

# CORPORATE SERVICES POLICY ADVISORY COMMITTEE MEETING

Date: Wednesday 17 January 2024  
Time: 6.30 pm  
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Bartlett (Chairman), Cannon, Conyard, Cooke, Mrs Gooch (Vice-Chairman), Harper, Hinder, S Thompson and Webb

*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.*

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## **AGENDA**

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| 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 13 December 2023   | 1 - 5     |
| 9. Forward Plan relating to the Committee's Terms of Reference   | 6 - 13    |
| 10. Medium Term Financial Strategy – Capital Programme   | 14 - 36   |
| 11. Council Tax Base 2024/25 and Collection Fund Adjustment - To Follow  | To Follow |
| 12. Archbishop's Palace Agreement for Lease  | 37 - 47   |

## **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.**

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**Issued on Tuesday 9 January 2024**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

## Head of Schedule 12 A and Brief Description

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### INFORMATION FOR THE PUBLIC

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 4 p.m. one clear working day before the meeting (i.e. by 4 p.m. on Monday 15 January 2024). 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**.

To find out more about the work of the Committee, please visit the [Council's Website](#).

## **MAIDSTONE BOROUGH COUNCIL**

### **CORPORATE SERVICES POLICY ADVISORY COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON WEDNESDAY 13 DECEMBER 2023**

##### **Attendees:**

<b>Committee Members:</b>	<b>Councillors Bartlett (Chairman), Cannon, Conyard, Cooke, Mrs Gooch, Harper and S Thompson</b>
<b>Cabinet Members:</b>	<b>Councillor Burton, Leader of the Council on behalf of Councillor Perry, Cabinet Member for Corporate Services</b>

56. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Hinder.

57. **NOTIFICATION OF SUBSTITUTE MEMBERS**

There were no Substitute Members.

58. **URGENT ITEMS**

There were no urgent items.

59. **NOTIFICATION OF VISITING MEMBERS**

There were no Visiting Members.

60. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

61. **DISCLOSURES OF LOBBYING**

There were no disclosures of lobbying.

62. **EXEMPT ITEMS**

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

63. **MINUTES OF THE MEETING HELD ON 11 OCTOBER 2023**

**RESOLVED:** That the Minutes of the meeting held on 11 October 2023 be approved as a correct record and signed.

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

Several Members expressed concerns that the previously required Biodiversity and Climate Change Action Plan (BDCCAP) Update was not due to be provided

until February 2024. In response, the Leader of the Council confirmed that two reports were provided on the BDCCAP annually, with the second being an opportunity for the plan to be updated. The Committee was to review upcoming matters as opposed to requesting additional reports.

In response to a question, the Director of Finance, Resources and Business Improvement stated that a report on the Archbishops Palace would be included in the next Forward Plan refresh, for review in January 2024.

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

Note: Councillor Cannon joined the meeting at 6.43 p.m. and did not have any disclosures of lobbying or interest to declare.

65. 2ND QUARTER FINANCE, PERFORMANCE AND RISK MONITORING REPORT

The Leader of the Council introduced the report on behalf of the Cabinet Member for Corporate Services, who was unable to attend the meeting at this time. It was stated that:

- The Council had projected an overspend by the end of the financial year, which was mainly due to the cost of temporary accommodation (TA);
- There was an underspend to the services within the Committee's remit, which was mainly due to slippage in the capital programme; projects that had not commenced yet; and
- The majority of the Key Performance Indicators (KPIs) had met their targets, with the corporate risk register update largely consistent with the previous update provided. It was recommended that the uncollectable Business Rate be written-off.

During the discussion, reference was made to Lockmeadow, Housing provision including the 1000 Affordable Homes Programme and TA.

In response to questions raised:

The Director of Finance, Resources and Business improvement stated that:

- The leases for three of the tenants at Lockmeadow had been due to expire in 2023, which the Council had been aware of and had built into the business case in purchasing the site. Steps were being taken to address the vacancies, including Serco's management of the Lockmeadow Health Club (previously David Lloyd) and the recently let Virtual Reality Unit. It was hoped the centre would be fully tenanted in 2024;
- There had been slippage in the Capital Programme regarding the Heather House Community Centre and Maidstone East Commercial Development Projects, but work continued; Contractors had been appointed to the former, with planning permission to be sought in the near future on the latter; and

- There was £3.216 million in the Council's Housing Investment Fund (HIF), with the Council having allocated an additional £3.5m into the HIF in February 2023. The Council could decide to add further monies to the HIF in February 2024 when considering the budget, if one-off funding was provided through the Local Government Finance Settlement.

The Leader of the Council stated that:

- The Council was exploring a scheme for Archbishop's Palace that would, at minimum, substantially contribute to the significant maintenance cost; the cost's fully recovery, and additional income generation was the preferred option;
- He recognised the concerns expressed relating to the provision housing and TA supply, but that the Council's interventions, including accelerated property purchases to increase the stock available, should be recognised;
- Work continued in delivering the 1000 Affordable Housing Programme, although this was more difficult than originally envisaged; this included selecting sites with regeneration prospects and submitting bids to Homes England to contribute to the subsidy required for the programme.

It was emphasised that the housing should be of good quality, with renewable energy to be used where possible, but that additional features could increase costs and reduce the money available for the project. In response to a concern on the properties environmental sustainability, the Leader stated that Carbon Accounting would allow the Council to review how the funds were spent.

- The Council had selected four bids of the estimated 12-15 bids received for the Rural Fund, arising from the UK Shared Prosperity Fund. Further confirmation would be given on the figures outside of the meeting.

In response to concerns on the Key Performance Indicator (KPI) concerning town centre footfall, the Information and Analytics Manager stated that many factors impacted the KPI on footfall in the town centre including seasonality, shopping trends and demand for office space and increased working from home, but that it was a national trend for footfall to be declining in town centres. The KPIs being drafted for 2024/25 would include seasonal trends, including the annual August closure of the Market Hall, Lockmeadow.

**RESOLVED:** That

1. The Revenue position as at the end of Quarter 2 for 2023/24, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. The Capital position at the end of Quarter 2 for 2023/24, be noted;
3. The Performance position as at Quarter 2 for 2023/24, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted;
4. The Recovery & Renewal Update, attached at Appendix 3, be noted;

5. The UKS Shared Prosperity Fund update, attached at Appendix 4, be noted;
6. The Risk Update, attached at Appendix 5, be noted; and
7. The Cabinet be recommended to approve the write-off of uncollectable Business Rates (NNDR) listed at Appendix 6.

66. FEES AND CHARGES 2024/25

The Leader of the Council introduced the report, outlining the proposal to increase fees and charges by 5% overall, had been changed in all the Council's portfolios and were set on an inflation assumption of 5%.

In response to comments made, the Director of Finance, Resources and Business Improvement stated that:

- The Market's financial performance had stabilised which justified a small increase in charges, with the 9% increase;
- The increase in fees for charity event promotions at Jubilee Square was a result of rounding up the fee from £55 to £60;
- The proposed Crematorium fees had been set to reflect increased costs, with the fees for standard services set conservatively. The fees had been benchmarked with other Councils of a similar size, and
- The Fixed Penalty Notices for Waste Crime had increased but were not included in the report; the updated figures would be presented to the Cabinet ahead of its decision.

It was stated that the relevant Policy Advisory Committees had reviewed the Fees and Charges proposed, as relating to their remits. The number of licensed Houses of Multiple Occupation would be confirmed outside of the meeting.

The Leader of the Council emphasised the quality of service provided by the Council's Bereavement Team, with the fee changes proposed having been carefully considered.

**RESOLVED:** That

1. The report be noted;
2. The Fees and Charges Policy as detailed in Appendix B to the report, be noted;
3. The Fees and Charges for the other Policy Advisory Committees as detailed in Appendices C to E of the report; and
4. The Cabinet be recommended to approve the Fees and Charges for the Corporate Services Policy Advisory Committee as detailed in Appendix A to the report.

67. DURATION OF MEETING

6:30 p.m. to 7.42 p.m.







## MAIDSTONE BOROUGH COUNCIL FORWARD PLAN FOR THE FOUR MONTH PERIOD 1 DECEMBER 2023 TO 31 MARCH 2024

This Forward Plan sets out the details of the key and non-key decisions which the Cabinet or Cabinet Members expect to take during the next four-month period.

