

POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday 19 January 2022
Time: 7.30 pm or at the conclusion of the extraordinary Policy and Resources Committee Meeting, whichever is the later
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Mrs Blackmore, Brice, Burton (Chairman), Cooke, Cox, English, Harper, Khadka, Kimmance, Munford, Parfitt-Reid, Perry (Vice-Chairman), Mrs Ring, Round and de Wiggondene-Sheppard

The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.

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Issued on Tuesday 11 January 2022

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

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PART II

To move that the public be excluded for the items set out in Part II of the Agenda because of the likely disclosure of exempt information for the reasons specified having applied the Public Interest Test.

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19. Exempt Appendix 1 (Affordable Housing Delivery by the Council) - Legal advice on corporate structure options.	Paragraph 5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings	163 - 168
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to legal
professional
privilege
could be
maintained in
legal
proceedings

Paragraph
6(a) –
Information
which reveals
that the
authority
proposes to
give under
any
enactment a
notice under
which or by
virtue of
which
requirements
are imposed
on a person.

INFORMATION FOR THE PUBLIC

In order to ask a question at this meeting, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 17 January 2022). You will need to provide the full text in writing.

If your question is accepted, you will be provided with instructions as to how you can access the meeting.

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 17 January 2022). You will need to tell us which agenda item you wish to speak on.

If you require this information in an alternative format please contact us, call **01622 602899** or email committee@maidstone.gov.uk.

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MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 24 NOVEMBER 2021

Present: Councillors Mrs Blackmore, Brice, Burton(Chairman),
Cooke, Cox, English, Garten, Harper, Joy, Khadka,
Kimmance, Parfitt-Reid, Perry and Round

Also Present: Councillor J Sams

102. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Hastie, Munford and Ring.

103. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Joy was present as Substitute for Councillor Hastie.

Councillor Garten was present as Substitute for Councillor Ring.

Note: Councillor Khadka joined the meeting at 6.32 p.m.

104. URGENT ITEMS

There was one urgent item, Item 19 – Briefing on Legal Proceedings – Update Report. The reason for urgency was that a decision was required to ensure progress continued on the matter.

An amended agenda had been published and the papers provided to the Committee.

105. CHANGE TO THE ORDER OF BUSINESS

It was decided that Item 13 – Report of the Communities, Housing and Environment Committee Meeting held on 2 November – Purchase and Repair, Temporary Accommodation and Acquisition, would be taken alongside Item 18 – Phase 5 Purchase & Repair Temporary Accommodation Acquisition due to the related subject matter.

Item 17 – 2nd Quarter Finance, Performance and Risk Monitoring Report would be taken before Item 16 – Medium Term Financial Strategy in order that the Committee could consider the finances for quarter two of the current financial year before discussing the Medium-Term Financial Strategy.

106. NOTIFICATION OF VISITING MEMBERS

Councillor J Sams was in attendance as a Visiting Member for Item 11 – Questions from Members to the Chairman and Item 14 – Public Sector-Led Garden Community Update.

107. DISCLOSURES BY MEMBERS AND OFFICERS

Councillor Round disclosed an 'Other Significant Interest' in relation to Item 19 – Briefing on Legal Proceedings – Update Report, and intended to leave the meeting before the item's consideration.

108. DISCLOSURES OF LOBBYING

All Committee Members had been lobbied on Item 14 – Public Sector-Led Garden Community Update.

109. EXEMPT ITEMS

RESOLVED: That Item 19 – Briefing on Legal Proceedings – Update Report, be taken in private due to the possible disclosure of exempt information.

110. MINUTES OF THE MEETING HELD ON 20 OCTOBER 2021

RESOLVED: That the Minutes of the Meeting held on 20 October 2021 be agreed as an accurate record of the meeting and signed.

111. PRESENTATION OF PETITIONS

There were no petitions.

112. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were two questions from Members of the Public.

Question from Ms Kate Hammond to the Chairman of the Policy and Resources Committee

Tonight's Heathlands update report confirms that £632,000 has been spent by Maidstone's taxpayers to date on this project. Can the Chairman confirm how much the Strategic Outline Business Case for the new railway station is estimated to cost?

The Chairman responded to the question.

Ms Hammond asked the following supplementary question:

'The SOBC for the Cannock railway station in Staffordshire cost £231k in January 2021. Would you agree with me that an SOBC for a new station at Heathlands would be of the same order of magnitude?'

The Chairman responded to the supplementary question.

Question from Mr Steve Heeley to the Chairman of the Policy and Resources Committee

At September's Policy & Resources meeting, you said that signed option agreements from the eight principal landowners were "very, very imminent". At the October meeting, you said that you were "very, very confident" that signed agreements from all eight landowners would be secured by the end of the month. Given it is nearly the end of November and still no sight of signed option agreements, are they in fact imminent and are you still very confident that you will have these all by next week?

The Chairman responded to the question.

Mr Heeley asked the following supplementary question:

'The problem is that this Committee has been talking for 18 months about landowners being very close to signing and on the 23 June of this year, the officer report said that the options agreements were due in the next few weeks, and our big issues with this at the moment is that we keep getting told that these agreements are about to be signed; that it's this month, that it's next month and you're using the analogy of buying a house which I get, but the fundamental question is are you certain these landowner's are willing to sign this agreement?'

The Chairman responded to the supplementary question.

The full responses were recorded on the webcast and made available to view on the Maidstone Borough Council website. The question-and-answer session took place between minutes 8:50 to 14:24 of the recording.

To access the webcast, please use the link below:

[Policy and Resources Committee - 24 November 2021 - YouTube](#)

113. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There was one question from a Member to the Chairman.

Question from Councillor J Sams to the Chairman of the Policy and Resources Committee

We note with interest the minutes from the last meeting where this committee has employed "We are Fabrick " to conduct public engagement exercises on your Heathlands proposition.

This was to be proceeded by pre briefing for Ward and Parish Councillors.

Please can you give us an update on this?

The Chairman responded to the question.

Councillor J Sams asked the following supplementary question:

'The engagement event was due to take place as you said, in the consultation period, we had this confirmed on the 19 October by Phil Coyne and by 'We are Fabrick'. It was then reiterated at the P&R meeting the next day, on the 20 October. The following day, on the 21st, Mr Cornall emailed to say that the Local Planning Authority this week would prefer that we do not run our engagement event during the consultation period.

Why was this not raised as an issue at the P&R committee on the 20th and can you enlighten me on who had a change of heart and why it wasn't foreseen?'

The Chairman responded to the supplementary question.

The full response was recorded on the webcast and made available to view on the Maidstone Borough Council website. The question-and-answer session took place between minutes 14:36 to 17:07 of the recording.

To access the webcast recording, please use the link below:
[Policy and Resources Committee - 24 November 2021 - YouTube](#)

114. COMMITTEE WORK PROGRAMME

RESOLVED: That the Committee Work Programme be noted.

115. PUBLIC SECTOR-LED GARDEN COMMUNITY UPDATE

The Director of Regeneration and Place introduced the report and stated that the Council, acting as land promoters for the Heathlands Garden Community, and Homes England would be submitting representations to the Local Planning Authority as part of the Regulation 19 'draft for submission' documents public consultation. The representations would be approved and submitted in consultation with the Chairman and Vice-Chairman of the Committee.

Preparation continued for the proposed public engagement exercises, with the postponed exercises for the local Ward and Parish Councillors to be rearranged to occur early in 2022.

Ms Kate Hammond addressed the Committee on behalf of the Save Our Heathlands Action Group.

In response to questions, the Director of Regeneration and Place stated that an update on the preliminary business case submitted to Network Rail could be included in the report presented at the Committee's January 2022 meeting. A risk matrix would be included in the future update reports presented to the Committee to display the changing nature and number of risks associated with the proposal as progress continued.

RESOLVED: That the report be noted.

116. COUNCIL TAX REDUCTION SCHEME 2022-2023

The Head of Revenues and Benefits Shared Service introduced the report and stated that, if agreed by the Committee and Council, the implementation date would be the 1 April 2022.

The current Council Tax Reduction Scheme had been implemented in 2021, and was a new scheme based on five wide income bands. The contributing factors to the scheme's change were outlined and positive feedback had since been received from the Council's Customer Services Team and the Citizens Advice Bureau. Due to the feedback received and the current scheme having only been implemented in 2021, it was recommended that no changes were made in preparation for the 2022-23 financial year.

In response to questions, the Head of Revenues and Benefits Shared Service confirmed that the income bands were based on monthly net income and that several 'roadshows' would be taking place across the borough to increase awareness of the scheme.

The Committee expressed support for the scheme proposed.

RESOLVED: That

1. The progress of the inaugural year of the income banded Council Tax Reduction Scheme, be noted; and
2. Full Council be recommended that no changes are made to the Council Tax Reduction Scheme for 2022-2023, for the reasons outlined in the report.

Note: Councillor Blackmore joined the meeting at 7.08 p.m. and abstained from voting on the item.

117. VOTE OF THANKS

The Committee thanked Sheila Coburn for her service to the Council and wished her the best for her future endeavours.

118. 2ND QUARTER FINANCE, PERFORMANCE AND RISK MONITORING REPORT

The Director of Finance and Business Improvement introduced the financial update within the report and referenced the projected favourable revenue outturn of a £265,000 underspend. The underspend in the capital budget had resulted from the delay in the commencement of various capital schemes, rather than a cancellation of or saving against the planned schemes.

The Senior Business Analyst introduced the performance update within the report; the Key Performance Indicator (KPI) for the 'Percentage of Non-domestic Rates Collected' had missed its target by just over three per cent, due to the end of the 100 per cent business rates relief holiday

provided by the government during the Covid-19 pandemic. The 'Percentage of Council Tax collected' had surpassed its target.

Two of the targeted indicators across the Council's other Service Committees had missed the target by more than 10 per cent; 'Footfall in the Town Centre' and 'Number of youths unemployed' however the latter was improving. The addition of the 'Way we Work' KPI was highlighted.

The Deputy Head of Audit introduced the risk management update which included the 14 risks identified within the corporate risk register. Following the previous update provided to the Committee, the four additional corporate risks had been discussed with the risk owners and scored as appropriate.

A risk concerning the impact of hybrid working and the retention of talent was being developed, alongside further monitoring of the IT Security Failure risk. The horizon risks were briefly outlined, alongside the continued review of the financial uncertainty risk by the corporate leadership team. The introduction of JCAD software was noted.

In response to questions, the Director of Finance and Business Improvement confirmed that Maidstone Property Holdings Ltd. managed properties intended for the private rental sector, as opposed to temporary accommodation. There were concerns that the financial risk surrounding capital programme schemes would be increased given the problems being experienced by the construction industry. The Director of Finance and Business Improvement confirmed that the capital programme for the next financial year would be reviewed and any additional financial risks considered. The Director of Regeneration and Place confirmed that the processes undertaken to secure contractors for various schemes had been and would remain robust.

RESOLVED: That

1. The Revenue position as at the end of Quarter 2 including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. The Capital position at the end of Quarter 2, be noted;
3. The write off of £13,887.12 in uncollectable business rates debt, be approved;
4. The Performance position as at Quarter 2, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted; and
5. The Risk update, attached at Appendix 3 to the report, be noted.

