

ECONOMIC REGENERATION AND LEISURE COMMITTEE MEETING

Date: Tuesday 16 February 2021

Time: 6.30 pm

Venue: Remote Meeting: The public proceedings of the meeting will be broadcast live and recorded for playback on the Maidstone Borough Council Website

Membership:

Councillors Cox, Fort, Mrs Gooch, Harper (Chairman), Hinder, Lewins, Purle, Round 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.

AGENDA

Page No.

1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members
5. Disclosures by Members and Officers
6. Disclosures of Lobbying
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
8. Minutes of the Meeting Held on 26 January 2021 1 - 6
9. Presentation of Petitions
10. Question and Answer Session for Members of the Public
11. Questions from Members to the Chairman (if any)
12. Committee Work Programme 7
13. Reports of Outside Bodies
14. 3rd Quarter Financial Update & Performance Monitoring Report 8 - 28
2020/21

Issued on Monday 8 February 2021

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

INFORMATION FOR THE PUBLIC

In order to ask a question at this remote meeting, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 12 February 2021). You will need to provide the full text in writing.

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

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 5p.m. one clear working day before the meeting (i.e. by 5p.m. on Friday 12 February 2021). You will need to tell us which agenda item you wish to speak on.

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

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

Should you wish to refer any decisions contained in these minutes to the **Policy and Resources Committee**, please submit a Decision Referral Form, signed by **three** Councillors, to the **Head of Policy, Communications and Governance** by: **11 February 2021**

MAIDSTONE BOROUGH COUNCIL

ECONOMIC REGENERATION AND LEISURE COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 26 JANUARY 2021

Present: Councillors Cox, Fort, Mrs Gooch, Harper (Chairman), Hinder, Joy, Lewins, Purle and Round

Also Present: Councillors Grigg, Naghi and Perry

204. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Fort and Webb.

205. **NOTIFICATION OF SUBSTITUTE MEMBERS**

Councillor Perry was present as a Substitute Member until Councillor Fort arrived.

Councillor Joy was present as a Substitute Member for Councillor Webb.

206. **URGENT ITEMS**

An urgent item in the form of a briefing note had been distributed to the Committee in relation to Item 14 – Report of Licensing Committee held on 14 January 2021 – Draft Busking Guidelines.

207. **NOTIFICATION OF VISITING MEMBERS**

Councillors Grigg, Naghi and Perry were present as Visiting Members for Item 17.

Councillor Naghi was also present as a Visiting Member for Item 14 – Report of the Licensing Committee held on 14 January 2021 – Draft Busking Guidelines.

208. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

209. **DISCLOSURES OF LOBBYING**

Councillor Cox had been lobbied on Item 14 – Report of the Licensing Committee held on 14 January 2021 – Draft Busking Guidelines.

Councillor Round had been lobbied on Item 15 – Strategic Plan – Proposed Areas for Focus 2021-2026 and Key Performance Indicators for Covid-19 Recovery.

Councillors Cox, Fort, Mrs Gooch, Harper, Hinder, Joy, Purle and Round had been lobbied on Item 17 – Hazlitt Arts Centre Options.

210. EXEMPT ITEMS

RESOLVED: That all items be taken in public as proposed unless any member of the Committee indicated a wish to refer to Item 18 – Exempt Appendix – Hazlitt Arts Centre Options.

211. MINUTES OF THE MEETING HELD ON 15 DECEMBER 2020

RESOLVED: That the Minutes of the meeting held on 15 December 2020 be approved as a correct record and signed at a later date.

212. PRESENTATION OF PETITIONS

There were no petitions.

213. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There was one question from a member of the public.

Question from Rebecca Roberts to the Chairman, read by the Democratic Services Officer

'Whilst I'm really pleased that I understand a decision has been made to save The Hazlitt, I'd be interested to know why the u-turn?'

The Chairman responded to the question.

The full responses were recorded on the webcast and made available to view on the Maidstone Borough Council Website.

To access the webcast recording, please use the below link:

<https://www.youtube.com/watch?v=-G2ttYzqQ1k>

214. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

215. COMMITTEE WORK PROGRAMME

The Head of Regeneration and Economic Development informed the Committee that the Draft Economic Development Strategy would be delayed until April 2021, due to the resource-intensive administration of Covid-19 related business grants.

It was confirmed that two further items would be added to the work programme; an update on the Innovation Centre and an update on the Making Maidstone More Active review.

RESOLVED: That the Committee Work Programme be noted.

216. REPORTS OF OUTSIDE BODIES

There were no reports of Outside Bodies.

217. REPORT OF THE LICENSING COMMITTEE HELD ON 14 JANUARY 2021 - DRAFT BUSKING GUIDELINES

The Democratic and Electoral Services Manager introduced the report, informing Members that the Licensing Committee were seeking support for the Draft Busking Guidelines, in respect of the use of the Bandstand in Brenchley Gardens for Buskers.

In response to questions, the Head of Housing and Community Services would provide confirmation to the Communities, Housing and Environment Committee on whether the Business Improvement District (BID) were consulted during the public consultation process.

It was felt that the Bandstand was not an appropriate location for busking due to the area's low footfall and the management implications that would arise from busking at the location.

RESOLVED: That the Communities, Housing and Environment Committee be recommended to approve the draft Busking Guidelines, as attached at Appendix 2 to the report.

218. STRATEGIC PLAN – PROPOSED AREAS FOR FOCUS 2021-2026 AND KEY PERFORMANCE INDICATORS FOR COVID-19 RECOVERY

The Policy and Information Manager introduced the report, stating that the Policy and Resources Committee had begun the process of refreshing the Strategic Plan in July 2020. The proposed areas of focus relating to the Committee had been drafted in accordance with the Member feedback received in the Summer of 2020 and were shown in Appendix C to the report. The information contained within the other appendices to the report was outlined.

The Policy and Information Manager stated that, if agreed, the proposed Key Performance Indicators (KPIs) would replace the current KPI set against which progress was measured.