A Key Decision is defined as one which:

1. Results in the Council incurring expenditure, or making savings, of more than £250,000; or
2. Is significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Borough

The current Cabinet Members are:

 <p><b>Councillor David Burton</b> Leader of the Council <a href="mailto:DavidBurton@maidstone.gov.uk">DavidBurton@maidstone.gov.uk</a> 07590 229910</p>	 <p><b>Councillor Paul Cooper</b> Deputy Leader and Cabinet Member for Planning, Infrastructure and Economic Development <a href="mailto:PaulCooper@Maidstone.gov.uk">PaulCooper@Maidstone.gov.uk</a> 01622 244070</p>	 <p><b>Councillor John Perry</b> Cabinet Member for Corporate Services <a href="mailto:JohnPerry@Maidstone.gov.uk">JohnPerry@Maidstone.gov.uk</a> 07770 734741</p>
 <p><b>Councillor Claudine Russell</b> Cabinet Member for Communities, Leisure and Arts <a href="mailto:ClaudineRussell@Maidstone.gov.uk">ClaudineRussell@Maidstone.gov.uk</a></p>	 <p><b>Councillor Patrik Garten</b> Cabinet Member for Environmental Services <a href="mailto:PatrikGarten@Maidstone.gov.uk">PatrikGarten@Maidstone.gov.uk</a> 01622 807907</p>	 <p><b>Councillor Lottie Parfitt-Reid</b> Cabinet Member for Housing and Health <a href="mailto:LottieParfittReid@Maidstone.gov.uk">LottieParfittReid@Maidstone.gov.uk</a> 07919 360000</p>



Anyone wishing to make representations about any of the matters listed below may do so by contacting the relevant officer listed against each decision, within the time period indicated.

Under the Access to Information Procedure Rules set out in the Council's Constitution, a Key Decision or a Part II decision may not be taken, unless it has been published on the forward plan for 28 days or it is classified as urgent:

The law and the Council's Constitution provide for urgent key and part II decisions to be made, even though they have not been included in the Forward Plan.

Copies of the Council's constitution, forward plan, reports and decisions may be inspected at Maidstone House, King Street, Maidstone, ME15 6JQ or accessed from the [Council's website](#).

Members of the public are welcome to attend meetings of the Cabinet which are normally held at the Town Hall, High St, Maidstone, ME14 1SY. The dates and times of the meetings are published on the [Council's Website](#), or you may contact the Democratic Services Team on telephone number **01622 602899** for further details.

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**David Burton**  
**Leader of the Council**

<b>Details of the Decision to be taken</b>	<b>Decision to be taken by</b>	<b>Relevant Cabinet Member</b>	<b>Expected Date of Decision</b>	<b>Key</b>	<b>Exempt</b>	<b>Proposed Consultees / Method of Consultation</b>	<b>Documents to be considered by Decision taker</b>	<b>Representations may be made to the following officer by the date stated</b>
Archbishops palace agreement for lease looking for agreement to move forward with a potential tenant for the palace	Cabinet	Cabinet Member for Corporate Services.	24 Jan 2024	Yes	No Part exempt	Corporate Services Policy Advisory Committee 17 Jan 2024	Archbishops palace agreement for lease	<b>Deborah Turner</b>  deborahturner@maidstone.gov.uk
Council Tax Base 2024/25 and Collection Fund Adjustment.  Report setting what the 2025 C/tax base and collection fund. Used to set the amount of Council Tax and is a statutory requirement.	Cabinet	Cabinet Member for Corporate Services.	24 Jan 2024	Yes	No Open	Corporate Services Policy Advisory Committee 17 Jan 2024	Council Tax Base 2024/25 and Collection Fund Adjustment.	<b>Adrian Lovegrove</b>  Head of Finance  adrianlovegrove@maidstone.gov.uk
Medium Term Financial Strategy 2024 to 2029 - Funding Settlement and Final Saving Proposals  Details of the proposed budget for 2024/25. Revenue budget including savings and updates on government financial settlements and C/Tax increases.	Cabinet	Cabinet Member for Corporate Services.	24 Jan 2024	Yes	No Open	Corporate Services Policy Advisory Committee 17 Jan 2024	Medium Term Financial Strategy 2024 to 2029 - Funding Settlement and Final Saving Proposals	<b>Mark Green, Adrian Lovegrove</b>  Director of Finance, Resources & Business Improvement, Head of Finance  markgreen@maidstone.gov.uk, adrianlovegrove@m

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
Capital programme for 2024/2029								aidstone.gov.uk
<p>Medium Term Financial Strategy 2024 to 2029 - Capital Programme</p> <p>Detail of the 10 year capital programme for inclusion in the budget for 2024/25 onwards.</p>	Cabinet	Cabinet Member for Corporate Services.	24 Jan 2024	Yes	No Open	<p>Corporate Services Policy Advisory Committee 17 Jan 2024</p> <p>Communities, Leisure and Arts Policy Advisory Committee 9 Jan 2024</p> <p>Planning, Infrastructure and Economic Development Policy Advisory Committee 10 Jan 2024</p> <p>Housing, Health and Environment Policy Advisory Committee 16 Jan 2024</p>	<p>Medium Term Financial Strategy 2024 to 2029 - Capital Programme</p>	<p><b>Adrian Lovegrove, Paul Holland</b></p> <p>Head of Finance,</p> <p>adrianlovegrove@m aidstone.gov.uk, paulholland@maidst one.gov.uk</p>

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
						Overview and Scrutiny Committee 23 Jan 2024		
3rd Quarter Finance, Performance and Risk Monitoring Report  10	Cabinet	Cabinet Member for Corporate Services.	7 Feb 2024	No	No Open	Corporate Services Policy Advisory Committee 5 Feb 2024  Communities, Leisure and Arts Policy Advisory Committee 6 Feb 2024  Housing, Health and Environment Policy Advisory Committee 30 Jan 2024  Planning, Infrastructure and Economic Development Policy Advisory Committee 29 Jan 2024	3rd Quarter Finance, Performance and Risk Monitoring Report	<b>Adrian Lovegrove, Paul Holland</b>  Head of Finance,  adrianlovegrove@maidstone.gov.uk, paulholland@maidstone.gov.uk

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
<p>Biodiversity and Climate Change Action Plan Update</p> <p>11</p>	Cabinet		7 Feb 2024	No	No Open	<p>Corporate Services Policy Advisory Committee 5 Feb 2024</p> <p>Communities, Leisure and Arts Policy Advisory Committee 6 Feb 2024</p> <p>Housing, Health and Environment Policy Advisory Committee 30 Jan 2024</p> <p>Planning, Infrastructure and Economic Development Policy Advisory Committee 29 Jan 2024</p>	Biodiversity and Climate Change Action Plan Update	<p><b>James Wilderspin</b></p> <p>Biodiversity and Climate Change Manager</p> <p>jameswilderspin@maidstone.gov.uk</p>
<p>Discretionary Rate Relief Policy</p> <p>The Government has changed the backdating of Discretionary Rate</p>	Cabinet	Cabinet Member for Corporate Services.	7 Feb 2024	No	No Open	Corporate Services Policy Advisory Committee 17 Jan 2024	Discretionary Rate Relief Policy	<p><b>Zoe Kent</b></p> <p>Interim Head of Revenues &amp; Benefits</p>

<b>Details of the Decision to be taken</b>	<b>Decision to be taken by</b>	<b>Lead Member</b>	<b>Expected Date of Decision</b>	<b>Key</b>	<b>Exempt</b>	<b>Proposed Consultees / Method(s) of Consultation</b>	<b>Documents to be considered by Decision taker</b>	<b>Representations may be made to the following officer by the date stated</b>
Relief giving authorities discretion on backdating claims. This report seeks approval of changes to the policy. This will be a Full Council decision								zoekent@swale.gov.uk
Shared Revenues and Benefits Service – Consideration of expansion Report for the approval of Swale Borough Council joining the Mid Kent Revenues and Benefits Service	Cabinet	Cabinet Member for Corporate Services.	Not before 5th Feb 2024	No	No Part exempt	Corporate Services Policy Advisory Committee 17 Jan 2024  Consultation with the Revenues and Benefits staff	Shared Revenues and Benefits Service - Consideration of expansion	<b>Zoe Kent</b>  Interim Head of Revenues & Benefits  zoekent@swale.gov.uk
Key Performance Indicators  Key performance indicators are reviewed annually. This report proposes the KPIs for the period 2024/25.	Cabinet	Leader of the Council	20 Mar 2024	No	No Open	Planning, Infrastructure and Economic Development Policy Advisory Committee 29 Jan 2024  Housing, Health and Environment Policy Advisory Committee 30 Jan 2024	Key Performance Indicators	<b>Carly Benville, Anna Collier</b>  carlybenville@maidstone.gov.uk, annacollier@maidstone.gov.uk

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
						<p>Communities, Leisure and Arts Policy Advisory Committee 6 Feb 2024</p> <p>Corporate Services Policy Advisory Committee 5 Feb 2024</p>		

# Agenda Item 10

## Corporate Services Policy Advisory Committee

17 January 2024

### Medium Term Financial Strategy – Capital Programme

Timetable	
Meeting	Date
Corporate Services Policy Advisory Committee	17 January 2024
Cabinet	24 January 2024
Council	21 February 2024

Will this be a Key Decision?	Yes
Urgency	Not applicable
Final Decision-Maker	Council
Lead Head of Service/Lead Director	Mark Green, Director of Finance, Resources and Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager (Client)
Classification	Public
Wards affected	All

#### Executive Summary

This report forms part of the process of agreeing a budget for 2024/25 and setting next year's Council Tax. It develops the outline of the capital programme and reconfirms the principles behind the Council's capital strategy, explains how the capital programme will be funded, and describes the individual projects that comprise the programme.

