

**Medway Council**  
**Meeting of Medway Council**  
**Thursday, 26 February 2015**  
**7.00pm to 10.40pm**

**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 Kemp)  
The Deputy Mayor (Councillor Maisey)  
Councillors Avey, Baker, Bowler, Brake, Bright, Carr,  
Mrs Diane Chambers, Rodney Chambers, OBE, Chishti, Chitty,  
Craven, Filmer, Gilry, Christine Godwin, Paul Godwin, Griffin,  
Griffiths, Adrian Gulvin, Pat Gulvin, Harriott, Hewett, Hicks,  
Hubbard, Igwe, Iles, Irvine, Jarrett, Juby, Mackness, Maple,  
Murray, O'Brien, Osborne, Price, Purdy, Rodberg, Royle, Shaw,  
Smith, Stamp, Tolhurst, Turpin, 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, Deputy Director, Customer Contact, Leisure,  
Culture, Democracy and Governance  
Perry Holmes, Assistant Director, Legal and Corporate  
Services/Monitoring Officer  
Julie Keith, Head of Democratic Services  
Tricia Palmer, Assistant Director, Organisational Services  
Barbara Peacock, Director of Children and Adults Services  
Phil Watts, Chief Finance Officer Designate

**786 Record of meeting**

The record of the meeting held on 22 January 2015 was agreed and signed by the Mayor as correct.

**787 Apologies for absence**

Apologies for absence were received from Councillors Clarke, Colman, Cooper, Doe, Etheridge, Kearney, Mackinlay, Mason and Watson.

**788 Declarations of disclosable pecuniary interests and other interests**

Disclosable pecuniary interests

Councillor Griffiths declared a disclosable pecuniary interest in agenda item 6 (Capital and Revenue Budgets 2015/2016) because he was a Non-Executive Director, Medway Community Healthcare (MCH), Community Interest Company and stated that he would leave the meeting should there be any discussion regarding MCH.

Other interests

Councillor Price declared an interest in agenda item 6 (Capital and Revenue Budgets 2015/2016) with regard to the Health and Lifestyle Trainers Service because he was the Chairman of the Sunlight Development Trust. He left the meeting during discussion of this issue.

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 2014/2015).

**789 Mayor's announcements**

The Mayor welcomed several members of the National and Provincial Assemblies of Pakistan who were visiting the UK as part of Constituency Outreach Study Mission organised by the International Republican Institute to the meeting.

The Mayor informed Members that that there were two Mayoral events coming up to raise funds for his supported Charities:

- Big Band dinner and dance at the Corn Exchange – 14 March 2015
- Charity Chinese evening at Confucius Restaurant – 21 April 2015.

The Mayor, on behalf of all Members, wished Councillor Kearney, who was currently in hospital, a speedy recovery.

The Mayor proposed to suspend Council Rule 11 (Rules of Debate) in respect of time limits on speeches in relation to agenda item 6 (Capital and Revenue Budgets 2015/2016) 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.

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### 790 Leader's announcements

The Leader of the Council, Councillor Rodney Chambers OBE, paid tribute to the Chief Finance Officer, Mick Hayward, who was retiring on 27 February 2015. The Leader provided a number of highlights of Mick Hayward's career noting that he had joined Gillingham Borough Council in 1989, subsequently joining the newly formed Medway Council from its inception in 1998 where he had held a number of senior finance positions. He thanked, on behalf of all Members, Mick for his service and he was presented with a token of appreciation.

Councillors Griffiths, Juby, Harriott and Chishti also paid tribute to Mick Hayward for his service to Gillingham Borough Council and Medway Council.

### 791 Capital and Revenue Budgets 2015/2016

#### Discussion:

This report presented proposals for the capital and revenue budgets and the Housing Revenue Account (HRA) for 2015/2016.