In response to questions, it was confirmed that reference to individual projects such as 'Go Green Go Wild' would be replaced under the wider strategic focus of the Biodiversity and Climate Change Emergencies.

In discussing Appendix A, the Committee felt that the milestones completed under the 'enabling events' section of 'A Thriving Place' were not truly reflective of the project's scope.

In discussing Appendix C, it was requested that 'using the cultural sector as an agent of regeneration' be added to the proposed areas of focus description attached to delivering the refreshed Economic Development Strategy. The proposed areas of focus relating to Maidstone Museum could be enhanced by including 'adjust the museum transformation plan to match resources obtainable from both the council land and external sources' and further emphasise the Museum's transformation plan.

It was felt that there should be greater emphasis on increasing pride in the borough, with an 'aim to work with the arts and cultural officer on a sense of place and looking to setting up a Maidstone arts and culture forum' to be included, given the importance of place-making.

The updated KPIs would be presented back to the Committee quarterly.

RESOLVED: That

1. The Committee's feedback and recommendations on the proposed refreshed areas of focus for the Council's Strategic Plan for the period 2021-2026 be provided to the Policy and Resources Committee; and
2. The Committee's feedback and recommendations on the proposed Key Performance Indicators for Covid-19 Recovery set out in Appendix D to the report be provided to the Policy and Resources Committee.

219. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PROPOSALS

The Director of Finance and Business Improvement introduced the report which built upon the Medium-Term Financial Strategy presented to the Committee in December 2020. The Council's budget gap had been reduced from £2.4 million to £1.6 million, with the proposals outlined designed to fill the budget gap over a three-year period.

The transformational nature of the savings proposed were highlighted, with specific attention drawn to the previously agreed savings of £152,000 from Maidstone Museum and that the work undertaken by the Economic Development Team in relation to the Capital Programme would be charged as capital rather than revenue expenditure.

The Committee expressed support for retaining an Economic Development Officer post given the impact of Covid-19 on the local economy. The Director of Finance and Business Improvement stated that the £860,000 provided was a one-off payment, with the Local Government Spending Settlement postponed until 2022. It was confirmed that the Policy and Resources Committee could be requested to release capital funding if a capital scheme was ready earlier than expected.

RESOLVED: That

1. The revenue budget proposals for services within the remit of this Committee, as set out in Appendix A to the report, be agreed for submission to Policy and Resources Committee subject to the Policy and Resources Committee being requested to use part of the £860,000 Covid-19 Recovery Fund Grant to pay for a two-year fixed term Economic Development Officer; and
2. The capital budget proposals for services within the remit of this Committee, as set out in Appendix B to the report, be agreed for submission to Policy and Resources Committee, subject to the Policy and Resources Committee being requested to progress the Maidstone Museum capital programme scheme and that reports be presented to the Committee on timings, with appropriate recommendations made.

220. HAZLITT ARTS CENTRE OPTIONS

The Leisure Manager introduced the report, informing the Committee of progress made since the Policy and Resources Committee meeting on 25 November 2020 where four key areas of work were identified: external funding; engagement activities; Covid-19 related developments; and future sustainability.

The unsuccessful application to the Culture Recovery Fund (CRF) could not be appealed, however Parkwood Leisure were planning a further bid for the second round of funding from the CRF. Engagement activities included a Member briefing, and consultation with stakeholders including the Arts Council and user groups of the Hazlitt Arts Centre. Covid-19 related restrictions had been significant, however it was possible that an easing of restrictions could occur in Spring 2021 with the roll-out of the vaccine. Future sustainability was seen within the eight-year business plan shared by Parkwood Leisure, considering changes to service delivery such as live-streaming shows and open-air options.

Mr Keith Nicholson addressed the Committee.

The Committee recognised the importance of the Hazlitt Arts Centre to Maidstone Town Centre, and felt that it should be supported in returning to its usual functions. The importance of building upon the working relationship between the Council and Parkwood Leisure was noted.

RESOLVED: That

1. The Council continues to pay its agreed contract fee to Parkwood Leisure for the provision of services at the Hazlitt Arts Centre;
2. Officers continue to monitor Parkwood Leisure's performance with respect to the delivery of the requirements of the Hazlitt Arts

Centre Services Contract as defined by the Key Performance Indicators and make further recommendations in April 2021; and

3. Officers prioritise the continuity and capability of Hazlitt operation and ensure, with key partners, that the Hazlitt returns to life when Covid allows it to do so.

221. DURATION OF MEETING

6.30 p.m. to 8.22 p.m.

2020/21 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Making Maidstone More Active - Update	ERL	16-Mar-21	Officer Update	?	John Foster	Mike Evans
Capital Expenditure Proposals - Maidstone Museum (title tbc)	ERL	16-Mar-21	Officer Update	Yes	William Cornall	Victoria Barlow
Draft Guidelines for Events	ERL	16-Mar-21	Officer Update		John Foster	Laura Dixon
Innovation Centre Update	ERL	16-Mar-21	Officer Update		John Foster	Sean Henry
Draft Economic Development Strategy	ERL	20-Apr-21	Officer Update	Yes	John Foster	Chris Inwood
Hazlitt Arts Centre	ERL	20-Apr-21	Officer Update	Yes	John Foster	Victoria Barlow
Tour of the Business Terrace	ERL	TBC	Briefing		John Foster	John Foster
Town Centre Opportunity Sites Delivery Strategies	ERL	TBC	Officer Update	Yes	William Cornall	John Foster

Agenda Item 14

ECONOMIC REGENERATION & LEISURE COMMITTEE

16 February 2021

3rd Quarter Financial Update & Performance Monitoring Report 2020/21

Final Decision-Maker	Economic Regeneration & Leisure Committee
Lead Head of Service	Mark Green, Director of Business Improvement
Lead Officer and Report Authors	Ellie Dunnet, Head of Finance Paul Holland, Senior Finance Manager (Client) Carly Benville, Senior Business Analyst
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2020/21 financial and performance position for the services reporting into the Economic Regeneration & Leisure Committee (ERL) as at 31 December 2020 (Quarter 3). The primary focus is on:

- The 2020/21 Revenue and Capital budgets; and
- The 2020/21 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked. The report for this quarter has a particular focus on the impact the Covid-19 pandemic has had on the Council's financial position and performance.

