

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Thursday, 23 August 2018

6.30pm to 9.05pm

Record of the meeting

Subject to approval as an accurate record at the next meeting of this committee

Present: Councillors: Carr (Chairman), Etheridge, Freshwater, Joy (Vice-Chairman), Maple, Murray, Royle, Stamp, Tranter and Wildey

Substitutes: Councillors:
Bhutia (Substitute for Tejan)
Paterson (Substitute for Khan)
Purdy (Substitute for Mrs Josie Iles)

In Attendance: Annemarie Behn, Paths and Promotions Manager
Bob Dimond, Head of Sport Leisure and Tourism
Perry Holmes, Chief Legal Officer/Monitoring Officer
Michael Kelly, Head of Category Management
Carrie McKenzie, Assistant Director - Transformation
Michael Turner, Democratic Services Officer
Phil Watts, Chief Finance Officer

302 Apologies for absence

Apologies for absence were received from Councillors Mrs Josie Iles, Khan and Tejan.

303 Record of meeting

Reference was made to minute no. 171 (c) and the decision to write to the Government asking for an explanation why the reduction in the maximum stakes on Fixed Odds Betting Terminals from £100 to £2 was not taking effect until 2020. A Member made the point that his impression had been this letter would be signed by the Chairmen and Vice-Chairmen plus the Opposition Spokespersons of the Committee and the Licensing and Safety Committee and commented on the importance of being clear in future whether a letter should be signed by members or officers, the norm being officers.

The record of the meeting held on 5 July 2018 was agreed and signed by the Chairman as correct.

304 Urgent matters by reason of special circumstances

There were none.

305 Declarations of Disclosable Pecuniary Interests and Other Significant Interests

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

There were none.

Other interests

There were none.

306 Call in: The Long Term Future of the Corn Exchange, Enhancement of the Guildhall Museum - Sale of the Former Conservancy Building, 17 High Street, Rochester

Discussion:

Members considered a report regarding a call-in received from seven Members of the Council of Cabinet decision 96/2018 to delegate authority to the Chief Legal Officer, in consultation with the Portfolio Holder for Resources to declare surplus and dispose of the Conservancy Building as shown edged black on the plan, as set out in Appendix 1 to the report, on the best terms reasonably obtainable.

The City of Rochester Society and the Friends of the Guildhall Museums had been invited to address the Committee on this issue. As no one from the Society had been able to attend the meeting their written representations had been circulated to the Committee. In addition, a letter from a member of the public, Mr Froment, had also been sent to Members.

The Committee was requested to consider the Cabinet decision and decide either to take no further action, refer the decision back to Cabinet or to refer the decision to Council for reconsideration.

The Chairman then invited Mr Richard Moss from the Friends of the Guildhall Museums and Mr Froment to speak.

Friends of the Guildhall Museums – Mr Moss stated that the Friends of the Guildhall Museums were opposed to the sale of the Conservancy Building. More than 7,000 people visited the Guildhall Museum each year, more than half of whom visited the Conservancy Building. The building was an important cultural hub and the Discovery Zone was the only step free accessible learning

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place in Medway, used by many community groups including disabled and aged persons groups. Mr Moss questioned whether the sale would affect the reputation of the Council and make it more difficult for the authority to attract external funding. It could also lead to the loss of National Portfolio Status from the Arts Council and a loss of funding of £200,000.

The building provided space for visitors to examine its artefacts and such space would have to be found elsewhere if it was sold. The building also housed a large safe which contained valuable civic artefacts and storing and insuring this elsewhere could be expensive as well as the Dickens Country exhibition and it was inconceivable that free public access to this could be lost.

The Friends had been involved in recent plans to expand and enhance the museum only to find that half of the museum would now be closed. This brought into question whether the same commitment from voluntary groups would be found in the future if it was sold.

Mr Froment was then invited to speak and read out a letter circulated to Members setting out his reasons why the Conservancy Building should be retained, the key points of which were:

- The Conservancy Building was important in its own right and was Grade 2 listed. Although the Council had said the facade would be protected, a range of uses may be permitted which could imply conversion and loss of the internal features, including the staircase. If sold for private use then, even if these features were retained, they would be not visible to the public.
- Moving artefacts to Eastgate House would effectively create two museums and there would then be an admission charge, unlike at the Guildhall Museum. If the museum was restricted to the Guildhall building it would become a very small museum. The Conservancy Building housed the Dickens exhibition, a popular tourist attraction.
- The Council should first apply for a Heritage Lottery grant to pay for the repairs needed and see if that was awarded before using part of the sale proceeds to maintain the Corn Exchange.
- The Rochester Riverside development and new hotels should soon generate considerable additional tourists and revenue for Medway and some of this could be used to retain the Conservancy Building.
- The Conservancy Building was used for educational activities by local schools and for visits from researchers.
- The e-petition the Council received had 869 signatures, showing the strength of public opinion in keeping the building.

