

**Medway Council**  
**Meeting of Medway Council**  
**Thursday, 21 February 2013**  
**7.00pm to 10.35pm**

**Record of the meeting**

**Subject to approval as an accurate record at the next Full Council meeting**

**Present:** The Worshipful The Mayor of Medway (Councillor Hewett)  
The Deputy Mayor (Councillor Iles)  
Councillors Avey, Baker, Bowler, Brake, Bright, Carr,  
Mrs Diane Chambers, Rodney Chambers, Chitty, Colman,  
Cooper, Craven, Doe, Etheridge, Filmer, Gilry,  
Christine Godwin, Paul Godwin, Griffin, Griffiths, Adrian Gulvin,  
Pat Gulvin, Harriott, Hicks, Hubbard, Igwe, Irvine, Jarrett, Juby,  
Kearney, Kemp, Mackness, Maisey, Maple, Mason, Murray,  
O'Brien, Osborne, Price, Purdy, Rodberg, Royle, Shaw, Smith,  
Stamp, Tolhurst, Turpin, Watson, Wicks and Wildey

**In Attendance:** Neil Davies, Chief Executive  
Robin Cooper, Director of Regeneration, Community and  
Culture  
Mick Hayward, Chief Finance Officer  
Wayne Hemingway, Democratic Services Officer  
Richard Hicks, Assistant Director, Customer First, Leisure,  
Culture, Democracy and Governance  
Perry Holmes, Assistant Director Legal and Corporate  
Services/Monitoring Officer  
Julie Keith, Head of Democratic Services  
Barbara Peacock, Director of Children and Adults Services  
John Staples, Media Manager

**872 Apologies for absence**

Apologies for absence were received from Councillors Chishti, Clarke and Mackinlay.

**873 Declarations of disclosable pecuniary interests**

On advice from the Monitoring Officer, it was agreed that a personal and potentially financial interest be recorded in the minutes on behalf of any officers present affected by the proposals set out in agenda item 6 (Capital and Revenue Budgets 2013/2014).

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The Mayor reminded Members they had received clear advice from the Monitoring Officer about disclosable pecuniary interests in respect of agenda item 6 (Capital and Revenue Budgets 2013/2014).

Councillor Griffiths declared a disclosable pecuniary interest in agenda items 11 (Nelson Court and Robert Bean Lodge), 12 (Public Health – Transfer of Responsibilities) and 15 (Special Urgency Decisions), because he was a Non-Executive Director of Medway Community Healthcare Community Interest Company. He left the meeting from agenda item 11 onwards.

Councillor Griffiths also declared a disclosable pecuniary interest in agenda item 13 (Changes to the Constitution – Employee Code of Conduct) because his wife worked for Danecourt School.

### **874 Mayor's announcements**

Councillor Paul Godwin thanked Members for their messages of support following his recent heart attack.

The Mayor reminded Members that tickets were still available for the Masked Ball at the Corn Exchange on 27 April 2013.

The Mayor wished Members a happy chinese new year and thanked the Chinese Community for the spectacular parade they put on through Chatham High Street on Sunday 17 February 2013. This had put Medway on the map with 14 Mayors and District Chairmen attending from throughout Kent and London.

The Mayor proposed to suspend the Council Rule in respect of time limits on speeches in relation to agenda item 6 (Capital and Revenue Budgets 2013/2014) only, to allow one Member from each group to speak on the budget item for an unlimited time. The normal time limits would then apply. This was agreed.

The Mayor reminded Members that a written copy of amendments to any proposals must be provided to the Head of Democratic Services and that copies should be brought up to the top table first.

### **875 Leader's announcements**

There were none.

### **876 Capital and Revenue Budgets 2013/2014**

#### **Discussion:**

This report presented proposals for the capital and revenue budgets and the housing revenue account (HRA) for 2013/2014. The Cabinet had considered initial budget proposals on 27 November 2012, which had been developed in

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accordance with the principles set out in the Medium Term Financial Plan (MTFP) 2013/2016.

Announcements subsequent to the MTFP amended several of the key assumptions underpinning the MTFP, particularly for council tax, Local Authority Central Spend Equivalent Grant (LACSEG), Early Intervention Grant (EIG) and the baseline figures for the re-distribution of business rates (NNDR). These resulted in a marked deterioration of the position and the draft budget considered by Cabinet on 27 November 2012 showed an £11.950 million gap. The report detailed how the draft budget had been constructed, in light of the final financial settlement which had been announced on 4 February 2013.