Budget Monitoring

Overall net expenditure at the end Quarter 3 for the services reporting to ERL is £1.228m, compared to the approved budget of £0.814m, representing an overspend of £0.414m.

Capital expenditure for the services reporting to ERL of £0.988m has been incurred against the approved budget of £1.461m. Forecast spend for the year is £1.461m.

Performance Monitoring

20% (1 of 5) targetable quarterly key performance indicators reportable to the Economic Regeneration & Leisure Committee achieved their Quarter 3 target.

Purpose of Report

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 31 December 2020.

This report makes the following Recommendations to the Committee:

1. That the Revenue position as at the end of Quarter 3 for 2020/21, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. That the Capital position at the end of Quarter 3 be noted; and
3. That the Performance position as at Quarter 3 for 2020/21, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.

Timetable

<i>Meeting</i>	<i>Date</i>
Economic Regeneration & Leisure Committee	16 February 2021

3rd Quarter Financial Update & Performance Monitoring Report 2020/21

CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The Key Performance Indicators and strategic actions are part of the Council's overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	Director of Finance and Business Improvement (Section 151 Officer)
Cross Cutting Objectives	This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.	Director of Finance and Business Improvement (Section 151 Officer)
Risk Management	This is addressed in Section 5 of this report.	Director of Finance and Business Improvement (Section 151 Officer)

Issue	Implications	Sign-off
Financial	<p>Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p> <p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium-Term Financial Strategy and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p>	Senior Finance Manager (Client)
Staffing	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>	Director of Finance and Business Improvement (Section 151 Officer)
Legal	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p>	Principal lawyer (Corporate Governance), MKLS

Issue	Implications	Sign-off
Privacy and Data Protection	The performance data is held and processed in accordance with the data protection principles contained in the Data Protection Act 2018 and in line with the Data Quality Policy, which sets out the requirement for ensuring data quality. There is a program for undertaking data quality audits of performance indicators.	Policy and Information Team
Equalities	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Senior Policy and Engagement Officer
Public Health	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	There are no specific issues arising.	Director of Finance and Business Improvement (Section 151 Officer)
Procurement	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance and Business Improvement (Section 151 Officer)

1. BACKGROUND AND INTRODUCTION

- 1.1 The Medium Term Financial Strategy for 2020/21 to 2024/25 - including the budget for 2020/21 - was approved by full Council on 26th February 2020. This report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 1.2 The report particularly focuses on the impact of the Covid-19 pandemic on the financial position and performance of the service areas that fall under this committee, and provide some further detail around particular areas of concern.
- 1.3 This report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs).
- 1.4 Attached at **Appendix 1**, is a report setting out the revenue and capital spending position at the Quarter 3 stage. Attached at **Appendix 2**, is a report setting out the position for the KPIs for the corresponding period.

2. AVAILABLE OPTIONS

- 2.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.
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3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 In considering the current position on the Revenue budget, the Capital Programme and KPIs at the end of December 2020, the Committee can choose to note this information or could choose to take further action.
- 3.2 The Committee is requested to note the content of the report and agree on any necessary action to be taken in relation to the budget position and/or the KPIs position.
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4. RISK

- 4.1 This report is presented for information only and has no direct risk management implications.
- 4.2 The Council has produced a balanced budget for both revenue and capital income and expenditure for 2020/21. The budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Committee the best opportunity to take actions to mitigate such risks.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The KPIs update ("Performance Monitoring") is reported to service committees quarterly: Communities, Housing & Environment Committee; Economic Regeneration & Leisure Committee; and the Strategic Planning & Infrastructure Committee. Each committee will receive a report on the relevant priority action areas. The report is also presented to the Policy & Resources Committee, reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Quarter 3 Budget & Performance Monitoring reports are being considered by the relevant Service Committees during February 2021, including a full report to the Policy & Resources Committee on 10 February 2021.

- 6.2 Details of the discussions which take place at Service Committees regarding financial and performance management will be reported to Policy and Resources Committee where appropriate.
- 6.3 The Council could choose not to monitor its budget and/or the Strategic Plan and/or make alternative performance management arrangements, such as the frequency of reporting. This is not recommended as it could lead to action not being taken against financial and/or other performance during the year, and the Council failing to deliver its priorities.
- 6.4 There is significant uncertainty regarding the Council's financial position beyond 2020/21, arising from the impacts of the Covid-19 crisis and the Council's role in responding to this. Future finance reports to this committee will ensure that members are kept up to date with this situation as it develops.
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7. REPORT APPENDICES

- Appendix 1: Third Quarter Financial Update 2020/21
 - Appendix 2: Third Quarter Performance Monitoring 2020/21
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8. BACKGROUND PAPERS

None.

Third Quarter Financial Update 2020/21

Economic Regeneration & Leisure Committee

16th February 2021

Lead Officer: Mark Green

Report Authors: Ellie Dunnet/Paul Holland

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Part C: Capital Budget Q3 2020/21

C1) Capital Budget Page 9

Part A

Executive Summary & Overview



This report provides members with a financial update for the third quarter of 2020/21, covering activity for both the Council as a whole and this committee's revenue and capital accounts for this period, and a projected outturn for the year.

Members will be aware that since the budget was agreed in February, the position for 2020/21 and future years has changed significantly as a result of the Covid-19 pandemic. Specific impacts include:

- Redirection of existing resources to support vulnerable people
- Administering government support schemes, notably business rate reliefs and grants
- Increased activity in some council services
- Temporary closure of some Council facilities
- Reduction in levels of activity in some other Council services
- Income generating activities severely impacted by overall contraction in economic activity
- Change in working patterns, with almost all office-based staff now working from home
- Reduced levels of Council Tax and Business Rates collection.

