

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 12 JULY 2023

Attendees:

Committee Members:	Councillor Bartlett (Chairman) and Councillors Cannon, Conyard, Mrs Gooch, Harper, Hinder, S Thompson and Webb
Cabinet Members:	Councillors Perry (Cabinet Member for Corporate Services)
Visiting Members:	Councillors Cox, Kimmance and Russell

18. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Cooke.

19. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

20. URGENT ITEMS

The Chairman stated that he intended to take the following documents as urgent items to enable the report to be considered fully:

Appendices 1 and 2 to item 10 (Biodiversity and Climate Change Action Plan Update and Cost for Achieving Net Zero 2030) which were circulated on Friday 7 July 2023.

A Member expressed concern about the late circulation of these documents.

21. NOTIFICATION OF VISITING MEMBERS

Councillors Cox, Kimmance and Russell were present as Visiting Members for item 13 (Archbishops' Palace – Next Steps).

Councillor Cox was also present as a Visiting Member for items 10 (Biodiversity and Climate Change Action Plan Update and Cost for Achieving Net Zero 2030) and 12 (Medium-Term Financial Strategy 2024-2029).

22. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

23. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

24. EXEMPT INFORMATION

RESOLVED: That the public be excluded from the meeting should Members wish to discuss the information contained in the exempt Appendix to item 13 (Archbishop's Palace – Next Steps) because of the likely disclosure of exempt information for the reason specified having applied the Public Interest Test.

25. MINUTES OF THE MEETING HELD ON 14 JUNE 2023

RESOLVED: That the Minutes of the meeting held on 14 June 2023 be approved as a correct record and signed.

26. 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.

27. BIODIVERSITY AND CLIMATE CHANGE ACTION PLAN UPDATE AND COST FOR ACHIEVING NET ZERO 2030

Prior to the introduction of the report, the Chairman advised the Committee that references to achieving net zero by 2023 for the Council's operations should be amended to read by 2030.

Councillor Perry, the Cabinet Member for Corporate Services, introduced the report on the implementation of the Biodiversity and Climate Change Action Plan explaining that:

- The report provided updates on the progress of actions, details of the Council's carbon footprint and the estimated costs of achieving net zero emissions by 2030 for the Council's own operations.
- The report suggested retrofitting specific buildings, gradual transition to electric vehicles, maximising solar energy generation and exploring off-setting options.
- A priority area was the decarbonisation of Council properties. The Public Sector Decarbonisation Scheme had been announced and could be a potential source of funding. The deadline for the receipt of bids was not known yet, but last year was in September. The Committee was asked to recommend to the Cabinet that delegated authority be given to the Biodiversity and Climate Change Manager to submit a bid to the Scheme for funding to facilitate decarbonisation of key Council properties.

During the discussion reference was made to the following, which the Cabinet Member/Officers undertook to consider:

- The need when conducting the Borough Climate Impact Assessment to address flooding issues in the urban part of the town as well as the parish areas.

- The need when reviewing the Council’s non-operational land to assess the potential for enhancing biodiversity to quantify the area in order to add context.
- The need to encourage more flexible working to reduce the Council’s carbon footprint.
- The need to monitor and measure performance in delivery of the Action Plan and to see detailed costs and the updated Capital Programme, to reflect the allocation of capital funding to support the plan. Further information was required about what had been achieved to date, costs and savings, how long it would take to complete the Action Plan at the current rate of progress, to what extent would increasing staff resources speed up delivery, the scope for efficiencies through Borough and County Council co-operation and the identification of priority items. This would inform the development of key performance indicators to measure progress against targets with RAG ratings.

Concerns were expressed about the lack of progress to date in achieving net zero for the Council’s operations by 2030 and whether timescales should be brought forward, targets reduced or more resources applied. It was suggested that consideration should be given to expediting selectively implementation of the Action Plan by, for example, prioritising actions under the Council’s control and which generate outcomes that facilitate the remainder.

