

**MAIDSTONE BOROUGH COUNCIL**

**ECONOMIC REGENERATION AND LEISURE  
POLICY ADVISORY COMMITTEE**

**MINUTES OF THE MEETING HELD ON 7 FEBRUARY 2023**

**Present:**

<b>Committee Members:</b>	<b>Councillor Garten (Chairman) and Councillors Bryant, Forecast, Mrs Gooch, Harper, Hastie, Hinder, Naghi and Young</b>
<b>Lead Members:</b>	<b>Councillor Russell (Lead Member for Leisure and Arts)</b>
<b>Visiting Members:</b>	<b>Councillor Cleator</b>

97. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillor Fort.

98. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that Councillor Young was substituting for Councillor Fort.

99. URGENT ITEMS

The Chairman said that there were no urgent items but there was an update to agenda item 14 relating to Maidstone Leisure Centre and this had been circulated separately.

100. NOTIFICATION OF VISITING MEMBERS

Councillor Cleator indicated her wish to speak on agenda item 14 relating to Maidstone Leisure Centre.

101. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

102. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

103. EXEMPT ITEMS

**RESOLVED:** That the items on the agenda be taken in public as proposed.

104. MINUTES OF THE MEETING HELD ON 10 JANUARY 2023

**RESOLVED:** That the Minutes of the meeting held on 10 January 2023 be approved as a correct record and signed.

105. PRESENTATION OF PETITIONS

There were no petitions.

106. QUESTION AND ANSWER SESSION FOR LOCAL RESIDENTS

There were no questions from local residents.

107. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

108. FORWARD PLAN RELATING TO THE COMMITTEE'S TERMS OF REFERENCE

The Chairman said that since the publication of the agenda, an item had been submitted to update Members on the Maidstone Museum Archaeology Gallery project at the March meeting of the Committee.

**RESOLVED:** That the Forward Plan relating to the Committee's terms of reference be noted.

109. 3RD QUARTER FINANCIAL UPDATE & PERFORMANCE MONITORING REPORT 2022/23

Councillor Russell, the Lead Member for Leisure and Arts, introduced a report setting out the financial and performance position for the services reporting into the Committee as at 31 December 2022 (Quarter 3). It was noted that:

- There was a projected overspend against the Revenue budget of £225,000, up from £184,000 reported in Quarter 2. The projected areas of overspend related to the Innovation Centre, the Business Terrace and Lockmeadow Complex and Market. For the Council as a whole, a balanced position was projected for the current financial year with underspends elsewhere offsetting the overspends by this Committee.
- Performance indicators showed that footfall in the town centre and unemployment rates were still failing to achieve targets. It was hoped that events would improve footfall in future.

In response to questions:

The Director of Finance, Resources and Business Improvement advised the Committee that:

- In terms of the Innovation Centre, there was a delay in the Centre opening and it had taken longer for offices to fill up and income to be generated. The pace of take-up of offices was as envisaged, but there had been a delay. This meant that there had been a shortfall in income for the current year and, also, the Council was liable for Business Rates even if the offices were not occupied. There was an ongoing issue which was the reason for the growth item for next year and part of the reason for the overspend this year. This related to additional maintenance costs which were not anticipated when the building was opened and Business Rates for which the Council would be liable relating

to the common parts of the building which had not been taken account of in the original budget.

- The Council had project management capability which was gaining in experience and would apply lessons learned as projects were delivered in future.

The Lead Member for Leisure and Arts explained that in terms of footfall in the town centre, events were being arranged to attract people into the town and increase dwell time. The Town Centre Strategy work would identify areas of focus.

The Senior Information Governance Officer explained that there was now a different approach to measuring footfall, using mobile phone data.

**RESOLVED:**

1. That the Revenue position as at the end of Quarter 3 for 2022/23, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted.
2. That the Capital position at the end of Quarter 3 be noted.
3. That the Performance position as at Quarter 3 for 2022/23, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.
4. That the Recovery & Renewal Update, attached at Appendix 3 to the report, be noted.
5. **TO RECOMMEND TO THE EXECUTIVE:** That the reallocation of Recovery and Renewal Funding for a number of projects, as shown at paragraph 2.4 of the report, be endorsed.
6. That the UK Shared Prosperity Fund update, attached at Appendix 4 to the report, be noted.

Note: Councillor Hastie entered the meeting during consideration of this item. She said that she had no disclosures of interest or of lobbying.

110. **MAIDSTONE LEISURE CENTRE**

Councillor Russell, the Lead Member for Leisure and Arts, introduced a report setting out future options for Maidstone Leisure Centre given the impending expiry of the current operator's contract, the condition of the building and the Council's commitment to promoting health and well-being. The Lead Member explained that:

- The projected capital costs for a standard new build leisure centre had risen from £35m to £41.13m. A Passivhaus centre or a more sophisticated design would cost in excess of £50m. Over the life of a 50-year loan, the cost of this option had increased from £53m to £92m. The total cost over 50 years of a major refurbishment of the leisure centre had risen from £47m to £82m.

- The recommendation was to proceed with minor practical improvements which would increase visitor numbers and revenue and address some of the operational challenges. It would add new activities, catering for target demographics, and address customer flows. It would also make a positive difference to the environmental impact of the centre on the Borough and reduce energy usage. The works had been costed at approximately £2m.
- The Council did need to be looking at a Passivhaus concept for a new leisure centre, but now was not the time given the increased capital costs and the economic situation.
- An update had been circulated amending recommendation three to the Executive as follows to provide greater clarity to the decision-making process for Officers and Members:

That the capital sum **of £2 million** to deliver these works is identified in the Medium-Term Financial Strategy and in the 2023/24 capital programme.

Councillor Cleator, Visiting Member, addressed the meeting.

The Lead Member and the Officers responded to questions relating to the design of the project and the timing of the works, the capital financing of the project, the business plan for the project, the activities of the Maidstone Leisure Trust, various operational models for the leisure centre going forward and the need to ensure that the various facilities within Mote Park complement each other.

During the discussion, the Officers undertook to confirm whether planning permission was required for the proposed works.

It was moved and seconded that the recommendations as amended be approved with the addition of the following words to recommendation seven to the Executive:

'...with a view to opening either a new leisure centre or a fully refurbished leisure centre in 2031.'

When put to the vote, the motion was lost.

**RESOLVED TO RECOMMEND TO THE EXECUTIVE:**

1. That the option entitled minor practical improvements is pursued.
2. That detailed plans for the minor practical improvements are developed and are included in the tender documentation.
3. That the capital sum of £2 million to deliver these works is identified in the Medium-Term Financial Strategy and in the 2023/24 capital programme.
4. That delegated authority is given to the Director of Finance, Resources and Business Improvement, in consultation with the Lead Member for Leisure and Arts, to lead a procurement process and invite tenders for the delivery of the minor practical improvements.

- 5 That after the completion of the tender process, delegated authority is given to the Head of Mid-Kent Legal Services to enter into such contracts as required to complete the contract award and commence the minor practical improvements.
6. That the Council pursues a contract extension with Maidstone Leisure Trust and Serco Leisure Ltd for the continued operation of the Centre until 2031.
7. That feasibility work on the long-term future of the Centre and all alternative options and provision continues.

111. DURATION OF MEETING

6.30 p.m. to 7.45 p.m.