Note that in agreeing the capital programme it will require us to set a prudential borrowing limit of £369.1 million over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2024/25. The revenue costs of borrowing are included in the overall budget position and contribute to the future budget gap as per the Medium-Term Financial Strategy (MTFS). The cost of borrowing is estimated as £15m in the 5 year period covered by the MTFS with debt repaid over 50 years.

The approved capital programme is not approval to spend. Prior to any capital commitment being entered into, a detailed report setting out a full project appraisal and detailed financial projections is considered by the relevant service committee, which will need to include the costs of borrowing.



## **Purpose of Report**

The report enables the Committee to consider and comment on the capital programme.

## **This report makes the following recommendations to the Corporate Services Policy Advisory Committee:**

That the Committee recommends to Cabinet that it:

1. Agrees the capital strategy principles set out in paragraph 2.7;
2. Agrees the capital funding projection set out in Appendix 2 to this report;
3. Agrees the capital programme 2024/25 onwards as set out in Appendix 3 to this report;
4. Note that in agreeing recommendations 2 and 3 above the Committee will set a prudential borrowing limit of £369.1 million over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2024/25;
5. Give delegated authority to the Director of Finance, Resources and Business Improvement, in consultation with the Leader of the Council, to review and give approval to the business case and related budget approval for the Biodiversity & Climate Change project related to the Maidstone House and Link as set out in paragraph 2.7.

# Medium Term Financial Strategy – Capital Programme

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The Medium-Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. Specifically, the capital programme allows for investment in long term projects that support the strategic plan objectives.	Section 151 Officer & Finance Team
<b>Cross Cutting Objectives</b>	The MTFS supports the cross-cutting objectives in the same way that it supports the Council's other strategic priorities.	Section 151 Officer & Finance Team
<b>Risk Management</b>	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
<b>Financial</b>	Set out in the report.	Section 151 Officer & Finance Team
<b>Staffing</b>	Staffing implications are taken into account when developing individual capital schemes.	Section 151 Officer & Finance Team
<b>Legal</b>	<p>Under Section 151 of the Local Government Act 1972 (LGA 1972) the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.</p> <p>The Medium-Term Financial Strategy demonstrates the Council's commitment to fulfilling its duties under the Act.</p> <p>Approval of the budget is a matter reserved for full Council upon recommendation by the Cabinet.</p>	Team Leader (Contentious and Corporate Governance)
<b>Information Governance</b>	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.	Senior Information Governance Officer
<b>Equalities</b>	This report sets out the overall capital programme. When an individual capital	Equalities and

	scheme is developed, changed or reviewed, an evidence-based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.	Communities Officer
<b>Public Health</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium-Term Financial Strategy which sets the overall priorities for the capital programme.	Senior Public Health Officer
<b>Crime and Disorder</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium-Term Financial Strategy which sets the overall priorities for the capital programme.	Section 151 Officer & Finance Team
<b>Procurement</b>	Procurement of the capital schemes described in section 2 of this report will be in accordance with the procurement provisions within the Council's constitution.	Section 151 Officer & Finance Team
<b>Biodiversity &amp; Climate Change</b>	The capital programme includes provision for funding to deliver schemes which will help meet the Council's biodiversity and climate change objectives.	Biodiversity and Climate Change Manager

## **2. INTRODUCTION AND BACKGROUND**

### **Background**

- 2.1 The capital programme plays a vital part in the Council's Strategic Plan, since long term investment is required to deliver many of the objectives of the plan. The capital programme is now a rolling ten-year programme, so sets out over the medium term how the Council will invest its capital resources.
- 2.2 The current capital programme 2023/24 – 2027/28 was approved by Council at its meeting on 22 February 2023 and totals £201.9 million over five years. Details are set out in Appendix 1.
- 2.3 As part of the budget setting process the capital programme has been reviewed to ensure it is affordable and sustainable. To aid this we have increased the period of the capital programme to 10 years so we understand the longer term implications of borrowing. As part of setting the capital programme we have carried out challenge sessions to ensure projects meet the Council's defined core principles for the inclusion of schemes within the capital programme.
- 2.4 The updated capital programme includes some significant reprofiling of the Private Rented Sector and 1,000 Affordable Homes housing schemes, as well as several new schemes. Additional projects are to deliver other key priorities such as Temporary Accommodation, decarbonisation, public realm and greening and a new or refurbished leisure facility.
- 2.5 The 10 year programme totals £433.8m. In agreeing the capital programme it will require us to set a prudential borrowing limit of £369.1 million over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2024/25. The revenue costs of borrowing are included in the overall budget position and contribute to the future budget gap as per the Medium-Term Financial Strategy (MTFS). The cost of borrowing is estimated as £15m in the 5 year period covered by the MTFS with debt being repaid over 50 years in total.
- 2.6 Individual items within the programme will be subject to specific reports for approval to spend through relevant governance including the cost of borrowing. This ensures that, before any commitment is made to individual schemes, and the related borrowing undertaken, the Council can be satisfied that it meets the Prudential Code criteria that investment be affordable, prudent and sustainable.
- 2.7 There is one project that is an urgent priority and therefore we have requested delegated approval for the business case and related budget approval for the following scheme within the overall Biodiversity & Climate Change programme. Capital works at Maidstone House and Link will cost in the region of £3,481,600 and we are bidding for external funding amounting to around 66% of the cost. If we succeed the project funding will be announced before the end of 23/24 and the work will need to be completed within 1 year. The delegated approval will allow the tight timescale to be met and allows us to maximise external funding.

## **Capital Strategy**

- 2.8 Under CIPFA's updated Prudential Code, the Council is required to produce a Capital Strategy, which is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 2.9 The Capital Strategy is being considered by Audit, Governance & Standards Committee at its meeting on 15<sup>th</sup> January 2024 and will subsequently be agreed by Cabinet at its meeting on 7<sup>th</sup> February 2024 and by Council at its meeting on 21<sup>st</sup> February 2024. The Strategy describes how the Capital Programme is developed and the key points are set out below.
- 2.10 The Council has defined certain core principles for the inclusion of schemes within the capital programme. Schemes may be included in the capital programme if they fall within one of the four following categories:
- (i) Required for statutory reasons, e.g., to ensure that Council property meets health and safety requirements;
  - (ii) Self-funding schemes focused on Strategic Plan priority outcomes;
  - (iii) Other schemes focused on Strategic Plan priority outcomes; and
  - (iv) Other priority schemes which will attract significant external funding.
- 2.11 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code and the following locally set principles:
- (a) Where schemes fit within a specific strategy and resources are available within the capital programme for that strategy, such as the Asset Management Plan, the schemes are also subject to appraisal and prioritisation against the objectives of that strategy. These schemes must be individually considered and approved by the relevant Policy Advisory Committee.
  - b) Where schemes require the use of prudential borrowing, a business case must first be prepared setting out the viability and justification in terms of necessity or contribution to the delivery of strategic goals.
  - c) Schemes will be evaluated against Environmental, Social and Governance objectives, within the overall Strategic Plan priorities. Schemes where this might be relevant would include those which offer:
    - Greater environmental sustainability
    - Local community benefits
    - Implementation of ethical sourcing practices.

- 2.12 Where schemes do not fit within the criteria above, but an appropriate option appraisal has been completed, they may still be included within the programme if they fall within one of the four categories set out above.
- 2.13 If, following all considerations, there are a number of approved schemes that cannot be accommodated within the current programme, a prioritised list of schemes that can be added to the programme as future resources permit will be created and approved by Cabinet, thus allowing officers to focus funding efforts on delivering schemes that are next in priority order.
- 2.14 The Medium-Term Financial Strategy (MTFS) requires the Council to identify actual funding before commencement of schemes. Accordingly, while schemes may be prioritised for the programme, ultimately commencement of any individual scheme can only occur once all the necessary resources have been identified and secured.
- 2.15 The MTFS principles require that the Council will maximise the resources available to finance capital expenditure, in line with the requirements of the Prudential Code, through:
- a) The use of external grants and contributions, subject to maintaining a focus on the priority outcomes of its own strategies;
  - b) Opportunities to obtain receipts from asset sales as identified in the asset management plan and approved for sale by Cabinet;
  - c) The approval of prudential borrowing when the following criteria also apply to the schemes funded by this method:
    - i. financial viability of the schemes can be clearly evidenced;
    - ii. the outcome returns economic value commensurate to the cost incurred by borrowing to fund the schemes;
    - iii. after covering the cost of funding, a further benefit accrues to the Council that directly or indirectly supports the objectives of the strategic plan or the medium-term financial strategy.
  - d) The use of residual New Homes Bonus and Funding Guarantee for capital purposes in line with the Council's strategic plan priorities;
  - e) The implementation of a community infrastructure levy (CIL) and the management of its use, along with other developer contributions (S106), to deliver the objectives of the infrastructure delivery plan.
- 2.16 Service managers submit proposals to include projects in the Council's capital programme. Bids are collated by Corporate Finance who calculate the financing cost (which can be nil if the project is fully externally financed). Each Policy Advisory Committee appraises the proposals based on a comparison with corporate priorities. The Cabinet then recommends the capital programme which is then presented to Council in February each year.

