

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

**MINUTES OF THE MEETING HELD ON WEDNESDAY 19 JANUARY
2022**

Present: Councillors Mrs Blackmore, Brice, Burton (Chairman),
Cooke, Cox, English, Harper, Khadka, Kimmance,
Munford, Parfitt-Reid, Perry, Purle and Round

138. ADJOURNMENT OF MEETING

The meeting commenced at 8.04 p.m. and then adjourned until 8.14 p.m. for a short break, following the preceding extraordinary meeting of the Committee.

139. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Ring and de Wiggondene-Sheppard.

140. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Purle was present as Substitute for Councillor Ring.

141. URGENT ITEMS

There were no urgent items.

142. CHANGE TO THE ORDER OF BUSINESS

The Chairman advised that he intended to take Item 17 – Public Sector-Led Garden Community Update be taken after Item 12 – Committee Work Programme, to facilitate the public speaker in attendance.

Item 13 – Medium term Financial Strategy and Budget Proposals would be taken after Item 15 – Fees and Charges 2022-23, in order to fully consider the other financial items on the agenda before considering the Medium-Term Financial Strategy Items.

143. NOTIFICATION OF VISITING MEMBERS

There were no visiting members.

144. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

145. DISCLOSURES OF LOBBYING

The Committee had been lobbied on Item 17 – Public Sector-Led Garden Community Update.

Councillors Blackmore, Brice and Harper had also been lobbied on Item 18 - Affordable Housing Delivery by the Council.

146. EXEMPT ITEMS

RESOLVED: That Item 20 – Temporary Car Park to serve Maidstone Innovation Centre, be taken in private due to the possible disclosure of exempt information.

147. MINUTES (PART I) OF THE MEETING HELD ON 24 NOVEMBER 2021

RESOLVED: That the Minutes (Parts I and II) of the Meeting held on 24 November 2021 be agreed as a correct record and signed.

148. PRESENTATION OF PETITIONS

There were no petitions.

149. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were two questions from Members of the Public.

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

'Can you explain why the community engagement event being planned for the proposed Heathlands development is being held at the Maidstone Innovation Centre in Weaving, ten miles away from the centre of Lenham?'

The Chairman responded to the question.

Ms Hammond asked the following supplementary question:

'There is plenty of room at the Lenham Community Centre and it has lots of access. If the Council's plan is so great, then why is this Council so scared to stand behind their plan and face the community in Lenham at the Lenham Community Centre?'

The Chairman responded to the supplementary question.

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

'The last time this Committee was given an opportunity to take a formal decision on the Council-led Heathlands Garden Community was 24 March 2021. Can you confirm when this Committee will next be given an

opportunity to take a formal decision on the continued investment and progression or otherwise of this project?’

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. The question-and-answer session took place between minutes 1:51:56 to 1:56:15 of the recording.

To access the webcast, please use the link below:

[Policy and Resources Committee Meeting - 19 January 2022 - YouTube](#)

150. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There was one question from a Member to the Chairman.

Question from Councillor Paul Harper to the Chairman of the Policy and Resources Committee

"Can the Chair please encourage all members of this committee to wear face coverings when attending meetings of his committee. This is both a public health issue with Omicron, but also one of Community Leadership. As the Policy and Resources Committee, we require our supporting staff to wear face covering at all meetings of Maidstone Borough Council. To make staff do one thing and then to do another would smack of hypocrisy. At last week's Strategic Planning and Infrastructure Committee only 2 Councillors wore a mask. As Councillors and Community Leaders we need to take a lead and by the simple measure of wearing masks in Committee Meetings shows we are doing what we can to encourage good public health. We only have to see how in Government, the current furore over breaking regulations means that national leadership during a health crisis is weakened and it is our responsibility to give a good lead to the communities of Maidstone"

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. The question-and-answer session took place between minutes 1:56:22 to 1:58:50 of the recording.

To access the webcast, please use the link below:

[Policy and Resources Committee Meeting - 19 January 2022 - YouTube](#)

151. COMMITTEE WORK PROGRAMME

RESOLVED: That the Committee Work Programme be noted.

152. PUBLIC SECTOR-LED GARDEN COMMUNITY UPDATE

Prior to the report's introduction Mr Steve Heely addressed the Committee on behalf of the Save Our Heathlands Action Group.