The report set out the requirements under equality legislation and a diversity impact assessment, that aggregated the impact of reductions in funding to services, was attached at Appendix 9 to the report.

Appendix 2 to the report had been circulated to Members in Supplementary Agenda No.1. An addendum report had been tabled at the meeting in Supplementary Agenda No.2 which provided details of the outcome of discussions at the Employment Matters Committee on 19 February 2013 regarding pay negotiations, further advice on the schedule of precept dates and clarification on the title of Kent Police.

Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, stated that the unspecified savings in table 10 of the report (£589,000) would be met from areas of service supported by the Early Intervention Grant (EIG) (£400,000) and overheads charged to Public Health (£303,000), which would leave headroom of £114,000, to which £16,000 would be added from a surplus on the levies budget.

Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, during his budget speech, set out a number of additional initiatives and sources of funding:

- SEN Provision (Disposal of Inspiration Centre)
- South Medway Development Fund (Reserves)
- Disabled Facilities Grants (Public Health reserve)
- Strood Regeneration (Reserves)
- Children's Social Care (Reserves)
- Sporting Legacy (Public Health reserve)
- Highways and pavements (Treasury Management)
- Staff payment (Severance reserve)
- Tourism bus (headroom of £130,000 set out above)
- Music festival (headroom of £130,000 set out above)
- River festival (headroom of £130,000 set out above)
- Armed forces day (headroom of £130,000 set out above)
- Transitional payment to Medway Youth Trust (Reserves)
- Sport and health initiatives (Public Health Grant).

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Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, supported by Councillor Rodney Chambers, Leader, proposed the recommendations in the main report, with the exception of recommendations 22.2, 22.5, 22.12 and 22.13 which were set out in the addendum report and the following written additions to the capital and revenue budgets:

### **Budget Additions**

#### **Capital**

£

#### **Funded as set out earlier**

SEN provision	1,000,000
South Medway Development Fund	5,000,000
Disabled Facilities Grants	300,000
Strood Regeneration	300,000

#### **Revenue**

#### **Funded as set out earlier**

Children's Social Care	350,000 – 2 year funding
Sporting Legacy	245,000
Highways and pavements	480,000 – recurring
Staff payment	300,000
Tourism bus	30,000 – recurring
Music festival	50,000 – recurring
River festival	30,000 – recurring
Armed Forces day	20,000 – recurring
Transitional payment to Medway Youth Trust	75,000
Sport and health initiatives	155,000 – recurring
• Cycling Medway Mile	37,000
• Swimming Medway Mile	35,000
• Return to exercise	20,000
• Dance School	17,000
• Community Hub Clubs	12,000
• Mums and Toddlers Clubs	12,000
• Community Inclusion Clubs	12,000
• Plus Clubs	10,000

#### **Total new investment in Medway**

£

Capital	6,600,000
Non recurring revenue	970,000
Recurring revenue	765,000
Total new investment	8,260,000

During subsequent debate, the Portfolio Holder for Finance and Deputy Leader confirmed that the following parts of the additions should read as follows:

#### **Capital**

£

Disabled Facilities Grants	250,000
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#### **Total new investment in Medway**

£

Capital	6,550,000
Total new investment	8,285,000

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The Chief Executive advised that the revised figures were correct and that the Council could proceed to vote on the proposed budget for 2013/2014. This was confirmed by the Monitoring Officer.

In accordance with rule 11.4 of the Council Rules at the request of six Members, a recorded vote on the proposals was requested.

With reference to the corrections required to the budget additions tabled at the meeting and moved by Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, Councillor Maple, Leader of the Labour Group, stated that the Labour Group would not participate in the recorded vote.