119. MEDIUM TERM FINANCIAL STRATEGY

The Director of Finance and Business Improvement introduced the report and referenced the influence of the Council's four strategic priorities as part of the budget setting process. In addition, the '1000 Homes Initiatives' and Town Centre Strategy were strategic projects that would need to be considered.

It was noted that whilst the Local Government Finance Settlement was yet to be released, the current financial projections suggested that the Council would experience a balanced revenue position for the next financial year but could experience a deficit in the 2023-24 financial year. This was due to issues such as the new waste contract and the possible loss of the benefit of business rates growth.

The results of the Budget Survey as attached at Appendix 3 to the report were highlighted. The respondents' top three priorities were environmental enforcement, housing and homelessness and parks and open spaces.

The Committee commended the information included within the Budget Survey results and requested that further information on local variances be provided in the future. The Director of Finance and Business Improvement stated that the New Homes Bonus (NHB) could be used for revenue expenditure, as opposed to capital expenditure, if required. Several Members expressed concern that whilst the NHB could be included within the revenue budget it should not be relied upon.

It was felt strongly that the inflationary estimates within Table 5, Appendix A to the report should be higher, to properly reflect the likely increase in inflation above two per cent. The Director of Finance and Business Improvement stated that the two per cent base inflation estimate was an appropriate figure, as it coincided with the government's inflation assumption. The £500,000 'Contingency for Future Pressures' included within Appendix B to the report was highlighted as it would provide flexibility if the inflationary estimate was higher than expected.

The Chief Executive provided reassurance that varying levels of inflationary estimates for different elements, such as the eight per cent shown for contract costs, had been included within the report's appendices. Staff costs and employee turnover were benchmarked on the financial reward provided by the public, private and not for profit sectors. The Council would aim to be placed at the median.

The Director of Finance and Business Improvement advised against a wholesale increase of the inflation assumptions, due to inflation affecting various sectors differently and the perceived increase in budgets that would be assumed by the Council's contractors. The proposed approach of a set of core assumptions alongside a contingency fund was reiterated, however the Committee's comments would be considered as the Council moved to the next stage of the budget setting process.

RESOLVED: That

1. The Draft Medium Term Financial Strategy 2022/23-2026/27, as attached at Appendix A to the report, be endorsed subject to further consultation and development; and
2. The Draft Medium Term Financial Strategy 2022/23-2026/27 be re-presented to the Committee in January 2022 with a fourth case scenario based upon a five per cent inflation rate guidance figure.

Note: Councillor Brice left the meeting between 7.45 p.m. to 7.49 p.m.

120. REPORT OF THE COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE MEETING HELD ON 2 NOVEMBER 2021 - PURCHASE AND REPAIR, TEMPORARY ACCOMMODATION AND ACQUISITION

RESOLVED: That Item 13 – Report of the Communities, Housing and Environment Committee Meeting held on 2 November 2021 – Purchase and Repair, Temporary Accommodation and Acquisition, be considered alongside Item 18 – Phase 5 Purchase and Repair Temporary Accommodation Acquisition.

121. PHASE 5 PURCHASE & REPAIR TEMPORARY ACCOMMODATION ACQUISITION

The Housing Development Officer introduced the report and outlined the purpose of the Temporary Accommodation Strategy in alleviating Homelessness across the borough. The total funding allocated to Phase 5 of the Strategy was outlined, which included the addition of the previous years' underspend.

Phase 5 had been considered by the Communities, Housing and Environment Committee in early November 2021, as the body responsible for its implementation. The Council's governance arrangements required approval from the Committee regarding the provision of delegated authority to the Director of Finance and Business Improvement, as recommended, to purchase the properties.

The Committee expressed support for work undertaken and reiterated the importance of the Temporary Accommodation Strategy.

In response to questions, the Housing Development Officer explained the existing protocol whereby the Local Ward Members were informed of the Council's intention to purchase a property within their Ward and a request made for any comments. Several Members of the Committee felt that further attention into any issues arising from the properties was required.

RESOLVED: That

1. The £481,570 underspend from previous phases of the project having been carried forward to the capital programme allocation,

giving a total of £3,007,570 for investment in further properties for use as temporary accommodation, be noted;

2. The Director of Finance and Business Improvement be given delegated authority, in consultation with the Chairman of the Policy and Resources Committee, to purchase properties for us as temporary accommodation up to the total value of £3,007,570;
3. The Head of Mid-Kent Legal Partnership be given delegated authority to negotiate and complete all necessary agreements, deeds and documents arising from or ancillary to the purchases of such properties on terms negotiated and agreed by the Director of Finance and Business Improvement; and
4. The Communities, Housing and Environment Committee be requested to review the current temporary property portfolio with regard to the management of identified problems.

122. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information for the reasons specified, having applied the public interest test:

Head of Schedule 12A and Brief Description

Urgent Item – Briefing on Legal Proceedings -Update Report	1 – Information relating to any individual
	2 – Information which is likely to reveal the identity of an individual
	5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
	6(a) – Information Which reveals that the authority proposes to give act under any enactment a notice under or by virtue of which requirements are imposed on a person

Note: Councillor Round left the meeting at 8.25 p.m.

123. URGENT ITEM - BRIEFING ON LEGAL PROCEEDINGS - UPDATE REPORT

The Director of Finance and Business Improvement introduced the report and referenced the previous report on the matter, presented in July 2021. An oral update on the proceedings, in conjunction with the urgent report, was provided.

The Committee expressed support for the actions proposed and felt that the issue should be drawn to a close as soon as possible.

RESOLVED: That

1. The oral update provided by the Director of Finance and Business Improvement be noted;
2. The Director of Finance and Business Improvement be given delegated authority to resolve the matter with specific limitations.

124. DURATION OF MEETING

6.30 p.m. to 9.07 p.m.

Note: The Committee adjourned for a short break between 8.25 p.m. to 8.32 p.m.

2021/22 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Church Road Otham Review	P&R	09-Feb-22	Officer Update		Alison Broom	Angela Woodhouse
Review of EOI Returns - Archbishops Palace	P&R	09-Feb-22	Officer Update		Mark Green	Mark Green/Deborah Turner
Update Report on Biodiversity and Climate Change Action Plan	P&R	09-Feb-22	Officer Update	Yes	Georgia Hawkes	James Wilderspin
Proposed Town Centre Strategy - Scoping Paper	P&R	09-Feb-22	Officer Update	Yes	Alison Broom	Phil Coyne/Charlotte Yarnold
Digital Strategy	P&R	09-Feb-22	Strategy Update	Yes	Georgia Hawkes	Gary Hunter
Granada House Update	P&R	09-Feb-22	Officer Update		William Cornall	Andrew Connors
Public Sector Led Garden Community Update	P&R	09-Feb-22	Officer Update	Yes	William Cornall	William Cornall
Medium Term Financial Strategy & Budget Proposals 2022/23 - Final	P&R	09-Feb-22	Governance	No	Mark Green	Ellie Dunnet
Q3 Budget, Performance and Risk Monitoring 2021/22	P&R	09-Feb-22	Officer Update	No	Mark Green	Ellie Dunnet
Public Sector Led Garden Community Update	P&R	23-Mar-22	Officer Update	Yes	William Cornall	William Cornall
Public Sector Led Garden Community Update	P&R	20-Apr-22	Officer Update	Yes	William Cornall	William Cornall
Recovery and Renewal Strategy Update	P&R	20-Apr-22	Officer Update	Yes	Alison Broom	Angela Woodhouse
Asset Management Strategy	P&R	TBC	Strategy Update	Yes	Mark Green	Georgia Hawkes
Commissioning and Procurement Strategy	P&R	TBC	Strategy Update	Yes	Mark Green	Georgia Hawkes

Agenda Item 13

POLICY AND RESOURCES COMMITTEE

19 January 2022

Medium Term Financial Strategy and Budget Proposals

Final Decision-Maker	Council
Lead Head of Service/Lead Director	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Mark Green, Director of Finance and Business Improvement
Classification	Public
Wards affected	All

Executive Summary

This report forms part of the process of agreeing a revenue budget for 2022/23 and setting next year's Council Tax. Following consideration by this Committee at its meeting on 24 November 2021 of the draft Medium Term Finance Strategy for 2022/23 – 2026/27, this report sets out budget proposals for services within the remit of the Committee and the other Service Committees. Separate reports on this agenda deal with the Council Tax Base and with Fees and Charges, which both feed into the Strategic Revenue Projections summarised in section 2.10.

This Committee will consider at its meeting on 9 February 2022 comments from other Service Committees on the budget proposals affecting them and will then finalise the budget proposals for submission to Council.

This report makes the following recommendations to this Committee:

1. That the revenue budget proposals for services within the remit of this Committee, as set out in Appendix A, be agreed.
2. That the revenue budget proposals for services within the remit of the other Service Committees, as set out in Appendix B, be noted.

Timetable

Meeting	Date
Policy and Resources Committee	19 January 2022
Policy and Resources Committee	9 February 2022
Council	23 February 2022

Medium Term Financial Strategy and Budget Proposals

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Medium-Term Financial Strategy (MTFS) and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Section 151 Officer & Finance Team
Cross Cutting Objectives	The MTFS supports the cross-cutting objectives in the same way that it supports the Council's strategic priorities.	Section 151 Officer & Finance Team
Risk Management	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
Financial	The budget strategy and the MTFS impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Section 151 Officer & Finance Team
Staffing	The process of developing the budget strategy will identify the level of resources available for staffing over the medium term.	Section 151 Officer & Finance Team
Legal	Under Section 151 of the Local Government Act 1972 (LGA 1972) the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management. The legal implications are detailed within the body of the report which is compliant with statutory and legal regulations such as the CIPFA Code of Practice on Treasury Management in Local Authorities. The Council is required to set a council tax by the 11 March in any year and has a statutory obligation to set a balanced budget. The budget requirements and basic amount of Council Tax must be calculated in accordance	Interim Team Leader Contentious and Corporate Governance

	<p>with the requirements of sections 31A and 31B to the Local Government Finance Act 1992 (as amended by sections 73-79 of the Localism Act 2011).</p> <p>The Council is required to determine whether the basic amount of council tax is excessive as prescribed in regulations – section 52ZB of the 1992 Act as inserted under Schedule 5 to the Localism Act 2011. The Council is required to hold a referendum of all registered electors in the borough if the prescribed requirements regarding whether the increase is excessive are met.</p> <p>Approval of the budget is a matter reserved for full Council upon recommendation by Policy and Resources Committee on budget and policy matters.</p>	
Privacy and Data Protection	Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report.	Policy and Information Team
Equalities	The MFTS report scopes the possible impact of the Council’s future financial position on service delivery. When a policy, service or function is developed, changed or reviewed, an evidence-based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.	Equalities and Communities Officer
Public Health	The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.	Public Health Officer
Crime and Disorder	The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Procurement	The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Biodiversity and Climate Change	The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team

2. INTRODUCTION AND BACKGROUND

Medium Term Financial Strategy

- 2.1 At its meeting on 24 November 2021, this Committee considered a draft Medium Term Financial Strategy (MTFS) for the next five years. No material amendments were proposed to the Strategy by this Committee or the other Services Committees which considered it in November and December, so it will now go forward to Council for approval at its meeting on 23 February 2022.
- 2.2 The MTFS sets out in financial terms how the Strategic Plan will be delivered, given the resources available. The MTFS builds on the previous year's MTFS, but also reflects new priority initiatives including a Town Centre Strategy and a commitment to invest in 1,000 new affordable homes.
- 2.3 The financial projections underlying the MTFS were prepared under three different scenarios – adverse, neutral and favourable. All three scenarios assumed that budget proposals for future years which have already been agreed by Council will be delivered, and that Council Tax is increased by 2% in 2022/23. A further scenario has now been considered that will incorporate the risk of inflation remaining at its current rate of around 5%.