This has resulted in many service areas reporting or projecting adverse variances against the budget for 2020/21, particularly in relation to income. The overall projection for the council as reported to government on our monthly financial monitoring returns is summarised in table 1 below, and shows that the potential impact of Covid-19 on the council's financial position is £7.568m. Councils have been asked to complete these returns to enable a comprehensive picture of the financial impact of Covid-19 on local authorities to be compiled by the Ministry of Housing, Communities and Local Government. The projections are based on the information available to finance officers at the time of submitting the return and are being regularly updated as the situation unfolds and further information becomes available.

	£000
Additional Spending	1,935
Income Reductions:	
Business Rates (MBC share)	774
Council Tax (MBC share)	665
Other Income	4,194
Total	7,568

Table 1, Covid-19 financial impact

It should be noted that the projections detailed within table 1 do not correspond to the in-year budget outturn projections. This arises for several reasons.

- Due to the statutory accounting arrangements for council tax and business rates, these losses do not impact the general fund balance until subsequent years.
- The variances above reflect an estimate of the financial impact of Covid-19, and do not take into account other factors which may impact on the budget outturn such as underspends that have the effect of mitigating Covid-19 related losses.
- The Covid-19 financial impact has been offset by both unringfenced government support and grants covering specific areas of expenditure.

To date, unringfenced financial support totalling £2.5m for MBC has been announced by the government. The council has also submitted two claims for lost income from sales, fees and charges under the government's compensation scheme, covering the period April - November. Two further claims will be submitted covering the remainder of this financial year and the first quarter of 2021-22. Funding of £2.1m has been applied for under this scheme to date, although this amount will be subject to a reconciliation and audit process by MHCLG.

Given the all-encompassing impact of Covid-19 across many of the council's services, mitigation for losses will be treated as a corporate exercise, and we will therefore not attempt to apportion all unringfenced support received across service committees.

In addition to the unringfenced support, the council has received funding which can be clearly matched to additional expenditure, or outgoing grants. It is anticipated that these funding streams will be used in full to offset increased costs incurred in responding to the Covid-19 pandemic. Examples of such funding include the Reopening High Streets Safely Fund, Emergency Assistance Grant and the Local Authority Compliance and Enforcement Grant.

Headline messages arising from other sections of this report are summarised below:

Part B: Revenue budget – Q3 2020/21

- Overall expenditure at the end Q3 for the services reporting to ERL is £1.228m, compared to the profiled approved budget of £0.814m, representing an overspend of £0.414m. The forecast year end outturn for ERL is a shortfall of £1.309m.
- We are due to receive funding to mitigate the impact of losses from fees and charges income. Initial calculations indicate that this funding could be in the region of £2.5m for the council as a whole for this financial year.

Part C: Capital budget – Q3 2020/21

- Capital expenditure for the services reporting to ERL of £0.988m has been incurred against the approved budget of £1.461m. Forecast spend for the year is £1.461m.

Part B

Third Quarter Revenue Budget 2020/21



B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for ERL services at the end of Quarter 3. The financial figures are presented on an 'accruals' basis (e.g. expenditure for goods and services received, but not yet paid for, is included). The budget shown is now the revised estimate for 2020/21.

ERL Revenue Budget & Outturn – Quarter 3

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 31 December 2020 £000	Actual £000	Variance £000	Forecast 31 March 2021 £000	Forecast Variance 31 March 2021 £000
Cultural Development Arts	12	9	9	0	12	0
Museum	13	6	28	-22	35	-22
Carriage Museum	4	2	3	-1	4	0
Museum-Grant Funded Activities	0	-2	-18	16	0	0
Hazlitt Arts Centre	284	218	238	-21	305	-21
Festivals and Events	-31	-29	-4	-24	-4	-26
Lettable Halls	-4	-3	-9	6	-4	0
Community Halls	77	59	46	13	77	0
Leisure Centre	-181	-174	-21	-153	619	-800
Mote Park Adventure Zone	-108	-109	5	-114	6	-114
Cobtree Golf Course	-35	0	0	0	-35	0
Mote Park Cafe	-56	-33	7	-41	9	-64
Tourism	27	20	11	9	27	0
Museum Shop	-19	-14	-1	-13	-19	-17
Maintenance of Closed Churchyards	4	3	3	0	4	0
Sandling Road Site	25	19	19	-0	25	0
Business Support & Enterprise	12	12	12	0	12	0
Town Centre Management Sponsorship	7	7	7	-0	7	0
Business Terrace	78	86	112	-26	178	-100
Business Terrace Expansion (Phase 3)	-14	-10	3	-13	19	-33
Market	-57	-38	59	-97	93	-150
Economic Dev - Promotion & Marketing	-123	-123	-124	1	-123	0
Leisure Services Section	53	74	75	-1	53	0
Cultural Services Section	542	403	387	16	542	0
Visitor Economy Section	116	87	84	3	116	0
Economic Development Section	284	224	176	49	218	66
Market Section	86	64	55	9	86	0
Head of Regeneration and Economic Development	100	76	66	10	100	0
Salary Slippage	-28	-21	0	-21	0	-28
Totals	1,072	814	1,228	-414	2,364	-1,309

B1.2 The table shows that at the end of the third quarter overall net expenditure for the services reporting to ERL is £1.228m, compared to the approved budget of £0.814m, representing an overspend of £0.414m. It should be noted that this forecast does not take into account further government support for income losses mentioned earlier in this report.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the third quarter of the year. The reasons for the more significant variances are explored in section B2 below.

B2) Variances

B2.1 The impact of Covid-19 and lockdown has had a significant impact for this committee primarily due to the closure of facilities during the two lockdown periods. The year-end forecast is for an overspend of £1.309m, although that does not include the recovery of fees and charges from the government outlined earlier in this Appendix or measures taken to mitigate the overspend across all committees such as deferring recruitment plans and cancelling non-essential expenditure.