For – Councillors Avey, Baker, Brake, Bright, Carr, Mrs Diane Chambers, Rodney Chambers, Chitty, Doe, Etheridge, Filmer, Griffin, Adrian Gulvin, Pat Gulvin, the Worshipful the Mayor (Councillor Hewett), Hicks, the Deputy Mayor (Councillor Iles), Irvine, Jarrett, Kemp, Mackness, Maisey, Mason, O'Brien, Purdy, Rodberg, Royle, Smith, Tolhurst, Turpin, Watson, Wicks and Wildey (33)

Against – Councillors Cooper, Juby, Kearney and Stamp (4)

Abstain – (0)

### Decision:

- (a) The Council approved the capital budget proposals as set out in Appendix 1 to the report with the following additions:

SEN provision	£1,000,000
South Medway Development Fund	£5,000,000
Disabled Facilities Grants	£250,000
Strood Regeneration	£300,000

- (b) The Council approved the general fund gross, income and net revenue estimates as summarised in Table 11 in the report and detailed in Appendix 2 to the report in the sum of £348.511 million with the following additions:

Children's Social Care	£350,000 – 2 year funding
Sporting Legacy	£245,000
Highways and pavements	£480,000 – recurring
Staff payment	£300,000
Tourism bus	£30,000 – recurring
Music festival	£50,000 – recurring
River festival	£30,000 – recurring
Armed Forces day	£20,000 – recurring
Transitional payment to Medway Youth Trust	£75,000
Sport and health initiatives	£155,000 – recurring
• Cycling Medway Mile	£37,000
• Swimming Medway Mile	£35,000

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• Return to exercise	£20,000
• Dance School	£17,000
• Community Hub Clubs	£12,000
• Mums and Toddlers Clubs	£12,000
• Community Inclusion Clubs	£12,000
• Plus Clubs	£10,000

- (c) The Council noted the Police and Crime Commissioner for Kent precept requirement.
- (d) The Council noted the Kent Fire and Rescue Service precept requirement.
- (e) The Council noted the parish council precept requirements of £348,278 as detailed in Appendix 6 to the report.
- (f) The Council agreed to delegate authority to the Chief Finance Officer to agree the final schedule of precept installment dates.
- (g) The Council approved the basic rate of council tax at band D for 2012/2013, before adding the police, fire and parish precepts, at £1,141.47.
- (h) The Council approved the earmarking of reserves as set out at section 12 of the report including the creation of a South Medway Development Fund of £5 million created from the revenue balance currently at £10 million.
- (i) The Council approved, as part of the budget proposals, fees and charges, as recommended by Cabinet and set out in the booklet 'Medway Council - Fees and Charges April 2013' as set out in Appendix 8 to the report.
- (j) The Council approved the following with regard to the Housing Revenue Account:
- (i) The budget proposed as summarised at Appendix 3 to the report;
  - (ii) The proposed increase in rents as set out at Appendix 4 to the report;
  - (iii) The proposed service charges as set out at Appendix 5 to the report; and
  - (iv) That garage rents are increased by 2.6% from 1 April 2013.
- (k) The Council adopted the formal resolution for the council tax requirement and schedule of council tax charges for 2013/2014 as set out in Appendix 7 to this report and incorporated the amendments made above, such that paragraph 3(a), Appendix 7 becomes £548,152,278 and paragraph 3(b), Appendix 7, becomes 460,239,154; all other parts of the resolution remain as set out in Appendix 7 to the report.
- (l) The Council noted the findings of the Diversity Impact Assessments as set out in the report and at Appendix 9, and the proposal to continue, where necessary, to report through quarterly monitoring any further unidentified or unintentional impact.
- (m) The Council noted the discussions so far and the consultations responses in respect of the proposals to come out of the national agreements for pay and terms and conditions.

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- (n) The Council agreed to the collective agreement attached at Appendix 10B to the addendum report, on the basis that agreement has been reached with the majority of trade unions to come out of the national agreement for all non school staff apart from Soulbury staff.

### **877 Council Plan 2013/2015**

#### **Discussion:**

This report provided details of the Council Plan 2013-2015. The plan had been developed by taking into account the national background both in terms of funding and policy developments whilst noting that Council continued to provide good services to local residents as evidenced by the recent Citizens Panel.

The Business Support Overview and Scrutiny Committee considered this report on 7 February 2013 and the views of the Committee were set out in paragraph 5 of the report. The Cabinet had considered this report on 12 February 2013 and its recommendations to Council were set out in paragraph 6 of the report.