Local Government Finance Settlement 2022/23

- 2.4 The Provisional Local Government Finance Settlement for 2022/23 was announced on 16 December 2021. This confirmed several of the key assumptions incorporated in the MTFS.
 - The Council Tax referendum limit will be 2%.
 - The existing Business Rates regime will remain in place. Whilst the business rates multiplier will be frozen for ratepayers, local authorities will be compensated for the consequent loss of an inflationary increase.
 - There will be no negative Revenue Support Grant.
- 2.5 In addition, of the £1.5 billion increased funding previously announced in the Spending Review for local authorities, £822 million will be distributed directly to local authorities in the form of a new Services Grant. Maidstone will receive £225,000 in Services Grant.
- 2.6 There will be a new round of New Homes Bonus (NHB) payments in 2022/23, but payments will be made on the basis of two years' growth in housing numbers rather than three as in 2021/22. In Maidstone's case, because of the high number of housing completions in the borough last year, New Homes Bonus will nevertheless increase from £3.8 million in 2021/22 to £4.2 million in 2022/23. However, other authorities have seen significant reductions, so to prevent those authorities seeing an overall reduction in their Core Spending Power, the government is using the Lower Tier Services Grant (LTSG) to cushion the impact. Maidstone will receive an LTSG of £146,000.

- 2.7 The outcome for the Council's budget surplus / savings requirement of the above measures is to increase the projected budget surplus for 2022/23 previously reported to this Committee. Whilst this gives some scope for growth to accommodate new service priorities, it should be noted that much of this is one-off funding which will reverse out in 2023/24.
- 2.8 Paragraph 2.11 below summarises the changes described. It should be noted that the effect of building in a provision for extra inflation, as described above, would more than cancel out the additional one-off resources arising from the Local Government Finance Settlement. Further work is due to be carried out on the impact of inflationary pressures, notably a benchmarking study to evaluate pay levels. The outcome of any additional pay increases would be a charge against the provision for inflation. The outcomes will be reported to members at the next meeting of the Committee.

Revenue Budget Proposals

- 2.9 The draft MTFs describes a number of new priorities and budget pressures, as follows:
- The objective of delivering 1,000 new affordable homes will require a level of revenue subsidy even after any grant funding is taken into account, which would represent budget growth.
 - Waste collection costs are likely to increase arising from the forthcoming contract relet in October 2023.
 - The Serco leisure contract comes to an end in 2024. Depending on the scope of any new contract, budget growth may be required.
 - The objective of making Maidstone Town Centre a thriving place may also require budget growth, eg to achieve infrastructure and a configuration of land and building uses for a successful town centre in the future and to provide leisure and cultural activities in the town centre.
 - In addition to core development management and spatial planning services, there is a requirement for more extensive planning policies and a Town Centre Strategy to achieve the place shaping which matches the ambition in the council's Strategic Plan, Economic Development Strategy and Recovery and Renewal Strategy.
 - Additional tasks and responsibilities are being taken on by the Democratic and Electoral Services team.
 - The Council has aspirations for better quality data analysis to further improve objectives led and evidence based decision making at operational and strategic levels.
 - Measures will be required to enable the Council's carbon reduction target to be met, including retrofitting and upgrading heating systems in Council buildings and electrifying the vehicle fleet.

The following table sets out how these priorities and budget pressures are dealt with in the budget proposals.

Affordable Housing programme	Covered in a separate report on this evening's agenda.
New waste collection contract	Additional growth of £1 million included in Strategic Revenue Projections for 2023/24.
Leisure provision	The current assumption is that services will continue to be delivered within the existing budget envelope. Provision is made for capital investment in the proposed capital programme, and is dealt with as part of a separate report on this agenda.
Town Centre	It is proposed to use the New Homes Bonus to provide funding for development of a new Town Centre Strategy from 2023/4; this is in addition to provision from the Recovery and Renewal funding for 2022/3. Base budget growth for an arts and culture officer and a programme of events (£99,000) is included in the Economic Regeneration and Leisure budget proposals from 2022/3 on a recurring basis in future years.
Planning Resources	Indicative growth of £94,000 has been included to cover the cost of restructuring the establishment to equip it to deliver the Council's strategies on an ongoing basis. Further work will be required on the scope of this work and to refine the projected budgetary impact. Meanwhile, New Homes Bonus will be utilised to cover one-off costs. Overall, a £1 million top slice of New Homes Bonus (including Town Centre Strategy work) is envisaged for 2022/23 with a requirement for a similar sum in each of the two following years.
Democratic and Electoral Services	Growth of £76,000 is proposed to cover additional responsibilities, including introduction of a new executive model, implementation of the Local Government Boundary Review, a Community Governance Review, introduction of new parliamentary constituencies and significant Elections Bill changes. To the extent that this work is time limited, the extra resource would continue to be available on an ongoing basis for project management generally.
Data analysis	Growth of £35,000 is proposed to ensure that this work is properly resourced from 2023/4 onwards; costs in 2022/3 are funded through one off resources.
Carbon reduction	Growth of £35,000 has been included to expand the team to cover in particular community engagement. Capital investment is addressed in a separate report on this agenda.

Additionally, other potential budget changes relating to this Committee have been identified which are described below under the heading 'Other savings and growth'. All proposed revenue budget savings and growth items are set out in Appendix A for budget proposals relating to this Committee and in Appendix B for the other service committees.

2.10 Other growth and savings

- Office accommodation - £400,000 saving

It has been assumed that it will be possible to reduce the amount of space occupied by one third arising from more flexible working and to generate further savings from letting out space not required by the Council within Maidstone House.

- New Maidstone Property Holdings developments - £194,000 saving

Alongside the Affordable Housing programme, the Council will continue to develop property for letting through its subsidiary Maidstone Property Holdings.

- Service improvements and restructuring - £120,000 saving

The Council's Transformation team continues to carry out regular service design reviews. It is anticipated that these will deliver further savings of £120,000 ongoing from 2023/24.

- Green Travel - £60,000 saving

Given changes to working arrangements following Covid-19, and given the Council's commitment to achieving carbon neutrality across the borough, it is appropriate to put in place measures which promote greener staff travel. The Council pays Essential Car User Allowances to over 100 staff and Leased Car Allowances to a smaller number. A review of these benefits has been carried out which will reduce the subsidy for travel by car, thereby promoting working arrangements that generate fewer carbon emissions.

- Whole Council elections - £60,000 saving

The Council has now agreed to hold whole council elections every four years. This will reduce the cost of holding elections over the four year electoral cycle. Following the boundary review, initiated in 2021, the first whole council elections are expected to take place in May 2024.

- Corporate Property service improvements - £50,000 saving

A review of our Corporate Property service has identified that, following the growth of the property portfolio in recent years, there is scope for improvement in management of the portfolio, by strengthening the client side of property management and getting more value from external managing agents.

- Review of shared services – net £67,000 growth

A review of savings opportunities in Mid Kent Services has identified £63,000 of new savings in to be delivered in 2022/23 and 2023/24. This is offset by budget growth of £130,000 from the shared Legal Service, where Maidstone already accounts for a greater share of the service’s workload than is currently budgeted, and this is expected to continue being the case.

- Emergency Planning – £35,000 growth

It has become clear the work required around emergency planning and response is getting greater rather than less, and the council is under-resourced in this area compared to other local districts.

2.11 Budget proposals have been developed, following a similar approach, for services within the remit of the other Service Committees. Taken in total, together with the measures announced in the Local Government Finance Settlement, the impact on the Strategic Revenue Projections as reported to this Committee on 24 November 2021 is shown below. The table additionally shows, at the request of members, the impact of allowing for a cumulative additional 2% inflation for each year in the planning period.

	21/22	21/22	22/23	23/24	24/25
	£m	£m	£m	£m	£m
Budget gap (-) / surplus as reported on 24/11/21	0.8	-2.0	-0.7	-0.5	-0.1
Adjustments:					
Services Grant (para 2.5)	0.2				
Lower Tier Services Grant (para 2.6)	0.1				
Proposed savings / growth (cumulative)	-0.2	0.2	0.5	0.5	0.5
Updated budget gap (-) / surplus	0.9	-1.8	-0.2	0.0	0.4
Impact of additional 2% inflation	-0.8	-1.2	-1.7	-2.1	-2.6
Budget gap (-) / surplus after additional inflation	0.1	-3.0	-1.9	-2.1	-2.2

2.12 It can be seen that the savings proposals will allow the budget to be balanced in 2022/23, even allowing for the risk of additional inflation. However, the effect of continued high inflation would be an increasing deficit in future years. If this risk materialises, steps would need to be taken to bring the budget back into balance.

- 2.13 Final projections for the MTFS planning period will be set out in a Strategic Revenue Projection, to accompany the budget proposals to be considered by P & R Committee on 9 February 2022.

Capital Budget Proposals

- 2.14 The capital budget proposals for services within the remit of this Committee are set out in a separate report on this evening's agenda.

3. AVAILABLE OPTIONS

- 3.1 Agree the budget proposals relating to this Committee as set out in Appendix A.
- 3.2 Propose changes to the budget proposals.
- 3.3 Make no comment on the budget proposals.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Policy and Resources Committee must recommend to Council at its meeting on 9 February 2022 a balanced budget and a proposed level of Council Tax for the coming year. The budget proposals included in this report will allow the Policy and Resources Committee to do this. Accordingly, the preferred option is that this Committee agrees the budget proposals at Appendix A.
-

5. RISK

- 5.1 The Council's MTFS is subject to a high degree of risk and uncertainty. In order to address this in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each of its meetings.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Policy and Resources Committee received an initial report on the MTFS at its meeting on 21 July 2021 and it agreed the approach set out in that report to development of an MTFS for 2022/23 - 2026/27 and a budget for 2022/23.
- 6.2 Service Committees and Policy and Resources Committee then considered a draft MTFS at their meetings in November and December 2021.

6.3 Public consultation on the budget has been carried out. Details were reported to this Committee at its meeting in December 2021.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The timetable for developing the budget for 2022/23 is set out below.

<i>Date</i>	<i>Meeting</i>	<i>Action</i>
January 2022	All Service Committees	Consider 22/23 budget proposals
9 February 2022	Policy and Resources Committee	Agree 22/23 budget proposals for recommendation to Council
23 February 2022	Council	Approve 22/23 budget

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Revenue Budget Proposals 2022/23 – 2024/25 – Policy and Resources Committee
 - Appendix B: Revenue Budget Proposals 2022/23 – 2024/25 – Other Committees.
-

9. BACKGROUND PAPERS

There are no background papers.