	Positive Variance Q2	Adverse Variance Q2	Year End Forecast Variance
Economic Regeneration & Leisure Committee	£000		
Hazlitt Arts Centre - Additional costs were incurred during the first two quarters to support the operator of the Hazlitt.		-21	-21
Leisure Centre - Following the closure of the leisure centre at the start of the lockdown period, Serco Leisure have indicated that they propose to take advantage of their contractual position and recover their losses from MBC, less £5,000 which would be payable by the Leisure Trust. Details remain subject to negotiation and the projected variance represents a preliminary view of the likely outcome. It was hoped that the projected variance could be mitigated by bidding against the £100 million fund that the government has established to compensate leisure providers for loss of income during the pandemic. However, this fund only covers the period December 2020 to March 2021. If we are successful in our bid, we hope therefore to have minimal additional costs for this period, but we will still have to bear additional costs for the first 8 months of the year.		-153	-800
Mote Park Adventure Zone - The facility was closed during both lockdown periods, and the contractor was granted contract relief in recognition of this. There are no plans to re-open during the fourth quarter.		-114	-114
Mote Park Café - The café continues to be closed, so there is no income from it.		-40	-64
Business Terrace – There are a number of vacant offices, and it is assumed that this will continue to be the case for fourth quarter, particularly as there has been no enquiries from prospective new tenants.		-39	-133
Market - The market was closed during the lockdown period, and consequently there was a significant drop in income. Although it has since reopened, the number of stalls is limited to essential goods only with approximately 6 traders. The year-end forecast assumes that recovery will be gradual.		-97	-150

Part C

Third Quarter Capital Budget 2020/21



B1) Capital Budget: Economic Regeneration & Leisure (ERL)

B1.1 The position of the 2020/21 ERL element of the Capital Programme at the Quarter 3 stage is presented in Table 3 below. The budget for 2020/21 is the revised estimate and includes resources brought forward from 2019/20.

Table 4: ERL Capital Programme 2020/21 (@ Quarter 3)

Capital Programme Heading	Revised Estimate 2020/21 £000	Actual to December 2020 £000	Budget Remaining £000	Projected Total Expenditure Q4 Profile £000	Projected Slippage to 2021/22 £000	
Mote Park Visitor Centre & Estate Services Building	20	5	15	15	20	-0
Mote Park Lake - Dam Works	1,041	914	127	127	1,041	0
Mall Bus Station Redevelopment	400	69	331	331	400	0
Total	1,461	988	473	473	1,461	0

B1.2 Comments on the variances in the table above are as follows:

Mote Park Lane – Dam Works – the project is now substantially completed.

Mall Bus Station Project - work is progressing on the scheme with survey and design work being undertaken so far. It is anticipated that works will commence later in the year. There is a further update on this project below.

B1.3 Tenders for the bus station project have now been received. However they are greater than the current budget sum that has been set aside. The current overall budget is £1.090m, and a further £0.300m is required to proceed with the project. Funding for this has been identified within the Third Quarter Budget Monitoring Report to Policy & Resources Committee as part of the business rates pilots update.

Third Quarter Performance Monitoring 2020/21

Key to performance ratings

RAG Rating	
	Target not achieved
	Target slightly missed (within 10%)
	Target met
	Data Only

Direction	
	Performance has improved
	Performance has been sustained
	Performance has declined
N/A	No previous data to compare

Performance Summary

RAG Rating	Green	Amber	Red	N/A ¹	Total
KPIs	1	0	4	1	6
Direction	Up	No Change	Down	N/A	Total
Last Quarter	2	0	3	1	6
Last Year	0	0	5	1	6

- 20.0% (1) of 5 of targetable quarterly key performance indicators (KPIs) reportable to the Economic Regeneration & Leisure Committee achieved their Quarter 3 (Q3) target¹.
- Compared to last quarter (Q2 2020/21), performance for 40.0% (2) of 5 KPIs has improved, and 60.0% (3) of 5 KPIs has declined¹.
- Compared to last year (Q3 2019/20), performance for 100.0% (5) of 5 KPIs has declined¹.

A Thriving Place

Performance Indicator	Q3 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Customer satisfaction with the Hazlitt	DIV/0	75.00%	N/A	N/A	N/A
Number of visits per month to Visit-Maidstone.com	49,583	28,000			
Footfall in the Town Centre	1,706,128	2,231,792			
Number of students benefitting from the museums educational service	60	2,250			
Footfall at the Museum and Visitors Information Centre	3,625	7,373.55			
Number of users at the Leisure Centre	49,630	185,209			
Percentage of vacant retail units in the town centre	Annual KPI				
Business Rates income from the Town Centre	Annual KPI				

¹ PIs rated N/A are not included in the summary calculations

* Indicates data that has not been authorised

Performance Indicator	Q3 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Total value of business rateable properties	Annual KPI				

	Percentage of unemployed people in Maidstone (out-of-work benefits) [NOMIS]				
	Value	Target	Status	Short Trend (Last Month)	Long Trend (Last Year)
October 2020	5.0%				
November 2020	5.1%				
December 2020	5.0%				

The percentage of unemployed people in Maidstone in October, November, and December, 2019, were 1.9%, 2.0% and 2.0% respectively. This indicates that unemployment has risen since last year, for all three of these months.

Under 'A Thriving Place', one targetable KPI achieved its quarterly target, and four targetable KPIs missed these by more than 10%. One KPI is information-only and is shown in the above table.

Please note, the '**Customer satisfaction with the Hazlitt**' figure for Q3 2020/21 is not available because the Hazlitt Theatre has been closed for performances since the COVID-19 pandemic, and hence no customer surveys were completed.

The first KPI which missed its Q3 target by more than 10% is the '**Footfall in the Town Centre**' KPI; its target was 2,231,792.15 and it achieved 1,706,128. Last quarter the figure for this KPI was higher at 2,274,557, and in the same quarter last year this figure was 2,840,806. The Economic Development team state that the lower figure is a result of the COVID-19 pandemic and expect numbers to rise as the country is lifted out of COVID-19 restrictions over time.

Secondly, the '**Footfall at the Museum and Visitors Information Centre**' was 3,625 visitors in Q3 – the target was 7,373.55. The Q2 figure for this KPI was lower at 3,200 and in the same quarter last year, it was 17,127. Most visitors came to the museum in October and early November, before the second national lockdown came into force on 5 November and the doors closed once again to the public. The closing of the museum was disappointing for the team because visitor figures suggested that they were recovering from the first lockdown earlier in the year. For instance, the October half-term saw a return of family groups and, for the first time since numbers had been limited, there had been a queue of people to enter the museum building.

