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MAIDSTONE BOROUGH COUNCIL

Policy and Resources Committee

MINUTES OF THE MEETING HELD ON WEDNESDAY 28 JUNE 2017

Present: Councillors Barned, Brice, D Burton, Butler, Fermor, Garland, Garten, Mrs Gooch, Harper, Harvey, Harwood, Hastie and Mrs Wilson (Chairman)

5. **APOLOGIES FOR ABSENCE**

It was noted that apologies were received by Councillors Boughton, Perry and McLoughlin.

6. **NOTIFICATION OF SUBSTITUTE MEMBERS**

It was noted that the following members were present as substitute members:

- Councillor Butler for Councillor McLoughlin;
- Councillor Garten for Councillor Boughton; and
- Councillor David Burton for Councillor Perry.

7. **URGENT ITEMS**

There were no urgent items.

8. **NOTIFICATION OF VISITING MEMBERS**

There were no visiting members.

9. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

10. **DISCLOSURES OF LOBBYING**

There were no disclosures of lobbying.

11. **TO CONSIDER WHETHER ANY ITEMS SHOULD BE TAKEN IN PRIVATE BECAUSE OF THE POSSIBLE DISCLOSURE OF EXEMPT INFORMATION.**

Resolved: It was noted that the following items contained exempt information and would be considered in private:

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- Item 20. Exempt Appendix: Report of the Head of Regeneration and Economic Development - Update on the Maidstone East Project;
- Item 21. Minutes (Part II) of the Meeting Held on 26 April 2017;
- Item 22. Report of the Head of Regeneration and Economic Development - Brunswick and Union Street Developments; and
- Item 23. Report of the Head of Regeneration and Economic Development - Acquisition of Residential Property.

12. MINUTES (PART I) OF THE MEETING HELD ON 26 APRIL 2017

RESOLVED: That the minutes of the meeting held on 26 April 2017 be approved as a correct record and signed.

13. MINUTES OF THE MEETING HELD ON 23 MAY 2017

RESOLVED: That the minutes of the meeting held on 23 May 2017 be approved as a correct record and signed.

14. PRESENTATION OF PETITIONS (IF ANY)

Mrs Yolande Kenward presented a petition to the Committee with the following wording:

We, the undersigned, are committed to working together to making Maidstone a town that we can all feel proud of again – a town where all are good role models for our children. We want our voice to be heard and respected when it comes to spending public money and making planning decisions. We believe that council tax and business rates are too high, and that taxpayers' money is being wasted in Maidstone. We will identify where public money can be managed more efficiently. We expect Maidstone Police to pursue all opportunities to generate revenue and to change their attitude of helping the rich to get richer at the expense of the rest of us. We expect Maidstone Police to change their attitude to our children today.

The Chairman thanked Mrs Kenward for submitting her petition and addressed the elements of the petition that were relevant to the Borough Council. The Chairman also recommended that Mrs Kenward submit the petition to the Police and Crime Commissioner for Kent.

Councillor Garland arrived at the meeting at 7.32 p.m. during the consideration of this item, but did not join the Committee until the consideration of the next item.

15. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC (IF ANY)

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There were no questions from members of the public.

16. COMMITTEE WORK PROGRAMME

The Director of Finance and Business Improvement updated the Committee on the Committee Work Programme. The following changes were noted:

- The Land Disposal Policy had been deferred to July; and
- The Annual Governance Statement had been moved forward to this meeting.

RESOLVED: That the Committee Work Programme be noted.

17. REPORT OF THE HEAD OF POLICY, COMMUNICATIONS AND GOVERNANCE - ANNUAL STATEMENT OF CORPORATE GOVERNANCE AND LOCAL CODE OF CORPORATE GOVERNANCE

The Head of Policy, Communications and Governance gave a presentation to the Committee on the Annual Statement of Corporate Governance and Local Code of Corporate Governance which covered the following key areas:

- A new Local Code of Corporate Governance had been drafted to reflect the 'Delivering Good Corporate Governance' framework which was introduced by SOLACE and CIPFA;
- The format of the Annual Governance Statement had been updated since last year; and
- The Annual Governance Statement and Local Code of Corporate Governance had been considered by the Audit Governance and Standard Committee and they made recommendations regarding:
 - Further clarity on who the Monitoring Officer and Section 151 Officer were and their roles within the organisation; and
 - References made to the Parish Charter and Statement of Community Involvement within the Local Code of Corporate Governance.

The Committee noted the contents of the report and the presentation. The Committee was of the opinion that as the Audit Governance and Standards Committee had thoroughly considered this item in detail, both documents should be agreed by the Committee along with any amendments made by the Audit Governance and Standards Committee.