RESOLVED to RECOMMEND to the CABINET:

1. That the Action Plan implementation updates and indicative costs of achieving net zero by 2030 for the Council’s operations be noted and that implementation of the Action Plan be expedited selectively.
2. That delegated authority be given to the Biodiversity and Climate Change Manager to submit a bid to the Public Sector Decarbonisation Scheme for funding to facilitate decarbonisation of key Council properties.

Note: Councillor Cannon entered the meeting during consideration of this item (6.50 p.m.).

28. CORPORATE PLANNING TIMETABLE

Councillor Perry, the Cabinet Member for Corporate Services, introduced the report recommending that the existing Strategic Plan be retained and that the proposed corporate planning timetable be approved. The Cabinet Member explained that the current Strategic Plan was adopted in 2018, updated in 2020 and refreshed again last year with an update to the areas of focus for 2023/28 for each priority. He did not consider that any changes were required at this stage. To develop a new Strategic Plan would have a substantially greater impact on resources which, in his opinion, was unnecessary at this stage.

In response to a question about resourcing a refresh or creation of a new Strategic Plan in future, the Director of Finance, Resources and Business Improvement explained that work on the original Strategic Plan was carried out mostly in-house, so if it was decided to make changes in 2024/25, the effect would be that other projects would not be given such priority.

RESOLVED to RECOMMEND to the CABINET: That the Strategic Plan not be reviewed in 2023/24 and that the corporate planning timetable set out at section 3.3 of the report of the Director of Strategy, Insight and Governance be approved.

29. MEDIUM-TERM FINANCIAL STRATEGY 2024 - 2029 - INITIAL SCOPING AND ASSUMPTIONS

Councillor Perry, the Cabinet Member for Corporate Services, introduced the report setting out the background to be considered and the proposed approach to development of an updated Medium-Term Financial Strategy for 2024/25 – 2028/29 and a budget for 2024/25.

The Cabinet Member explained that:

- Notwithstanding this period of financial uncertainty, the Council's balance sheet position remained strong. Given the financial uncertainty, for planning purposes, it was appropriate to model the impact of different scenarios on the Council. It was considered prudent at this stage to adopt Scenario 4 as it represented a combination of continued high inflation and tight constraints on the Council's revenue raising capacity. However, the other scenarios would be modelled, and the implications considered when developing the detailed Medium-Term Financial Strategy.
- The revenue outturn for 2022/23 was a small underspend against the budget. Overspends, most significantly on temporary accommodation for homeless families, were more than offset by underspends elsewhere. Nevertheless, for next year, a budget gap of just under £1m was projected assuming that Council Tax increases are maximised within the constraints of the referendum limit (currently 3%) and that overall other income would increase by 5%.
- The usual pattern was for the Government to announce the local government finance settlement just before Christmas, which did tend to delay the budget setting process, but this year it was proposed to start the process much earlier with information brought to the Policy Advisory Committees and the Cabinet in September.
- Unallocated reserves totalled around £11m which exceeded the £4m minimum. However, he believed that the level of reserves should be higher to keep the Council's finances in a strong position and that the reserves should not be used to support the revenue budget.
- The report also included details of the current five-year capital programme, but this could change as there were a number of risks; for example, in connection with property acquisition.
- To conclude, given the considerable uncertainty about the future, a prudent approach to budget setting was required.

