

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 12 OCTOBER 2022

Attendees:

Committee Members:	Councillors Brice (Chairman), Mrs Gooch, Brindle, Cannon, Cox, Harper, Hinder, English and Garten
Lead Members:	Councillors Perry (Lead Member for Corporate Services)

34. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Cannon and Khadka.

35. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Garten was present as Substitute Member for Councillor Cannon.

36. URGENT ITEMS

There were no urgent items.

37. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

38. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members and Officers.

39. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

40. EXEMPT ITEMS

RESOLVED: That all items be taken in public as proposed.

41. MINUTES OF THE MEETING HELD ON 13 JULY 2022

RESOLVED: That the Minutes of the Meeting held on 13 July 2022 be approved as a correct record and signed.

42. QUESTION AND ANSWER SESSION FOR LOCAL RESIDENTS

There were no questions from Local Residents.

43. PRESENTATION OF PETITIONS

There were no petitions.

44. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

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

RESOLVED: That the Forward Plan relating to the Committee's Terms of Reference be noted.

46. FINANCE, PERFORMANCE AND RISK MONITORING REPORT

The Lead Member for Corporate Services introduced the report, stating that the Council was likely to achieve a balanced budget by the end of the 2022/23 financial year. The projected overspend relating to temporary accommodation, contained within the Lead Member for Housing and Health's portfolio, was referenced.

The Lead Member for Corporate Services highlighted the ongoing rise in inflation. A £1.3 million contingency fund for this had been built into the Council's budget for the current financial year. The impact of higher inflation rates on the overall cost of delivering the capital programme would be considered as part of the 2023/24 budget setting process. The importance of maintaining the Council's baseline reserves of £4 million was reiterated, with specific attention drawn to the risk update contained within Appendix 3 to the report including that of 'financial uncertainty'.

The Committee expressed concern over the increase in interest rates and the effect on the capital programme's delivery. In response, the Lead Member for Corporate Services stated that the rise in interest rates was being monitored by the Council and that ensuring the Council's finances were robust was important. The Executive's commitment to delivering the 1000 Affordable Homes programme was reiterated.

The Director of Finance, Resources and Business Improvement stated that the Council had previously secured an £80 million loan from the Public Works Loan Board to support the capital programme's delivery across the next two-to-four years. The interest rate secured was below 3%. As the capital programme totalled £230 million, if interest rates remained over 5% when further borrowing above and beyond the £80 million was required, the projects within the capital programme would have to be further considered before they were progressed.

In response to questions on the risk update provided at Appendix 3 to the report, the Lead Member for Corporate Services stated that the risks within were continuously monitored. It was noted that the report presented to the Committee covered the first quarter of the financial year, with the Committee receive further quarterly update reports.

The Committee welcomed the cautious approach shown to managing the Council's finances. The importance of balancing the Council's housing delivery against other housing objectives, such as the provision of Temporary Accommodation, was

reiterated to ensure that service delivery was maintained whilst achieving a sound, robust financial position.

RESOLVED:

That the following be noted

1. The revenue position as at the end of Quarter 1 for 2022/23, including the actions being taken or proposed to improve the position, where significant variances have been identified;
2. The capital position at the end of Quarter 1 for 2022/23;
3. The performance position as at Quarter 1 for 2022/23, including the actions being taken or proposed to improve the position, where significant issues have been identified;
4. The risk update, attached at Appendix 3 to the report;
5. The recovery and renewal update, attached at Appendix 4 to the report; and

That:

6. The Executive be recommended to write-off the irrecoverable Housing Benefits overpayment listed at Appendix 5 to the report.

Note: Councillor Cannon joined the meeting at 6.36 p.m. during the item's introduction.

47. ARCHBISHOP'S PALACE

The Lead Member for Corporate Services introduced the report and explained that a six-month exclusivity agreement had previously been entered into with Balfour Hospitality, to enable a detailed proposal to be developed regarding the future use of Archbishop's Palace. To enable further work on the proposal, the Committee were asked to consider a three-month extension on the agreement, with the option to extend for a further two three-month periods if required. The aim was for the detailed proposal to be completed in early 2023.

The Committee agreed that developing the plan, including seeking planning permission as required, could be a lengthy process and agreed that the extension of the exclusivity agreement should be granted to allow this to be completed. Balfour Hospitality's interest in the site presented an opportunity for the town, and time to complete their detailed proposal should be given.

There were concerns surrounding the financial risk to the Council if either the plan submitted by Balfour Hospitality was rejected by the Council, or if Balfour Hospitality concluded that their original proposal was no longer viable following further investigations during the exclusivity period. In those situations, the building could be left empty for an extended period which would have a financial impact on the Council. Confirmation was requested that Balfour Hospitality would consult fully with local residents, and that the results of the consultation would be taken into account when developing their plan.

In response to the concerns raised, the Lead Member for Corporate Services felt confident that the experience and commitment demonstrated by Balfour Hospitality would lead to economic benefits for Maidstone and attract visitors to the town, and that concerns by local residents would be fully considered within the proposed plan.

The Director of Finance, Resource and Business Improvement added that the decision to grant the exclusivity agreement had been made by the former Policy and Resources Committee, and that the requested extension would allow the original aspirations of that agreement to be fulfilled. In response to further questions, it was clarified that Balfour Hospitality could apply for planning permission for the site, but would not be able to carry out any works unless their full proposal was considered by the Committee, and approved by the Executive. Contingency planning would be undertaken if it became likely that a significant gap would occur between the date of the building being vacated by Kent County Council, and the date that the agreed developer would commence their management obligations of the building.

RESOLVED: to recommend to the Lead Member for Corporate Services that

1. The Exclusivity Agreement with Balfour Hospitality be extended for a further three months; and
2. Delegated authority be given to the Director of Finance, Resources and Business Improvement to agree two further three-month extensions if required, in consultation with the Lead Member for Corporate Services.

48. DURATION OF MEETING

6.30 p.m. to 7.38 p.m.