

Should you wish to refer any decisions contained in these minutes to **Council**, please submit a Decision Referral Form, signed by **five** Councillors, to **the Mayor** by: **15 December 2020**.

Please note that the decision arising from Minute 82 was taken as a result of the call-in process and cannot be called in.

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 25 NOVEMBER 2020

Present: Councillors Brice, Chappell-Tay, Clark, Cox (Chairman), Mrs Gooch, Harvey, Joy, McKay, Mortimer, Newton, Perry, Purle, Round, Springett and de Wiggondene-Sheppard

Also Present: Councillors Brindle, Hinder, Kimmance, Naghi, Parfitt-Reid and Powell.

65. APOLOGIES FOR ABSENCE

Apologies were received from Councillors M Burton and English.

66. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Purle was present as Substitute Member for Councillor M Burton.

Councillor Joy was present as Substitute Member for Councillor English.

67. URGENT ITEMS

There were no urgent items.

68. CHANGE TO THE ORDER OF BUSINESS

It was agreed that item 19 – Call-In of Economic Regeneration and Leisure Decision of Hazlitt Theatre Options would be taken before Item 16 – Discretionary Housing Payments to accommodate the public speakers on the item.

69. NOTIFICATION OF VISITING MEMBERS

Councillors Brindle, Hinder and Naghi were present as Visiting Members for Item 19 – Call-In of Economic Regeneration and Leisure Decisions of Hazlitt Theatre Options.

Councillors Kimmance, Parfitt-Reid, Powell were present for the debate on Item 19 – Call-In of Economic Regeneration and Leisure Decisions of Hazlitt Theatre Options, as the Members that had signed the call-in referral form.

70. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

71. DISCLOSURES OF LOBBYING

The following Members had been lobbied on Item 18 – Council-Led Garden Community Update:

Councillors Clark, Cox, McKay, Mortimer, Newton, Perry, Round, Springett and de Wiggondene-Sheppard.

The following Members had been lobbied on Item 19 – Call-In of Economic Regeneration and Leisure Decisions of Hazlitt Theatre Options:

Councillors Brice, Chappell-Tay, Clark, Cox, Mrs Gooch, Harvey, Joy, McKay, Mortimer, Perry, Purle, Round, Springett and de Wiggondene-Sheppard.

Councillor Chappell-Tay had been lobbied on Item 14 – 2nd Quarter Financial Update & Performance Monitoring Report 2020/21.

Councillor Round had been lobbied on Item 12 – Committee Work Programme.

72. EXEMPT ITEMS

RESOLVED: That

1. All items be taken in public as proposed unless any Committee Member indicated a wish to refer to Item 20 – Exempt Appendix C – Hazlitt Theatre Options.
2. The Minutes (Part II) of the meeting held on 21 October 2020, be taken alongside the Part I Minutes under Item 8 without going into Part II.

73. MINUTES OF THE MEETING HELD ON 21 OCTOBER 2020

RESOLVED: That the Minutes of the meeting held on 21 October 2020 (Parts I and II) be agreed as a correct record of the meeting and signed at a later date.

74. PRESENTATION OF PETITIONS

There were no petitions.

75. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were eleven questions from Members of the Public.

Question from Ms Kate Hammond to the Chairman of the Policy and Resources Committee

'How much has Maidstone Borough Council spent on their Heathlands Council-Led Garden Community to date?'

The Chairman responded to the question.

Ms Hammond asked the following supplementary question:

'That is roughly the same amount of money as the annual subsidy for the much loved Hazlitt Theatre. Do you think £305,645 is a prudent investment of public funds for what is essentially a high-risk investment?'

The Chairman responded to the supplementary question.

Question from Mr Steve Heeley to the Chairman of the Policy and Resources Committee

'How much has Maidstone Borough Council made budget provision for over the next five years for their Heathlands Garden Community?'

The Chairman responded to the question.