The Director of Regeneration and Place introduced the report and stated that option agreements for over 30% of the land needed had been signed between Homes England and the landowners. The location and date of the proposed public engagement exercises would be confirmed in the near future.

The Local Planning Authority (LPA) had requested further evidence on the proposed development, which included the potential achievement of nutrient neutrality, the extraction of minerals to dovetail with new development on the site and a supplementary planning document.

Reference was made to the railway transport options as outlined in the report, with reassurance given that it was standard practice for all options to be outlined and considered; there was however evidence to support a commercially viable railway station in Heathlands with no changes to the existing stations. Homes England had commissioned the preparation of a further detailed strategic outline business case to be submitted to the LPA.

The Committee would be considering a town planning strategy document for the site in the future.

Several Members felt that further information on the proposal and the progress made, particularly in relation to the options agreements and the potential railway station, should be provided to the Committee in the near future.

The importance and standing of Homes England as the Council's partner for the proposal was reiterated.

RESOLVED: That the report be noted.

153. COUNCIL TAX BASE 2022-23 & COLLECTION FUND ADJUSTMENT

The Head of Finance introduced the report and outlined the contributing factors to the calculation of the Council Tax base for the 2022-23 financial year, which totalled 65, 896.22. The proposals had been informed by recent data collections alongside in-year monitoring.

The Council Tax Base figure represented a strong growth of 3.69%, which was partly due to the borough's strong housing growth between October 2020-21 alongside the prudent estimates made during the consideration of the 2021-22 council tax base arising from the financial uncertainty caused by the Covid-19 pandemic.

The risks associated with both a too high and too low council tax base were outlined, and the appendices to the reports were highlighted. The Council Tax surplus for 2022-23 was £2.1 million, of which £318,000 represented the Council's share.

The Head of Finance confirmed that the 2022-23 estimated collection allowance for non-collection had been reduced to reflect the Council's financial recovery from Covid-19.

RESOLVED: That

1. In accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by the Authority as its Council Tax Base for the year 2022-23 will be 65,896.22;
2. In accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by the Authority as the Council Tax Base for each parish area for the year 2022-23 will be as identified in Appendix 2 to the report; and
3. The 2021-22 Council Tax projections and proposed distribution detailed in Appendix 3 to the report be agreed.

Note: Councillor English left the meeting between 8.45 p.m. to 8.47 p.m.

154. FEES AND CHARGES 2022-23

The Head of Finance introduced the report and noted that the setting of Fees and Charges was part of the Council's budget setting process. The reviewed charges were contained within Appendix 1 to the report.

The fees and charges proposed within the remit of the Committee related to legal services only. The increase was due to an expected rise in staffing costs and to ensure a consistent charge across the Mid-Kent Legal Partnership. It was highlighted that the projected income budgets, as outlined in the report, should be treated as indicative and subject to change.

The fees and charges considered by the Council's other service Committees were attached in appendices 3-5 to the report.

Having endorsed the Strategic Planning and Infrastructure (SPI) Committee decision relating to the Park and Ride, the Committee expressed concern over the impact of the increased price of parking season tickets as agreed by the SPI Committee. The Chief Executive advised that whilst the Committee was responsible for overseeing the decisions made by the service committees on the topic, any changes to parking season ticket prices could have implications for parking policy. It was therefore appropriate that SPI be asked to consider the concerns raised by the Committee, particularly any impact on parking policy.

In response to questions, the Head of Finance confirmed that the increase in pest control charges was to recover the contractor's increased service cost. The estimated income for the use of sports pitches across 2022-23 remained the same as the estimated income for the current financial year, despite an increase in the fees charged, as the income generated this year had been less than originally anticipated.

RESOLVED: That

1. The proposed discretionary fees and charges set out in Appendix 1 to the report be agreed;
2. The expected statutory fees and charges set out in Appendix 1 to the report, be noted;
3. The overall change in fees and charges attached within Appendices 3-5 to the report, be noted; and
4. In light of the earlier decision in relation to the Park and Ride, reference be made back to the Strategic Planning and Infrastructure Committee to give consideration to policy implications of the decision in relation to parking season tickets, as included within Appendix 5 to the report.