The Cabinet had considered initial budget proposals on 2 December 2014, which had been developed in accordance with the principles set out in the Medium Term Financial Plan (MTFP) 2014/2018. In accordance with the budget and policy framework rules within the Constitution the Overview and Scrutiny Committees had then considered the Cabinet's proposals prior to Cabinet's consideration of the draft budget on 10 February 2015. It was noted that the report had incorporated the implications of the Final Settlement, which had been announced on 3 February 2015.

In setting its budget, the Council was exercising a public function and must therefore comply with the duties in section 149 Equality Act 2010 to have 'due regard' to the matters set out in that section. As such, a Diversity Impact Assessment was attached at Appendix 13 to the report. This was an overarching report containing a summary of the results of the Diversity Impact Assessments which had been completed for each of the services affected by the proposed budget changes.

Appendix 12 to the report (Fees and Charges) was set out in Supplementary Agenda No.1.

The Deputy Leader and Portfolio Holder for Finance, Councillor Jarrett, supported by the Leader of the Council, Councillor Rodney Chambers OBE, proposed the recommendations in the report with the exceptions of recommendations 22.2 and 22.3 which were revised to reflect the following variations as follows:

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	<b>£000s</b>
Budget Surplus	90
Saving ex A2 Dominion car park lease	80
<b>Revenue saving</b>	<b>170</b>
<b>Deployed:</b>	
Additional homeless provision	20
Reduce Youth Review savings target	150
<b>Revenue cost</b>	<b>170</b>
Other initiatives	
<b>Utilise £5m South Medway Reserve for:</b>	
Match funding 2 bids of £20m each @ 10% (LED lighting and Medway Tunnel improvements bids)	4,000
<b>Remaining £1m allocated:</b>	
Play Area refurbishment	100
WIF (Ward Improvement Fund) add back £1,000 per Councillor	55
Fuse Festival (subject to the receipt of £40,000 funding from the Arts Council)	45
Rochester Castle Siege	50
Dickens Country Initiative	50
Library books	100
Community Hub programme	100
Pothole repairs	200
Road schemes	300
	<b>1,000</b>
<b>Ex Public Health Reserve</b>	
Outdoor Gym project	100
<b>Use of Reserves</b>	<b>5,100</b>
<b>Reallocation of Grant Income</b>	
Chatham LGF (Local Growth Fund) – Chatham Railway Station refurbishment	700
Strood Town Centre LGF (Local Growth Fund) – Strood Railway Station refurbishment	1,250
	<b>1,950</b>

Councillor Maple, supported by Councillor Murray, proposed the following amendment:

1. Additional £217,000 to Medway Council employees to fund a living wage to be funded by reducing the Councillor Special Responsibility Allowance budget by £11,000; utilising £90,000 of unallocated DCLG grant funding;

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utilising an additional £66,000 brought about by utility bill savings and £50,000 additional income from Category Management.

2. Allocate the £800,000 provision to fund a 1% pay increase across all relevant staff.
3. Additional £200,000 to increase apprenticeship incentives offered to local employers to be funded by reducing the South Medway Development Fund by a non-recurring £200,000.
4. Additional £80,000 to retain EU project staff until October 2015 to be funded by reducing the South Medway Development Fund by a non-recurring £80,000.
5. Additional £115,000 to reinstate the FUSE Festival for 2015 to be funded by reducing the South Medway Development Fund by a non-recurring £115,000.
6. Additional £20,000 to set up a Council run Social Letting Agency to be funded by reducing the South Medway Development Fund by a non-recurring £20,000.
7. Additional £3,000,000 for local pavements and roads maintenance to be funded by reducing the South Medway Development Fund by a non-recurring £3,000,000.
8. Additional £150,000 to create peripatetic team of Health and Lifestyle Trainers to be funded from the Public Health Grant reserve.
9. Additional £35,000 to continue the service at the Sunlight Centre to be funded from the Public Health Grant reserve.
10. Additional £25,000 to set up a Community Energy Switch Scheme to be funded by reducing the South Medway Development Fund by a non-recurring £25,000.