Leading on to the second KPI for the museum, the '**Number of students benefitting from the museums educational service**' KPI missed its quarterly target of 2,250 as it achieved a figure of 60. Last quarter the figure for this KPI was zero, and in the same quarter last year it was 2,640. Although COVID-19 has affected direct teaching, the Learning team have nonetheless been busy and have secured external funding for the 2021/22 year. Below lists some of the work the team have accomplished in Q3:

Interaction with schools/teachers

- Individual support; sending resources to schools requesting specific information.
- Loans box collection/returns. 27

- Outreach – successfully booked and delivered two outreaches in October and November between lockdown and tier rule changes.
- Workshop adaptation – workshops adapted to allow children to still get up close but not handle objects, creating cleanable resources (three workshops adapted) and put in place safety procedures to be able to deliver outreach and sessions in the museum.
- Ongoing promotion and interaction with schools linked to loans boxes, outreach, safe visits into the building (when allowed).

Films

- Three scripts researched and written. These are for films aimed at schools that can be used for pre- or post-visit, and as a session in place of currently coming to museum (do not replace the main workshops) focusing on Museum objects.
- Two days spent filming. The films are in the final editing stage and should be ready in next couple of weeks. Once complete, a teacher pack will be created to accompany them that will include further info about the objects that are focussed on and some simple activities linked to the objects.

SEND (Special Educational Needs)

- Created a 4th fidget backpack for autistic visitors and families.

Planning/Coming Up

- Researching and investigating methods of delivering virtual sessions to schools, both live sessions and pre-recorded.
- Survey to be sent to schools asking about the virtual platforms they use to virtually teach classes, length of sessions, themes etc.
- Writing sessions to be delivered virtually. Looking at the themes teachers want most and writing accordingly. Ensuring that the sessions do not replicate the main workshops, so as not to dissuade schools from visiting the Museum (when allowed) in the future. Sessions will be similar or different, but not identical to core offer.

Finally, the '**Number of users at the Leisure Centre**' was 49,630 in the quarter, compared with a target of 185,209. Last quarter the number of users at the Leisure Centre was higher at 52,016 and in the same quarter last year, this figure was 172,004. There has been a lower number of customer visits to the Leisure Centre due to COVID-19 restrictions, including the second national lockdown imposed in early November. Although the Leisure Centre was able to offer reduced services during the Tier 3 restrictions, from 20 December they were required to close completely as new Tier 4 restrictions came into force across Kent. During the quarter, when the Leisure Centre was operating, there were reduced opening times and capacity levels, which were imposed to adhere to social distancing requirements and other COVID-19 management systems. The team responsible for the Leisure Centre had been adjusting the centre's new operating times and procedures as they looked to gradually increase capacity. In January, the third national lockdown was imposed and the Leisure Centre closed its doors once more.

Economic Regeneration and Leisure Committee

16 February 2021

Further Development of the Lockmeadow Leisure Complex

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

Executive Summary

The Lockmeadow Leisure Complex remains a key element in the Council’s strategic priority to make Maidstone a thriving place, although progress in exploiting its potential has been limited by the Covid-19 pandemic over the past year. Further to the report to this Committee on 20 October 2020, this report sets out a proposal for the continuation of development works at the Complex in line with our overall strategy and with the capital programme. Three linked projects are proposed, which would come from the existing £1.5m allocated to Lockmeadow in the capital programme approved at the Policy and Resources committee meeting on 20 January 2021, subject to approval by full Council on 24 February 2021.

Purpose of the report

For noting and comment.

This report makes the following recommendations to this Committee:

1. To note and comment on the proposals for improvement works.

Timetable

Meeting	Date
Policy and Resources Committee	10 February 2021
Economic Regeneration and Leisure Committee	16 February 2021

Further Development of the Lockmeadow Leisure Complex

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The acquisition of Lockmeadow and proactive management of the site will materially improve the Council's ability to make Maidstone a Thriving Place.	Director of Finance and Business Improvement
Risk Management	Already covered in the risk section.	Director of Finance and Business Improvement
Financial	The plans contained in this report would require a capital investment of £896,715. This will come out of the £1.5m already allocated in the capital spending programme.	Director of Finance and Business Improvement
Staffing	We deliver the activities set out in the report with our current staffing.	Director of Finance and Business Improvement
Legal	A contract of works would need to be created. Licences / leases for the food hall tenants would need to be created.	Principal Solicitor - Commercial
Privacy and Data Protection	There are no specific privacy or data protection issues to address.	Principal Solicitor - Commercial
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Policy & Information Manager
Public Health	The use of local supply chains for the Market and potentially a Food Hall will bring added	Senior Public Health Officer

	<p>social value and reduce the impact on the environment also providing higher quality food. However, it is still important to consider the food provision within the development and how the offering will provide healthier choices for children and families to have a healthy balanced diet, therefore not contributing to rising childhood obesity levels within the Borough.</p> <p>The formation of a children's play area in a town centre would create a space for children to play, socialise and be active.</p>	
Crime and Disorder	Security of the play area would be provided through our existing security provision at Lockmeadow. This is through 24-hour on-site security guards and monitored CCTV.	Director of Finance and Business Improvement
Procurement	There would need to be a recruitment process for the construction works, including the installation of the play area.	Director of Finance and Business Improvement

2. INTRODUCTION AND BACKGROUND

2.1 Lockmeadow comprises:

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

2.2 In November 2019, the Council purchased the long leasehold interest (105 years unexpired). The rationale for the purchase was to take control of a centrally located site which plays a key role in Maidstone's leisure offer and would help the Council realise its priority of making the borough a

Thriving Place. Projected financial returns from the acquisition met the Council's investment criteria. However, it was envisaged that further investment would be required to maximise returns from the site and to ensure continued high levels of tenant occupancy. This investment was built into the financial appraisal carried out at the time and included within the decision report of 27 March 2019 to Policy and Resources Committee on the site acquisition.