RESOLVED: That the Annual Governance Statement 2016-17 and Local Code of Corporate Governance 2017 is approved for sign off by the Leader

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of the Council and Chief Executive, subject to the recommendations that the Audit, Governance and Standards Committee made.

Voting: Unanimous

18. REPORT OF THE HEAD OF POLICY, COMMUNICATIONS AND GOVERNANCE - EQUALITIES POLICY

The Policy and Information Manager introduced this item to the Committee and summarised the key points contained in the report:

- The new Equalities Policy would cover the period 2017-21, but the Equalities Objectives Action Plan would be refreshed annually;
- The elements within the policy and action plan that were directly relevant to members had already been consulted on with the Member Sounding Board; and
- The council had three roles in regards to equalities – as a community leader, as an employer and as a service provider. The equalities objectives action plan had been structured around these roles.

The Committee raised concerns about the over-reliance of transferral of services online, due to many areas within the Borough not having reliable access to broadband internet. The Policy and Information Manager confirmed she would take this into account in any future Equalities Objectives Action Plan.

RESOLVED: That the Equalities Policy and Equalities Objectives are approved, subject to typographical amendments and the removal of pages 65-66.

Voting: For - 14 Against - 0 Abstentions – 1

19. REPORT OF THE HEAD OF POLICY, COMMUNICATIONS AND GOVERNANCE - STRATEGIC PLAN PERFORMANCE UPDATE Q4

The Head of Policy, Communications and Governance presented the key points within the Strategic Plan Performance Update for Q4, which were:

- 13 out of 16 indicators were green, which demonstrated strong performance overall; and
- Within this strong performance, particular highlights were:
 - User satisfaction with the Leisure Centre had met its target for the first time this year;
 - Street cleanliness;
 - Processing of Planning Applications within target time was high; and

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- The number of Disabled Facility Grants completed for the quarter was high.

The Committee considered the report and highlighted their satisfaction that the number of fly tipping prosecutions had increased, and requested information on whether the prosecutions had been publicised. The Head of Policy, Communications and Governance agreed that this information would be circulated to the committee by email.

In response to a question from a member of the Committee, the Director of Regeneration & Place agreed to send a heatmap of flytipping incidents to the Committee and the Communities Housing and Environment Committee.

RESOLVED:

- 1) That the summary of performance for Quarter 4 of 2016/17 for Key Performance Indicators (KPIs) and corporate strategies and plans are noted.
- 2) That the areas where complete data is not currently available are noted.
- 3) That the updates of strategic objectives due between 1 November 2016 and 31 March 2017 at Appendix II are noted.

Voting: Unanimous

20. REPORT OF THE DIRECTOR OF FINANCE AND BUSINESS IMPROVEMENT - MEDIUM TERM FINANCIAL STRATEGY 2018/19

The Director of Finance and Business Improvement presented his report on the Medium Term Financial Strategy (MTFS) 2018/19 to the Committee and made the following key points:

- There was no further information about the future of Local Government Finance in the Queen's Speech, including any further details on local Business Rates reform. Therefore the longer term future for Local Government Finance was uncertain after 2020;
- Particular risks were highlighted in the report, for example that the increase in Planning Fees were not likely to be achieved due to legislation not being progressed; and
- The Council was in a strong position in the medium term regarding the elements it could control within the strategy. However the MTFS needed to retain flexibility in order to account for risks highlighted in the report. This was achieved through the strategy proposing a number of different scenarios for the future that the Council could

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act on.

The Committee raised concerns with elements of the Strategy:

- The change in the income targets for the Café at Mote Park;
- The income targets for the Car Park at Mote Park; and
- The risk of investments in Commercial Property.

The Director of Finance and Business Improvement provided the following explanations around the concerns raised:

- The income target had been changed at the Mote Park Café to bring it to a break even point for this financial year. The financial performance of the Café was monitored on a weekly and monthly basis and he assured the Committee that so far the café was on target to break even;
- The income targets for Car Parking at Mote Park had been ambitious and they had not been achieved last year. However parking fees had been increased and the Car Park had been very busy therefore the Car Park was likely to achieve its target this year; and
- Commercial Property had been invested in after being considered very carefully. The scale of investment in this area was limited, to prevent over exposure to this area of investment. Additionally, the investment had been funded from reserves rather than borrowing which further reduced risks to the Council.

RESOLVED:

- 1) That the issues and risks associated with delivering the budget for 2017/18 and updating the Medium Term Financial Strategy are noted.
- 2) That the approach outlined to the development of an updated Medium Term Financial Strategy for 2018/19 – 2022/23 and a budget for 2018/19 is agreed.
- 3) That the assumptions described in this report for planning purposes and to establish the remit for detailed budget development are noted.