It was noted that a Diversity Impact Assessment screening had been undertaken on the draft plan. Officers would continue to assess and monitor the plan throughout its life, to ensure compliance with all statutory requirements.

Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, supported by Councillor Rodney Chambers, Leader of the Council, proposed the recommendations set out in the report.

#### **Decision:**

- (a) The Council approved the Council Plan 2013-2015 (Appendix 1 to the report), and the 2013-14 Target Planning document (Appendix 2 to the report) as part of the Council's Policy Framework and agreed that a measure indicating outcomes achieved for children be added later to the Council Plan.
- (b) The Council agreed to delegate authority to the Chief Executive, in consultation with the Deputy Leader who is portfolio holder for performance and business planning, to deal with any necessary changes to align the plan to the agreed budget.

### **878 Treasury Management Strategy 2013/2014**

#### **Discussion:**

This report presented the Council's Treasury Management Strategy for 2013/2014. The strategy incorporated the Treasury Management Policy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy.

The annual presentation of a Treasury Management Strategy was a requirement under the CIPFA Code of Practice on Treasury Management,

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adopted by the Council on 25 February 2010. It covered the various aspects of the treasury management function and was based on the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Sector.

The Business Support Overview and Scrutiny Committee considered this report on 7 February 2013 and its views were set out in paragraph 15 of the report. The Cabinet considered this report on 12 February 2013 and its recommendation to Council was set out in paragraph 16 of the report.

A Diversity Impact Assessment screening had been undertaken and was set out in Appendix 7 to the report. It was not necessary to proceed to a full impact assessment. It was noted that the Treasury Management Strategy did not directly impact on members of the public as it dealt with the management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, supported by Councillor Rodney Chambers, Leader of the Council, proposed the recommendations, as set out in the report.

### **Decision:**

- (a) The Council agreed to increase the operational boundary and authorised limit to £4,000,000 and £4,400,000 respectively for other long term liabilities for 2012/2013, as set out in paragraph 3.8 of the report.
- (b) The Council approved the Treasury Management Strategy and associated policies and strategy statements as attached in Appendices 1-6 to the report.

## **879 Pay Policy Statement 2013/2014**

### **Discussion:**

This report provided details of the Pay Policy Statement, as required under section 38(1) of the Localism Act 2011. The statement covered the remuneration of the Chief Executive, Directors, Monitoring Officer, Section 151 Officer and Assistant Directors, the remuneration of lowest paid officers, the relationship between the two, and the Council's pay policies.

A Diversity Impact Assessment screening had been undertaken and was set out in Appendix 2 to the report. The screening process did not highlight any significant adverse impact to any of the protected characteristics under the Equality Act 2010 other than "age" which the council is already taking positive action to remedy.

The Employment Matters Committee considered this report on 19 February 2013 and its views were set out in an addendum report, tabled at the meeting.



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Councillor Carr, Chairman of the Employment Matters Committee, supported by Councillor Adrian Gulvin, proposed the recommendations as set out in the addendum report.

### Decision:

- (a) The Council agreed the Pay Policy Statement 2013/2014 as set out in Appendix 1 to the report.
- (b) The Council agreed that future Pay Policy Statements include comparative information in respect of the relationship between upper and lower paid staff.

### 880 Chatham Waterfront: Growing Places Fund

#### Discussion:

This report sought approval for the addition of £2.999m to the capital programme, to deliver land assembly, flood mitigation measures and the creation of public space at the Chatham Waterfront development, funded through an interest free loan via the South East Growing Places Fund. The Cabinet considered this report on 12 February 2013 and its views were set out in paragraph 7 of the report.

Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, supported by Councillor Rodney Chambers, Leader, proposed the recommendations set out in the report.

#### Decision:

- (a) The Council approved the proposed investment of £2,999,000 Growing Places Finance, with the loan being repaid at the end of the 7-year period with future capital receipts being used to pay off the Growing Places Finance debt.
- (b) The Council agreed to enter into a loan agreement with Essex County Council, as accountable body for Growing Places Funding.

### 881 Nelson Court and Robert Bean Lodge

#### Discussion:

This report sought approval to sell Nelson Court and Robert Bean Lodge following Cabinet's decision, on 12 February 2013, to award the contract for the outsourcing of Robert Bean Lodge and Nelson Court to the Agincare Group.

