

Medway Council
Meeting of Medway Council
Thursday, 21 February 2019
7.00pm to 0.12am

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 Steve Iles)
The Deputy Mayor (Councillor Tejan)
Councillors Aldous, Avey, Bhutia, Bowler, Brake,
Mrs Diane Chambers, Rodney Chambers, OBE, Chitty, Clarke,
Cooper, Craven, Doe, Etheridge, Fearn, Filmer, Freshwater,
Gilry, Godwin, Griffin, Griffiths, Hall, Hicks, Mrs Josie Iles,
Jarrett, Johnson, Joy, Kemp, Khan, Mackness, Maple,
McDonald, Murray, Opara, Osborne, Paterson, Potter, Price,
Purdy, Royle, Saroy, Shaw, Stamp, Tranter, Turpin, Wicks and
Wildey

In Attendance: Neil Davies, Chief Executive
Wayne Hemingway, Principal Democratic Services Officer
Richard Hicks, Director Regeneration, Culture, Environment and
Transformation and Deputy Chief Executive
Perry Holmes, Chief Legal Officer/Monitoring Officer
Julie Keith, Head of Democratic Services
Ian Sutherland, Director of People - Children and Adults
Services
Phil Watts, Chief Finance Officer

831 Apologies for absence

Apologies for absence were received from Councillors Chishti, Franklin, Gulvin, Howard, Pendergast and Williams.

832 Declarations of Disclosable Pecuniary Interests and Other Significant Interests

Disclosable pecuniary interests

Councillor Griffiths declared a disclosable pecuniary interest in agenda item 9 (Capital and Revenue Budgets 2019/20) because he is Deputy Chairman of Medway Community Healthcare (MCH). He stated that he would leave the meeting should there be any specific discussion on MCH.

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Other significant interests (OSIs)

Councillor Doe declared an OSI in agenda items 8 (Commercial Property) and 9 (Capital and Revenue Budgets 2019/20) because he is the Chairman of Medway Commercial Group Ltd. He stated that the Chief Legal Officer had granted him a dispensation to speak and vote on matters relating to this OSI.

Councillor Doe declared an OSI in agenda items 8 (Commercial Property) and 9 (Capital and Revenue Budgets 2019/20) because he is the Chairman of Medway Development Company Ltd. He stated that the Councillor Conduct Committee had granted him a dispensation to speak and vote on matters relating to this OSI.

Councillor Mackness declared an OSI in agenda item 9 (Capital and Revenue Budgets 2019/20) because he is a Director of Medway Commercial Group Ltd. He stated that the Councillor Conduct Committee had granted him a dispensation to speak and vote on matters relating to this OSI.

Councillor Maple declared an OSI in agenda item 8 (Commercial Property). He left the meeting during consideration of this item.

Councillor Turpin declared an OSI in agenda item 9 (Capital and Revenue Budgets 2019/20) because he is the Chairman of Medway Norse. He stated that the Councillor Conduct Committee had granted him a dispensation to speak and vote on matters relating to this OSI.

Other interests

The Worshipful the Mayor of Medway stated that he had been advised by the Monitoring Officer that with regards to agenda item 9 (Capital and Revenue Budgets 2019/20), a personal and potentially financial interest regarding pay for some officers should be recorded in the minutes on behalf of any officers present affected by the proposals.

Councillor Opara declared a non-pecuniary interest in agenda item 10 (Pay Policy Statement 2019/20) because she has a family member who works for the Council. She stated that having taken advice from the Monitoring Officer there was no need for her to leave the meeting.

Councillor Saroy declared a non-pecuniary interest in agenda item 8 (Commercial Property) because the company she works for advises on commercial leaseholders, one of which is in the Pentagon Centre. She stated that having taken advice from the Monitoring Officer there was no need for her to leave the meeting.

Councillor Saroy declared a non-pecuniary interest in agenda item 10 (Pay Policy Statement 2018/2019) because she has a family member who works for the Council. She stated that having taken advice from the Monitoring Officer there was no need for her to leave the meeting.