Revenue Budget Proposals 2022/23 - 2024/25

Service	Proposal	22/23	23/24	24/25	Total
		£000	£000	£000	£000
All	Review of structure to enable delivery of strategic priorities	94			94
Democratic & Electoral Services	Additional staff resources	76			76
Corporate Governance, Communities and	Resource data analytic function to report real time data monitoring and data analytics		35		35
Biodiversity & Climate Change	Additional staff resource to support community engagement	35			35
Corporate Property	Office accommodation savings	-150	-125	-125	-400
Housing & Regeneration	New Maidstone Property Holdings developments		-42	-152	-194
All	Service improvements and restructuring		-120		-120
All	Green Travel - changes to essential user and lease car allowance	-20	-20	-20	-60
Elections	Whole Council elections			-60	-60
Corporate Property	Service improvements		-25	-25	-50
Legal Services	Increased usage	130			130
Emergency Planning and Resilience	Emergency Planning and Resilience Manager - now full-time	35			35
Other shared services	Various savings	-43	-20		-63
OVERALL CHANGE IN BUDGET (£000)		157	-317	-382	-542

Negative figures shown above represent a reduction in expenditure budgets, or increased income targets. Positive figures indicate increased expenditure, or a reduction in the income budget.

Revenue Budget Proposals 2022/23 - 2024/25

Service	Proposal	22/23	23/24	24/25	Total
		£000	£000	£000	£000
Street Scene	Public toilets tender new contract	105			105
Community Protection	Two additional roles	60			60
Housing	Better use of external grant funding	-150			-150
Housing	Capital investment to reduce cost of TA	-50	-75		-125
Community Protection	Review of CCTV budgets	-5	-4		-9
OVERALL CHANGE IN BUDGET (£000)		-40	-79	0	-119

Negative figures shown above represent a reduction in expenditure budgets, or increased income targets. Positive figures indicate increased expenditure, or a reduction in the income budget.

Revenue Budget Proposals 2022/23 - 2024/25

Service	Proposal	22/23	23/24	24/25	Total
		£000	£000	£000	£000
Regeneration and Economic	Arts and Culture officer and Operational Budget	99			99
Market	Reduce market income budget	12			12
Mote Park Café	Adjust income target		-30		-30
Museum	Reduction in running costs	-14			-14
OVERALL CHANGE IN BUDGET (£000)		97	-30	0	67

Negative figures shown above represent a reduction in expenditure budgets, or increased income targets. Positive figures indicate increased expenditure, or a reduction in the income budget.

Revenue Budget Proposals 2022/23 - 2024/25

Service	Proposal	22/23	23/24	24/25	Total
		£000	£000	£000	£000
Planning	Increase in staff resource for other planning applications and enforcement	80			80
Land Charges	Migration of land charges register to HMLR	-6	-22	103	75
Parking Services	Reduction in Operations Support re the management of security of Park & Ride	-26			-26
Planning	Neighbourhood Grant	-20			-20
OVERALL CHANGE IN BUDGET (£000)		28	-22	103	109

Negative figures shown above represent a reduction in expenditure budgets, or increased income targets. Positive figures indicate increased expenditure, or a reduction in the income budget.

Agenda Item 14

Policy & Resources Committee

19 January 2022

Council Tax Base 2022-23 and Collection Fund Adjustment

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Head of Finance
Classification	Public
Wards affected	All

Executive Summary

This report advises members on the estimated tax base for Council Tax purposes. It identifies potential changes to that tax base expected in the forthcoming year and recommends the tax base for 2022-23 for the council and parish areas.

The report also provides the anticipated balance on the Council Tax account as at 31 March 2022 which will be recovered from major preceptors and this Council during the next three financial years, in accordance with the amended regulations on deficit phasing.

The distribution of balances to precepting authorities is an important part of their respective budget setting processes and a decision at this time enables timely advice to those authorities. It also enables timely consideration in relation to the Council's own budget strategy for the coming financial year.

Purpose of Report

Decision.

This report makes the following recommendations to this Committee:

That

1. Pursuant to this report and in accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Authority as its Council Tax Base for the year 2022-23 will be 65,896.22;
2. In accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Authority as the Council Tax Base for each parish area for the year 2022-23 will be as identified in Appendix 2 to this report.
3. The 2021-22 Council Tax projection and proposed distribution detailed in Appendix 3 of this report is agreed.

Timetable	
<i>Meeting</i>	<i>Date</i>
Policy & Resources Committee	19 January 2022
Council	23 February 2022

Council Tax Base 2022-23 and Collection Fund Adjustment

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<ul style="list-style-type: none"> We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the recommendations do form a statutory part of the process of setting the budget for the forthcoming financial year and support corporate priorities in this respect. 	Ellie Dunnet, Head of Finance
Cross Cutting Objectives	<ul style="list-style-type: none"> We do not expect the recommendations will by themselves materially affect achievement of cross cutting objectives. However, the recommendations do form a statutory part of the process of setting the budget for the forthcoming financial year and support the council's objectives in this respect. 	Ellie Dunnet, Head of Finance
Risk Management	<ul style="list-style-type: none"> Risk implications are detailed within section 5 of this report. 	Ellie Dunnet, Head of Finance
Financial	<ul style="list-style-type: none"> The results of this decision affect the overall budget strategy process and therefore the pressure on the Council Tax requirement in creating a balanced budget. The setting of the tax base is an essential part of the budget process which is required by legislation. Any increase in the tax base effectively means that the cost of services provided by this Authority and others in the area is being spread over more Council Tax payers which would effectively reduce the Council Tax burden on any individual tax payer. However, this relationship must be realistic in that any underachievement on the collection of Council Tax will 	Ellie Dunnet, Head of Finance

	result in cash flow pressures for this Council as a billing authority.	
Staffing	<ul style="list-style-type: none"> The recommendations do not give rise to any direct staffing implications. 	Ellie Dunnet, Head of Finance
Legal	<ul style="list-style-type: none"> Accepting the recommendations regarding the tax base will fulfil the Council's duties under the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012. Failure to accept the recommendations without agreeing suitable alternatives may place the Council in breach of these regulations. Billing authorities are required by the Local Authorities (Funds) (England) Regulations 1992 to estimate any surplus/deficit on their collection fund for the year. Accepting the recommended projection in Appendix 3 will enable the Council to meet this requirement. The Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 amend the Local Authorities (Funds) (England) Regulations 1992 and the Non Domestic Rating (Rates Retention) Regulations 2013 which govern the calculation and apportionment of Collection Fund surpluses and deficits for council tax and non-domestic rates respectively. These amendments amend the way in which billing authorities calculate their estimated surplus or deficit on their collection fund in respect of non-domestic rating income for the relevant years beginning on 1st April 2021 and 1st April 2022. These amendments require billing authorities to spread their exceptional balance for a relevant year over a period of three relevant years ending with the relevant year beginning on 1st April 2023. The exceptional balance for council tax 	Senior Legal Adviser, Corporate Governance

	within appendix 3 has been calculated in accordance with these regulations.	
Privacy and Data Protection	<ul style="list-style-type: none"> The recommendations do not give rise to any direct privacy or data protection implications. 	Policy and Information Team
Equalities	<ul style="list-style-type: none"> The recommendations do not propose a change in service therefore will not require an equalities impact assessment. 	Ellie Dunnet, Head of Finance
Public Health	<ul style="list-style-type: none"> The recommendations do not give rise to any direct public health implications. 	Ellie Dunnet, Head of Finance
Crime and Disorder	<ul style="list-style-type: none"> The recommendations do not give rise to any direct crime and disorder implications. 	Ellie Dunnet, Head of Finance
Procurement	<ul style="list-style-type: none"> The recommendations do not give rise to any direct procurement implications. 	Ellie Dunnet, Head of Finance
Biodiversity and Climate Change	<ul style="list-style-type: none"> We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the recommendations do form a statutory part of the process of setting the budget for the forthcoming financial year and support corporate priorities in this respect. 	Ellie Dunnet, Head of Finance

2. INTRODUCTION AND BACKGROUND

Tax Base

- 2.1 Setting the tax base is an integral part of the Council tax collection process which is a basic financial function of this Authority. It is essential for the efficient funding of all Local Authorities in the area. The income received from Council Tax, within the overall context of the budget process, provides resources for the achievement of all the Council's priorities.
- 2.2 Regulations prescribe that a decision on the tax base for the forthcoming financial year must be made between 1st November and 31st January.

- 2.3 The basis of the calculation of the tax base is the valuation information received from the Valuation Office on 13 September 2021 and the latest information on exemptions and discounts available as at 4 October 2021.
- 2.4 This information has been collated for the whole of the Borough area and for individual Parish areas. Information for the whole area has been supplied to the Government for their use in the monitoring of:
- The Local Council Tax Support Scheme;
 - This Council's needs baseline for business rates; and
 - Property changes that will be used to calculate the Council's New Homes Bonus award next year.
- 2.5 The tax base figure supplied to central government is given at Appendix 1. This shows a net tax base of 66,099.9 as at 13 October 2021. Starting from this figure an estimate of the tax base for 2022-23 can be made by considering movements that may occur in the factors that influence the tax base over the forthcoming year.
- 2.6 It is necessary that a realistic assessment is made of the potential changes to the tax base for 2022-23 as an under or over recovery of Council tax income will affect the Council's cash flow. If the tax base is overestimated, there will inevitably be a deficit on the collection fund which will need to be recovered through the Council tax in the following financial year. In addition, during the course of the year, the borrowing necessary to cover the under recovery of the tax would need to be paid for by this Council. If the tax base is underestimated there will be a surplus on the collection fund because the Council will have asked tax payers to contribute more than necessary in this financial year. The surplus would then be used to reduce the need for resources in the following year.
- 2.7 It is also necessary at this time to provide the parish Councils, which set a precept, with the element of the tax base of the borough that equates to their area. Attached at Appendix 2 to this report is the detail of the calculation of the tax base for each parish.

Collection Fund Adjustment

- 2.8 As a billing authority, this Council has a statutory obligation to maintain a Collection Fund for transactions relating to the collection of Council Tax and Business Rates from taxpayers and distribution to preceptors.
- 2.9 For proper maintenance of the Collection Fund, it is necessary to assess, on an annual basis, the projected balance as at 31 March of each year. Any balance, either positive or negative, must be taken into account in the following financial year. Under the Statutory arrangements for the Collection Fund, the balance remaining does not become a credit or charge on this Council but requires it to be distributed proportionately across the preceptors.
- 2.10 The regulations provide that, in estimating a surplus or deficit on the Collection Fund at the end of the year, account is taken of any difference

between the amount estimated for the previous year and the amount shown as the surplus/deficit for that year in the accounts. Surpluses and deficits will be calculated separately for Council tax and business rates.

- 2.11 These balances (surplus or deficit) will be distributed between the billing authority, i.e. Maidstone Borough Council, and major preceptors during 2022-23. The amounts are apportioned on the basis of the billing authority's demand, and each major precepting authority's precept, based on their respective band D Council tax bases to which the estimate relates i.e. the amounts to be distributed during 2022-23 will be apportioned using the 2021-22 demand and precept amounts.
- 2.12 The Collection Fund Adjustment arising from business rates will be estimated at a later stage due to the statutory timetable for calculating the predicted closing balance. This will be reported to the committee in February as part of the Medium Term Financial Strategy proposals.