- 2.17 Prior to any capital commitment being entered into, a detailed report setting out a full project appraisal and detailed financial projections is considered by the relevant service committee.

### **Funding the Capital Programme**

- 2.18 All capital expenditure must be financed, either from external sources (grant funding and other contributions), the Council's own resources (revenue contributions, earmarked reserves, internal borrowing and capital receipts) or debt (external borrowing and other forms of corporate finance).
- 2.19 The Council currently has external borrowing of £5 million, representing Public Works Loan Board borrowing plus we have also committed to borrow £80 million in advance over the period 2024 to 2026 at an affordable rate. With internal resources expected to be fully utilised in future, the Council will look to increase external borrowing to a maximum of £359.9m over the 10-year lifetime of the capital programme. Over this time the Council will seek a mixture of long term and short-term debt to minimise the risk of refinancing. The Director of Finance, Resources & Business Improvement may look to procure forward borrowing terms ahead of requiring funding for the capital programme. This is to lock into preferential rates in case of future rate rises.
- 2.20 The Council has hitherto used the New Homes Bonus to fund capital expenditure. The allocation for 2024/25 onwards has been reduced to £1.9 million, so to ensure that there is sufficient funding to support the viability of the 1,000 New Homes programme it is envisaged that this will be topped up from the Funding Guarantee that was announced as part of the Local Government Financial Settlement in December 2023.
- 2.21 External funding is sought wherever possible. The Council has received funding from the Government via the UK Shared Prosperity Fund, some of which is allocated to capital schemes, and funding will be sought in particular from Homes England to support the Affordable Housing Programme.
- 2.22 Funding is also available through developer contributions (S 106) and the Community Infrastructure Levy (CIL).
- 2.23 The resource available for the capital programme, based on the detail above, is given in Appendix 2. The appendix shows total resources expected in the period 2024/25 to 2033/34 (excluding external borrowing) as £84.6m.

### **Capital Programme Proposals**

- 2.24 Capital Programme proposals have been developed based on the principles set out above and reflect the strategic priorities agreed by Council when it set the current Strategic Plan.
- 2.25 Appendix 3 to this report sets out the recommended programme for schemes which were programmed for 2024/25 – 2028/29 within the existing capital programme together with new schemes that it is now

proposed to include within the capital programme. Further details are set out below.

#### *Planning, Infrastructure Economic Development*

##### 2.26 Public Realm & Greening relating to the Town Centre - £1.0 million

Public realm and greening plans reflect work to be funded by UKSPF and associated works in the Town Centre.

##### 2.27 Medway Street Car Park - £195,000

This budget will allow the two existing parts of this car park to be merged, which will require extensive works for ramps, new surfaces and lighting.

#### *Housing, Health & Environment*

##### 2.28 The Housing Programme comprises a mix of Affordable Homes, Private Rented Sector, and Temporary Accommodation. As projects develop in the later years of the 10 year programme we will get greater clarity on the mix of different tenures.

##### 2.29 1,000 Homes Affordable Housing Programme - £155.7 million

In the Autumn of 2021, The Leader of the Council announced his ambition to build 1,000 affordable homes in the shortest period possible. A development strategy setting out how this ambition can best be achieved was agreed by Policy & Resources Committee on 19th January 2022. It is likely that the whole programme will take ten years to deliver. The programme is likely to provide only Affordable Rented homes that will be let at 80% of market rent, capped at the Local Housing Allowance. The expenditure shown excludes any grant receipts from the likes of Homes England that will be necessary to deliver the programme. Assumptions have been made around the level of funding that could be received and this is dealt with in the funding section of this report. During 2023/24 a number of sites were identified and they are schemes that are now being actively developed.

##### 2.30 Private Rented Sector Housing Programme - £99.8 million

This encompasses a number of schemes that are in the process of being identified and brought forward. This covers projects such as Maidstone East and Springfield library, but at this stage in the main are not contractually committed. These will be the subject of separate committee reports at the point a decision to proceed or not is required. All these PRS assets will be owned by the Council but leased (on a long-term basis) upon completion to Maidstone Property Holdings Limited to manage.

Note that no PRS housing is shown in years 7-10 of the capital programme. This is not intended to indicate that the Council will move away from promoting a mix of tenures in future, rather that there have been no specific schemes with a PRS component identified in those years.



#### 2.31 Temporary Accommodation - £20.0 million

The Council has a programme to acquire housing on the open market for temporary accommodation, as it is more cost-effective to use our own property for this purpose and enables delivery of a revenue saving. It is proposed to buy further units in 2024/25 to help deal with the rising numbers of people who are being made homeless because of the current economic crisis.

#### 2.32 Commercial and Community Developments £3.8m

The New Business and Housing Development team are in the process of preparing and submitting a planning application for the sites including Maidstone East, St Faiths Community Centre and Heather House Community Centre

#### 2.33 Disabled Facilities Grants - £8.0 million

The Council works with Kent County Council Social Services to deliver adaptations and facilities to enable disabled people to remain at home. This element of the capital programme therefore has a directly beneficial impact for individual local residents. Assistance under this budget is not funded by the Council but is funded from the Department of Health Better Care Fund (BCF) as a specific capital grant.

#### 2.34 Street Scene Investment - £500,000

This capital programme allows for items such as the provision of new bins.

#### 2.35 Flood Action Plan - £350,000

The flood action plan budget was set up to allow the Council to deliver, or contribute towards, schemes that would mitigate flood risk. At this stage, the only schemes that have been identified have been small scale natural flood management schemes. Officers are discussing with counterparts in the Environment Agency, Kent County Council and the Upper Medway Internal Drainage Board what can be done to promote appropriate and practical schemes in the future.

#### 2.36 Continued Improvements to Play Areas - £740,000

This budget allows for play areas to continue to be upgraded to ensure they meet the current specifications and requirements.

#### 2.37 Parks Improvements - £1.1 million

This is an annual budget to allow for any works that are identified in the parks to be undertaken to improve the standard of the facilities for the public when they visit the parks.

#### 2.38 Parks & Open Spaces Infrastructure Maintenance – £2.0 million

Ongoing investment in the infrastructure of the parks will enable the revenue budgets to remain focused on delivering the more regular

maintenance such as shrub bed pruning, grass cutting, weeding etc and on ensuring the parks are safe and functional for residents and visitors. Poor maintenance of the parks infrastructure will also impact on the parks revenue budgets due to insurance claims or having to close sections of pathway.

#### 2.39 Grounds Maintenance Machinery Replacement Programme – £855,000

This is a new budget to enable the regular replacement of grounds maintenance equipment when it is no longer adequate for purpose.

#### 2.40 Waste Crime Team Additional Resources - £40,000

This budget will allow the team to invest in new technology to assist in the investigation, detection and prosecution of offenders.

#### 2.41 Section 106 Funded Works Open Spaces – £4.0 million

This reflects open spaces capital projects that are funded by S.106 contributions. These works have been taking place for a number of years, but it is considered appropriate that the programme reflects this to show the total forecast capital expenditure.

#### 2.42 Improvements to the Cemetery - £120,000

Further works are required to complete the tarmacking works in the cemetery and there are further plans for new fencing and possible expansion of the site to create space for new graves.

#### 2.43 Purchase of New Waste Collection Vehicles - £6.3 million

Funding is allocated within the Capital Programme for the purchase of the waste collection fleet that forms part of the new contract for Refuse Collection due to commence in March 2024. Replacement of the fleet is envisaged seven years later when the fleet acquired in March 2024 has reached the end of its useful life.

### *Communities, Leisure & Arts*

#### 2.44 Museum Development Plan - £180,000

The Maidstone Museums Forward Plan 2022-27 was presented to this Committee's predecessor Committee in July 2022. The Forward Plan set out an ambitious programme, inspired by a mission to inspire, educate and challenge its visitors and users through the use of its collections, staff and buildings. A first step in delivering this plan was a new archaeology gallery, due to open in early Summer. Nearly £700,000, including contributions from external funders, will have been invested in this gallery and this forms part of the existing capital programme.

The immediate next steps in the Development Plan are as follows.