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833 Record of meeting

The records of the special and ordinary meetings held on 24 January 2019 were agreed and signed by The Worshipful The Mayor of Medway as a correct record.

834 Mayor's announcements

The Worshipful The Mayor of Medway, on behalf of all Members, placed on record his sincere thanks and best wishes to Alvin Oades, the Council's most long serving Civic and Ceremonial Officer. He had loyally served every Mayor over the last 20 years since Medway was created and he had also worked in a similar role for Gillingham Borough Council. He wished Alvin a long and happy retirement.

The Mayor proposed to suspend Council Rule 11.1.1 in respect of time limits on speeches in relation to agenda item 9 (Revenue and Capital Budgets 2019/20) to allow one Member from each Group to speak for an unlimited time. The normal time limits would then apply. This was agreed.

Councillor Maple proposed to suspend Council Rule 11.1.1 in respect of time limits on speeches in relation to agenda item 8 (Commercial Property) to allow one Member from each Group to speak for an unlimited time. In accordance with Rule 12.4 of the Council Rules, a recorded vote on the amendment was taken.

For – Councillors Bowler, Cooper, Craven, Freshwater, Gilry, Godwin, Griffiths, Johnson, Khan, Maple, McDonald, Murray, Osborne, Paterson, Price, Shaw and Stamp (17)

Against – Councillors Aldous, Avey, Bhutia, Brake, Mrs Diane Chambers, Rodney Chambers OBE, Chitty, Clarke, Doe, Etheridge, Fearn, Filmer, Griffin, Hall, Hicks, Mrs Josie Iles, Steve Iles, Jarrett, Joy, Kemp, Mackness, Opara, Potter, Purdy, Royle, Saroy, Tejan, Tranter, Turpin, Wicks and Wildey (31)

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

The Mayor asked Members to speak clearly into the microphones to ensure people in the public gallery could hear and he reminded those present that the meeting was being audio recorded and the recording would be made available on the Council's website. In addition, he asked Members to provide written copies of any amendments to the top table first.

835 Leader's announcements

There were none.

836 Council Plan Refresh 2019/20

Discussion:

This report provided details of the annual review of the Council Plan which was undertaken to ensure that it remained relevant and that the Council continued to focus resources on its priorities. The summary of proposals was set out in paragraph 3 of the report.

The report had been considered by both the Business Support Overview and Scrutiny Committee (31 January 2019) and Cabinet (5 February 2019), comments of which were set out in paragraphs 4 and 5 of the report respectively.

A Diversity Impact Assessment had been undertaken on the proposals as set out in Appendix B to the report.

The Portfolio Holder for Business Management, Councillor Turpin, supported by the Portfolio Holder for Strategic Regeneration, Inward Investment and Partnerships, Councillor Rodney Chambers OBE, proposed the recommendations set out in the report.

Decision:

- a) The Council noted the comments of the Business Support Overview and Scrutiny Committee and the Cabinet as set out in sections 4 and 5 of the report respectively.
- b) The Council approved the proposed changes to programmes and measures of success summarised in paragraph 3.2 to the report and as detailed in Appendix 1 to the report.
- c) The Council agreed to delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Resources, to approve the final measures of success as set out in paragraphs 3.4 and 5.1 of the report and as detailed in Appendix 1 to the report once further information is received.
- d) The Council agreed to grant delegated authority to the Chief Executive, in consultation with the Portfolio Holder for Resources, to make any necessary changes to align the Plan's indicator set to the agreed budget.

837 Treasury Management Strategy 2019/20

Discussion:

This report provided details of the Council's Treasury Management Strategy for the 2018/2019 financial year. The Strategy had been prepared in line with CIPFA's Local Authority Treasury Management Code, and set out the Council's borrowing requirement and strategy, its strategy in respect of investments and

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details of the Council's current portfolio position. It also provided details of the prudential and treasury indicators that would be used to monitor and measure treasury performance.

The report had been considered by the Audit Committee on 8 January 2019 and Cabinet 5 February 2019, comments of which were set out in paragraphs 4 and 5 of the report.