3. AVAILABLE OPTIONS

Tax Base - Option 1

- 3.1 An assessment of the information held by both the Revenues Service and the Planning Service suggests that between October 2021 and March 2023 a total of 1,196 properties will be added to the Council Tax records. Distributing this sum evenly over the period and taking the average, to identify the effect on the tax base for 2022-23, the result suggests an increase of 885 band D equivalent properties. Adjusting this figure for the current levels of discount and other allowances suggests a decrease of 204 properties from the CTB1 figure.
- 3.2 This figure is significantly lower than the 1,196 new properties identified because they will not all be band D properties, they will not all start to pay Council Tax at the beginning of the year and some will receive the discounts and allowances that are part of the system.
- 3.3 Furthermore, the revised total tax base must be adjusted to allow for non-collection for which has been calculated at 1.5%.
- 3.4 The calculation is set out in the table below:

Tax Base as at Appendix I	66,099.9
New properties (Avg: by band D & time)	885.37
Adjustment for potential allowances	-88.54
Non-collection allowance (1.5% of above)	-1,000.51
Proposed Tax Base	65,896.22

Table 1: Proposed tax base 2022-23

- 3.5 The overall position represents year on year growth in the tax base estimate of 3.69%. This results in a favourable impact for the strategic revenue project, which was based on an estimated 1.5% growth in the tax base.

- 3.6 Appendix 2 to this report provides details of the tax base for each parish based on an identical calculation.

Tax Base - Option 2

- 3.7 It would be possible to vary some of the factors set out above. The exception is the figure from Appendix 1 as this is reconciled to the District Valuers' records and has been reported to central government. The other figures given above are based on current known data and though they could rise or fall during the year.
- 3.8 The risk of making an inaccurate calculation are set out in paragraph 2.6 above and the data used in calculating Option 1 is accurate and evidenced any variation the committee may wish to make should be similarly evidence based.

Tax Base - Option 3

- 3.9 The do nothing option is not available to the Council as it has a statutory obligation to set a tax base each year.

Collection Fund Adjustment - Option 1

- 3.10 A projection for 31 March 2022 based on the current position is provided at Appendix 3. This appendix details the precepts and demands on the fund for 2021-22 totalling £128,617,771.
- 3.11 Appendix 3 also details the current position regarding Council tax bills dispatched, incorporating exemptions and discounts, and an allowance for irrecoverable debt. Total income is now anticipated to be £129,961,275; therefore a surplus of £1,343,504 is anticipated for 2021-22.
- 3.12 A forecast deficit of £736,806 for the current financial year is being recovered from major preceptors and this Council's general fund. The actual outturn position at 31 March 2021 was a deficit of £273,297 in respect of council tax. This brings the forecast cumulative surplus as at 31 March 2022 to £1,070,207.

Deficit Phasing

- 3.13 Ordinarily, this surplus would be apportioned according to preceptors' respective shares of council tax and distributed to the general fund and major preceptors over the next financial year in accordance with the provisions of the Local Government Finance Act 1992 as follows:

Preceptor	£
Maidstone Borough Council	161,889
Kent County Council	750,226
Kent Police Authority	115,356
Kent and Medway Towns Fire Authority	42,737
Total projected deficit as at 31 March 2022	1,070,207

Table 2: Forecast cumulative deficit on the council tax account for 2022-23

- 3.14 However, as a result of pressures associated with the Coronavirus pandemic, and the significant deficits in council tax and business rates which have resulted from this, the Government amended secondary legislation to allow authorities to spread the estimated deficit on the 2020-21 Collection Fund over the three years 2021-22 to 2023-24. The provisions do not allow deficits in other financial years to be phased.
- 3.15 Alongside the cumulative estimated surplus as at 31 March 2022, an adjustment is required for the 'exceptional balance' calculated in respect of 2020-21. This represents the estimated 2020-21 deficit, net of any 'prior year' elements (the prior year element is the difference between the estimated and actual surplus/deficits for 2019-20 and is calculated as the difference between the 'opening balance' on the Collection Fund at 1 April 2020 and the sums paid to/from the Collection Fund during the course of 2020-21 in respect of the estimated surplus/deficit calculated by authorities in January 2020). The exceptional balance for council tax was calculated to be a deficit of £3,181,895.
- 3.16 As the exceptional balance calculated for 2020-21 was a deficit, the deficit phasing provisions were triggered and this amount must be spread in three equal portions across the three financial years 2021-22 to 2023-24. In the interests of reducing potential complication as far as possible, the exceptional balance may not be adjusted in the event that the end of year calculation of actual surplus or deficit for 2020-21 produces a different amount. It should be noted that this will give rise to a short-term cash flow shortfall for this council as a billing authority. There was no provision in the regulations to allow authorities to opt out of the deficit phasing, or to adopt a different payment profile.
- 3.17 The Local Authorities (Funds) (England) Regulations 1992 require collection fund surpluses and deficits to be apportioned on the basis of each billing authority and major preceptor's share of the aggregate council tax requirement for the billing authority's area for the 'preceding year'. This apportions the share of the estimated exceptional balance which will be spread across 2021-22, 2022-23 and 2023-24 as follows:

Preceptor	£
Maidstone Borough Council	492,546
Kent County Council	2,224,404
Kent Police Authority	334,419
Kent and Medway Towns Fire Authority	130,525
Total projected exceptional balance as at 31 March 2021	3,181,894

Table 3: Forecast exceptional balance on council tax at 31 March 2021

- 3.18 The phasing provisions detailed within the preceding paragraphs require that two thirds of the exceptional balance be removed from the calculation, with the first third having been recovered during 2021-22, and the remainder to be recovered during 2023-24. The impact of this amendment leaves an adjusted surplus for council tax to be distributed in 2022-23 of £2,130,839, apportioned as follows:

Preceptor	£
Maidstone Borough Council	318,588
Kent County Council	1,495,785
Kent Police Authority	232,529
Kent and Medway Towns Fire Authority	83,937
Total surplus to be distributed during 2022-23	2,130,839

Table 4: Apportionment of council tax deficit to be recovered in 2022-23

- 3.19 Authorities' shares of the aggregate area council tax requirement can vary from year to year, creating a risk that their shares of the phased exceptional balance could change during the lifetime of the scheme. To prevent this, the regulations require the exceptional balance to be apportioned each year according to the authorities' council tax requirements in 2020-21. All other estimated surpluses or deficits will continue to be apportioned according to the council tax requirements of authorities at the time of the estimate.

Collection Fund Adjustment - Option 2

- 3.20 The committee could choose to vary the figures used in the estimate provided within the appendices. However, these are based on data from the revenues system, projections developed from past experience and known factors. They are considered to represent a reasonable basis for estimating the position on the collection fund at 31 March 2022.
- 3.21 Should the committee choose to vary the data and distribute a different surplus or deficit this could affect the balance on the collection fund and the Council's cash flows.
- 3.22 The apportionment methodology is defined in statute and therefore may not be altered.

Collection Fund Adjustment - Option 3

- 3.23 It is a statutory requirement that any adjustment be calculated annually and the committee cannot choose to take no action in relation to this decision.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The recommended option is Option 1 (as detailed in paragraph 3.4 above) as this calculation is based on current known data and collection rates.

Collection Fund Adjustment

- 4.2 It is recommended that the committee agrees the projections detailed within option 1 above and within Appendix 3, as they are based on data from the revenues system, projections developed from past experience and known factors. They are considered to represent a reasonable basis for estimating the position on the collection fund at 31 March 2022.

5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. That consideration is shown in this report within section 2. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
 - 5.2 The main risks relate to an over optimistic estimate of the tax base and/or balance on the Council Tax account at 31 March 2022. Although any deficit arising on the Collection Fund would be recouped in subsequent years, the impact of this risk materialising could be flow problems during the year. As a direct consequence this would reduce interest income generated on the Council's cash balances or, in extreme cases, result in a need to borrow on a temporary basis.
 - 5.3 Over pessimistic estimates would lead to increased balances on the Collection Fund. When fed into the overall budget process this can produce yearly variations which need to be managed as part of the Budget Strategy and place unnecessary burdens on tax payers in advance of need.
 - 5.4 Monthly monitoring of collection rates and growth seen in the tax base over recent years help the Council to mitigate this risk.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 No consultation is necessary on this specific issue but consultation has occurred with the public and with service committees on the wider issues relating to the budget and Council tax for 2022-23. The outputs of this exercise are included within a separate agenda item at this meeting.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The tax bases approved as part of this decision will be provided, as appropriate, to relevant preceptors.
 - 7.2 The Council will use this tax base in setting its 2022-23 budget on 23 February 2022.
 - 7.3 The Council is required to notify preceptors of the estimated Council Tax surplus/deficit as at 31 March 2022.
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8. REPORT APPENDICES

- Appendix 1 - Calculation of Council Tax Base (CTB1 Return)
 - Appendix 2 - Calculation of Individual Parish Tax Bases 2022-23
 - Appendix 3 - Council Tax Projection to 31 March 2022
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9. BACKGROUND PAPERS

None

CTB(October 2021)

Calculation of Council Tax Base

Please e-mail to : ctb.stats@communities.gov.uk

Please enter your details after checking that you have selected the correct local authority name

Ver 1.1

Please select your local authority's name from this list

Lincoln
Liverpool
Luton
Maidstone
Maldon
Malvern Hills

Check that this is your authority : **Maidstone**
E-code : **E2237**
Local authority contact name : **Stephen Smith**
Local authority contact telephone number : **01622 602493**
Local authority contact e-mail address : **stephen.smith@mildkent.gov.uk**