During the discussion:

- Members welcomed the proposal to start the budget setting process earlier than usual this year.
- A Member sounded a note of caution about the projections going forward being inflated to suggest a worse financial position than would actually be the case at the end of the financial year.
- Reference was made to the need for analytical data to inform decisions on the savings required and income generation over the next few years; the need to maintain a good level of reserves; the need to build up the Housing Investment Fund to ensure that the necessary subsidy is available to enable the Council to achieve the targeted number of affordable homes; and the need to make provision in the Capital Programme for a completely refurbished Leisure Centre or a new build.
- Reference was also made to the implications of the previous decision to fund ongoing new revenue budget expenditure in 2023/24 from one-off sources, which created further pressure to deliver savings in future years.
- The Director of Finance, Resources and Business Improvement advised the Committee that the Capital Programme set out in Table 6 of the report was the current Capital Programme agreed by the Cabinet and Council in February 2023 so one would not expect to see any new provision for the Leisure Centre in that Table. A Member reiterated the need to make provision for the future of the Leisure Centre in the Capital Programme.
- The Cabinet Member and the Finance Team were thanked for their work on the Council's finances.

RESOLVED to RECOMMEND to the CABINET:

1. That the issues and risks associated with updating the Medium-Term Financial Strategy be noted.
2. That the assumptions described in the report for planning purposes and to establish the remit for detailed budget development, in particular the assumptions set out in paragraphs 2.21 (Council Tax increases), 2.30 (Fees and Charges) and 2.40 (Housing Investment Fund), be approved.
3. That the proposed approach outlined to development of an updated Medium-Term Financial Strategy for 2024/25 – 2028/29 and a budget for 2024/25 be approved.

30. **ARCHBISHOPS' PALACE - NEXT STEPS**

Councillor Perry, the Cabinet Member for Corporate Services, introduced the report explaining that:

- As the owner of the Archbishops' Palace, the Council was now incurring running costs together with a loss of rent following the vacation of the building by Kent County Council (KCC). Knowing that KCC would be vacating, options for the future use of the building had been explored. However, Balfour Hospitality, the Council's preferred development partner, concluded that it would not be commercially viable to develop the building as a boutique hotel given the scale of investment required.
- It was now proposed that plans be developed for use of the building as a wedding and events venue. Market testing had established that this was likely to be a viable option in financial terms and it would meet the Council's objectives for the future use of the building. It would also be consistent with the emerging Town Centre Strategy. Some capital investment would be required particularly for provision of a commercial kitchen.

In response to questions, the Officers advised the Committee that:

- The preferred development partner's exclusivity period expired in April and the Council was informed informally shortly before that they did not want to take the proposal forward.
- It was planned to report back to the Policy Advisory Committee and the Cabinet in November with the outcome of the process of inviting bids from potential operators and Members would be able to see whether the proposal was financially viable.
- Based on the latest market testing, no one to date had shown interest or expressed willingness to take forward a mixed-use culture and weddings development.

During the discussion:

- It was proposed and seconded that consideration of this matter be deferred for at least one meeting cycle until there is more clarity regarding the Town Centre Strategy in terms of a cultural quarter comprising All Saints Church, the Archbishops' Palace and the Archbishops' Stables.
- The Cabinet Member emphasised the need to move forward with a scheme to generate funds to cover the costs of running the building, which was the Council's responsibility, as soon as possible and expressed concern about the financial and economic viability of operating another café or cultural offering in conjunction with weddings and events.
- Reference was made to the need to adhere to the proposed timetable for the delivery of the project and it was suggested that discussions should take place with All Saints Church at the earliest opportunity.
- An amendment was moved and seconded that the recommendation set out in the report be agreed. When put to the vote, the amendment and the substantive motion were carried.

RESOLVED to RECOMMEND to the CABINET:

1. That Option 2 as set out in the report of the Interim Strategic Property Consultant, namely, to develop plans for use of the Archbishops' Palace as a wedding and events venue, be agreed.
2. That delegated authority be given to the Director of Finance, Resources and Business Improvement to select and appoint professional advisers to develop the plans; enter into contracts for applicable services as necessary; and invite offers from potential operators for a conditional agreement for lease.
3. That delegated authority be given to the Head of Legal Services to negotiate and complete all necessary legal formalities arising from the purchase of services and invitation for offers as set out above.

31. DURATION OF MEETING

6.30 p.m. to 8.25 p.m.