A Diversity Impact Assessment had been undertaken on the Strategy as set out in Appendix B to the report.

The Leader of the Council, Councillor Jarrett, supported by the Deputy Leader and Portfolio Holder for Housing and Community Services, Councillor Doe, proposed the recommendations set out in the report.

Decision:

- a) The Council noted the comments of the Audit Committee and the Cabinet, as set out in sections 4 and 5 of the report respectively.
- b) The Council approved the Treasury Management Strategy 2019/2020, as set out in Appendix A to the report.

838 Commercial Property

Discussion:

This report provided details of the proposal to add the acquisition of the head leases from Chatham LLP of the Pentagon Centre and other included freehold properties and the proposed additional enabling capital works to the Capital Programme, following Cabinet's decisions to approve these acquisitions on 12 February 2019.

The Mayor proposed that the press and public be excluded during consideration of any information contained in the exempt appendix to this report, as set out on page 295 of the agenda, on the basis that the public interest in maintaining the exemption outweighed the public interest in disclosing the information. This was agreed.

The Leader of the Council, Councillor Jarrett, supported by the Deputy Leader and Portfolio Holder for Housing and Community Services, Councillor Doe, proposed the recommendations set out in the report.

Councillor Stamp, supported by Councillor Osborne, proposed the following amendment:

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“Add after 7.1:

This Council recommends Cabinet obtains two further independent market valuations to help ensure the valuation is accurate and the Council achieves the best possible value for money with the proposal”.

In accordance with Rule 12.4 of the Council Rules, a recorded vote on the amendment was taken.

For – Councillors Bowler, Cooper, Craven, Freshwater, Gilry, Godwin, Griffiths, Johnson, Khan, McDonald, Murray, Osborne, Paterson, Price, Shaw and Stamp (16)

Against – Councillors Aldous, Avey, Bhutia, Brake, Mrs Diane Chambers, Rodney Chambers OBE, Chitty, Clarke, Doe, Etheridge, Fearn, Filmer, Griffin, Hall, Hicks, Mrs Josie Iles, Steve Iles, Jarrett, Joy, Kemp, Mackness, Opara, Potter, Purdy, Royle, Saroy, Tejan, Tranter, Turpin, Wicks and Wildey (31)

Note: Councillor Maple was not present for the recorded vote as he had declared an OSI and had left the meeting during consideration of this item.

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

Councillor McDonald, supported by Councillor Price, proposed the following amendment:

“Add after 7.1:

This Council recommends Cabinet to prioritise Gillingham Town Centre as Medway Council’s first bid for the Future High Streets Fund, with Chatham Town Centre to follow in the second bidding round due in 2020.”

In accordance with Rule 12.4 of the Council Rules, a recorded vote on the amendment was taken.

For – Councillors Bowler, Cooper, Craven, Freshwater, Gilry, Godwin, Griffiths, Johnson, Khan, McDonald, Murray, Osborne, Paterson, Price, Shaw and Stamp (16)

Against – Councillors Aldous, Avey, Bhutia, Brake, Mrs Diane Chambers, Rodney Chambers OBE, Chitty, Clarke, Doe, Etheridge, Fearn, Filmer, Griffin, Hall, Hicks, Mrs Josie Iles, Steve Iles, Jarrett, Joy, Kemp, Mackness, Opara, Potter, Purdy, Royle, Saroy, Tejan, Tranter, Turpin, Wicks and Wildey (31)

Note: Councillor Maple was not present for the recorded vote as he had declared an OSI and had left the meeting during consideration of this item.

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

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Councillor Murray, supported by Councillor Griffiths, proposed an amendment regarding the future of the Pentagon Centre, which following advice from the Chief Legal Officer, required the exclusion of the press and public.

In accordance with Rule 12.4 of the Council Rules, a recorded vote on the amendment was taken.

