

MAIDSTONE BOROUGH COUNCIL

Policy and Resources Committee

**MINUTES OF THE MEETING HELD ON WEDNESDAY 14
FEBRUARY 2018**

Present: Councillors Barned, Mrs Blackmore, Boughton, Brice, Cox, English, Fermor, Garland, Mrs Gooch, Harper, Harvey, Hastie, McLoughlin, Perry and Mrs Wilson

145. APOLOGIES FOR ABSENCE

It was noted that apologies were received by Councillor Harwood.

146. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor English was present as a substitute for Councillor Harwood.

147. URGENT ITEMS

The Chairman informed the Committee that there was an urgent update relating to the Medium Term Financial Strategy & Budget Proposals 2018/19. The Chairman explained the reason for urgency was that this additional item was required to recommend a full budget to Council.

148. NOTIFICATION OF VISITING MEMBERS

There were no visiting members.

149. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

150. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

151. EXEMPT ITEMS

RESOLVED: That item 18. Brunswick and Union Street Developments be taken in private due to the possible disclosure of exempt information.

152. MINUTES OF THE MEETING HELD ON 24 JANUARY 2018

RESOLVED: That the minutes be agreed as an accurate record of the meeting and signed.

153. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

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

There were no questions from members of the public.

155. COMMITTEE WORK PROGRAMME

Mr Mark Green, the Director of Finance and Business Improvement, updated the Committee on its Work Programme.

It was noted that the Sky Lantern Ban was to be considered by the Heritage, Culture and Leisure Committee rather than the Policy and Resources Committee and that there was a Special Policy and Resources Committee meeting scheduled on 8 March 2018 to consider funding of the Phase 3 Public Realm Improvements.

RESOLVED: That the Committee Work Programme is noted.

156. COUNTER FRAUD & CORRUPTION POLICY

Mr Rich Clarke, the Head of Audit Partnership, presented the Counter Fraud & Corruption Policy to the Committee. It was noted that this policy had already been considered by the Audit, Governance and Standards Committee and it had recommended changes, which had been incorporated into the document presented to the Policy and Resources Committee for approval.

The Chairman of the Audit, Governance and Standards Committee, who was also a member of this Committee, spoke on this item and confirmed that the changes requested by the Committee had been made.

RESOLVED:

That the Counter Fraud & Corruption Policy is approved.

Voting: Unanimous

157. POLICY AND RESOURCES QUARTER 3 PERFORMANCE REPORT

Mrs Angela Woodhouse, the Head of Policy, Communications and Governance, introduced the Policy and Resources Quarter 3 Performance Report to the Committee.

Mrs Woodhouse outlined that performance had been positive overall, with 67% of indicators achieving their target. However there were several indicators which had missed their target, one of them being the number of affordable homes delivered (gross).

In response to a question from the Committee Mr William Cornall, the Director of Regeneration and Place, confirmed that the Council had

committed to drafting a new Supplementary Planning Document which aimed to increase the supply of affordable housing in the borough.

The Committee requested the methodology used for the indicator 'percentage of land and highways with acceptable levels of litter' be circulated to the Committee after the meeting, as it felt that no amount of litter was an acceptable level of litter.

Mrs Woodhouse confirmed that she would investigate the reasons for the decrease in litter reports attended to, and whether it was linked to the volume of reports that had been made online. Mrs Woodhouse confirmed an update would be circulated to the Committee by email.

RESOLVED:

That the summary of performance for Quarter 3 of 2017/18 for Key Performance Indicators (KPIs) be noted.

Note: Councillor Garland arrived during consideration of this item.

158. STRATEGIC PLAN 2015-2020 (2018/19 - REFRESH)

Mrs Angela Woodhouse, the Head of Policy, Communications and Governance, presented the Strategic Plan 2015-20, 2018-19 Update to the Committee. It was noted that this document had been considered by each of the Service Committees and the document presented to the Committee had incorporated the changes suggested by the Service Committees.

The Committee debated the proposed amendment by the Heritage Culture and Leisure Committee, which proposed the insertion of the word 'Green' to the 'Safe & Clean' priority, and this amendment was accepted.