In accordance with rule 12.5 of the Council Rules a recorded vote on the amendment was taken.

For – Councillors Bowler, Craven, Gilry, Christine Godwin, Paul Godwin, Griffiths, Harriott, Hubbard, Igwe, Juby, Maple, Murray, Osborne, Shaw, Smith and Stamp (16)

Against – Councillors Avey, Baker, Brake, Bright, Carr, Mrs Diane Chambers, Rodney Chambers OBE, Chishti, Chitty, Filmer, Griffin, Adrian Gulvin, Pat Gulvin, Hewett, Hicks, Iles, Irvine, Jarrett, The Worshipful The Mayor, Councillor Kemp, Mackness, The Deputy Mayor, Councillor Maisey, O'Brien, Purdy, Rodberg, Royle, Tolhurst, Turpin, Wicks and Wildey (29)

Abstain – (0)

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Councillor Juby, supported by Councillor Smith, proposed the following amendment:

Table 10 in the report shows that there is £90,000 to spend from the revenue budget, and I would recommend the following uses for this:

1. Not raising residents parking charges from £25 to £26 (Cost £19,000) until after the Council has carried out the parking reviews which the public has been asking for since 2002.
2. Not raising visitors parking permits from £31 to £32 (cost £19,000).

### Capital Budget

1. Using the £4.4 million which we no longer need for Rochester Airport.
2. £80,000 for a new play area in Gillingham Park.
3. £1.3 million to be spent of road repairs to include Adelaide Road, Trafalgar Street and Milton Road in Gillingham South Ward. The rest to be spent across the authority.
4. £3 million plus another £1 million from reserves for a river wall at the Civic Centre site in Strood so that this can be redeveloped, preferably for housing.

In accordance with rule 12.5 of the Council Rules a recorded vote on the amendment was taken.

For – Councillors Juby and Smith (2)

Against – Councillors Avey, Baker, Bowler, Brake, Bright, Carr, Mrs Diane Chambers, Rodney Chambers OBE, Chishti, Chitty, Craven, Filmer, Gilry, Christine Godwin, Paul Godwin, Griffin, Griffiths, Adrian Gulvin, Pat Gulvin, Harriott, Hewett, Hicks, Hubbard, Igwe, Iles, Irvine, Jarrett, The Worshipful The Mayor, Councillor Kemp, Mackness, The Deputy Mayor, Councillor Maisey, Maple, Murray, O'Brien, Osborne, Price, Purdy, Rodberg, Royle, Shaw, Stamp, Tolhurst, Turpin, Wicks and Wildey (44)

Abstain – (0)

In accordance with rule 12.5 of the Council Rules a recorded vote on the substantive motion was taken.

For – Councillors Avey, Baker, Brake, Bright, Carr, Mrs Diane Chambers, Rodney Chambers OBE, Chishti, Chitty, Filmer, Griffin, Adrian Gulvin, Pat Gulvin, Hewett, Hicks, Iles, Jarrett, Juby, The Worshipful The Mayor, Councillor Kemp, Mackness, The Deputy Mayor, Councillor Maisey, O'Brien, Purdy, Rodberg, Royle, Smith, Tolhurst, Turpin, Wicks and Wildey (30)

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Against – Councillors Bowler, Craven, Gilry, Christine Godwin, Paul Godwin, Griffiths, Harriott, Hubbard, Igwe, Maple, Murray, Osborne, Price, Shaw and Stamp (15)

Abstain – Councillor Irvine (1)

### Decision:

- (a) The Council agreed the recommendations of Employment Matters Committee on 28 January 2015 regarding the proposals for a pay award as set out at paragraph 8.4 in the report.
- (b) The Council approved the capital budget proposals as set out in Appendix 1 to the report.
- (c) The Council approved the general fund gross, income and net revenue estimates as summarised in Table 10 and detailed in Appendix 2 in the sum of £318.379 million as amended by the following:

	<b>£000s</b>
Budget Surplus	90
Saving ex A2 Dominion car park lease	80
<b>Revenue saving</b>	<b>170</b>
<b>Deployed:</b>	
Additional homeless provision	20
Reduce Youth Review savings target	150
<b>Revenue cost</b>	<b>170</b>
Other initiatives	
<b>Utilise £5m South Medway Reserve for:</b>	
Match funding 2 bids of £20m each @ 10% (LED lighting and Medway Tunnel improvements bids)	4,000
<b>Remaining £1m allocated:</b>	
Play Area refurbishment	100
WIF (Ward Improvement Fund) add back £1,000 per Councillor	55
Fuse Festival (subject to the receipt of £40,000 funding from the Arts Council)	45
Rochester Castle Siege	50
Dickens Country Initiative	50
Library books	100
Community Hub programme	100
Pothole repairs	200

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Road schemes	300
	<b>1,000</b>
<b>Ex Public Health Reserve</b>	
Outdoor Gym project	100
<b>Use of Reserves</b>	<b>5,100</b>
<b>Reallocation of Grant Income</b>	
Chatham LGF (Local Growth Fund) – Chatham Railway Station refurbishment	700
Strood Town Centre LGF (Local Growth Fund) – Strood Railway Station refurbishment	1,250
	<b>1,950</b>

- (d) The Council noted the Kent Police and Crime Commissioner's precept requirement.
- (e) The Council noted the Kent Fire and Rescue Service precept requirement.
- (f) The Council noted the parish council precept requirements of £366,466 as detailed at Appendix 10 to the report.
- (g) The Council agreed the schedule of precept instalment dates as set out in section 15 of the report.
- (h) The Council approved the basic rate of Council Tax at band D for 2015/2016, before adding the police, fire and parish precepts, at £1,187.46.
- (i) The Council, as part of the budget proposals, approved fees and charges, as recommended by Cabinet and set out in the booklet 'Medway Council - Fees and Charges April 2015' as set out in Appendix 12 to the report.
- (j) The Council agreed the recommendations set out in paragraph 14.3 of the report with regard to the Housing Revenue Account and detailed in the following appendices:
- The budget proposed as summarised at Appendix 6 to the report;
  - The proposed increase in rents as set out at Appendix 7 to the report;
  - The proposed increase in garage rents as set out in Appendix 8 to the report; and
  - the proposed service charges as set out at Appendix 9 to the report.
- (k) The Council adopted the formal resolution for the council tax requirement and schedule of council tax charges for 2015/16 as set out in Appendix 11 to the report and incorporated the amendments made above, such that paragraph 3(a), Appendix 11 becomes £516,879,466 and paragraph 3(b),

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Appendix 11, becomes £421,263,509; all other parts of the resolution remain as set out in Appendix 11 to the report.

- (l) The Council noted the findings of the Diversity Impact Assessment as set out at Appendix 13 to the report, and the proposal to continue, where necessary, to report through quarterly monitoring any further unidentified or unintentional impact.
- (m) The Council approved a delegation to the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, to make adjustments to directorate budgets as the identification of the Corporate savings targets occur.

### **792 Treasury Management: Strategy Statement and Annual Investment Strategy 2015/2016 and Mid-Year Review Report 2014/2015**

#### **Discussion:**

This report provided details of the mid-year review of the Treasury Management Strategy 2014/15 and the Council's Treasury Management Strategy for the 2015/16.

The mid-year report element of this report had been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covered the following:

- An economic update for the first six months of 2014/15
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy
- A review of the Council's investment portfolio for 2014/15
- A review of the Council's borrowing strategy for 2014/15
- A review of any debt rescheduling undertaken during 2014/15
- A review of compliance with Treasury and Prudential Limits for 2014/15.

The prudential and treasury indicators and treasury strategy sections of the report covered two main areas:

#### Capital issues

- The capital plans and the prudential indicators
- The minimum revenue (MRP) policy.