Note: The Committee expressed its thanks to the Head of Finance for the work she had undertaken and wished her the best in her future endeavours.

155. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PROPOSALS

The Director of Finance and Business Improvement introduced the report which included the revenue budget proposals for the services within the Committee's remit. The additional funding provided to the Council through the Local Government Finance Settlement was referenced, alongside the significant financial pressures arising from high inflation rates and the achievement of the Council's strategic priorities.

It was likely that the Council would achieve a balanced budget across the 2021-22 financial year, with a small surplus expected. The final projections in relation to the Medium-Term Financial Strategy would be presented to the Committee at its February meeting.

The Committee expressed support for the work undertaken and the impact of high inflation was noted.

RESOLVED: That

1. The revenue budget proposals for services within the remit of the Committee, as set out in Appendix A to the report, be agreed; and
2. The revenue budget proposals for services within the remit of the other Service Committee, as set out in Appendix B to the report, be noted.

156. MEDIUM TERM FINANCIAL STRATEGY – CAPITAL PROGRAMME

The Director of Finance and Business Improvement introduced the report and stated that the proposals represented a significant increase in the cost of the capital programme over the next five years. The existing

capital programme totalled £130 million, with the proposed affordable housing programme to cost £82 million and the reprovision of leisure facilities to cost in the region of £30 million once the existing contract ended.

The requirement for any capital scheme to be sustainable, through either the returns generated through individual schemes or through revenue budget provisions to pay repay the borrowing undertaken and interest fees generated, were highlighted.

The affordable housing programme was scheduled to take place over a 10-year period, with the £82 million included in the capital programme covering the next five years only.

RESOLVED: That

1. The Capital Strategy principles, as set out in paragraph 2.6 of the report, be agreed;
2. The Capital Funding Projection, as set out in Appendix 2 to the report, be agreed;
3. The Capital Programme 2022/23 onwards, as set out in Appendix 3 to the report, be agreed; and
4. In agreeing recommendations two and three above, a prudential borrowing limit of £216.585 million be set over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2022/23.

Note: Councillor English left the meeting between 9.24 p.m. and 9.26 p.m. and did not vote on the item.

157. AFFORDABLE HOUSING DELIVERY BY THE COUNCIL

The Director of Regeneration and Place introduced the report resulting from the '1000 Homes Initiative'. The proposed scheme would require the net investment of £200 million over a minimum 10-year period, taking place alongside the continued investment into the private rental sector and sale of housing properties.

It was highlighted that affordable housing was often provided through the use of Section 106 monies by registered providers. It was recommended that the Council focus on homes intended for affordable rent, being capped at the Local Housing Allowance, with a focus on town centre sites to align with the Council's ongoing development of the Town Centre Strategy.

The risks associated with the proposal were briefly outlined, alongside the importance of securing land opportunities, when possible, due to the lack of Council owned land and properties available for the initiative.

A further report on the initiative's corporate structure implications would be presented to the Committee at a later date.

In response to questions, the Director of Regeneration and Place confirmed that the proposed modest acquisition of Section 106 stock from developers would allow the Council to secure affordable housing properties that might otherwise be lost. Options for creating a Maidstone Housing Investment Fund had been included in the report to highlight the operational considerations in entering into the Affordable Housing market and to maximise the processes' transparency. It was suggested that the Council's assets would be subject to ongoing review for potential inclusion into the programme as it progressed, with the affordable homes delivered contributing to the government mandated housing needs figure.

In response to the consideration of whether to exclude certain sites from the proposal, the Director of Regeneration and Place advised that it would be difficult to rule out specific locations before the scheme's commencement.

The Committee expressed support for the proposal and noted the ambitious scope of and risks associated with the scheme. The importance of recognising further opportunities as the scheme progressed, such as partnership working, were highlighted.

