item 18

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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