#### Treasury management issues

- The current treasury position
- Treasury indicators which limit the treasury risk and activities of the Council
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- The investment strategy

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- Creditworthiness policy
- Policy on use of external service providers.

These elements covered the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Communities and Local Government Guidance on Minimum Revenue Position (CLG MRP Guidance), the CIPFA Treasury Management Code and CLG Investment Guidance.

The Audit Committee and Cabinet considered this report on 15 January 2015 and 10 February 2015 respectively and their comments were set out in paragraphs 7 and 8 of the report.

Appendices 1-9 were set out in Supplementary Agenda No.1.

A Diversity Impact Assessment had been undertaken on the Treasury Management Strategy, details of which were included at Appendix 9 to the report.

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

### **Decision:**

- (a) The Council noted the comments of the Audit Committee and the Cabinet.
- (b) The Council noted the mid-year review of the Treasury Management Strategy 2014/15, as set out in section 3 of the report.
- (c) The Council approved the Treasury Management Strategy and associated policies and strategy statements as set out in section 4 and Appendices 1-6 to the report.

## **793 Refresh of Council Plan Performance Indicators 2015/2016**

### **Discussion:**

This report provided details of the Council Plan which was the organisation's overarching business plan, setting out the Council's commitments to achieving certain outcomes during the life of the Plan. Following feedback from Members and officers, it was proposed that the current plan would be extended into 2015-16. Moving forward it was the intention to develop a new medium term strategic plan in 2015-16 to replace the extended 2013-15 version.

The Business Support Overview and Scrutiny Committee and Cabinet considered this report on 3 February 2015 and 10 February 2015 respectively and their comments were set out in paragraphs 6 and 7 of the report.

A Diversity Impact Assessment of the refreshed Council Plan indicators had been prepared with the report, in line with the Council's established procedure

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for new strategic documents, as set out in Appendix 5 to the report. This had not identified any adverse impact on residents with protected characteristics based on the proposed changes to Council Plans key projects and indicator suite.

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

### **Decision:**

- (a) The Council agreed the revised Council Plan 2014-2015 Indicators (Appendix 1 to the report) and the Target Profile document (Appendix 2 to the report).
- (b) The Council agreed to delegate to the Chief Executive, in consultation with the Deputy Leader and Portfolio Holder for Finance, authority to deal with any necessary changes to align the Plan to the agreed budget, including any updates required to the Council Plan document.

## **794 Pay Policy Statement 2015/2016**

### **Discussion:**

This report provided details of the Pay Policy Statement for the financial year 2015/2016 in accordance with the Localism Act 2011. It was noted that the pay policy statement must be approved by a resolution of Full Council before it comes into force and had to be prepared and approved before 31 March 2015 for the following financial year.

A Diversity Impact Assessment (DIA) screening, as set out in Appendix 2 to the report, had been undertaken on the Statement and it is considered that a full DIA was not required.

The Chairman of the Employment Matters Committee, Councillor Wicks, supported by the Deputy Leader and Portfolio Holder for Finance, Councillor Jarrett, proposed the recommendation in the report.

### **Decision:**

The Council agreed the Pay Policy Statement 2015/2016 as set out in Appendix 1 to the report.

## **795 Constitutional Matter**

### **Discussion:**

This report provided details of a request to the Council to approve the reason for Councillor Kearney to be absent from meetings, owing to ill health.

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It was noted that section 85 of the Local Government Act 1972 stated that if a Member of a Local Authority failed throughout a period of six consecutive months from the date of his/her last attendance to attend any meeting of the authority, he/she shall, unless the failure was due to some reason approved by the authority before the expiry of that period, would cease to be a member of the authority.

The Leader of the Council, Councillor Rodney Chambers OBE, supported by Councillor Maple, proposed the recommendation set out in the report.

### **Decision:**

The Council approved the absence of Councillor Sheila Kearney as a consequence of her long term health issues until the end of her current term of office.

**Mayor**

**Date:**

**Julie Keith, Head of Democratic Services**

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