For – Councillors Bowler, Cooper, Craven, Freshwater, Gilry, Godwin, Griffiths, Johnson, Khan, McDonald, Murray, Osborne, Paterson, Price, Shaw and Stamp (16)

Against – Councillors Aldous, Avey, Bhutia, Brake, Mrs Diane Chambers, Rodney Chambers OBE, Chitty, Clarke, Doe, Etheridge, Fearn, Filmer, Griffin, Hall, Hicks, Mrs Josie Iles, Steve Iles, Jarrett, Joy, Kemp, Mackness, Opara, Potter, Purdy, Royle, Saroy, Tejan, Tranter, Turpin, Wicks and Wildey (31)

Note: Councillor Maple was not present for the recorded vote as he had declared an OSI and had left the meeting during consideration of this item.

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

The press and public were then readmitted to the meeting.

Decision:

The Council agreed to add the acquisition of the Pentagon Centre head leases and 205-209a and 181a-189 High Street, Chatham, the fees and additional enabling capital works, to the Capital Programme, up to an overall cost of £45 million.

839 Capital and Revenue Budgets 2019/20

Discussion:

This report provided details of the revenue and capital budget proposals for 2019/20.

The Cabinet had considered initial budget proposals on 20 November 2018, which had been developed in accordance with the principles set out in the Medium Term Financial Strategy. 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 5 February 2019.

It was noted that an overarching Diversity Impact Assessment, as set out in Appendix 8 to the report, summarised the results of the Diversity Impact Assessments which had been completed for each of the services affected by the proposed budget changes.

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In his introduction, the Leader of the Council, Councillor Jarrett referred to an addendum report which was circulated to advise the Council of a correction required to the calculation of the Council Tax uplift and yield, a series of revisions to the budget requirement and a change to the schedule of Parish Council precepts, all of which were explained in the report and highlighted in bold in the revised recommendations at paragraph 2 of the addendum report and revised Appendices 1, 5, 6 and 6a.

The Leader highlighted additional revenue budget headroom as a consequence of these changes as follows:

Source of funding	
Additional Council Tax yield from a revised Band D rate of £1415.43	£253,000
Efficiency savings in the Children and Adults Directorate	£300,000
Net additional income from Pentagon Centre rents	£1,000 000
Total	£1,553,000

The Leader also stated that he would be proposing additional capital schemes which would be funded from capital receipts with the exception of the purchase of the Pentagon Centre which would be funded by prudential borrowing. The Corn Exchange/Guildhall Museum, BRMF (Building Repairs and Maintenance Fund) and the Pentagon Centre related to additions to the 2018/19 Capital Programme whereas the other schemes related to the 2019/20 Capital Programme.

The Leader of the Council, Councillor Jarrett, supported by the Deputy Leader and Portfolio Holder for Housing and Community Services, Councillor Doe, proposed the recommendations set out in section 2 of the addendum report, together with the following detailed changes listed below in relation to recommendations 2.3 and 2.4 of the addendum report:

“Revenue Budget:

More detail to support the revised figures as reflected in the total net expenditure in recommendation 2.3 and shown in the revised summary table at appendix 1 of supplementary agenda 1:

National Cycling Championship	£87,000
Gaming Festival	£50,000
Environmental Enforcement	£75,000
Visit Kent Campaign	£20,000
Feasibility work to create a Rainham Community Hub	£25,000
Civic Amenity site improvements	£122,000
Reduction in Bulky Waste charging	£123,000
Freezing for permit charges at 2018/19 levels	£50,000
Potholes Repairs	£229,000
Pay	£772,000

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Capital Budget:

Approve the proposed capital programme as set out in Appendix 3 and section 12 of the original report, amended for the additional capital schemes outlined below:

Corn Exchange / Guildhall Museum	£590,000
BRMF	£500,000
Members Priorities	£200,000
Motorway Signage	£60,000
Civic Amenity Site Improvements	£133,000
Site Hardening	£25,000
Wigmore Community Hub	£250,000
Play Areas	£82,000
RVS Building Adaptations	£50,000
Purchase of Pentagon Centre	£45,000,000

Councillor Maple, supported by Councillor Murray, proposed the following amendment, and clarified that the proposal to remove the charge for bulky waste collection would be funded by a reduction in officer time required to deal with flytipping.