RESOLVED:

That the following be noted:

1. The proposed capital spend of circa £200 million, net of any grant to build a portfolio of 1,000 Affordable Homes over the ten-year period commencing 1 April 2022 with individual schemes subject to approval by the Committee;
2. The preliminary officer advice and legal advice, provided as exempt Appendix 1 to the report, on the possible and likely corporate structure arrangements within which an affordable housing portfolio could be held once it passes 200 homes and that a further report on this matter, for decision, would be brought back to the Committee during the next financial year;
3. A bid for grant to Homes England via the Continuous Market Engagement route would be made in the coming months but subject to a further detailed decision by the Committee to approve any grant Funding Agreement offered by Homes England;
4. The Affordable Homes programme is proposed to be supplemented by further additional capital spend of circa £46.5 million in Private Rented Sector Housing, to build a further 200 such homes over the five-year period commencing 1 April 2022, with individual schemes subject to approval by the Committee;

5. The proposed Affordable Homes and Private Rented Sector programmes will be supplemented by investment in circa 60 Market Sale homes, via joint venture arrangements with incumbent scheme contractors, with individual schemes subject to approval by the Committee. As the capital programme for approval, proposed exposure will be capital spend of circa £22 million over the programme period;

That:

6. The scheme target hurdle rates for Affordable Housing and Private Rented Sector investments as being a positive Net Present Value and Internal Rate of Return of 4%, and that there will be cognisance of the challenges in respect of the likely cost/value ratio on some schemes, be agreed. The hurdles rates will be kept under review by the Director of Finance and Business Improvement and any changes will be dealt with through reporting on the capital strategy;
7. The likely viability gap per Affordable Housing homes developed which will equate to circa £1.7 million per 100 homes built, and that provision will be made by the Committee elsewhere in the Council's Medium-Term Financial Strategy to meet the viability shortfall, i.e. the creation of a Maidstone Housing Investment Fund, be noted;
8. All the Affordable Housing would be let as Affordable Rented Homes, with rents set at 80% of the prevailing market rent but capped at the Local Housing Allowance, be agreed;
9. The overall Development Strategy as set out in paragraphs 2.49 to 2.58 of the report, be agreed; and
10. The Affordable Homes delivery project be identified as a significant strategic project, within which all the decisions on the project be taken by the Committee.

Note: Councillor Purle left the meeting at 9.45 p.m.

158. EXEMPT APPENDIX 1 (AFFORDABLE HOUSING DELIVERY BY THE COUNCIL) - LEGAL ADVICE ON CORPORATE STRUCTURE OPTIONS.

RESOLVED: That Item 19 – Exempt Appendix 1 (Affordable Housing Delivery by the Council) – Legal advice on corporate structure options, be considered alongside Item 18 – Affordable Housing Delivery by the Council.

159. LONG MEETING

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

160. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information for the reason specified, having applied the public interest test:

Head of Schedule 12A and Brief Description

Item 20 – Temporary Car Park to serve Maidstone Innovation Centre	Paragraph 3 - Information relating to the financial or business affairs of an individual (including the authority holding that information)
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161. TEMPORARY CAR PARK TO SERVE MAIDSTONE INNOVATION CENTRE

The Head of Regeneration and Economic Development introduced the report and stated that additional car-parking facilities were required at Maidstone Innovation Centre. The carpark would be of a temporary nature.

The Innovation Centre had opened in December 2021 and the funding required was outlined.

The Committee expressed support for the proposal.

RESOLVED: That

1. An agreed sum be added to the capital programme to fund the costs of providing a temporary car park serving the Maidstone Innovation Zone;
2. The estimated costs and repayment plan set out in paragraph 2.10 of the report be agreed;
3. Delegated authority be given to the Head of Regeneration and Economic Development to undertake a procurement process for professional services and appoint these contracts in line with the Contract Procedure Rules and to submit a planning application for the car park;
4. Delegated authority be given to the Director of Finance and Business Improvement to award the contract to the successful bidder for the construction of the Temporary Car Park in line with the Contract Procedure Rules; and
5. Delegated authority be given to the Head of Mid Kent Legal Services to enter into contracts and any other necessary agreements for the construction of the Temporary Car Park.

162. MINUTES (PART II) OF THE MEETING HELD ON 24 NOVEMBER 2021

RESOLVED: That the Minutes (Part II) of the Meeting held on 24 November 2021 be considered alongside Item 8 – Minutes (Part I) of the Meeting held on 24 November 2021.

163. DURATION OF MEETING

6.30 p.m. to 10.25 p.m.

Note: The committee adjourned for a short break between 8.04 p.m. to 8.14 p.m.