Voting: For - 14 Against - 0 Abstentions - 1

21. REPORT OF THE DIRECTOR OF FINANCE AND BUSINESS IMPROVEMENT - 2016/17 REVENUE & CAPITAL OUTTURN

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The Director of Finance and Business Improvement introduced his report on 2016/17 Revenue and Capital Outturns and highlighted the following key themes:

- The largest adverse variance in the budget was a lower than expected return on balances. Further detail on this was set out in the Treasury Management Strategy.
- The areas with the greatest positive variances were an underspend on salaries and an underspend on Grant Funding.
- Overall the position for the council for 2016/17 was that there was an underspend of £89,000.
- It was proposed that this underspend be ringfenced to general fund balances to deliver the three key action areas for 2017/18 as set out in the Strategic Plan.

The Committee considered whether a decision on where the £89,000 underspend could have been made by the Policy and Resources Committee. However it was subsequently clarified that this sum was within the virement limits for the Director of Finance and Business Improvement that were set out within scheme of delegation.

RESOLVED:

- 1) That the revenue and capital outturn at the end of 2016-17 is noted.
- 2) That the carry forward of resources, as detailed in Appendix B, is noted.
- 3) That the £89,000 underspend for 2016-17 be reserved for any further one-off expenditure that is required to deliver the three key action areas for 2017/18.
- 4) That the proposed slippage in the capital programme of £2,974,264 into 2017-18 as detailed in Appendix C is approved.
- 5) That the performance in relation to the treasury management strategy for 2016-17 is noted.
- 6) That the performance of the collection fund and the level of balances at the year-end is noted.

Voting: For - 14 Against - 0 Abstentions - 1

22. REPORT OF THE HEAD OF REGENERATION AND ECONOMIC DEVELOPMENT - NATIONAL PRODUCTIVITY INVESTMENT FUND FOR THE LOCAL ROAD NETWORK

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The Economic Development Officer gave a presentation to the Committee on a proposal for a bid to the National Productivity Investment Fund (NPIF) for the Local Road Network. The presentation covered the following areas:

- The NPIF was set up in 2016 as part of the Chancellor's Autumn Statement. The scheme invited bids for projects that made improvements to transport infrastructure in 2018-20;
- The proposed scheme made improvements to the road infrastructure at the A249 Bearsted Road and A249 Bearsted Road/New Cut Road roundabouts in the vicinity of Junction 7 of the M20. These improvements mitigated the negative effects on traffic of housing development to the south of Maidstone town centre, as well as development on the Kent Medical Campus;
- The improvements would be to the roundabouts rather than dualling on the A249; and
- £500,000 of Council funding was proposed to enable the bid to go ahead, although this would be clawed back through a bilateral undertaking with the landowner. The method of clawback would be through when trigger points outlined in the Section 106 Agreement for Kent Medical Campus were reached, if not realised earlier through other developer payments.

In response to a question from the Committee, the Economic Development Officer confirmed that Kent Highways would be making the bid to central government in their role as the local Highways Authority. Kent County Council had confirmed that this bid was their top priority Countywide out of the bids that had been proposed to the NPIF.

It was noted that if the Committee decided not to put forward the £500,000 match funding the bid would not be able to go ahead.

RESOLVED:

- 1) That the allocation of £500,000 to match investment from the National Productivity Investment Fund is approved.
- 2) That delegated authority is granted to the Director of Finance & Business Improvement, in consultation with the Chairman of Policy and Resources Committee, to agree the detailed terms of a funding agreement with Kent County Council.
- 3) That delegated authority is granted to the Director of Regeneration and Place, in consultation with the Chairman of Policy and Resources Committee, to agree the detailed terms of a bilateral

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agreement with the landowner.

- 4) That an update on progress of the scheme will be reported to a future Strategic Planning, Sustainability and Transportation Committee and the Maidstone Joint Transportation Board.

Voting: For - 12 Against - 2 Abstentions - 1

Councillor Harwood asked for his dissent to be noted.

23. REPORT OF THE HEAD OF REGENERATION AND ECONOMIC DEVELOPMENT - UPDATE ON THE MAIDSTONE EAST PROJECT

The Regeneration and Economic Development Manager updated the Committee on the Maidstone East project. The Committee noted:

- The Maidstone East site had been acquired as a joint asset by Kent County Council and Maidstone Borough Council;
- Development on the site would be carried out using a staged approach, and a short term holding strategy was currently in place to ensure the asset was being properly utilised in the short term;
- That the new Pay & Park car park was operational and provided revenue for the landowners while the longer term strategy on the site was agreed and progressed; and
- The site would eventually become a mixed use development, and work on master planning for this site was still ongoing.

The committee raised concerns about the impact of the scheme on local residents, as the site was adjacent to residential areas. In response the Regeneration and Economic Development Manager assured the Committee that there would be early ward member involvement in the master planning of the site, and also an opportunity for all members to comment as it was a strategic site.