- 2.3 Fidum (a property management company) were appointed to oversee the day-to-day management. In March 2020 we appointed a Leisure Property Manager to oversee both the Lockmeadow Complex and Maidstone Market. The post holder sits within the Corporate Property Team.

3. ACTIVITY SINCE THE COUNCIL'S ACQUISITION

- 3.1 Our overriding objective has been to make Lockmeadow a top leisure destination for residents and for visitors. This means an all-round offer, including not only leisure facilities and dining, but also events and activities which make better use of the riverside and specifically offer activities which will attract large numbers of visitors.
- 3.2 In the past the Lockmeadow complex was a very popular place to go for leisure activity in the town with high footfall and good levels of public awareness. Over the years its popularity has been in decline, so improving the site's marketing was a priority for the Council. A tender process was held to find a marketing consultant. The successful bid was a partnership between Floresco Communications and the council's own Communication Team.
- 3.3 A marketing strategy was drawn up and included targets of increasing social media following, increasing public awareness of the different tenants and increasing footfall.
- 3.4 Our tenants reported a very promising start to 2020 with Hollywood Bowl and Gravity both healthily exceeding income targets in February.
- 3.5 The previous landlord had commissioned some improvement works in 2016, mainly interior design and a new front entrance. These improvements dated the rest of the building so funding was agreed by Policy and Resources Committee at its meeting on 29th April 2020 to improve the look of the building and the site in general. The plans were approved by Planning Committee on the 23rd July 2020 and work commenced 10th August. Work was completed in December 2020 and included modernisation of the external facia, removal or replacement of railings and a new, more welcoming entrance to the car park. In addition, the cattle shed type structure at the rear of the car park was removed to open the site to its attractive riverside location.

4. THE IMPACT OF COVID 19

- 4.1 When the three lockdowns were implemented all tenants in the centre had to close. The only exception is Frankie and Benny's who have provided a takeaway service.

- 4.2 Tenants in the centre have faced financial difficulties. Two tenants have so far faced a material change in their circumstances. The Restaurant Group, owner of Frankie and Benny's, entered a Creditors Voluntary Arrangement and is now paying the Council a rent based on turnover rather than the previous fixed rent. GBK has gone into administration and will not be returning to site although they still hold the lease.
- 4.3 Odeon has completed a significant refurbishment and is now an Odeon Luxe, their premier brand. They are currently unable to open but the expectation is that this will provide a key visitor attraction.

5. PHASE 2 IMPROVEMENTS - PROPOSALS

Food Hall

- 5.1 For approximately 4 years there have been two vacant units located on the ground floor of the centre. Although there have been a few enquiries no businesses have progressed beyond an initial viewing.
- 5.2 Traditionally sites like Lockmeadow tend to attract chain restaurants and these businesses were already struggling financially pre Covid 19 and even more so now.
- 5.3 A new approach is needed to attract tenants and maximise income from the site. The options investigated were as follows.

Option A – continue to try and market the empty units as they currently stand. We could attract large new tenants, and hopefully find popular providers that would increase footfall to the complex for the benefit of all our tenants. However current market trends show that there are not many of these types of tenants looking to take on new premises and our experience on site reflects that.

Option B - use the empty units to attract new leisure offers, for example a virtual reality gaming hub. The advantage of this is that our existing food providers could see an increase in custom. The disadvantage is that we already have quite a limited food offer and customers like to have choice, and this could drive people away.

Option C - is to convert the empty units into a Food Hall. This is a growing trend which has evolved from the old-style food court, the difference being that these are aimed at attracting independent businesses. They also provide the customer with a fast-casual food option but with wider choice and higher quality than traditional fast food. This option will be more demanding on resources as there will be multi-tenants but we do have the structure in place to manage this.

'Do nothing' is not considered to be an option, as income would continue to fall short of projected levels, and leaving vacant space in the Complex would ultimately impact the overall offer negatively.

- 5.4 The food hall model offers distinct advantages for both landlord and tenant. For the landlord, having several tenants in a space spreads the risk of long-term voids and loss of income when a sole tenant moves out. Lower rent and lower risk for the potential tenant is attractive particularly if they are new to the restaurant business. Tenants will not have to fund significant start-up costs to refurbish a building as in most of the models for food halls the landlord provides the operating space in return for a percentage of the profits or other similar arrangements. The tenant then just needs to transform the space to reflect their brand.
- 5.5 At a meeting of the Economic and Regeneration Committee on 20 October 2020 support was given the concept of the development of a food hall and to commissioning a feasibility study to assess its viability.
- 5.6 Retail Inspired, experienced retail, high street and market consultants were appointed to conduct the feasibility study.
- 5.7 Retail Inspired's study is fully supportive the creation of a food hall at Lockmeadow with the following recommendations.
- 1) If the two vacant units are included with the now vacant GBK unit, the location and size of the space is suitable for a food hall incorporating up to 8 businesses, including an element of incubator space to allow businesses to grow
 - 2) Potential level of income would be on a sliding scale, taking into consideration a variety of leasing options to allow for fledgling businesses to test and operate
 - 3) MBC have two main models to adopt, depending on whether an operator is brought in to launch and manage the Food Hall or the council retain control of leasing through their existing company and nurturing businesses to support the growth and success in Maidstone. The recommendation would be for MBC to work with the existing managing agent to attract local food businesses to operate within the food hall and work collaboratively alongside the businesses already operating in Lockmeadow.
 - 4) The risks have been assessed, considered, and documented; however, launching a food hall and being one of the first in Kent will support the regeneration of the town centre, increase footfall and dwell time within Lockmeadow and therefore contribute to the aspiration of MBC creating a town to work, live and play
- 5.8 Advice from commercial letting agents ESH and Harrison's is that these types of units are very marketable, even more so in the current climate. We already have a number of expressions of interest.
- 5.9 Retail Inspired identified in their report that food halls are being created across Kent but none near Maidstone. Creating one at Lockmeadow now would put us ahead of competition including the potential inclusion of one in the Len House development.