CTB(October 2021) form for a Maidstone

Completed forms should be received by DLUHC by Friday 15 October 2021

Dwellings shown on the Valuation List for the authority on Monday 13 September 2021	Band A entitled to disabled relief reduction COLUMN 1	Band A COLUMN 2	Band B COLUMN 3	Band C COLUMN 4	Band D COLUMN 5	Band E COLUMN 6	Band F COLUMN 7	Band G COLUMN 8	Band H COLUMN 9	TOTAL COLUMN 10
Part 1										
1. Total number of dwellings on the Valuation List		4,415	9,319	20,267	19,619	10,516	6,090	4,424	384	75,034.0
2. Number of dwellings on valuation list exempt on 4 October 2021 (Class B & D to W exemptions)		227	179	461	251	96	44	37	2	1,297.0
3. Number of demolished dwellings and dwellings outside area of authority on 4 October 2021 (please see notes)		2	0	0	1	0	0	0	0	3.0
4. Number of chargeable dwellings on 4 October 2021 (treating demolished dwellings etc as exempt) (lines 1-2-3)		4,186	9,140	19,806	19,367	10,420	6,046	4,387	382	73,734.0
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 4 October 2021		4	16	57	100	82	48	28	16	351.0
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	4	16	57	100	82	48	28	16		351.0
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	4	4,198	9,181	19,849	19,349	10,386	6,026	4,375	366	73,734.0
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 4 October 2021	1	2,534	4,533	7,007	5,175	2,180	904	569	35	22,938.0
9. Number of dwellings in line 7 entitled to a 25% discount on 4 October 2021 due to all but one resident being disregarded for council tax purposes	0	21	83	197	227	116	59	25	1	729.0
10. Number of dwellings in line 7 entitled to a 50% discount on 4 October 2021 due to all residents being disregarded for council tax purposes	0	1	3	12	19	6	10	21	9	81.0
11. Number of dwellings in line 7 classed as second homes on 4 October 2021 (b/fwd from Flex Empty tab)		19	12	30	41	24	18	25	6	175.0
12. Number of dwellings in line 7 classed as empty and receiving a zero% discount on 4 October 2021 (b/fwd from Flex Empty tab)		106	179	245	179	76	30	22	0	837.0
13. Number of dwellings in line 7 classed as empty and receiving a discount on 4 October 2021 and not shown in line 12 (b/fwd from Flex Empty tab)		0	0	0	0	0	0	0	0	0.0
14. Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 4 October 2021 (b/fwd from Flex Empty tab)		18	36	39	16	7	8	2	2	128.0
15. Total number of dwellings in line 7 classed as empty on 4 October 2021 (lines 12, 13 & 14).		124	215	284	195	83	38	24	2	965.0
16. Number of dwellings that are classed as empty on 4 October 2021 and have been for more than 6 months. NB These properties should have already been included in line 15 above.		54	120	139	104	48	21	13	2	501.0
16a. The number of dwellings included in line 16 above which are empty on 4 October 2021 because of the flooding that occurred between 1 December 2015 and 31 March 2016 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0.0
16b. The number of dwellings included in line 16 above which are empty on 4 October 2021 because of the flooding that occurred between November 2019 and February 2020 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0.0
17. Number of dwellings that are classed as empty on 4 October 2021 and have been for more than 6 months and are eligible to be treated under empty homes discount class D (formerly Class A exemptions). NB These properties should have already been included in line 15 above. Do NOT include any dwellings included in line 16a above.		0	0	1	0	0	0	0	0	1.0
18. Number of dwellings that are classed as empty and have been empty for more than 6 months excluding those that are subject to empty homes discount class D or empty due to flooding (Line 16 - line 16a - line 16b - line 17) (equivalent to Line 18 in previous forms).		54	120	138	104	48	21	13	2	500.0
19. Number of dwellings in line 7 where there is liability to pay 100% council tax before Family Annexe discount	3	1,624	4,526	12,593	13,912	8,077	5,045	3,758	319	49,857.0
20. Number of dwellings in line 7 that are assumed to be subject to a discount or a premium before Family Annexe discount	1	2,574	4,655	7,256	5,437	2,309	981	617	47	23,877.0

CTB(October 2021)

Calculation of Council Tax Base

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Please enter your details after checking that you have selected the correct local authority name

Ver 1.1

21. Reduction in taxbase as a result of the Family Annexe discount (b/fwd from Family Annexe tab)	0.5	22.3	5.5	3.8	2.1	1.4	0.0	0.0	0.0	35.5
22. Number of dwellings equivalents after applying discounts and premiums to calculate taxbase	3.3	3,559.5	8,070.0	18,093.8	18,007.9	9,822.6	5,790.3	4,218.0	354.5	67,919.7
23. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
24. Total number of band D equivalents (to 1 decimal place) (line 22 x line 23)	1.8	2,373.0	6,276.7	16,083.3	18,007.9	12,005.4	8,363.7	7,030.0	709.0	70,850.8
25. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2021-22 (to 1 decimal place)										196.0
26. Tax base (to 1 decimal place) (line 24 col 10 + line 25)										71,046.8

Part 2

27. Number of dwellings equivalents after applying discounts and premiums to calculate tax base (Line 22)	3.25	3,559.50	8,070.00	18,093.75	18,007.87	9,822.62	5,790.25	4,218.00	354.50	67,919.7
28.Reduction in taxbase as a result of local council tax support (b/fwd from CT Support tab)	0.74	903.31	1,550.40	2,022.64	920.08	221.54	76.28	21.88	1.50	5,718.4
29. Number of dwellings equivalents after applying discounts, premiums and local tax support to calculate taxbase	2.5	2,656.2	6,519.6	16,071.1	17,087.8	9,601.1	5,714.0	4,196.1	353.0	62,201.4
30. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
31. Total number of band D equivalents after allowance for council tax support (to 1 decimal place) (line 29 x line 30)	1.4	1,770.8	5,070.8	14,285.4	17,087.8	11,734.7	8,253.5	6,993.5	706.0	65,903.9
32. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2021-22 (to 1 decimal place)(line 25)										196.0
33. Tax base after allowance for council tax support (to 1 decimal place) (line 31 col 10 + line 32)										66,099.9

Certificate of Chief Financial Officer

I certify that the information provided on this form is based on the dwellings shown in the Valuation List for my authority on 13 September 2021 and that it accurately reflects information available to me about exemptions, demolished dwellings, disabled relief, discounts and premiums applicable on 4 October 2021 and, where appropriate, has been completed in a manner consistent with the form for 2020.

Chief Financial Officer :

Date :

Policy and Resources Committee
Tax Base Calculation for Parish Councils 2022-23

Parish	Tax Base October 2021	Adjustment Net Changes	Non Collection Allowance	Net Tax Base 2022/23
Barming	788.9	17.6	-11.6	794.9
Bearsted	3,681.5	11.0	-55.1	3,637.5
Bicknor	43.3	0.0	-0.6	42.7
Boughton Malherbe	250.5	4.8	-3.7	251.6
Boughton Monchelsea	1,922.8	32.2	-28.4	1,926.7
Boxley	4,034.1	10.5	-60.4	3,984.3
Bredhurst	201.8	2.5	-3.0	201.3
Broomfield & Kingswood	724.9	1.8	-10.8	715.9
Chart Sutton	422.7	0.0	-6.3	416.4
Collier Street	403.4	6.9	-5.9	404.4
Coxheath	1,928.3	44.1	-28.3	1,944.1
Detling	409.7	1.2	-6.1	404.8
Downswood	855.4	0.0	-12.8	842.6
East Sutton	139.2	0.0	-2.1	137.1
Farleigh East	675.5	2.4	-10.1	667.8
Farleigh West	250.1	0.6	-3.7	247.0
Fringsted	72.8	0.0	-1.1	71.7
Harrietsham	1,384.8	20.4	-20.5	1,384.7
Headcorn	1,890.2	55.2	-27.5	1,917.9
Hollingbourne	499.5	1.9	-7.5	493.9
Hucking	38.5	0.0	-0.6	37.9
Hunton	324.2	0.0	-4.9	319.3
Langley	540.3	35.9	-7.6	568.7
Leeds	345.1	14.7	-5.0	354.9
Lenham	1,534.2	22.4	-22.7	1,533.9
Linton	270.4	4.9	-4.0	271.3
Loose	1,154.5	1.2	-17.3	1,138.4
Marden	2,158.0	40.1	-31.8	2,166.3
Nettlestead	320.7	0.6	-4.8	316.5
Otham	504.6	59.6	-6.7	557.5
Otterden	92.7	0.0	-1.4	91.3
Staplehurst	2,776.9	122.3	-39.8	2,859.3
Stockbury	330.1	1.8	-4.9	327.0
Sutton Valence	751.6	10.4	-11.1	750.9
Teston	318.9	0.0	-4.8	314.1
Thurnham	618.4	24.7	-8.9	634.2
Tovil	1,455.5	1.2	-21.8	1,434.9
Ulcombe	409.2	4.2	-6.1	407.4
Wichling	60.1	0.0	-0.9	59.2
Wormshill	103.6	0.0	-1.6	102.0
Yalding	1,096.0	11.6	-16.3	1,091.3

Policy & Resources Committee
19 January 2022
Council Tax Adjustment 2021/22

	£	%
<u>Demands on the fund (2021/22)</u>		
Maidstone Borough Council budget requirement	19,455,858	15.13%
Kent County Council (including adult social care charge)	90,162,340	70.10%
Kent Police	13,863,454	10.78%
Kent Fire & Rescue	5,136,119	3.99%
Council Tax requirement	128,617,771	100.00%

<u>Debit raised</u>	
Charges raised	156,932,735
Less:	
Council Tax Support	-10,296,483
Single Persons Discount	-10,946,950
Discount for disabled people	-122,836
Other exemptions and disregards	-3,238,434
Local Discounts	-72,746
Plus:	
Empty Property Premium	8,537
Second Homes	199,483
	132,463,306
Transfer from general fund for s13A reliefs	72,746
Less allowance for bad and doubtful debts	-3,311,583
Less anticipated deficit recovered during 2021/22	736,806
Projected Council Tax Income for 2021/22	129,961,275
Projected surplus for the year	1,343,504

	£
<u>Utilisation of fund balance</u>	
Actual Deficit at 31 March 2021 (b/f)	-273,297
Cumulative surplus as at 31 March 2021	1,070,207

Exceptional balance to be spread across 2020/21, 2021/22 and 2022/23	3,181,895
Cumulative surplus less 1/3 exceptional balance	2,130,839

<u>Share of adjusted surplus, to be recovered in 2022/23</u>	
Maidstone Borough Council	318,588
Kent County Council	1,495,785
Kent Police	232,529
Kent Fire & Rescue	83,937
	2,130,839

Agenda Item 15

Policy & Resources Committee

19 January 2022

Fees and Charges 2022-23

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Head of Finance
Classification	Public
Wards affected	All

Executive Summary

This report sets out the proposed fees and charges for 2022/23 for the services within the remit of this committee, and summarises the overall changes for all Committees. Fees and charges determined by the council are reviewed annually, and this forms part of the budget setting process. Changes to fees and charges agreed by this committee will come into effect on 1 April 2022 unless otherwise stated in the report.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. That the proposed discretionary fees and charges set out in Appendix 1 to this report are agreed.
2. That the expected statutory fees and charges set out in Appendix 1 to this report are noted.
3. That the overall change in fees and charges attached within Appendices 3-5 is noted.