Mr Heeley asked the following supplementary question:

'Last week you said to the press that you find yourselves in a situation where you have to decide on the best use of your resources at the moment. Do you think Maidstone Council's pursuit to be a property developer is the best use of your scant finances and resources in the current climate, given the severe pressures on other services and the threat to institutions like the Hazlitt Theatre?'

The Chairman responded to the supplementary question.

Question from Mr David Finch to the Chairman of the Policy and Resources Committee

As Mr Finch was not in attendance, the question was read out on his behalf by the Democratic Services Officer.

'MBC's own Report shows that the Hazlitt Theatre brings in over £5m of direct and indirect business to the Town for a modest subsidy of £243k to Parkwood Theatres – a staggering return of over 2,000 percent per annum. With at least three Covid vaccines of over 90% success rates due to start coming onstream from next month and with mass vaccination planned for 2021, we are on the cusp of recovery and returning to normal social life from early/mid next year – which will enable the current Hazlitt management team to re-introduce its full programme of income generating events far sooner than the Council anticipate. Rather than mothball the Theatre with the resultant loss of experienced Theatre staff

whilst still incurring the ongoing maintenance cost of £100,000 pa, what avenues have been explored with Parkwood to reduce the current Management Fee during the course of this pandemic to ensure a "win-win" situation – and thereby ensuring the Theatre remains well placed for the social and economic upturn expected in 2021?’

The Chairman responded to the question.

Question from Ms Becky Roberts to the Chairman of the Policy and Resources Committee

'I would like to know how MBC intend to generate the 5 million pounds income per annum that The Hazlitt Theatre brings into the county in normal circumstances? This would on the basis if you're intending to run the venue without the current experienced team being Parkwood Theatres, whom know this unique old building better than anyone'.

The Chairman responded to the question.

Ms Roberts asked the following supplementary question:

'With the vaccine reportedly being administered shortly, whilst the Hazlitt has quite a small capacity in relation to some other theatres, I personally think, coming from a theatre background, potentially as early as Easter time this situation could well turn around. It seems a pity to bring things to an abrupt closure as I don't personally think it will take as much as a year?'

The Chairman responded to the supplementary question.

Question from Mr Chris Perree to the Chairman of the Policy and Resources Committee

'What alternate options for continuing the future of the Hazlitt Theatre to severing the Parkwood contract have MBC actually researched, considered and costed?'

The Chairman responded to the question.

Mr Perree asked the following supplementary question:

'Can you confirm that you have actually been in discussion with Parkwood this week?'

The Chairman responded to the supplementary question.

Question from Ms Julie Hutchings to the Chairman of the Policy and Resources Committee

As Ms Hutchings was unable to attend, the question was read out on her behalf by the Democratic Services Officer.

'When things go back to normal, can you offer reassurance that the theatre will run with the same efficiency as Parkwood's management under your control? We need a fully functioning theatre in Maidstone, not a glorified village hall set up.'

The Chairman responded to the question.

Question from Ms Fuscia Webb to the Chairman of the Policy and Resources Committee

'The Hazlitt Youth Theatre looks after young people's mental health and enables those from different backgrounds to mix in an accepting environment. With mental health funding being so overstretched, and with Maidstone being an area where class divides are so prevalent among young people, how will the council ensure that this necessary part of our lives is not lost?'

The Chairman responded to the question.

Ms Webb asked the following supplementary question:

'To a lot of people at the Hazlitt, the youth theatre hasn't been open since march but the dance company has been which involves a lot of the same young people and I think to a lot of us the Hazlitt is more than just a venue for us to meet up in. It's a consistent safe space that young people can have. What do you think about the prospect of that safe space being taken away from young people?'

The Chairman responded to the supplementary question.

Question from Ms Niki Bish to the Chairman of the Policy and Resources Committee

As Ms Bish was unable to attend, the question was read out on her behalf by the Democratic Services Officer.

