

MAIDSTONE BOROUGH COUNCIL

OVERVIEW & SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 23 JANUARY 2024

Attendees:

Committee Members:	Councillors English (Chairman), Mrs Blackmore, Cannon, Clark, Cleator, Conyard, Eagle, Mrs Gooch, Hastie, Jeffery and Round
Cabinet Members:	Councillors Perry (Cabinet Member for Corporate Services.) and Russell (Cabinet Member for Communities, Leisure and Arts)
Visiting Members:	Councillors Harper and Naghi

49. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hinder and Thompson.

50. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Jeffery was present as Substitute Member for Councillor Thompson.

Note: Councillor Hastie arrived at 6.32 p.m.

51. URGENT ITEMS

The Chairman stated that there were three urgent updates to Item 16 – Archbishop’s Palace – Agreement for Lease which had been accepted as they contributed to the item’s consideration. The Chairman advised that the meeting would be adjourned for five minutes during the item to allow the updates to be read.

52. NOTIFICATION OF VISITING MEMBERS

Councillor Harper was present as a Visiting Member for Item 15 – Medium Term Financial Strategy – Capital Programme and Item 16 – Archbishop’s Palace – Agreement for Lease.

Councillor Naghi was present as a Visiting Member for Item 16 – Archbishop’s Palace – Agreement for Lease.

53. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

54. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

55. EXEMPT ITEMS

RESOLVED: That Item 17 - Exempt Appendix to Item 16 - Archbishop's Palace - Agreement for Lease, be taken in private due to the possible disclosure of exempt information for the reason specified having applied the public interest test.

56. MINUTES OF THE MEETING HELD ON 19 DECEMBER 2023

RESOLVED: That the Minutes of the meeting held on 19 December 2023 be approved as a correct record and signed.

57. PRESENTATION OF PETITIONS

There were no petitions.

58. QUESTION AND ANSWER SESSION FOR LOCAL RESIDENTS

There were no questions from Local Residents.

59. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members.

60. CABINET FORWARD PLAN

RESOLVED: That the Cabinet Forward Plan be noted.

61. COMMITTEE WORK PROGRAMME

In relation to the Integrated Transport Strategy (ITS) Review, the Chairman referenced the Local Plan Review Inspector's ongoing consultation on the technical aspects relating to the ITS Infrastructure Delivery Plan; he anticipated that a discussion on the review could still take place as timetabled, as the Inspector's consultation would not affect the major matters to be discussed as part of the review.

RESOLVED: That the Committee Work Programme be noted.

62. COMMITTEE REPORT - ENVIRONMENTAL AND WASTE CRIME ENFORCEMENT REVIEW

The Principal Democratic Services Officer introduced the report and stated that the changes requested at the previous meeting had been implemented, with the Committee asked to approve the report with any further amendments if required.

The Committee felt that recommendation 1 should be amended to specifically reference successful enforcement action taken by the Council and its partner organisations, and that the Council's stance on being willing and able to take appropriate enforcement action should be included in the report. The latter would be included in the introductory information of the Recommended Actions.

RESOLVED: That the report be agreed for submission to the Cabinet, subject to:

1. Recommendation 1 being amended to read:

To produce further communications via assorted media in respect of successful enforcement action taken by the Council and its partner organisations, including...'; and

2. The inclusion of the following wording in the introductory information of the 'Recommended Actions and Intended Outcomes' section:

It is important to highlight the Council's proactive stance in being willing and able to take the appropriate enforcement action where breaches occur.

Note: Councillor Cannon arrived at 6.42 p.m. and had no declarations of disclosures or lobbying.

63. MEDIUM TERM FINANCIAL STRATEGY – CAPITAL PROGRAMME

The Cabinet Member for Corporate Services introduced the item, which outlined the proposed Capital Programme over the next 10 year period and adhered strictly to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code. It was emphasised that the Council had to be responsible in using grant funding, such as the new homes bonus, to support the capital programme. Projects within the programme included investment into Maidstone House to meet climate change and biodiversity targets, with the areas that required the most funding included homelessness accommodation and the 1000 affordable homes programme.

The Committee were supportive of the proposed capital programme, noting the importance of a cautious approach to the budget setting process. Several Members commented that they were pleased with the proposed investments into the Waste Crime and Enforcement team and Maidstone House.

In response to a query, the Director of Finance, Resources and Business Improvement clarified that works to the cemetery would be within the existing boundaries; an extension was not required at this time.