#### *Upgrading Local History Gallery*

It is planned to improve the Local History Gallery, which adjoins the new archaeology gallery, to make it more attractive and consistent in standard with the new gallery. A proposal is being developed to an external funder to carry out this work, which is expected to cost £100,000.

### *Accessibility*

It is part of the museum's mission to ensure that its collections are available to all. It is therefore proposed to install a flexi-step and ramp for more inclusive access to the natural history and dinosaur galleries, at an estimated cost of £80,000.

## 2.45 Existing Leisure Centre – Capital Improvements £2.25 million

This Committee considered proposals for minor capital improvements to the Leisure Centre at its meeting on 7 February 2023. The purpose was to reduce costs and generate increased revenue over the likely extension period of the existing contract. This was agreed by Cabinet and built into the capital programme for 2023/24. As this work has been dependent on decisions about extension of the contract, it has not started as yet and the majority of the expenditure is now likely to slip to 2024/25.

## 2.46 New Leisure Centre - £60.0 million

The Council is committed to providing leisure services that are accessible to all the borough's residents. This follows from the Council's strategic priorities, and in particular the cross-cutting priority of addressing and reducing health inequalities.

The existing Mote Park Leisure Centre is over 50 years old. It is becoming increasingly expensive to maintain and detracts from the Council's net zero carbon emissions objective. Modelling presented to this Committee's predecessor in February 2023 indicated that the optimum time for a replacement, or at the very least a significantly refurbishment, would be towards the end of the extension period for the existing leisure contract (which is subject to a separate report on this agenda).

It was reported in February 2023 that projected capital costs for a new build leisure centre would be in the region of £40 million. A Passivhaus centre or more sophisticated design would cost in excess of £50m. Owing to the complexity of a major refurbishment, the capital costs arising would be at least £35 million, ie not significantly less than the cost of a complete replacement.

It is proposed to make provision in the capital programme for £60 million, which would offer the opportunity to build a new leisure centre commensurate with the Council's ambitions, given current prices. Expenditure is profiled over the next six years, with some initial investment in design and feasibility in 2024/25 and a build programme extending over the three years 2027/28 to 2028/29.

All opportunities to source external funding to mitigate the cost to the Council will be explored. At this stage the proportion to be externally funded cannot

be estimated, so the figure of £60 million represents the gross cost of a new leisure centre.

#### 2.47 Mote Park Kiosk Refurbishment & Extension - £250,000

£200,000 was included for this project in the existing capital programme for 2023/24. The intention was to provide clean and safe facilities to replace the existing toilet block on the northern side of Mote Park Lake, to complement the new café facility on the opposite side. This work has not yet commenced so will slip to 2024/25.

#### *Corporate Services*

#### 2.48 Asset Management / Corporate Property - £3.27 million

The Property Services section carries out a 5-year cycle of condition surveys of Council property which provide a costed programme of essential replacement or refurbishment of building elements to ensure the proper, compliant and efficient operation of the buildings in accordance with the Asset Management Plan. There is no financial return from the projects, but they do eliminate the accumulation of a backlog of maintenance, reduce the risk of failure and interruption of service and the cost of reactive maintenance.

#### 2.49 Corporate Property Acquisitions - £25.0 million

It is envisaged that the Council will continue to seek further suitable opportunities to acquire assets which help deliver the Council's strategic objectives, following the previous acquisitions of the Lockmeadow Leisure Complex, Maidstone House and various industrial units. The capital programme includes this fund which is intended to give the capacity to pursue opportunities to enhance the corporate property portfolio. The Council continues to work with selected agents to identify suitable opportunities and these will be brought forward for member approval when identified.

#### 2.50 Kent Medical Campus Innovation Centre - £350,000

This budget will provide funding for a wet lab and the purchase of new research and development equipment to continue to make the centre attractive for prospective tenants. Further funding is also required for road infrastructure improvements adjacent to the centre.

#### 2.51 Lockmeadow ongoing investment - £1.0 million

Given the current economic environment and vacant units further investment in the site will be needed to encourage both existing tenants to continue to operate and to also attract new ones in the future, as well as continuing to make it an attractive place to visit. This will help protect existing rental income streams and possibly increase them in due course.

## 2.52 Garden Community - £1.982 million

The Heathlands Garden Community is a public sector led proposition, whereby the Council is working in partnership with Homes England to promote the scheme through the Maidstone Local Plan Review (LPR). Positive progress continues to be made, as Heathlands now features as a draft "allocation" within the LPR, which has recently undergone consultations on Main Modifications with adoption programmed to take place in early 2024. Both partners are sharing the promotional and planning costs 50:50. Upto the end of 23/24 they are expected to total circa £3m. A further £4m of shared expenditure to achieve the outline planning permission with work on that starting in 2024/25. The £2m in the capital programme reflects these potential costs.

## 2.53 Infrastructure Delivery - £10.0 million

Infrastructure schemes as outlined in the Local Plan are in general funded directly from the benefits gained from the development. However, in some cases, it is appropriate for the Council to invest directly in infrastructure, for example where viability assessments indicate a funding gap and where it is appropriate for the Council to meet the shortfall in order to enable strategic priorities to be met. An annual amount of £1.0 million has been set aside within the capital programme for this purpose.

## 2.54 Other Property Works - £1.0 million

This budget is for work required to various commercial properties to meet the requirements of the current Minimum Energy Efficiency Standards. This will mainly be upgrades to LED lighting and heating systems, but there may be a need to replace windows and improve insulation in some of the older buildings.

## 2.55 Carbon Reduction to Maidstone B.C. Estate - £14.867 million

This funding will be used for a number of projects including the purchase of electric vehicles along with investment in charging infrastructure, carbon offsetting, solar investment and looking to make the Council's buildings more energy efficient with a view to reducing both costs and carbon emissions.

## 2.56 Parkwood Property Investment to meet EPC targets - £1.225m

This budget is for the removal of concrete asbestos roofs and their replacement with lighter insulated metal roofs offers the opportunity for tenants to reduce their energy bills. In addition, it facilitates the installation of solar panels on the roofs (not previously possible due to load restrictions on the asbestos roofs).

## 2.57 Feasibility Studies - £500,000

An allowance has been included in the capital programme for feasibility works on schemes that are not yet ready to be included in the main programme.

#### 2.58 Digital Projects - £300,000

This programme is for hardware and software development carried out in-house by the Digital team, such as website re-design, new webcasting facilities, and investment to streamline ways of working.

#### 2.59 Software/PC Replacement - £2.0 million

This is an annual budget to allow replacement of ICT resources on an ongoing basis.

#### 2.60 Maidstone House Works - £800,000

This budget is to continue to allow further investment in the building to make it an attractive place to work, to protect existing rental income streams and to encourage prospective new tenants.

#### 2.61 Leeds Langley preliminary costs- £1.m

The costs relate to the potential contribution of cost towards development/construction costs of Leeds Langley road /site. In order to achieve this infrastructure, forward funding is required to help pump prime the project and assist with preliminary work.

#### 2.62 Fleet Vehicle Replacement Programme – £3.248 million

This programme allows the Council's vehicle fleet (excluding electric vehicles which are currently included in the Decarbonisation of the MBC Estate) to be kept up to date and operating costs to be kept to a minimum. Funding includes capital receipts from the sale of vehicles when they reach the end of their useful life.

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### **3. AVAILABLE OPTIONS**

- 3.1 Recommend that the capital strategy principles, funding arrangements and detailed proposals as set out in section 2 above are approved by the Cabinet and then submitted to Council.
  - 3.2 Recommend the capital programme as presented for approval by the Cabinet and then for consideration by Council.
  - 3.3 Recommend amendments or deletion to some or all of the proposals and make any new alternative projects for consideration by the Cabinet.
  - 3.4 Defer a decision on the proposals to this Committee's meeting on 5<sup>th</sup> February 2024 where it can be considered along with the final revenue budget proposals.
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## **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The preferred option is that the Committee agrees capital strategy principles (option 3.1) and recommend the proposed capital programme (option 3.2) to the Cabinet. Whilst a final decision is not required until Council sets a budget on 21 February 2024, an early decision by this Committee will allow advance planning to commence and will potentially allow the benefits of investment to be realised more quickly.
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## **5. RISKS**

- 5.1 From now on, the capital programme will primarily be funded through prudential borrowing. Many of the schemes outlined above are projected to be self-funding. However, this assumes that the income assumptions on which they are based are reliable. In an uncertain economic environment, there is a significant risk that the cost of borrowing and the requirement to make provision for repayment will not be covered.
- 5.2 The scale of the capital programme – around £433.8 million - will require considerable capacity for delivery and project management.
- 5.3 At present it is anticipated that funding will be available for the capital programme. The funding risk has been mitigated by committing to borrow £80 million in advance over the period 2024 to 2026 at an affordable rate. We will use our Treasury Management Strategy to manage the cost of subsequent borrowing but there is a risk that funding could become more expensive generally, thus putting at risk the viability of more marginal schemes.
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 Corporate Services PAC received an initial report on the MTFS at its meeting on 12 July 2023. It was then consulted on the revenue budget proposals at its meeting on 11 September 2023 and on fees and charges and the budget consultation at its meeting on 13 December 2023. This consultation identified that the most popular area amongst respondents for new investment was infrastructure, with flood prevention and the street scene cited as examples in the survey to illustrate what 'infrastructure' means. The other PACs are considering the budget proposals relating to capital schemes within their portfolios during January 2024.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 The timetable for setting the budget for 2023/24 is set out below.