'In light of recent press statements by MBC confirming they have "ended the contract" with Parkwood Theatres, please could you explain what your strategy is to keep the Hazlitt running as a profitable theatre? Parkwood Theatres have turned the Hazlitt around in the last 5 years bringing in a revenue of over £5 million to Maidstone town centre. They have over 300 young people in their dance company and youth theatre companies, with more people involved in the Hazlitt Choir. They have a huge network of user groups and Parkwood Theatres have the professional expertise to run these.'

The Chairman responded to the question.

Question from Ms Joanne Gubbins to the Chairman of the Policy and Resources Committee

'Have Parkwood been approached to ask if they would consider reducing their cost whilst it is closed? To of course then resume their full contribution when the theatre can fully re-open'.

The Chairman responded to the question.

Ms Gubbins asked the following supplementary question:

'You said about speaking with other management companies. Would they [Parkwood] be able to be reconsidered? From what I've heard you've actually ended contracts with them'

The Chairman responded to the supplementary question.

Question from Mr Nicholas Mowat to the Chairman of the Policy and Resources Committee

'In ending the contract with Parkwood earlier than the full term, what is the cost to the Council of ending this agreement and how much consultation has there been with Parkwood in order to endeavour to find a more affordable way forward?'

The Chairman responded to the question.

Question from Ms Michelle Harris to the Chairman of the Policy and Resources Committee

'For what valid reason are you proposing to close the Hazlitt Theatre? This is a very important community service supporting the Arts and members of the Public and should not be closed. If this is indeed a democracy and the council represent the people of Maidstone and of Kent you can find a solution around this. If you fail to, then it is clear that Maidstone council do not represent the people'.

The Chairman responded to the question.

Ms Harris asked the following supplementary question:

'Would the council consider private funding to take over the whole of the Hazlitt in its entirety?'

The Chairman responded to the supplementary 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 link below:

https://www.youtube.com/watch?v=h8_mVU-iSY8

76. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

77. COMMITTEE WORK PROGRAMME

RESOLVED: That the Committee Work Programme be noted.

78. REPORTS OF OUTSIDE BODIES

A Nomination form had been received from Councillor Perry for the appointment of Council representative to the Upper Medway Internal Drainage Board (UMIDB).

Councillor Round was thanked for his service as Council representative on the UMIDB, with this extended to Councillor Harper for his continued service.

RESOLVED: That Councillor Perry be appointed as the Council representative to the Upper Medway Internal Drainage Board.

79. 2ND QUARTER FINANCIAL UPDATE & PERFORMANCE MONITORING REPORT 2020/21

The Director of Finance and Business Improvement introduced the financial information update and highlighted the Council's £7million budget gap as a result of the Covid-19 pandemic, which had been partially mitigated through government funding. The slippage in the Capital programme had resulted in savings through reduced borrowing costs. The report also detailed the uncollectable Non-Domestic Rates at Appendix 4.

The Senior Business Analyst introduced the performance aspect of the report and noted that two of the three indicators were within 10% of the target. The percentage of successful duty relief outcomes had achieved a figure higher than the same period last year. The percentage of successful duty outcomes was noted as the Housing Options team achieved a positive outcome in three of four cases. Across the Council's Service Committees, only three indicators missed their target by more than 10% as a direct impact of the pandemic.

The Deputy Head of Audit introduced the risk management update. The 11 top scoring risks and the implementation of planned controls were identified. There was a risk profile reduction for five risks, with no increased risk profiles within the register. Three additional risks focused on the internal and external uncertainties of the pandemic and major contract failure had been created. The risk register would be continually reviewed.

In response to questions it was confirmed that government guidance required the Council to assist the Leisure Centre providers in managing the costs incurred through the pandemic. The Committee expressed support for the work undertaken to produce the report.

RESOLVED: That

1. The Revenue position as at the end of Quarter 2 for 2020/21, 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, be noted;
3. The Performance position as at Quarter 2 for 2020/21, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted;
4. The Risk Update, attached at Appendix 3 to the report, be noted;
and
5. The uncollectable Non-Domestic Rates (NDR) listed in Appendix 4 to the report, be written off.