RESOLVED to RECOMMEND to the CABINET: That

1. The capital strategy principles set out in paragraph 2.7 of the report, be agreed;
2. The capital funding projection set out in Appendix 2 to the report, be agreed;
3. The capital programme 2024/25 onwards as set out in Appendix 3 to the report, be agreed;
4. In agreeing recommendations 2 and 3 above the Committee will set a prudential borrowing limit of £369.1 million over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2024/25;

5. The Director of Finance, Resources and Business Improvement, in consultation with the Leader of the Council, be given delegated authority to review and give approval to the business case and related budget approval for the Biodiversity & Climate Change project related to the Maidstone House and Link as set out in paragraph 2.7 of the report.

64. ARCHBISHOP'S PALACE - AGREEMENT FOR LEASE

The Cabinet Member for Corporate Services introduced the item, emphasising the importance of finding a use for the historically significant site and recovering the running costs. A second tender exercise had taken place, following the withdrawal of Balfour Hospitality's proposal; three proposals were received, with one withdrawn. The proposed leaseholder was an experienced operator in running hotels and events, including weddings.

The proposal would include £1.5 million in expenditure from the Council, with the expected rate of return classed as good over the proposed 35 year lease term.

The Cabinet Member for Communities, Leisure and Arts explained that the tender exercise had cast a wide net and lasted between six to seven months, with discussions with Historic England referenced. It was emphasised that public access to the site would be retained, with any changes to the site to be considered by the Planning Committee as required. Feedback from the Corporate Services Policy Advisory Committee had included whether the dungeon and gatehouse could be separated; this could be looked into, with any investment required likely to lead to an uplift in the rental fee charged.

The Committee entered into closed session at 7.16 p.m. to discuss the information contained within the exempt appendix to the report.

RESOLVED: That the public be excluded from the meeting for the following item of business due to the likely disclosure of exempt information for the reasons specified having applied the public interest test.

Head of Schedule 12A and Brief Description

Item 17 - Exempt Appendix to	3 - Financial/Business Affairs
Item 16 - Archbishop's Palace - Agreement for Lease	

During the discussion, the Committee asked questions on conservation of the site, maintaining public access, the proposed tenant and contract terms, maintenance, and whether the dungeon and gatehouse would be considered under a separate lease.

In response:

The Director of Finance, Resources and Business Improvement stated that:

- The Council would not generate any rental income for the first six months of the lease but would save the £250k annual running cost of the building, and this has been built into the income generated over the lease length;

- The proposed tenant had over 20 years' experience, with assurances given that the type of lease proposed, including the break clause, was common within the Leisure and Hospitality industry. The Council's position would be assured through various mechanisms within the lease that were outlined to the Committee; and
- Consideration could be given to bringing the dungeon back into use, and if possible, this would lead to an uplift in the rent charged for the site.

The Interim Property Consultant outlined the extensive surveys conducted by the Council on the site's condition as part of the proposed programme of works and gave assurances that public access to the site would be maintained and included within the lease.

The Committee returned to open session at 8.13 p.m.

The Committee supported the proposal as it would bring the site back into use, with it felt that there were no other suitable options to pursue at the current time. Two additional recommendations were made to the Cabinet, including; to consult with the Council's Conservation Officers at an early stage concerning landscaping works given the site's grade listing, and to investigate issuing separate leases for the dungeon and gatehouse to bring those parts of the site back into use.

RESOLVED to RECOMMEND to the CABINET: That

1. Capital expenditure of £1.5 million, be agreed;
2. The Director of Finance, Resources and Business Improvement be given delegated authority to select and appoint professional advisers to obtain all relevant consents, enter into contracts for applicable services as necessary, and to enter into a conditional agreement for lease with the preferred tenant;
3. The Head of Legal Services be given delegated authority to negotiate and complete all necessary legal formalities for the agreement for lease and purchase of services as set out above;
4. The Head of Legal Services be given delegated authority, in consultation with the relevant Cabinet Member/s, to conduct further cost and benefit analysis of issuing separate leases for the dungeon and gatehouse; and
5. Advice be sought from the Council's conservation officers at an early stage of the proposal, in relation to the proposed landscaping.

65. DURATION OF MEETING

6.30 p.m. to 8.15 p.m.

Note: The Committee adjourned between 7.07 p.m. and 7.12 p.m.