“Amend Appendix 1 to reflect the following proposals:

Reduce the Communication budget by £58,000 by ceasing production of Medway Matters.

Provide grant for Medway Foodbank of £12,000.

Provide grant for Red Box Project of £10,000.

Obtain independent advice on the closure of MCG of £5,000.

Increase the corporate management budget by £27,500 to increase ward improvement funds from £2,000 to £2,500.

Amend Appendix 7 to reflect the following proposals:

Remove the charge for bulky waste collection.

Reintroduce the Annual Visitors Parking Permit at a charge of £35 alongside refocusing of enforcement officers.

Add to the budget:

Creation of a £5m Invest to Save Fund resourced from future Rochester Riverside Capital Receipts.

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Delete paragraph 22.2 and replace with:

22.2 Allocate the full budget for pay rises to the cost of living element.”

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

For – Councillors Bowler, Cooper, Craven, Freshwater, Gilry, Godwin, Griffiths, Johnson, Khan, Maple, McDonald, Murray, Osborne, Paterson, Price, Shaw and Stamp (17)

Against – Councillors Aldous, Avey, Bhutia, Brake, Mrs Diane Chambers, Rodney Chambers OBE, Chitty, Clarke, Doe, Etheridge, Fearn, Filmer, Griffin, Hicks, Mrs Josie Iles, Steve Iles, Jarrett, Joy, Kemp, Mackness, Opara, Potter, Purdy, Royle, Saroy, Tejan, Tranter, Turpin, Wicks and Wildey (30)

Note: Councillor Hall was not present for the recorded vote.

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

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

For – Councillors Aldous, Avey, Bhutia, Brake, Mrs Diane Chambers, Rodney Chambers OBE, Chitty, Clarke, Doe, Etheridge, Fearn, Filmer, Griffin, Mrs Josie Iles, Steve Iles, Jarrett, Joy, Kemp, Mackness, Opara, Potter, Purdy, Royle, Saroy, Tejan, Tranter, Turpin, Wicks and Wildey (29)

Against – Councillors Bowler, Cooper, Craven, Freshwater, Gilry, Godwin, Griffiths, Johnson, Khan, Maple, McDonald, Murray, Osborne, Paterson, Price, Shaw and Stamp (17)

Note: Councillors Hall and Hicks were not present for the recorded vote.

On being put to the vote, the substantive motion was carried.

Decision:

- a) The Council approved the recommendations of Employment Matters Committee on 30 January 2019 regarding the proposals for a pay award as set out at paragraph 4.5 of the original report, as amended by decision b) below and agreed to delegate authority to the Assistant Director, Transformation to agree the competency based awards for staff assessed under MedPay at Levels 1A, 1B and 2 as set out in paragraphs 4.5.1 and 4.5.2 of the original report.

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- b) The Council approved the general fund gross, income and net revenue estimates as summarised in revised Appendix 1 to the addendum report in the sum of £297.995million with the following changes set out below:

National Cycling Championship	£87,000
Gaming Festival	£50,000
Environmental Enforcement	£75,000
Visit Kent Campaign	£20,000
Feasibility work to create a Rainham Community Hub	£25,000
Civic Amenity site improvements	£122,000
Reduction in Bulky Waste charging	£123,000
Freezing for permit charges at 2018/19 levels	£50,000
Potholes Repairs	£229,000
Pay	£772,000
Total	£1,553,000

- c) The Council approved the proposed capital programme as set out in Appendix 3 and section 12 of the original report with the following changes set out below:

Corn Exchange / Guildhall Museum	£590,000
BRMF	£500,000
Members Priorities	£200,000
Motorway Signage	£60,000
Civic Amenity Site Improvements	£133,000
Site Hardening	£25,000
Wigmore Community Hub	£250,000
Play Areas	£82,000
RVS Building Adaptations	£50,000
Purchase of Pentagon Centre	£45,000,000

- 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 £478,921 as detailed at revised Appendix 5 to the addendum report.
- g) The Council agreed the schedule of precept instalment dates as set out in section 15.1 of the original report.
- h) The Council approved the revised basic rate of Council Tax at band D for 2019/20, before adding the police, fire and parish precepts, at £1,415.43.