RESOLVED:

1. That the Strategic Plan 2015-20, 2018-19 Update is recommended to Full Council for approval, subject to the addition of the word 'Green' to the Safe & Clean priority so that it reads 'Safe, Clean & Green'.
2. That delegated authority is given to the Chief Executive, in consultation with the Chairman and Vice Chairman of the Policy and Resources Committee, to amend the final version of the Strategic Plan to reflect the amendment of the 'Safe & Clean' priority to 'Safe, Clean & Green'.

Voting: For - 10 Against - 2 Abstentions - 3

159. COUNCIL TAX PENALTY POLICY

The Committee received a presentation from Mrs Sheila Coburn, the Head of Revenues and Benefits Shared Service, outlining the proposed Council Tax Penalty Policy.

Mrs Coburn explained:

- Many other Councils in Kent already had a Council Tax Penalty Policy.
- The purpose of the policy was to ensure that the Council sent out a clear message that it was not acceptable for customers to not inform the Council of changes in circumstances that would affect their entitlement to Council Tax discounts, Council Tax support and Housing Benefit.
- The Council had the power to withdraw any penalties if a customer issued with a penalty was found to be vulnerable.

In response to questions from the Committee, Mrs Coburn confirmed that the Penalty Policy could be introduced without having to increase resources or staffing in the team.

RESOLVED:

1. That civil penalties for Council Tax, Council Tax Support and Housing Benefit are introduced.
2. That the policy in Appendix 1 is approved.

Voting: For - 14 Against - 0 Abstentions - 1

160. THIRD QUARTER BUDGET MONITORING REPORT

Mr Mark Green, the Director of Finance and Business Improvement, introduced the Third Quarter Budget Monitoring Report to the Committee.

Mr Green outlined the areas with the greatest overspends and underspends:

- Overspends had occurred in cash investments, Temporary Accommodation and CCTV. However the overspend on Temporary Accommodation had reduced since the previous quarter.
- Underspends had occurred in Grounds Maintenance due to the success of the commercial service being offered, Commercial Property due to investments performing well and Parking Services.
- Overall this meant there was a projected underspend of £505,000 for 2017/18.

In response to a question from the Committee, Mr Green confirmed that it was difficult to ensure a high return from cash investments as the returns

needed to be balanced against the security of the investment. Mr Green confirmed that the budget for this item would be adjusted for 2018/19 to reflect the lower than expected returns in 2017/18.

The Committee noted the staff turnover rate of 11%, as well as comments made in other budget lines regarding vacant posts and staff sickness and requested that Employment Committee investigate this issue further. Mrs Alison Broom, the Chief Executive, confirmed that the Employment Committee already considered a regular report regarding the workforce which contained more information about these issues and this report would be circulated to any member of the Committee that requested it.

RESOLVED:

1. That the revenue position at the end of the third quarter and the actions being taken or proposed to improve the position where significant variances have been identified, as set out in table 1, paragraph 2.6 are noted.
2. That the capital position at the end of the third quarter is noted.
3. That the performance of the Collection Fund and the estimated level of balances at the year-end is noted.
4. That the write-off of unpaid business rates as set out in Appendix 3 is approved.
5. That the performance in relation to the Treasury Management Strategy for the third quarter of 2017/18 is noted.

Voting: Unanimous

6. That the Employment Committee:
 - a. Reviews the Maidstone Borough Council sickness policy to ensure it follows best practice
 - b. Considers the support provided by the Council for staff with Mental Health issues
 - c. Considers the causes of Mental Health Issues in the workplace

Voting: For - 11 Against - 3 Abstentions - 1

161. MEDIUM TERM FINANCIAL STRATEGY & BUDGET PROPOSALS 2018/19

Mr Mark Green, the Director of Finance and Business Improvement, introduced the Medium Term Financial Strategy and Budget Proposals to the Committee. Mr Green explained that:

- The Capital Programme had already been agreed by this Committee, and the Treasury Management Strategy had been agreed for recommendation to Council by the Audit Governance and Standards Committee.
- The revised estimates for 2017/18 and budget estimates for 2018/19 in Appendix D reflected the savings proposals and the Strategic Revenue Projection.
- The proposed savings had not changed and had all been considered by the Service Committees.
- The Committee had agreed to become part of the Kent Business Rates Retention Pilot, and the proposed projects funded by this pilot were contained in Appendix C.
- The Strategic Revenue Projection had been updated since the last time it was considered by this Committee in December. The effect of this update was that the surplus for 2017/18 had reduced from £320,000 to £97,000.
- The Ministry of Housing, Communities and Local Government had confirmed that the threshold Council Tax could rise before a referendum was required was 3%, however the Council had anticipated a 2% increase. If a 3% increase was agreed it would provide the Council with an increased £142,000 in 2018/19 enabling the Council to balance its budget.