RESOLVED: That progress against the short term holding strategy and approach to the master planning and redevelopment work is noted.

Voting: Unanimous

24. EXCLUSION OF THE PRESS AND THE PUBLIC

RESOLVED: That the press and public be excluded from the meeting for the items set out in Part II of the agenda because of the likely disclosure of exempt information for the reason specified, having applied the Public Interest Test.

25. MINUTES (PART II) OF THE MEETING HELD ON 26 APRIL 2017

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RESOLVED: That the minutes (Part II) of the meeting held on 26 April 2017 be approved as a correct record and signed.

26. REPORT OF THE HEAD OF REGENERATION AND ECONOMIC DEVELOPMENT - BRUNSWICK AND UNION STREET DEVELOPMENTS

The Director of Regeneration & Place introduced his report regarding proposed development at Brunswick Street and Union Street.

The Director of Regeneration & Place confirmed that:

- The proposed development supported the refocus of the Commercialisation Strategy to pursue a housing and regeneration agenda;
- Replacing the car park spaces that were let to the NHS with undercroft or underground parking would risk development on the site becoming unviable; and
- The current Pay and Display car parking spaces were proposed to be moved to a different area of the site.

The Committee asked for more detail about the viability of the schemes. In response to these questions the Director of Regeneration & Place advised that the best way forward would be to progress the planning application and then to further explore the financial modelling for the scheme. It was also agreed that a members' financial workshop be held on the scheme.

RESOLVED:

- 1) That the indicative financial returns for both schemes shown at Appendix A, which support the agreed refocus of the Commercialisation Strategy to pursue a housing and regeneration agenda, are noted.
- 2) That agreement be given to the submission of detailed planning applications for Brunswick Street and Union Street car park sites and the invitation of tenders for the works contract.
- 3) That a follow up report be presented to this Committee in Autumn 2017 to approve the final scheme costs and necessary financial commitments associated with the development and management of the sites, subject to the necessary planning consent, tenders for the works contracts and affordable housing prices being received for both schemes.
- 4) That Committee Members be invited to a workshop prior to the aforementioned follow up report to gain a full understanding and

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appreciation of the financial appraisal modelling and assumptions used to calculate the financial returns for both schemes.

Voting: Unanimous

27. REPORT OF THE HEAD OF REGENERATION AND ECONOMIC DEVELOPMENT - ACQUISITION OF RESIDENTIAL PROPERTY

The Director of Regeneration & Place presented the report about the acquisition of a residential property to the Committee. The Committee noted that the proposed scheme recommended the acquisition of a residential property, in order to enable a development on land that Maidstone Borough Council owned.

The Committee raised the following concerns about the proposed scheme:

- That the ward councillors had not been consulted prior to this report being submitted to the Committee;
- A previous, similar development had been extremely controversial with local residents and this scheme could be accused of as being back garden development, something that we were opposed to as a Council;
- Assurances had been made to residents when a development at an adjacent site had taken place that the land in question would not be built on by the Council to prevent further back garden development in the area;
- The area was already over developed and the proposal may result in overlooking of local residents properties due to the site being on elevated land; and
- As a result the Committee were extremely concerned about the potential reputational damage that could be caused to the Council if this development was agreed.

The Director of Regeneration & Place confirmed that the reason that ward councillors had not been involved was that this was an opportunity that was afforded to the Council at short notice. However he committed to ensuring that ward councillors were involved at as earlier stage as possible in the future for similar proposals.

At the conclusion of the debate the following recommendations were moved by Councillor Garland, and seconded by Councillor Blackmore:

- 1) That the purchase price set out in paragraph 1.1 is agreed.
- 2) That the Director of Finance and Business Improvement is granted delegated authority to conclude negotiations with the owner and

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subsequently acquire the property detailed in the report, subject to also agreeing satisfactory terms for the surrender of a lease on adjacent land and to regrant as detailed below and to access to the site through adjacent land.

- 3) That the Interim Head of Legal Partnership is authorised to complete the purchase on the terms as agreed by the Director of Finance & Business Improvement.
- 4) That the Interim Head of Legal Partnership is authorised to complete the contract documentation required for the appointments of Employers Agent and Architect on the terms as agreed by the Director of Finance and Business Improvement.
- 5) That a further report is brought to the Policy and Resources Committee to approve the final proposal and financial costs associated with the development.

Voting: For - 4 Ag - 9 Ab - 2

The motion the motion was therefore lost.

28. LONG MEETING

During the consideration of item 23. Report of the Head of Regeneration and Economic Development – Acquisition of a Residential Property, the Committee:

RESOLVED: That the meeting continue until 11 p.m. if required.

29. DURATION OF MEETING

7.21 p.m. to 10.38 p.m.