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- 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 2019' as set out in Appendix 7 to the original report.
- j) The Council agreed to delegate authority to the Chief Finance Officer, in consultation with the Leader and relevant Portfolio Holder, to vary existing fees and charges and introduce new fees charges during the financial year on the basis set out in paragraphs 10.3 and 10.4 of the original report.
- k) The Council agreed the recommendations set out at paragraphs 13.3 to 13.11 in the original report with regard to the Housing Revenue Account and detailed in the following appendices:
 - The proposed decrease in rents as set out at Appendix 4a to the original report;
 - The proposed service charges as set out at Appendix 4b to the original report;
 - The budget proposed as summarised at Appendix 4c to the original report;
 - The 30 year business plan projections at Appendix 4d to the original report.
- l) The Council adopted the formal resolution for the Council Tax requirement and schedule of Council Tax charges for 2019/20 as set out in revised Appendix 6 to the addendum report.
- m) The Council noted the findings of the Diversity Impact Assessments as set out at Appendix 8 to the original report, and the proposal to continue, where necessary, to report through quarterly monitoring any further unidentified or unintentional impact.

840 Pay Policy Statement 2019/20

Discussion:

This report provided details of the Pay Policy Statement (PPS) for the financial year 2019/2020 in accordance with the Localism Act 2011. It was noted that the PPS must be approved by a resolution of Full Council before it came into force and had to be prepared and approved before 31 March 2019 for the following financial year.

The report had been considered by the Employment Matters Committee on 30 January 2019, details of which were set out in section 5 of the report.

A Diversity Impact Assessment had been carried out on the PPS, as set out in Appendix 2 to the report.

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The Chairman of the Employment Matters Committee, Councillor Wicks supported by Councillor Kemp, proposed the recommendation set out in the report.

Decision:

The Council approved the Pay Policy Statement 2019/20, as set out in Appendix 1 to the report.

841 Electoral Arrangements Review

Discussion:

This report provided details of the arrangements for a review to be undertaken by the Local Government Boundary Commission for England (LGBCE) of the electoral arrangements in Medway with effect from February 2019. It also sets out proposals for the establishment of a Working Group to compile the necessary submissions to the LGBCE and develop and recommend proposals to Full Council in October 2019.

The Leader of the Council, Councillor Jarrett, supported by the Portfolio Holder for Business Management, Councillor Turpin, proposed the recommendation set out in the report.

Decision:

- a) The Council noted the arrangements for a review of electoral arrangements by the Local Government Boundary Review for England.
- b) The Council agreed to setting up a cross-party, Member level Working Group on the basis set out in paragraphs 4.3-4.5 of the report.
- c) The Council agreed the Terms of Reference of the Electoral Review Working Group as set out in Appendix 1 to the report.

842 Use of Urgency Provisions

Discussion:

This report provided details of recent usage of urgency provisions contained within the Constitution, in relation to the Cabinet meetings held on 5 February 2019 and 12 February 2019.

The Leader of the Council, Councillor Jarrett, supported by the Portfolio Holder for Educational Attainment and Improvement, Councillor Potter, proposed the recommendation set out in the report.

Decision:

The Council noted the report.

843 Exclusion of the Press and Public

Decision:

The Council agreed to exclude the press and public from the meeting during part of the consideration of agenda item 8 (Commercial Property), as highlighted in minute no. 838/2019 above, because consideration of this matter in public would disclose information falling within paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as specified in agenda item 4 (Exclusion of Press and Public) and, in all the circumstances of the case, the Council considered that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Mayor

Date:

Julie Keith, Head of Democratic Services

Telephone: 01634 332760

Email: democratic.services@medway.gov.uk