<b><i>Date</i></b>	<b><i>Meeting</i></b>	<b><i>Action</i></b>
24 January 2024	Cabinet	Agree 24/25 Capital Programme
21 February 2024	Council	Approve 24/25 budget proposals for recommendation to Council

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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: Existing Capital Programme 2023/24 to 2027/28
- Appendix 2: Estimated Capital Resources 2024/25 to 2033/34
- Appendix 3: Proposed Capital Programme 2024/25 to 2033/34

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## **9. BACKGROUND PAPERS**

There are no background papers.



## Capital Programme 2023/24 to 2027/28

	2023/24	2024/25	2025/26	2026/27	2027/28	Total (5 years)
	£000	£000	£000	£000	£000	£000
<b>Communities, Housing &amp; Environment</b>						
Private Rented Sector Housing	3,090	6,765	6,832	9,578	6,861	33,125
1,000 Homes Affordable Housing Programme - Expenditure	6,123	20,080	22,825	25,487	22,442	96,958
1,000 Homes Affordable Housing Programme - Social Housing Grant	-5,790	-3,120	-1,290	-8,250	-6,060	-24,510
Temporary Accommodation	12,000	12,000	8,000			32,000
Commercial Development - Maidstone East	156	623	623	468	100	1,970
Heather House Community Centre	319	701	351	75		1,446
Housing - Disabled Facilities Grants Funding	800	800	800	800	800	4,000
Acquisitions Officer - Social Housing Delivery P/ship	200					200
Street Scene Investment	50	50	50	50	50	250
Flood Action Plan	200	200	150			550
Continued Improvements to Play Areas	50	50	60	60	60	280
Parks Improvements	50	60	70	70	80	330
Section 106 funded works - Open Spaces	400	400	400	400	400	2,000
Expansion of Cemetery (New scheme)	80	120				200
Expansion of Crematorium (New scheme)	340					340
Purchase of New Waste Collection Vehicles (New scheme)	5,800					5,800
<b>Total</b>	<b>23,868</b>	<b>38,730</b>	<b>38,871</b>	<b>28,737</b>	<b>24,733</b>	<b>154,939</b>
<b>Economic Regeneration &amp; Leisure</b>						
Mote Park Lake - Dam Works	20					20
Museum Development Plan	389					389
Leisure Provision	3,000	1,000	1,000	1,000	1,000	7,000
Tennis Courts Upgrade	20					20
Riverside Walk Works	250					250
Mote Park Kiosk Refurbishment & Extension (New scheme)	200					200

	2023/24	2024/25	2025/26	2026/27	2027/28	Total (5 years)
	£000	£000	£000	£000	£000	£000
Town Centre Strategy (New scheme)	450	2,700	2,350			5,500
Total	4,329	3,700	3,350	1,000	1,000	13,379

	2023/24	2024/25	2025/26	2026/27	2027/28	Total (5 years)
	£000	£000	£000	£000	£000	£000
<b>Corporate Services</b>						
Asset Management / Corporate Property	875	175	175	175	175	1,575
Corporate Property Acquisitions	2,500	2,500	2,500	2,500	2,500	12,500
Kent Medical Campus - Innovation Centre		250				250
Lockmeadow Ongoing Investment	500	250	250	250	250	1,500
Garden Community	733	200	200	200	200	1,533
Infrastructure Delivery	1,000	1,000	1,000	1,000	1,000	5,000
Other Property Works	500	380				880
Biodiversity & Climate Change	2,788	1,540	500	500		5,328
Photovoltaic Panels	234					234
Feasibility Studies	50	50	50	50	50	250
Digital Projects	28	28	28	28	28	140
Software / PC Replacement	200	200	200	200	200	1,000
Maidstone House Works	500	250	250	250	250	1,500
Fleet Vehicle Replacement Programme	456	457	270	96	250	1,529
Automation of Transactional Services (New scheme)	150					150
<b>Total</b>	<b>10,514</b>	<b>7,280</b>	<b>5,423</b>	<b>5,249</b>	<b>4,903</b>	<b>33,369</b>
<b>Planning &amp; Infrastructure</b>						
Bridges Gyratory Scheme	206					206
<b>Total</b>	<b>206</b>					<b>206</b>
<b>TOTAL</b>	<b>38,917</b>	<b>49,710</b>	<b>47,644</b>	<b>34,986</b>	<b>30,636</b>	<b>201,893</b>

ESTIMATED CAPITAL PROGRAMME RESOURCES 2024/25 - 2033/34

Source of Funding	Estimate					5 year Total £000	Estimate					10 year Total £000
	2024/25	2025/26	2026/27	2027/28	2028/29		2029/30	2030/31	2031/32	2032/33	2033/34	
	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	
External Sources	5,421	2,979	13,486	21,356	9,963	53,205	1,200	1,200	13,900	1,200	1,200	71,905
Own resources (including Internal borrowing)	1,445	1,250	1,250	1,250	1,250	6,445	1,250	1,250	1,250	1,250	1,250	12,695
External Borrowing	88,795	82,322	48,067	26,736	48,358	294,278	28,817	15,001	-3,303	7,936	6,486	349,214
Total	95,661	86,551	62,803	49,342	59,571	353,928	31,267	17,451	11,847	10,386	8,936	433,814

## Draft Capital Programme 2024/25 to 2033/34

	2024/25	2025/26	2026/27	2027/28	2028/29	5 Year Total	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Housing, Health &amp; Environment</b>												
Private Rented Sector Housing (Gross cost)	21,065	31,879	25,574	12,370	7,274	98,161	1,656					99,817
1,000 Homes Affordable Housing Programme (Gross cost)	31,096	42,722	25,921	13,908	14,995	128,643	10,251	4,711	5,487	4,026	2,576	155,693
Temporary Accommodation	20,000					20,000						20,000
Other Property - Community and Commercial	1,809	1,089	663	143	100	3,804						3,804
Housing - Disabled Facilities Grants Funding	800	800	800	800	800	4,000	800	800	800	800	800	8,000
Street Scene Investment	50	50	50	50	50	250	50	50	50	50	50	500
Flood Action Plan	200	150				350						350
Continued Improvements to Play Areas	50	60	70	80	80	340	80	80	80	80	80	740
Parks Improvements	260	70	80	90	100	600	100	100	100	100	100	1,100
Parks Improvements - Infrastructure Maintenance	200	200	200	200	200	1,000	200	200	200	200	200	2,000
Grass Grounds Maintenance Machinery Replacement Programme	100	110	105	123	42	480	75	75	75	75	75	855
Waste Crime Team - Additional Resources	20	10	10			40						40
Open Spaces - Section 106 funded works	400	400	400	400	400	2,000	400	400	400	400	400	4,000
Improvements to Cemetery	120					120						120
Purchase of New Waste Collection Vehicles								6,380				6,380
<b>Total</b>	<b>76,170</b>	<b>77,540</b>	<b>53,873</b>	<b>28,163</b>	<b>24,041</b>	<b>259,787</b>	<b>13,612</b>	<b>12,796</b>	<b>7,192</b>	<b>5,731</b>	<b>4,281</b>	<b>303,398</b>
<b>Communities, Leisure &amp; Arts</b>												
Museum Development Plan	180					180						180
Leisure Provision	2,250					2,250						2,250
New Leisure Centre	500	500	2,000	15,000	29,000	47,000	13,000					60,000
Mote Park Kiosk Refurbishment & Extension	250					250						250
<b>Total</b>	<b>3,180</b>	<b>500</b>	<b>2,000</b>	<b>15,000</b>	<b>29,000</b>	<b>49,680</b>	<b>13,000</b>					<b>62,680</b>