80. STRATEGIC PLAN REVIEW UPDATE AND MEDIUM-TERM FINANCIAL STRATEGY

The Chief Executive introduced the report stating that the Committee had begun the process of refreshing the Strategic Plan in July, where they had agreed that whilst the priorities and ambitions remained the same, the plan's outcomes for the next five years for each of the priorities should be reviewed.

Appendix A to the report summarised the progress made concerning the refresh of the Strategic Plan. The future service delivery and efficient improvements for planning and economic development were highlighted, with feedback from Members welcome due to the current formative stage of the work. Key Councillors that included the Leader of the Council, Leader of the Conservative Group and the Chairmen of the Strategic Planning and Infrastructure Committee and Planning Committee would be consulted in finalising the scope of the work to be undertaken.

The Director of Finance and Business Improvement introduced the Draft Medium-Term Financial Strategy (MTFS), with the transformational approach to savings highlighted. It was likely that Council Tax would be increased by 2% as the Council's biggest source of revenue. Other important sources of income included planning fees and parking income. Parking income had been seriously affected by Covid-19.

The Chancellor's statement was referenced, with regards to the possibility that the Council would retain the same proportion of Business Rates Income as in previous years and the continuation of the existing financial settlement. The budget report to be presented in February 2021 would include greater detail into the MTFS as a result. The results of the resident survey undertaken were highlighted, with the top two most important service to residents identified as waste collection and parks and open spaces.

In response to questions, it was confirmed that the New Homes Bonus (NHB) and funding from the Kent Business Rates Retention Pool (KBBRP) could be used to temporarily close the budget gap. The NHB was usually used for capital spending, with the Council's borrowing likely to increase as a result and the KBBRP usually used for economic development. From 2023 onwards, the Council's reserves would be increased. A 2% increase in Council Tax would total an additional £320,000.

RESOLVED: That

1. The Strategic Plan Review update be noted alongside the feedback given;
2. The Draft Medium Term Financial Strategy 2021/22 – 2025/26 as shown as Appendix B to the report, be endorsed; and
3. The Council Tax setting principal as set out in paragraph 2.5 of the report be agreed.

81. DISCRETIONARY HOUSING PAYMENTS

The Head of Revenues and Benefits Shared Service introduced the report and noted that the Council is provided with an annual discretionary housing payment (DHP) budget, from the Department of Work and Pensions. A total of 344 applications were awarded last year, with an increased budget of just over £406,000 provided to the Council due to the Covid-19 pandemic.

The DHP policy had been updated to reflect the responsibilities of the claimant and the Council in providing DHP's, with the payments to be viewed as short-term emergency funding.

RESOLVED: That Council be recommended to adopt the Discretionary Housing Payment Policy, as attached at Appendix 1 to the report.

82. CALL-IN OF ECONOMIC REGENERATION AND LEISURE DECISIONS OF HAZLITT THEATRE OPTIONS

The Councillors that had signed the call-in referral form were invited to address the Committee.

Several public speakers were invited to address the Committee. Katie Penn on behalf of the Young Performers; Michelle Cleverley; Jacob Amos; Darren Clark; Scott Raffle as Chairman of the Willington Players and Secretary to the Hazlitt Theatre Users Association.

The Head of Regeneration and Economic Development introduced the briefing note within the context of the Council's Strategic Plan Review. The Committee agreed in September 2020 that the Economic Regeneration and Leisure (ERL) Committee would consider the Hazlitt's contribution to the town centre economy and options for its sustainability. The theatre

had been closed since March 2020, with the members of staff either furloughed or made redundant with the Council paying Parkwood Theatres an annual subsidy of around £245,000.

Between March to September 2020, the Council had increased their monthly payments to allow the theatre to re-open when feasible. The funding bid submitted by Parkwood Theatres to the Cultural Recovery Fund had been unsuccessful, with a waiver against their contractual obligations until March 2021 requested. It was noted that despite the positive news of vaccine development, a high degree of uncertainty still remained when considering the Council's subsidy payments. The ERL Committee had considered all available options.