The Chief Legal Officer and the Head of Sport, Leisure, Tourism and Heritage advised that the officer response to the reasons for the call in were set out in the report. The suggestion that the capital receipt from the sale would be “ring fenced” for capital works at the Corn Exchange was unusual. The costs of moving the civic silver would not be significant and there was provision elsewhere to store this. The Chief Legal Officer did not accept the decision would affect the Council’s reputation as the Council’s record in attracting

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investment and grants was strong. The Council remained committed to a positive relationship with the Friends of the Guildhall Museums and other similar groups. Heritage Lottery funding could not be awarded for repairs and maintenance works. The Council was developing a strategy for making the artefacts in the Conservancy Building available, some may be exhibited at Eastgate House. Grade 2 listing meant the façade would be protected but listing did not relate to public access. The Rochester Riverside development did not present an opportunity to fund other services, apart from the S106 contributions. The Council was committed to educational activities continuing. Officers were looking at the most appropriate location to house the Dickens exhibition where there were no admission charges. As to whether the sale could affect the museum's accreditation, the Arts Council were responsible for the latter and had made it clear that their interest was in collections and learning and not the building which housed them.

Some Members spoke in support of the Cabinet decision. A Member commented that he had initially not supported the proposal but as the proceeds of the sale would be remaining within Rochester and extra grant funding may be available then he supported the sale, provided the money raised was sufficient to facilitate the opportunity that existed to integrate the tourism and heritage offer in Rochester. There was the potential to improve the Guildhall Museum and use rooms not currently open to the public. Another Member stated that the artefacts were more important than the building and he therefore supported the sale.

Some Members opposed the sale of the Conservancy Building and made the following points:

- The proposals to invest in the Corn Exchange by using the proceeds of the sale were vague and before agreeing the sale should go ahead Members should scrutinise the full plans for repairing the Corn Exchange and transferring the artefacts elsewhere. Cabinet should therefore reconsider its decision after considering these details and there was no urgency preventing that from happening.
- The report did not in fact say that the capital receipt would be ring-fenced, only that a significant part of it would be used for the Corn Exchange and the Guildhall.
- Artefacts in the Conservancy Building were accessible to all at no charge and were stored in an authentic environment which 80% of visitors to the Guildhall Museum also viewed. Moving them to Eastgate House where an admission fee was charged meant local people would have to pay to see their own collection of civic objects.
- There were few museums where the building in which the artefacts were held was not an important factor in the whole experience.
- Once the property had been declared surplus to requirements then the process was irreversible.
- No assurances had been given that the proposed investment in the Corn Exchange would improve its profitability or sustainability and no guarantee had been given the Corn Exchange would not be sold.

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- Reference was made to a communication from a Councillor to Rochester residents saying the Council's approach to a joined up heritage and tourism offer could be explained. If these details were available then they should be shared with all Members and it was questioned how selling a part of Rochester's heritage could amount to improving the heritage offer.
- The response from residents and interested parties to the sale had been unanimously negative.
- The Dickens exhibition was housed appropriately in a Victorian building, showing that the building itself did have a role to play.
- The sale would damage the Council's reputation if Medway, whose ambition was to be a university city, could not support Rochester's town museum.
- The sale represented a piece meal disposal and was not part of a joined up strategy.
- What would happen when the capital receipt raised by the sale was exhausted was questioned as well as the apparent lack of any masterplan underpinning the decision.
- The Friends of the Guildhall Museums should be involved in the decision making process.
- The decision had lacked transparency and justifying it by reference to the Council's Property Strategy was questionable as the strategy was not in itself a reason to sell a property. Although the sale met the criteria in the Strategy the maintenance costs were only £25,000 pa which represented good value for money for the second most popular visitor attraction in Rochester and offered better value than the TV screen at Chatham bus station.

The Chief Legal Officer advised that the plans for the Corn Exchange were being formulated and when completed could be shared with Members. The building would be sold at auction and the amount raised would determine how much could be spent on the Corn Exchange and the on the Guildhall Museum.

The Chief Finance Officer clarified that any decision about the use of the capital receipt raised from the sale of the building was a matter for Council.