	2024/25	2025/26	2026/27	2027/28	2028/29	5 Year Total	2029/30	2030/31	2031/32	2032/33	2033/34	10 Year Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Corporate Services</b>												
Asset Management / Corporate Property	1,695	175	175	175	175	2,395	175	175	175	175	175	3,270
Corporate Property Acquisitions	2,500	2,500	2,500	2,500	2,500	12,500	2,500	2,500	2,500	2,500	2,500	25,000
Kent Medical Campus - Innovation Centre	350					350						350
Lockmeadow Ongoing Investment	100	100	100	100	100	500	100	100	100	100	100	1,000
Garden Community	1,187	630	83	82		1,982						1,982
Infrastructure Delivery	1,000	1,000	1,000	1,000	1,000	5,000	1,000	1,000	1,000	1,000	1,000	10,000
Other Property Works	800	200				1,000						1,000
Carbon Reduction to Maidstone B.C. Estate	5,542	2,616	2,493	1,641	1,075	13,367	300	300	300	300	300	14,867
Parkwood Property Investment to meet EPC targets	785	440				1,225						1,225
Feasibility Studies	50	50	50	50	50	250	50	50	50	50	50	500
Digital Projects	30	30	30	30	30	150	30	30	30	30	30	300
Software / PC Replacement	200	200	200	200	200	1,000	200	200	200	200	200	2,000
Maidstone House Works	400	100	100	100	100	800						800
Leeds Langley					1,000	1,000						1,000
Fleet Vehicle Replacement Programme	478	470	200	300	300	1,748	300	300	300	300	300	3,248
<b>Total</b>	<b>15,116</b>	<b>8,511</b>	<b>6,931</b>	<b>6,178</b>	<b>6,530</b>	<b>43,267</b>	<b>4,655</b>	<b>4,655</b>	<b>4,655</b>	<b>4,655</b>	<b>4,655</b>	<b>66,542</b>
<b>Planning, Infrastructure &amp; Economic Development</b>												
Public Realm & Greening relating to the Town Centre	1,000					1,000						1,000
Medway Street Car Park	195					195						195
<b>Total</b>	<b>1,195</b>					<b>1,195</b>						<b>1,195</b>
<b>TOTAL</b>	<b>95,661</b>	<b>86,551</b>	<b>62,803</b>	<b>49,342</b>	<b>59,571</b>	<b>353,928</b>	<b>31,267</b>	<b>17,451</b>	<b>11,847</b>	<b>10,386</b>	<b>8,936</b>	<b>433,814</b>

## CORPORATE SERVICES POLICY ADVISORY COMMITTEE

17<sup>th</sup> January 2024

### Archbishop's Palace – Agreement for Lease

Timetable	
Meeting	Date
CLT	19 December 2023
Corporate Services PAC	17 January 2024
Cabinet	24 January 2024

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Cabinet
Lead Head of Service	Mark Green, Director of Finance, Resources and Business Improvement
Lead Officer and Report Author	Deborah Turner, Corporate Property
Classification	<p>Public report with private appendix</p> <p>The information contained within the Appendix 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>
Wards affected	High Street

#### Executive Summary

An extensive process of member and public consultation has been carried out concerning the future use of the Archbishop's Palace. Following expiry of our former preferred development partner's exclusivity period, and vacation of the building by

Kent County Council, it was agreed that the opportunity to lease the Palace Complex be advertised.

The report presents the results of the marketing exercise and recommends that the Council now enter into an agreement for lease with the preferred tenant, appoints a specialist team to obtain the necessary consents to make the required changes to the premises to enable its use as a wedding venue, and agrees to a capital spend of £1.5m to enable the project to proceed. This will meet the Council's objectives for future use of the Palace and is consistent with the emerging Town Centre Strategy.

### **Purpose of Report**

Recommendation to Cabinet.

### **This report makes the following recommendation to the Corporate Services Policy Advisory Committee.**

That the Cabinet is recommended:

1. To agree to capital expenditure of up to £1.5 million
2. To delegate authority to the Director of Finance, Resources and Business Improvement to select and appoint professional advisers to obtain all relevant consents, enter into contracts for applicable services as necessary, and to enter into a conditional agreement for lease with the preferred tenant.
3. To delegate authority to the Head of Legal Services to negotiate and complete all necessary legal formalities for the agreement for lease and purchase of services as set out above.



# ARCHBISHOP'S PALACE – NEXT STEPS

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p><i>The four Strategic Plan objectives are:</i></p> <ul style="list-style-type: none"> <li><i>Embracing Growth and Enabling Infrastructure</i></li> <li><i>Safe, Clean and Green</i></li> <li><i>Homes and Communities</i></li> <li><i>A Thriving Place</i></li> </ul> <p>The project described in this report supports the Council's Strategic Plan objectives, most notably A Thriving Place.</p>	Director of Finance, Resources & Business Improvement
<b>Cross Cutting Objectives</b>	<p><i>The four cross-cutting objectives are:</i></p> <ul style="list-style-type: none"> <li><i>Heritage is Respected</i></li> <li><i>Health Inequalities are Addressed and Reduced</i></li> <li><i>Deprivation is reduced and Social Mobility is Improved</i></li> <li><i>Biodiversity and Environmental Sustainability is respected</i></li> </ul> <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, Resources & Business Improvement
<b>Risk Management</b>	Already covered in the risk section.	Director of Finance, Resources & Business Improvement
<b>Financial</b>	Running costs of the building were previously in the region of £250k per annum. These were previously met by the former tenant, who additionally paid the Council £100k per annum rent. Accordingly, there is a net shortfall of £350k per annum against ongoing	Director of Finance, Resources & Business Improvement

	budgets whilst the building remains in its present state. The capital budget £1.52m has been included in the draft 2024/25 capital programme, which will form part of the budget due to be signed off by Council in February 24.	
<b>Staffing</b>	We need access to additional expertise externally, to deliver the recommendations.	Director of Finance, Resources & Business Improvement
<b>Legal</b>	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. Further, under section 111 of the Local Government Act 1972 the Council has power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.  All necessary Legal documentation will be approved by Mid-Kent Legal Services before completion.	Team Leader (Contentious and Corporate Governance)
<b>Information Governance</b>	No implications.	Director of Finance, Resources & Business Improvement
<b>Equalities</b>	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
<b>Public Health</b>	No implications.	Director of Finance, Resources & Business Improvement
<b>Crime and Disorder</b>	No implications.	Director of Finance, Resources & Business Improvement
<b>Procurement</b>	The Council will follow its usual procurement processes in selecting professional advisers	Director of Finance, Resources &

	and a contractor for works at the site.	Business Improvement
<b>Biodiversity and Climate Change</b>	Any new use/lease of the Archbishop's Palace would need to be consistent with the Biodiversity and Climate Change Action Plan.	Biodiversity and Climate Change Manager

## 2. INTRODUCTION AND BACKGROUND

### Background

2.1 The Archbishop's Palace is a landmark building of unique significance for the borough and the town of Maidstone. Until March 2023, it was let to Kent County Council (KCC) for use as a Registry Office and Coroners Court. Knowing that KCC were due to vacate, an extensive process of member and public consultation has been carried out about its future use, starting in early 2020. The following objectives were set for any future use:

- Respect the historical fabric of the buildings
- 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.

2.2 The steps in this process may be summarised as follows.

February 2020	Options for future use of Palace were considered at an open meeting for councillors on 20 <sup>th</sup> February.
July 2021	<p>A feasibility study was presented to Policy and Resources Committee. This considered a wide range of different potential uses, with the following short list drawn up as meriting detailed review:</p> <ol style="list-style-type: none"> <li>1. Co-Working and/or Serviced Offices</li> <li>2. Training and Seminar Centre</li> <li>3. Wedding and Seminar Venue</li> <li>4. Boutique Hotel</li> <li>5. Commercial Mixed Use (ie combination of 1 and 2)</li> <li>6. Mixed Use Culture and Weddings</li> </ol> <p>Agreement was reached to seek a preferred partner, through an open procurement process, for development of further proposals.</p>
October 2021	Council undertook public consultation. This attracted considerable interest, with over 2,000 individual responses. The top three options for respondents were a wedding and seminar venue, mixed use culture and weddings, and a boutique hotel.

March 2022	Policy and Resources Committee selected a preferred partner. This was Balfour Hospitality, who proposed to develop the Palace as a boutique hotel.
March 2023	KCC vacated the premises and the building was taken over on a temporary basis by Parking Services.
April 2023	The preferred partner exclusivity period expired. Balfour Hospitality, as promoter of the boutique hotel concept, concluded that it would not be commercially viable, given the scale of investment required.
July 2023	Cabinet approved a proposal to seek an operator for the Palace, focused of on more modest investment and change of use to a wedding/events venue.

- 2.3 As part of the expression of interest submissions in October 2021, the Council received an in-house proposal to operate and manage the Palace as a wedding and event venue itself. The proposal was assessed against the success criteria required for the future use of the Palace and was not considered a viable option. The Council do not have the experience or expertise to manage this type of facility or service.
- 2.4 The Palace's current use as a service location ensures that the building is occupied, but it does not generate any income, and the council is currently incurring the costs of occupancy, previously borne by KCC. These comprise principally business rates and repairs and maintenance costs. The total marginal cost now incurred amounts to approximately £350,000 – being £100,000 of annual rent foregone and approximately £250,000 of running costs.
- 2.5 It was agreed at Cabinet in July 2023 that the property be put back on the market for lease by potential wedding/events venue operators and a professional team be appointed to develop plans for the change of use and consider essential landlord works. The council's previous experience with a potential tenant with ambitious plans for development of the Palace, which on detailed exploration turned out not to be viable, indicate that a pragmatic solution, involving minimal structural alteration to the Palace, would be preferable.
- 2.6 The Council invited potential operators to submit offers for an agreement to lease of the Palace Complex as a wedding and event venue. The opportunity was advertised in national publications and was given extensive publicity. This resulted in 7 viewings by potential tenants of the Palace and 4 firm offers.
- 2.7 Despite undertaking extensive marketing, with the assistance of specialist leisure sector consultants, the response in terms of firm offers was relatively modest. It is likely that this was for the following reasons.