- 5.10 Financially this model does provide a reasonable return for our investment and allows us to fill space that would more than likely remain empty for a considerable amount of time. We predict setting a very competitive rent of £15,000 pa which includes service charge, insurance, and utilities and a ready to go unit. In addition to this we would take an additional 20% of turnover. Our cash flow estimates show a return on the investment at 34 months.
- 5.11 This project is much more than filling space, as it will allow us to 'grow' local businesses who will hopefully eventually progress into larger premises in the town. We have experience of this recently when we supported event catering company Gourmet Griddle to continue to trade during the pandemic. They are running a takeaway business from the Lockmeadow car park and are achieving exceptional performance based on their expectations.
- 5.12 Our experience with Gourmet Griddle and through researching the food hall concept we feel we are confident that we can adopt the 'in house' management model recommended in Retail Inspired report.
- 5.13 In 'normal' life the monthly footfall of the complex ranges between 90-100,000 visitors. We believe we can increase this with regular events and activities and with a solid marketing strategy. These footfall figures were produced before the Odeon refurbishment.
- 5.14 The cost for converting the front 2 units at the complex and opening out to the entrance to create a food hall with 8 individual food outlets, communal seating and toilets is £467,824. This cost includes creating 8 individual operating kitchens and serving counters, communal seating, and toilets and all the required ventilations and services.

Increased outside seating

- 5.15 Currently there is very limited outside seating at Lockmeadow, Frankie and Benny's and Feathers have small terraces. However, due to their size they are mainly used as smoking areas.
- 5.16 The lack of outside seating has an impact on how busy the complex is during hot weather with the restaurants reporting a drop in custom.
- 5.17 Even before the impact of COVID-19 Al fresco dining was increasing in popularity in the UK. Town centre venues such as The Brenchley finds its outside space is full during the summer months. Outside space is also used during the winter with the aid of patio heaters. The White Rabbit used to offer good outside space for a sunny day drink but since becoming a Miller and Carter restaurant the garden is only open to diners.
- 5.18 Increasing the outside space is also another way of making the most of Lockmeadow's riverside location. The complex is often described as 'having turned its back on the river' and this could be a way of changing this perception.

- 5.19 The proposal is to expand the external terrace area leading on from the existing Feathers terrace.
- 5.20 The terrace expansion will increase the outside space for the Feathers unit and provide shared use terrace space for the food hall and other tenants.
- 5.21 The cost for increasing the size of the existing terrace with shared use is £295,109.84 the cost includes grounds clearance, new entrance with ramped access, lighting, and furniture.

Play area

- 5.22 The complex has a good area of green space covered largely with shrubs and therefore not very attractive and not used by the local community. The residential population of the local area is continuing to grow, and we would like Lockmeadow to add to the appeal of residing in the area.
- 5.23 The proposal is to install a small children's play area with a view to providing a space for children to explore and play. The play area will be in the area between the Millennium Bridge foot path and the Town Square and would increase footfall to the site and has the potential to attract customers for all our tenants.
- 5.24 Advice has been sought from the Parks and Open Spaces team to consider what equipment to install and we want to provide play equipment that fits into the riverside setting. It will be designed so that children with different abilities can play together and stimulates children's imagination.
- 5.25 The cost for providing the play area is £103,457.25 and includes ground works, safety surfaces and installation of equipment.

General project costs

- 5.26 In addition to the individual item costs there is £30,323.69 set aside for planning permission and contingency.

Conclusion

- 5.27 The Food Hall offers the best in terms of financial return for the complex however adding the terrace expansion and play area will enhance the appeal of the site to potential tenants and attract customers.
- 5.28 Financial approval was sought from Policy and Resources Committee for the above proposals at its meeting on 10th February. Subject to this approval and any comments made by Economic Regeneration and Leisure Committee at this evening's meeting the work may now proceed.

6. AVAILABLE OPTIONS

- 6.1 Note the proposals set out in this report and comment as appropriate.
- 6.2 Note the proposals set out in this report and recommend variations in the scheme. Any variations with significant cost implications will require a further report to the Policy and Resources Committee.
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7. REASONS FOR PREFERRED OPTION

- 7.1 This report recommends option 6.1. The proposals are in line with the strategy outlined to this Committee at its meeting in October 2020 and proceeding with the scheme now will allow the benefits to be realised at the earliest possible opportunity.
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8. RISK

- 8.1 The risks associated with the proposals in this report, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. It is recognised that the risks associated with the proposals have significantly changed as a result of the coronavirus pandemic.
- 8.2 Specific key high-level risks and mitigation arising from this project are set out below:

Risk	Mitigation
Failure to attract tenants to food hall	Early indications, based on professional advice and contact with potential tenants, indicates that there is a strong demand for the type of units envisaged.
Projected financial returns are not delivered	The assumptions about rent and occupancy in the financial projections are considered to be realistic. However, the space being created is flexible and has the potential for a variety of uses.
Failure of leisure economy to recover from coronavirus	The rapid recovery in demand after the first Covid-19 lockdown suggests that there is a lot of suppressed demand for the kind of activity available at Lockmeadow. However, in the event of a permanent and irrevocable downturn in the leisure economy, our ownership of the entire Complex gives us the scope to seek strategic solutions including finding different uses of the site.

9. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 9.1 The strategic context to the acquisition of Lockmeadow, ie setting 'Thriving Place' as a priority, the Medium Term Financial Strategy and the Capital Programme, have been discussed extensively with Members. Members agreed the acquisition of Lockmeadow and support the Council's ambitions for the site.
- 9.2 The project described in this report was canvassed at an early stage with the Economic Regeneration and Leisure Committee at its meeting on 20 October 2020.
- 9.3 Ward members in High Street Ward and Fant Ward have been consulted on the proposals.
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10. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 10.1 Should the Committee approve the recommendations of this report, the work described will proceed, with its pace dictated by how quickly restrictions relating to the coronavirus pandemic are lifted.
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11. REPORT APPENDICES

None.

12. BACKGROUND PAPERS

Retail Inspired Feasibility Study