Timetable

Meeting	Date
Communities, Housing and Environment Committee	30 November 2021
Strategic Planning & Infrastructure Committee	7 December 2021
Economic Regeneration & Leisure Committee	14 December 2021
Policy and Resources Committee	19 January 2022

Fees and Charges 2022-23

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<ul style="list-style-type: none"> We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the Council’s policy on charging has been developed to support corporate priorities as set out in the strategic plan and the proposals within the report have been made with reference to this. 	Ellie Dunnet, Head of Finance
Cross Cutting Objectives	<ul style="list-style-type: none"> The report recommendations support the achievement of the cross cutting objectives by ensuring that costs of service delivery are recovered where possible, which enables services which support these objectives to be sustained. 	Ellie Dunnet, Head of Finance
Risk Management	<ul style="list-style-type: none"> This is covered within section 5 of the report. 	Ellie Dunnet, Head of Finance
Financial	<ul style="list-style-type: none"> Financial implications are set out in the body of the report. If agreed, this income will be incorporated into the Council’s medium term financial strategy for 2022-23 onwards. 	Ellie Dunnet, Head of Finance
Staffing	<ul style="list-style-type: none"> The recommendations do not have any staffing implications. 	Ellie Dunnet, Head of Finance
Legal	<ul style="list-style-type: none"> Acting on the recommendations is within the Council’s powers as set out within the Local Government Act 2003 and the Localism Act 2011. <p>Section 93 of the Local Government Act 2003 permits best value authorities to charge for discretionary services provided the authority has the power to provide that service and the recipient agrees to take it up on those terms. The authority has a duty to ensure that taking one financial year with another, income does</p>	Robin Harris Interim Team Leader Contentious and Corporate Governance

	<p>not exceed the costs of providing the service. A number of fees and charges for Council services are set on a cost recovery basis only, with trading accounts used to ensure that the cost of service is clearly related to the charge made. In other cases, the fee is set by statute and the Council must charge the statutory fee. In both cases the proposals in this report meet the Council's legal obligations.</p> <ul style="list-style-type: none"> Where a customer defaults on the fee or charge for a service, the fee or charge must be defensible, in order to recover it through legal action. Adherence to the MBC Charging Policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting such fees and charges. 	
Privacy and Data Protection	<ul style="list-style-type: none"> The recommendations do not have any privacy or data protection implications. 	Policy and Information Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment.	Equalities and Communities Officer
Public Health	<ul style="list-style-type: none"> The recommendations do not have any public health implications. 	Ellie Dunnet, Head of Finance
Crime and Disorder	<ul style="list-style-type: none"> The recommendations do not have any public health implications. 	Ellie Dunnet, Head of Finance
Procurement	<ul style="list-style-type: none"> The recommendations do not have any procurement implications. 	Ellie Dunnet, Head of Finance
Biodiversity and Climate Change	<ul style="list-style-type: none"> There are no direct implications on biodiversity and climate change. 	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The council is able to recover the costs of providing certain services through making a charge to service users. For some services, this is a requirement and charges are set out in statute, and in other areas the council has discretion to determine whether charging is appropriate, and the level at which charges are set.
- 2.2 In recent years, the use of charging has become an increasingly important feature of the council's medium term financial strategy, as pressures on the revenue budget limit the extent to which subsidisation of discretionary services is feasible. Recovering the costs of these services from users where possible helps to ensure sustainability of the council's offer to residents and businesses, beyond the statutory minimum.
- 2.3 A charging policy (attached at Appendix 2 for reference) is in place for charges which are set at the council's discretion and this seeks to ensure that:
- a) Fees and charges are reviewed regularly, and that this review covers existing charges as well services for which there is potential to charge in the future.
 - b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
 - c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
 - d) Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.
- 2.4 The policy covers fees and charges that are set at the discretion of the council and does not apply to services where the council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. planning application fees, are also outside the scope of the policy. However, consideration of any known changes to such fees and charges and any consequence to the medium term financial strategy are included in this report for information.
- 2.5 Managers are asked to consider the following factors when reviewing fees and charges:
- a) The council's strategic plan and values, and how charge supports these;
 - b) The use of subsidies and concessions targeted at certain user groups or to facilitate access to a service;
 - c) The actual or potential impact of competition in terms of price or quality;

- d) Trends in user demand including an estimate of the effect of price changes on customers;
- e) Customer survey results;
- f) Impact on users, both directly and on delivering the council's objectives;
- g) Financial constraints including inflationary pressure and service budgets;
- h) The implications of developments such as investment made in a service;
- i) The corporate impact on other service areas of council wide pressures to increase fees and charges;
- j) Alternative charging structures that could be more effective;
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

Discretionary Charges for 2022-23

- 2.6 It is important that charges are reviewed on a regular basis to ensure that they remain appropriate and keep pace with the costs associated with service delivery as they increase over time.
- 2.7 Charges for services which fall within the remit of this committee have been reviewed by budget managers in line with the policy, as part of the development of the medium term financial strategy for 2022/23 onwards. The detailed results of the review carried out this year are set out in Appendix 1 and the approval of the committee is sought to the amended fees and charges for 2022/23 as set out in that appendix.
- 2.8 Table 1 below summarises the 2020/21 outturn and 2021/22 estimate for income from the discretionary fees and charges which fall within the remit of this committee. Please note that the table only reflects changes relating to fees and charges and does not include other budget proposals which may impact these service areas.
- 2.9 The overall increase in income if these changes are agreed and implemented as planned is expected to be £2,200 which amounts to a 3.58% increase in the budgeted income figure for this committee for the current financial year.

Service Area	2020-21 Outturn £	2021-22 Budget £	2021-22 Forecast £	Proposed change in income £	2022-23 Estimate £	% Change
Legal Services	77,638	55,000	115,000	2,200	57,200	4.00%
Town Hall	0	1,500	274	0	1,500	0.00%
Maidstone House (staff parking)	0	4,910	0	0	4,910	0.00%
Total income from charges set by the Council	77,638	61,410	115,274	2,200	63,610	3.58%

Table 1: Discretionary Fees & Charges Summary (P&R)

2.10 Detailed proposals are set out within Appendix 1 to this report, and considerations relating to these proposals have been summarised below.

2.11 Legal Services – The fees and charges for legal services are based on recovering the cost of the service. Consideration is also given to the maximum recoverable costs per hour for court work in this area, which are set by the Ministry of Justice. The most significant cost pressure for legal services is salaries which represent the biggest proportion of the expenditure budget. The hourly chargeable rate is the same across all three authorities in the partnership.

2.12 Town Hall – No increases are proposed to the charges in this area for the next financial year. This will remain under review, however it is hoped that this will ensure that the offer of room hire and refreshments at the Town Hall remain competitively priced and an attractive option to potential customers.

2.13 Maidstone House (staff parking) – No changes are proposed to these charges at this stage.

Statutory Fees & Charges

2.14 Table 2 below summarises the income due from fees which are set by the government. No changes are anticipated to these charges which are set centrally by government departments.

Service Area	2020-21 Outturn £	2021-22 Estimate £	2021-22 Forecast £	Proposed change in income £	2022-23 Estimate £	% Change
Mid Kent Enforcement Service	500,466	751,200	725,239	145,800	897,000	19.41%
Total income from charges set externally	500,466	751,200	725,239	145,800	897,000	19.41%

Table 2: Statutory Fees & Charges Summary (P&R)

2.15 An increase in income from compliance and enforcement fees is anticipated as activity increases. This operates as a shared service, the income is gross and the net profit is shared equally between the authorities.

Strategic Overview

2.16 The Council's policy on charging states that this committee will consider the overall impact of all fees and charges on the council's residents and businesses. A summary of these changes is provided below, with the detail set out within Appendices 3-5. Appendix 5 reflects some minor updates to the statutory fees for Land Charges compared to the version noted by SPI committee in December. Overall, the anticipated impact of the proposals represents a small increase (0.45%) on existing gross income budgets. This information excludes fees for licensing, which will be reported to the Licensing Committee for approval.

Service Area	2020-21 Actual £	2021-22 Estimate £	2021-22 Forecast £	Proposed change in income £	2022-23 Estimate £
Parks and Open Spaces	2,600	17,510	11,259	0	17,510
Parks and Open Spaces-Leisure	0	20,530	168	0	20,530
Cemetery and Crematorium	1,853,825	1,470,740	1,544,213	25,000	1,495,740
Environmental Health	7,786	10,020	2,810	0	10,020
Waste Crime & Community Protection	2,754	3,900	19,241	0	3,900
Recycling & Refuse Collection	1,306,541	1,410,530	1,446,657	0	1,410,530
HMO Licensing	11,516	20,380	25,663	0	20,380
Gypsy & Traveller Sites	75,757	70,340	58,315	0	70,340
Total income from fees set by the Council	3,260,780	3,023,950	3,108,326	25,000	3,048,950

Table 3: Discretionary Fees & Charges Summary (CHE)

Service Area	2020-21 Outturn £	2021-22 Estimate £	2021-22 Forecast £	Proposed change in income £	2022-23 Estimate £
Business Terrace	56,229	84,980	58,034	0	84,980
Business Terrace Expansion	114,636	184,590	57,742	0	184,590
Economic Development (Jubilee Square)	-4,553	3,500	175	0	3,500
Market	24,951	143,840	72,317	0	143,840
Museum	2,280	44,400	29,169	0	44,400
Total income from fees set by the Council	193,554	461,310	217,347	0	461,310

Table 4: Discretionary Fees & Charges Summary (ERL)

Service Area	2020-21 Outturn	2021-22 Budget	2021-22 Forecast	Proposed change in income	2022-23 Estimate
	£	£	£	£	£
Parking Services	2,134,692	3,160,060	3,058,856	0	3,160,060
Sandling Road Car Park	29,797	151,000	55,000	0	151,000
Land Charges	343,957	286,900	321,299	0	286,900
Street Naming & Numbering	38,145	73,350	60,000	0	73,350
Building Control	441,919	354,160	452,396	7,510	361,670
Development and Conservation Control	1,319,146	1,452,260	1,514,146	5,150	1,457,410
Grand Total	4,307,656	5,477,730	5,461,697	12,660	5,490,390

Table 5: Discretionary Fees & Charges Summary (SPI)

3. AVAILABLE OPTIONS

3.1 Option 1

The committee could approve the recommendations as set out in the report, adopting the fees and charges as proposed in Appendix 1. As these proposals have been developed in line with the council's policy on fees and charges, they will create a manageable impact on service delivery whilst maximising income levels.

3.2 Option 2

The committee could propose alternative charges to those set out within Appendix 1. Any alternative increases may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2022-23. The impact on demand for a service should also be taken into account when considering increases to charges beyond the proposed level.

3.3 Option 3

The committee could choose to do nothing and retain charges at their current levels. However, this might limit the Council's ability to recover the cost of delivering discretionary services and could result in the Council being unable to set a balanced budget for 2022-23.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Option 1 as set out above is recommended as the proposed fees and charges shown within Appendix 1 have been developed by budget managers in line with the Council's Charging Policy. The proposed charges are considered appropriate and are expected to create a manageable impact on service delivery whilst maximising cost recovery. Changes to fees and

charges agreed by this committee will come into effect on 1 April 2021 unless otherwise stated.