Councillor Brake, Portfolio Holder for Adult Services, supported by Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, proposed the recommendation set out in the report.

**Decision:**

The Council agreed to delegate authority to the Assistant Director, Adult Social Care, in consultation with the Portfolio Holders for Finance and Adult Services, Assistant Director of Legal and Corporate Services and the Chief Finance Officer, to dispose of Nelson Court and Robert Bean Lodge.

**882 Public Health - Transfer of Responsibilities**

**Discussion:**

This report provided details of the transfer of responsibilities for certain public health functions to the Council and sought approval to make the necessary changes to the Constitution. The Health and Social Care Act 2012 was due to statutorily transfer to the Council functions relating to public health with effect from the 1 April 2013. This would follow a period of transition that had seen Primary Care Trust (PCT) staff working from Gun Wharf in preparation for the transfer.

Councillor Brake, Portfolio Holder for Adult Services, supported by Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, proposed the recommendation set out in the report.

Councillor Murray, supported by Councillor Maple, proposed an amendment to the recommendation:

**Add new 7.2**

This Council agrees that from 1 April 2013:

- (i) Where council reports currently include financial, legal and risk assessment implications, this will now include the issue of public health implications
- (ii) Where change in service delivery or other significant change in council activity or policy currently requires a Diversity Impact Assessment, there will also be a requirement for a Public Health Impact Assessment.

On being put to the vote, the amendment was lost.

**Decision:**

The Council agreed the amendments to the Constitution as set out in Appendix 1 to the report with effect from 1 April 2013 and subject to the formal transfer of these Public Health responsibilities for the Council.

**883 Changes to the Constitution - Employee Code of Conduct**

**Discussion:**

This report sought approval to amend the Constitution in respect of the Employee Code of Conduct following initial consideration by the Audit Committee and the Employment Matters Committee with regards to an irregularity investigation.

Councillor Carr, Chairman of the Employment Matters Committee, supported by Councillor Adrian Gulvin, proposed the recommendation set out in the report.

**Decision:**

The Council agreed the amended Employee Code of Conduct as set out in Appendix A to the report.

**884 Appointments to Children and Young People Overview and Scrutiny Committee**

**Discussion:**

This report sought approval to appoint a new representative of the Medway Governors Association (MGA) and a named MGA substitute to the Children and Young People Overview and Scrutiny Committee as non-voting co-optees.

Councillor Royle, Chairman of the Children and Young People Overview and Scrutiny Committee, supported by Councillor Wicks, Portfolio Holder for Children's Services, proposed the recommendations set out in the report.

**Decision:**

- (a) The Council appointed Adrian Cole as the Medway Governor's Association representative on the Children and Young People Overview and Scrutiny Committee in a non-voting capacity.
- (b) The Council appointed Patricia Daniels as the named substitute for the representative of the Medway Governor's Association on the Children and Young People Overview and Scrutiny Committee.

**885 Special Urgency Decisions**

**Discussion:**

This report provided details of a decision taken by the Cabinet on 12 February 2013 under the special urgency provisions contained within the Constitution (Gateway 3 Contract Award: Outsourcing of Linked Service Centres – Nelson Court and Robert Bean Lodge).

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Councillor Rodney Chambers, Leader, supported by Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, proposed the recommendation in the report.

### **Decision:**

The Council noted the report.

## **886 Proposals for the Inspiration Centre at Strood Academy**

### **Discussion:**

This report provided details of the current position regarding the proposals for the Inspiration Centre and sought authority to dispose of the Council's interest to the Strood Academy.

An exempt appendix advised of Strood Academy's financial offer to acquire the Council's interest in the Centre.

Councillor Wicks, Portfolio Holder for Children's Services, supported by Councillor Jarrett, Portfolio Holder for Finance and Deputy Leader, proposed the recommendations set out in the report.

### **Decision:**

- (a) The Council approved Strood Academy's proposal as set out in this report.
- (b) The Council agreed to declare the Council's interest in the Inspiration Centre at Strood Academy surplus to requirements and delegated authority to the Assistant Director, Legal and Corporate Services in consultation with Portfolio Holder for Finance to finalise the detailed negotiations and dispose of its interest in the Centre.

## **Mayor**

### **Date:**

## **Julie Keith, Head of Democratic Services**

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