It was then moved that in the light of the concerns raised in the call in and also expressed at the meeting by both Members and the public that the decision be referred back to Cabinet for reconsideration.

The motion was put to the vote and was lost.

In accordance with Council Rule 12.6 the following Members asked that their votes in favour of the proposal be recorded: Councillors Maple, Murray, Paterson and Stamp.

It was then moved that the decision be accepted and therefore no further action be taken. This was carried.

A Member asked if an update on the timescales for the sale could be provided.

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Decision:

The Committee agreed to accept the Cabinet decision and take no further action.

307 Petition

Discussion:

Members considered a report advising of a petition regarding the Conservancy Building, 17 High Street, Rochester, including a summary of the response sent to the lead petitioner.

Decision:

The Committee agreed to note the report.

308 Public Rights of Way Claim - New Road, Chatham

Discussion:

Members considered a report which set out the current status of the public rights of way (PROW) claim in respect of land adjoining Union Place Car Park, to the rear of 195-203 New Road, Chatham. The report also outlined a suggestion that had been put forward for an alternative, private access agreement, as well as clarifying any planning consent requirement for the fences and gates that were erected by the new owner after the sale of the land.

Decision:

The Committee agreed to:

- a) note the report;
- b) ask for a further progress report when there are further developments, and;
- c) recommend to the Head of Planning that enforcement action be taken in respect of the gates and fences referred to in paragraph 6 of the report.

309 Becoming a Single-Use Plastic Free Council

Discussion:

Members considered a report on progress in becoming a 'single-use plastic-free' Council.

In January 2018, Council had agreed to request Cabinet:

- to become a 'single-use plastic-free' Council by phasing out the use of unnecessary 'single use plastic' (SUP) products such as bottles, cups,

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cutlery and drinking straws in all Council buildings and at all Council events as soon as is reasonably practical;

- to encourage our facilities' users, local businesses, stakeholders and other local public agencies to do the same, by championing alternatives.

In response to a query from a Member regarding how long discussions had been ongoing with Medway Norse on this initiative, the Chief Legal Officer assured Members that discussions had been taking place for several months.

Several Members expressed their satisfaction with the fact that some progress had been made but considered the pace needed to be accelerated in some areas such as catering, Council organised events and influencing the wider community. The report made no reference to discussions with the local business community to encourage and support the use of single use plastic. Officers undertook to address that point via the communications team.

Regarding a question about timescales, the Head of Category Management advised that April 2019 was the target for the events infrastructure framework, which would first be piloted before being rolled out. Catering contracts needed to be varied but this could only be done with the agreement of both parties.

Decision:

The Committee agreed to:

- a) note the update in this report on progress made to becoming a single use plastic free Council, and;
- b) ask for a further progress report at the January 2019 meeting.

310 Revenue Budget Monitoring 2019/19 - Quarter 1

Discussion:

Members considered a report which presented the results of the Council's revenue budget monitoring for Quarter 1 of the 2018/19 financial year.

The Chief Finance Officer reported that, after proposed management action, an adverse forecast variance of £4.861m was projected but he expected the quarter 2 monitoring report to show a reduction in this figure.

A Member commented that the financial pressures facing the Council reflected the difficult local government situation nationally and a concern was that, as the position worsened, it would become even more difficult to set a balanced budget.

Reference was made to the non-recurrent actions totalling £1.27m (paragraph 5.2.4) and, given the lack of detail in the report, a briefing note on this was requested.

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Members then discussed the following issues:

Medway Matters – a concern was expressed at the overspend on the magazine and the Assistant Director – Transformation advised this was due to an under recovery of advertising income.

Castle Concerts – some Members expressed concern that the Castle Concert ticket sales had underachieved compared to their income budget by £305,000. It was argued that the alcohol ban on 4 of the 5 days had significantly impacted ticket sales and it was questioned whether this policy should be changed. The point was also made that it was very difficult to decide on which acts to book when bookings had to be made a year in advance. The size of the venue was also an issue as it was costly to run but not big enough to attract more prominent acts.

The Assistant Director – Transformation commented that ticket sales had been affected by the World Cup and other events in Kent. The decision on the alcohol ban had been taken after advice from the Safety Advisory Group. One event had sold out so the ban had not been an issue for that evening. Going forward the Council would be looking more closely at which acts to book and the event overall would be reviewed to ensure it resulted in value for money. A Member welcomed the new approach and hoped the events would be more successful next year and also asked that the alcohol ban be reviewed, noting alcohol had been allowed at the Proms event without any problems. As the World Cup quarter and semi-final dates had been known well in advance then the World Cup should not have been an issue.