In response to questions from the Committee, Mr Green confirmed that:

- If the Council chose to raise Council tax by 2% instead of 3%, there would be a deficit of £45,000 instead of a surplus of £97,000 for 2018/19.
- The proposed 2% pay award had not been anticipated, but a 2% pay increase had been offered by employers during the national pay negotiations. Although the Council was not part of the national pay negotiations it was felt that a 2% pay increase was needed in order to attract and retain staff. The 2% applied to increments as well as base salaries.

The Chairman of the Cobtree Manor Estate Trust Committee, also a member of this Committee, requested that the proposals relating to the Cobtree Manor Estate Trust be considered by the Cobtree Manor Estate Trust Committee.

The Committee requested further information on the projects outlined in the Business Rates retention pilot projects before they made a decision on whether to fund them.

A proposal to reallocate £20,000 from Communications to Environmental Enforcement was debated. The Committee felt that Environmental

Enforcement should be more of a priority for the Council than Communications and therefore the Council should allocate some resource from one area to the other.

RESOLVED:

1. The outcomes of consideration of budget proposals by the Service Committees are noted.
2. The updated Strategic Revenue Projection set out in Appendix A is agreed.

Voting: Unanimous

3. The Budget Savings Proposals set out in Appendix B are agreed.

Voting: For - 8 Against - 1 Abstentions - 6

4. The projects to be funded from proceeds of the Business Rates Retention Pilot set out in Appendix C are given further consideration regarding their priority and scope by this committee.

Voting: Unanimous

5. The Revised Estimates for 2017/18 and the Budget Estimates for 2018/19 set out in Appendix D for recommendation to Council are agreed.

Voting: Unanimous

6. The Capital Programme, set out at Appendix E, is agreed for recommendation to Council.

Voting: For - 14 Against - 1 Abstentions - 0

7. The Treasury Management Strategy, set out in Appendix F, is agreed for recommendation to Council.

Voting: Unanimous

8. A £7.29 increase in Council Tax for 2018/19 is agreed for recommendation to Council.

Voting: For - 8 Against - 4 Abstentions - 3

9. The Medium Term Financial Strategy set out in Appendix H is agreed.

Voting: For - 9 Against - 0 Abstentions - 6

10. The appropriate matters for decision to set a balanced budget for 2018/19 and the necessary level of Council Tax in accordance with

the Local Government Finance Act 1992 and the Localism Act 2011 including the decisions made above are recommended to Council.

Voting: Unanimous

11. That £20,000 is moved from the Communications budget to the Environmental Enforcement budget.

Voting: For - 8 Against - 7 Abstentions - 0

162. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That the press and public are excluded from the meeting due to the possible disclosure of exempt information.

163. BRUNSWICK AND UNION STREET CAR PARK DEVELOPMENTS

Mr William Cornall, the Director of Regeneration & Place, presented a joint venture proposal to the Committee regarding the redevelopment of the Brunswick Street and Union Street car parks.

RESOLVED:

1. That the financial returns and joint venture proposal for both schemes shown at Appendix 1 and Appendix 2, which support the Housing Development and Regeneration Investment Plan, are approved.
2. That the Director of Finance and Business Improvement is granted delegated authority to appoint and enter into a building contract and a joint venture agreement with the preferred contractor Purelake New Homes Ltd.
3. That the Director of Finance and Business Improvement is granted delegated authority to appoint and enter into a development agreement with the preferred affordable housing provider MHS Homes Group, together with any related legal actions and agreements which may be required to facilitate the development.
4. That the Head of Mid Kent Legal Services is authorised to appoint the Solicitors required to complete the necessary contract documentation and agreements associated with the developments on the terms as agreed by the Director of Finance & Business Improvement.
5. That the Director of Finance and Business Improvement is granted delegated authority to appoint an estates and facilities management organisation to manage the market rental apartments on both schemes.

Voting: Unanimous

164. DURATION OF MEETING

6.30 p.m. to 9.17 p.m.