Councillor Harper addressed the Committee as Chairman of the ERL Committee. The importance of the theatre to the local economy and community was heavily referenced, with the desire to re-open the theatre when feasible highlighted. The impact of the arts and culture industry on resident's quality of life and the benefits of community engagement were identified. It was noted that the ERL committee was unanimous in their decision, with an all-Member briefing having taken place in October 2020 to provide further information on the Hazlitt Theatre. Suggestions of alternative uses in the short-term were provided.

During the debate, the benefits of deferring the decision made by the ERL Committee were referenced. This included that since the decision was taken, several potential vaccinations had been brought forward which could lead to a reduction in Covid-19 social distancing measures and that deferring the decision would provide further time to negotiate a reduced subsidy payment with Parkwood Theatres. The unknown costs of terminating the contract in place and re-opening the Hazlitt theatre were highlighted in contrast to the proposed savings.

The Head of Regeneration and Economic Development confirmed that there was no financial penalty from ending the contract early and that the financial and time costs associated with contract termination had not yet been discussed with Parkwood.

The staff furlough and redundancies that Parkwood Theatres had implemented from September 2020 prior to the ERL Committee's decision were noted. The importance of experienced staff was highlighted, in response to queries about the procurement process if the original decision was maintained.

The Director of Finance and Business Improvement confirmed that if the contract was not terminated, the proposed savings would need to be found from elsewhere within the Council's budget.

The Chairman of the ERL Committee addressed the Committee before the vote was taken and questioned the contract's suitability in a post-Covid-19 environment. The commitment to re-open the Hazlitt theatre was reiterated.

RESOLVED: That the four resolutions of the Economic Regeneration and Leisure Committee on 12 November 2020 concerning the Hazlitt, be substituted with the below resolution:

That the matter be deferred until the Economic Regeneration and Leisure Committee meets on 19 January 2021, so as to allow greater clarity on issues such as external sources of funding and Covid-19-related developments and to facilitate further Member and Stakeholder engagement in determining the best method of retaining the Hazlitt for years to come.

83. COUNCIL TAX REDUCTION SCHEME 2021-22

The Head of Revenues and Benefits Shared Service introduced the report and referenced the Committee's previous decision to introduce an income banded council tax reduction scheme. The current system was reactive to changes in Universal Credit, which increased council tax administration, reduced council tax collection and caused the production of multiple council tax bills for residents.

The objectives were to maintain the 80% maximum award, protect disabled households, simplify assessment and re-assessment and maintain costs. A public consultation on three potential models occurred between 31 July 2020 to 27 September 2020, with model two as the preferred option. 242 responses were received, with 163 having included the models being ranked in order of preference.

The Committee expressed support for the proposed scheme.

RESOLVED: That

1. The outcome of the public consultation be noted;
2. Full council be recommended to implement the 2021-22 Council Tax Reduction Scheme for the reasons outlined in 4.1 of the report; and
3. The impact of the proposed changes to the Council Tax Reduction scheme on people with the protected characteristics of disability, sex and age, as set out in Section 1 and Appendix 2 of the report be noted, and that these impacts be weighed against any potential savings in the administration of the scheme that may be made by the Council as well as achieving the objective, to maintain costs of award of the scheme in line with the current scheme in 2021/22.

84. COUNCIL-LED GARDEN COMMUNITY UPDATE

The Director of Regeneration and Place introduced the monthly update on the Council-Led Garden Community and referenced Heathlands inclusion in the Regulation 18 preferred approaches public consultation document. It was noted that Homes England were continuing their due diligence, with no concerns highlighted. Community engagement would continue, with a

meeting scheduled with the representative of the five principal landowners in the near future.

RESOLVED: That the report be noted.

87. DURATION OF MEETING

6.30 p.m. to 10.30 p.m.