Better Care Fund (BCF) - a Member asked if the £214,000 underspend due to the use of improved Better Care Fund to offset additional and continuing placement pressures could be retained by Adult Social Care given the BCF was time limited. The Chief Finance Officer replied that the Council's advisors were reasonably confident the BCF would be replaced by alternative funding so the assumption was that the Council would not suddenly lose the £6m grant. If that was to happen then using the £214,000 from the underspend would make little impact.

Car Parking Charges – A Member argued that the increase in car parking charges had led to a significant increase in on street parking causing problems for residents as well as affecting businesses in the high street as motorists had gone to out of town shopping centres where parking was free. The Chief Finance Officer advised that a large part of the £1.5m pressure was a result of controlled parking zones not going ahead following representations from residents during the consultation process. More income had been generated but the assumptions about levels of additional income had been ambitious, although it was important to set challenging targets. In response, a Member commented that the controlled parking zone proposals should not have been built into the budget proposals without consultation first taking place. A Member also commented that the assumptions about additional income had been much too high and there was a lack of imagination about where additional revenue could be found. The shortfall would lead to a deterioration in the condition of

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roads as the maintenance budget would be reduced and also a reduction in business rates.

Leisure centres - a Member noted income had increased but expressed concern that there were not enough lifeguards to keep all the swimming pools open and asked that staffing levels be reviewed. The Assistant Director – Transformation stated that she was not aware of this issue but would look into the matter and review staffing levels.

Independent Review Officers (IROs) - a Member referred to the adverse variance of £483,000 resulting from the use of agency staff to cover vacant IRO posts and asked what plans were in place to address this. The Assistant Director – Transformation replied that agencies charged the Council a significant sum for temporary contracts. The Council had advertised for IROs on several occasions but a more aggressive advertising campaign was starting in September, including a more competitive package, with the aim of attracting people to come to Medway.

Innovation Park Medway - in response to a query, the Chief Finance Officer confirmed that the £422,500 increase in the budget for the Masterplan for the Innovation Park Medway had been agreed by the Council and not the Local Enterprise Partnership.

Decision:

The Committee agreed to:

- a) note the result of the first round of revenue monitoring for 2018/19, and;
- b) request briefing notes on the non-recurrent actions totalling £1.27m referred to in paragraph 5.2.4 of the report and also on staffing levels at leisure centres.

311 Capital Budget Monitoring 2018/19 - Quarter 1

Discussion:

Members considered a report which presented the results of the Council's capital monitoring for Quarter 1 of the 2018/19 financial year, including outturn forecasts and reference to any new schemes which required approval.

In response to a query, the Chief Legal Officer advised that the £3m grant funding recently received by the Council that had been mentioned earlier in the meeting was a result of a successful bid to the Accelerated Construction Programme for schemes at Whiffens and the Queen Street site at the Brook in Chatham. Further details would be circulated to Members.

A Member asked for a briefing note on the history behind the series of mercury abatement works in the capital programme.

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In response to a question regarding the Chatham Placemaking project, officers confirmed that a missing letter in one of the engravings in the new pavements had been corrected at no cost to the Council.

A Member referred to the Medway Tunnel capital funding and noted that the funds were depleting leading to a budget pressure. The Chief Finance Officer replied that revenue maintenance was addressed in the Medium Term Financial Strategy (MTFS) and the extent of capital investment would be looked at when the next MTFS was formulated.

Decision:

The Committee agreed to:

- a) note the spending forecasts summarised at Table 1 of the report, and;
- b) request a briefing note on the history behind the series of mercury abatement works in the capital programme.

312 Work Programme

Discussion:

Members considered a report advising Members of the current work programme.

A Member suggested that the Committee should look at the rationale behind the Council's decision to not commission a Brexit Impact Assessment and to also consider what work undertaken by other organisations in assessing the potential consequences of exiting the EU that the Council has considered and what gaps may exist. Another Member considered this issue should be added to the risk register given the potential impact on businesses and also the volatile health landscape in respect of the Sustainability and Transformation Plan and the pharmaceutical industry.

Decision:

The Committee agreed to:

- a) note and identify items for inclusion in the work programme (Appendix 1 to the report);
- b) add to the work programme for the October meeting the Housing Strategy and the Housing Allocations Policy and Tenancy Strategy for pre-decision scrutiny prior to consideration by Cabinet on 20 November;
- c) consider at the next agenda planning meeting the timing of a report on Brexit, with the scope as detailed above, and;

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- d) note the work programmes of all overview and scrutiny committees (Appendix 2 to the report).

Chairman

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