- It is risky to commit to a long term lease in the current economic climate. Note that one party (existing venue and wedding venue operator) expressed interest in an operator licence as an alternative.
- The building has a Grade 1 listing and is architecturally significant, which means its layout is not ideal for many operators who are typically looking for fewer and larger open plan spaces, with greater flexibility. Several parties commented that the building and its layout were too 'awkward' for them.

The Palace has continued to receive some interest following the informal tender, with those more recent applicants being provided with a copy of the brochure and being advised that the Council is looking to progress the interest of a number of short-listed parties. However, none of those more recent applicants has sought to 'disrupt' the short list.

- 2.8 One of the four offers (to run the Palace as a wedding venue by a wedding planner) was discounted after Council further due diligence since they lacked the necessary business experience and a stable financial position. The three other bidders were invited to present their proposals at an interview panel. Immediately before the interview date, one of these bids was withdrawn.
- 2.9 Two parties have therefore presented proposals for use of the Palace as a wedding and hospitality venue. The first interviewee had experience of leasing and operating pubs and restaurants in Kent but did not have experience of venues of the size and scale of the Palace and had only three years of audited accounts.
- 2.10 The second bid was from an existing hotel and wedding venue owner/operator. The organisation has over 20 years' experience of owning and operating hotels and within their existing portfolio have a successful dedicated wedding venue in a Grade II listed castle. They currently host over 400 events a year. Their pitch included details of previous development projects, their ability to resource the Palace project with experienced staff and a business plan demonstrating their financial position and ability to cover both rent to the Council and the operational and running costs of the building.
- 2.11 Both bids were fully considered and based on the offered lease terms, previous experience of historical buildings, industry experience and expertise, financial acumen, company and staff resourcing. Only the second bid met the council's criteria and this is therefore the preferred bid.
- 2.12 The intention would be to enter into a conditional agreement for lease as soon as possible with the preferred bidder. A condition for subsequent completion of the lease itself would be for the council to obtain planning and listed building consent for specified works and change of use to a wedding venue. Details of the lease terms are set out in the confidential appendix.
- 2.13 The preferred bidder is aware of the pedestrian public access to the Palace complex and is confident this would not affect their proposals. At their

other venues, they host free 'showround' open day events throughout the year. Whilst these are primarily designed to encourage new clients, they are open to all and would serve as an opportunity for residents of the Borough to see the inside of the Palace.

- 2.14 The Council propose to seek the necessary planning and listed building consents for the proposed future use as a wedding venue. The marketing exercise confirmed that this is the most popular and financially viable use of the Palace buildings and therefore proceeding with obtaining these consents does not restrict the Council to proceeding just with the current preferred bidder.
- 2.15 Due to the sensitive nature of the Palace and its importance within the Council's portfolio it is deemed appropriate for the Council to, in the first instance, maintain a level of control over the application process and the specification and nature of the Landlord works. The limited interest in the property resulting from its historical significance and complex nature, is an indication that the property required specialist advice, attention, and management. By the Council managing the first stage of the process we can ensure that the appropriate team is appointed.
- 2.16 Upon obtaining the necessary consents the Council can seek to appoint its own team to carry out and manage the Landlord works or it may satisfy itself at this stage that the preferred bidder has a competent team to manage the next phase of works.
- 2.17 The realistic timescale to prepare the necessary details for submission to planning and Historic England is approximately 3 months and is dependent on appointment of the specialist team. Consent will then be subject to the statutory planning timeframe (13 weeks) and could be extended beyond that due to the additional sign off required by Historic England.
- 2.18 The planning application and listed building consent would include proposals for typical Landlord works for a project of this nature. These works would include:
- External landscaping
  - Installation of a commercial kitchen including food preparation and serving area
  - Creation of accessible entrance, communal and reception area
  - Redecoration and floor coverings
  - Upgrade of all services and compliance with all statutory obligations.

The specification of these works is not operator specific. There would be an enhancement in the value of the Palace as a wedding/events venue, from carrying out these works.

- 2.19 The tenant would in turn be investing in fixtures, fittings, furniture, equipment, and kit necessary to open and operate as a wedding venue, including but not limited to soft furnishings, crockery, cutlery, glassware, tableware, storage cupboards, white goods, office equipment, IT and technology kit. The preferred bidder has confirmed their intention their initial tenant investment in the first year to include fitout, marketing,

website , social media, working capital would be in the region of £400-£500,000.

#### *Financial appraisal*

- 2.20 The draft Heads of Terms envisage that the council would invest up to £1.5 million in landlord improvements prior to leasing the Palace. In return, the Council would cease to be liable for running costs, currently estimated as £350,000 per annum (£100,000 lost rental income + £250,000 previous running costs), and would generate annual rental income from the Palace of £120,000 (or more if the Gatehouse and Dungeon were also brought into use). It can be seen that this investment will achieve payback in less than four years and comfortably meets the council's investment appraisal criteria.

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### **3. AVAILABLE OPTIONS**

#### **3.1 Option 1: Do nothing**

The Council would continue to incur significant annual costs in maintaining the Palace. There would be an opportunity cost, both in financial terms and in failing to allow potential users to benefit from this prime Council asset.

#### **3.2 Option 2: Lease the Palace as a wedding and events venue**

Enter into an agreement for lease with the preferred bidder and appoint the professional team to finalise the detailed plans to obtain all necessary consents for change of use and landlord works. Upon obtaining consent, the Council to sign the lease and undertake the agreed landlord works.

Alternative options, including operation of the Palace as a hotel, have been thoroughly explored in the period of nearly four years since options were first canvassed with members in February 2020. No other options have been identified which are viable or financially sustainable.

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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The preferred option is option 2. The property has been widely marketed and it has been established that the most popular and viable alternative use is as a wedding and events venue. This is consistent with residents' preferences as evidenced in public consultation. The preferred bidder has a successful track record of delivering and operating projects of this nature. It is a viable option in financial terms, and would meet the Council's objectives for future use of the Palace.

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### **5. RISK**

- 5.1 There are a number of risks associated with this proposal.

Project risk – Delivering the required improvements to the Palace to accommodate a new tenant will bring all the usual risks associated with construction projects. These will be mitigated as much as possible by use of experienced and qualified contractors and application of strong project management disciplines.

Delay risk – Whilst all parties are minded to progress with a detailed application and procure works as quickly as possible, Historic England have previously lacked resources to process applications and consents in a timely manner. Experience of the Council’s appointed professional team will help minimise the risk of slippage to the proposed timescale.

Commercial risk – The proposed future use of the Palace depends on the commercial success of the operator, which in turn depends on the overall health of the local economy.

Site specific risks – The palace is a historic and sensitive site. Carrying out any work at the site therefore brings a heightened degree of risk. These will be mitigated so far as possible by working with contractors and partners who have relevant experience and can be expected to anticipate and respect the specific issues involved. The Council’s conservation specialists have been consulted during the project to date and will continue to be involved.

There is a risk that existing services to the Palace would not support any form of development and in that case, the upgrade works to those services could far exceed our budget costs. The services survey to establish the condition and capacity of the services will commence December 2023.

- 5.2 The above risks, including the risks if the Council does not act as recommended, have been considered in line with the Council’s Risk Management Framework. We are satisfied that the risks associated are within the Council’s risk appetite and will be managed as per the Policy.

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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 As describe above, a comprehensive public consultation exercise was held in 2021 about the future of the Palace. It is considered that the findings from this remain relevant and they have helped to determine the recommended way forward.

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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 The proposed next steps are set out below.



<b>2024</b>	<b>Action to be undertaken</b>
January	Appoint specialist team including architect and engineer to prepare the detailed plans required for submission to Historic England (Listed Building Consent) and Planners (Change of Use and Planning Consent) for necessary consents
Jan/Feb	Agree final heads of terms of the lease and complete the Agreement for Lease
March	Submit planning and listed building consent applications
April/May	Develop detailed costed scope of landlord works and agree project management strategy
June	Assuming necessary consents obtained, lease signed and landlord works commence.
October	Completion of works and opening of Palace as wedding venue.

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## **8. REPORT APPENDICES**

Exempt Appendix – Heads of Terms and Cost Estimates

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## **9. BACKGROUND PAPERS**

None.

# Agenda Item 13

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

Document is Restricted