5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 No consultation has been undertaken specifically relating to the proposals set out in the report. However, the Council has undertaken a survey of residents which will be used to inform wider decisions related to budget setting and spending priorities. The results of this survey were presented to this committee on 24 November 2021.
- 6.2 Following consideration by CHE committee on 30 November 2021, proposed increases to plot fees at Gypsy and Traveller sites of 3.79% were rejected and the committee agreed that these charges would remain at their current level for 2022/23. These changes are reflected within Appendix 3.
-

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 If agreed, the proposed changes to fees and charges, as set out within Appendix 1 will be implemented with effect from 1 April 2022.
-

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Current and Proposed Fees & Charges – Policy & Resources Committee
 - Appendix 2: Charging Policy
 - Appendix 3: Current and Proposed Fees & Charges – CHE Committee
 - Appendix 4: Current and Proposed Fees & Charges – ERL Committee
 - Appendix 5: Current and Proposed Fees & Charges – SPI Committee
-

9. BACKGROUND PAPERS

None

Medium Term Financial Strategy 2022/23

Fees and Charges

Policy and Resources Committee

Fees and Charges April 2021- March 2022	* Includes VAT	Statutory Fee Discretionary Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2022	Change	+ / - Income 2021-22	Estimate 2022-2022	Comments
			£	£	£	£	%	£	£	
Legal Services										
			77,638	55,000				2,200	57,200	
Business Tenancies and Leases										
Hourly Rate		x			225.00	234.00	4.00%			These charges are the same across the partnership
Council Land										
Hourly Rate		x			225.00	234.00	4.00%			
Easement										
Hourly Rate		x			225.00	234.00	4.00%			
Completion of Section 106 Planning Agreements										
Hourly rate		x			225.00	234.00	4.00%			
Variation (per hour)					225.00	234.00	4.00%			
Other Legal work (not covered by the above)										
External hourly rate		x			225.00	234.00	4.00%			
Administrative Fees (plus postage where applicable)										
A4 Documents Single Sided per page					0.50	0.50	0.00%			Will make larger increase every few years rather than increase by a few pennies annually.
A4 Documents Double Sided per page					1.00	1.00	0.00%			See note above
Colour A4 Documents Single Sided per page					1.00	1.00	0.00%			See note above
Copies of Legal Agreements/Deeds etc					5.00 to 50.00	5.00 to 50.00	0.00%			Price dependent on size of document.
Legal Services Total			77,638	55,000				2,200	57,200	

Medium Term Financial Strategy 2022/23

Fees and Charges

Policy and Resources Committee

Fees and Charges April 2021- March 2022	* Includes VAT	Statutory Fee Discretionary Fee	Actuals	Current	Current	Proposed	Change	+ / -	Estimate	Comments
			20-21	Estimate 2021-22	Charges 2021-2022	Charges 2022-2022		Income 2021-22	2022-2022	
			£	£	£	£	%	£	£	
Town Hall										
Town Hall Lettings		x	0	1,500					1,500	
Council Chamber										
Chamber Day (Commercial) - per hour		x			30.00	30.00	0.00%			Minimum charge as for 4 hours
Chamber Day (Non-Commercial) - per half day		x			65.00	65.00	0.00%			
Chamber Evening (Commercial)		x			120.00	120.00	0.00%			
Chamber Evening (Non-Commercial)		x			85.00	85.00	0.00%			
Beauvais Room		x								
Beauvais Day (Commercial) - per hour		x			20.00	20.00	0.00%			Minimum charge as for 4 hours
Beauvais Day (Non-Commercial) - per half day		x			30.00	30.00	0.00%			
Beauvais Evening (Commercial)		x			80.00	80.00	0.00%			
Beauvais Evening (Non-Commercial)					60.00	60.00	0.00%			
Refreshments										
Tea - per pot		x			2.00	2.00	0.00%			
Coffee - per pot		x			4.00	4.00	0.00%			
Town Hall Total			0	1,500				0	1,500	
Maidstone House (Parking at MBC)										
Maidstone House (Staff Parking at MBC) Total	*	x	0	4,910	480.00	480.00	0.00%	0	4,910	Per annum - officer working over 25 hours
			0	4,910				0	4,910	
Mid Kent Enforcement Service (MKES)										
			500,466	751,200				145,800	897,000	This operates as a shared service, the income is gross and the net profit is shared equally between the authorities.
Compliance Fees - statutory charge		x			75.00	75.00	0.00%			There has been delay with receiving council tax cases due to lack of court dates.
Enforcement Fees - statutory charge		x			235.00	235.00	0.00%			
Shared MKES Total			500,466	751,200				145,800	897,000	
GRAND TOTAL			578,104	812,610				148,000	960,610	

Maidstone Borough Council

Charging Policy

November 2017

Maidstone Borough Council

Charging Policy

1 Introduction and Context

- 1.1 At Maidstone Borough Council, fees and charges represent an important source of income which is used to support the delivery of the Council's objectives. Currently income from fees and charges constitutes just under a third of the council's funding.
- 1.2 The Council needs to ensure that its charges are reviewed regularly, and that they contribute towards the achievement of its priorities. It is also important to ensure that fees and charges do not discriminate against individuals or groups by excluding them from accessing council services.
- 1.3 Pressure on the Council's budgets has increased the incentive to make best use of charging opportunities and to recognise the importance of using this as a means of recovering the costs of delivering services.
- 1.4 Under the Council's constitution, responsibility for setting discretionary fees and charges is delegated to service committees and directors. Each committee will review the fees and charges for the services within its remit at least annually as part of the budget setting process to ensure that they remain relevant and appropriate.
- 1.5 Where the Council has the discretion to set the charge for a service, it is important that the implications of this decision are fully understood, and that decision makers are equipped with sufficient information to enable rational decisions to be made.

2 Policy Aims and Objectives

- 2.1 The aim of this policy is to establish a framework within which fees and charges levied by the Council are agreed and reviewed.
- 2.2 The Council must ensure that charges are set at an appropriate level which maximises cost recovery. Unless it would conflict with the Council's strategic priorities, other policies, contracts or the law then the Council should aim to maximise net income from fees and charges.
- 2.3 The policy aims to ensure that:-
 - a) Fees and charges are reviewed regularly, and that this review covers existing charges as well as services for which there is potential to charge in the future.
 - b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.

Maidstone Borough Council

Charging Policy

- c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
- d) Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.

3 Scope

- 3.1 This policy relates to fees and charges currently being levied by the Council and those which are permissible under the wider general powers to provide and charge for “Discretionary Services” included within the Local Government Act 2003 and Localism Act 2011. It does not cover services for which the council is prohibited from charging.
- 3.2 Fees for statutory services delivered by the council, but for which charges are set by central government, rents, leases, council tax, and business rates are outside the scope of this policy.
- 3.3 In general, charges should ensure that service users make a direct contribution to the cost of providing a service. However, there may be certain circumstances where this would not be appropriate. For example:
 - Where the council is prohibited from charging for the service (e.g. collection of household waste)
 - Where the introduction of a charge would impede delivery of corporate priorities;
 - Where administrative costs of charging outweigh the potential income;
 - Where the service is seen to be funded from Council Tax (i.e. services which are provided and delivered equally to all residents)
 - Where the government sets the fee structure (e.g. pollution permits and private water fees)

4 Principles

- 4.1 The following overarching principles apply for the consideration and review of all current and future fees and charges levied by the council:
 - Fees and charges should maximise cost recovery and where appropriate, income generation, to the extent that the Council’s legal powers permit, providing that this would not present any conflict with the Council’s strategic objectives;
 - Fees and charges should support the improvement of services, and the delivery of the Council’s corporate priorities, as set out in the strategic plan;

Maidstone Borough Council

Charging Policy

- Where a subsidy or concession is provided for a service, this must be targeted towards the delivery of strategic priorities, for example, by facilitating access to services;
- The process for setting and updating fees and charges should be administratively simple, transparent and fair, and for budgeting purposes, income projections must be robust and rational.

5 Process and Frequency for Reviewing Charges

- 5.1 The following arrangements for reviewing charges will be applied throughout the Council, for existing charges as well as those which in principle could be introduced.
- 5.2 In accordance with the Council's constitution, *'Discretionary fees and charges will be reviewed and fixed each year by the Committee responsible for the function or the Service Director as appropriate having considered a report from the Director or duly authorised Officer in conjunction with the Chief Finance Officer, as part of the estimate cycle.'*
- 5.3 This annual review will ensure consistency with the Council's priorities, policy framework, service aims, market sensitivity, customer preferences, income generation needs and that any subsidy made by the Council is justifiable.
- 5.4 Heads of Service and budget managers will be asked to complete a schedule setting out all proposed fees and charges for the services in their area (including those which are not set by the council). This will usually take place in autumn for the following financial year and review the current year. By this means, any growth or savings resulting from fees and charges can be built into the budget strategy. The schedule will indicate:
- The service or supply to which the charge relates;
 - Who determines the charges;
 - The basis for the charge (e.g. units or hourly rates);
 - The existing charge;
 - The total income budget for the current year;
 - The proposed charge;
 - Percentage increase/decrease;
 - Effective date for increase/decrease; and
 - Estimated income for the next financial year after introducing the change.

An example schedule is provided at Appendix B.

- 5.5 Following this, the proposals will be collated by the Finance section into a report for each committee to consider the appropriateness of proposed fees and charges for the services within their remit. The report will clearly identify the charges for which the committee can apply

Maidstone Borough Council

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discretion, and distinguish these from the charges which are set externally and included for information only. Policy and Resources Committee will then receive a final report which brings together the proposals from each of the three service committees, in order to assess the overall impact of the proposed changes, and consider the potential impact on customers and service users.

- 5.6 The timing of the annual review will ensure that changes can be incorporated into the council's budget for the forthcoming financial year, although changes to fees and charges may be made outside of this process if required through a report to the relevant director or service committee.
- 5.7 It is possible that the review may lead to a conclusion that charges should remain at the existing level. If this is the case, then the outcomes of the review, including the justification for not increasing the charge need to be documented and reported to the relevant service committee.
- 5.8 For the avoidance of doubt, periodic reviews of the rents and leases are not covered by the above. Individual reviews will be implemented by the relevant officer as long as market levels at least are achieved.

6 Guidance

- 6.1 A checklist of issues for budget managers and Heads of Service to consider when determining the level at which to set fees and charges is provided at Appendix A to this policy.
- 6.2 Below is a list of guiding principles intended to assist decision makers in determining the appropriate level at which to set fees and charges:
- a) Any subsidy from the Council tax payer to service users should be transparent and justifiable.
 - b) Fees and charges may be used to manage demand for a service, and price elasticity of demand should be considered when determining the level at which charges should be set.
 - c) Fees and charges should not be used to provide subsidies to commercial operators.
 - d) Concessions for services should follow a logical pattern and a fair and consistent approach should be taken to ensuring the ensure recovery of all fees and charges.
 - e) Fees and charges should reflect key commitments and corporate priorities.

Maidstone Borough Council

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- f) Prices could be based on added and perceived value, which takes account of wider economic and social considerations, as well as cost.
 - g) There should be some rational scale in the charge for different levels of the same service and there should be consistency between charges for similar services.
 - h) Policies for fees and charges should fit with the Council's Medium Term Financial Strategy and, where appropriate, should be used to generate income to help develop capacity, to deliver efficiency and sustain continuous improvement.
 - i) In certain areas, charging may be used to generate surpluses which can be used to finance other services.
- 6.3 Wherever possible, charges should be recovered in advance or at the point of service delivery. If this is not possible, then invoices should be issued promptly and appropriate recovery procedures will be followed as required. Use of direct debit should be encouraged for periodic payments where this would improve cost effectiveness and enable efficient and timely collection of income.

7 Cost Recovery Limitation

- 7.1 Generally speaking, charges should be set at a level which enables all the costs of delivering a service to be recovered, although there are some exceptions to this identified earlier in this document. This includes direct costs such as the purchase of goods for resale, as well as indirect costs such as management and accommodation costs.
- 7.2 For certain services, legislation prohibits the Council from generating surpluses through charging. The general principle is that, taking one financial year with another, the income from charges must not exceed the costs of provision. Examples where this applies include building control and local land charges.
- 7.3 Any over or under recovery that resulted in a surplus or deficit of income in relation to costs in one period should be addressed when setting its charges for future periods so that, over time, income equates to costs.
- 7.4 Councils are free to decide what methodology to adopt to assess costs. Maidstone Borough Council follows the Service Reporting Code of Practice definition of total cost, including an allocation of all related support costs, plus an appropriate share of corporate and democratic

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Charging Policy

core and non-distributed costs. Further guidance and support on calculating the full cost of service provision can be obtained from the Finance section.

8 Concessions & Subsidies

- 8.1 The normal level of fees and charges may be amended to allow for concessions targeted at certain user groups to encourage or facilitate access to the service.
- 8.2 Where concessions are proposed or already in place they must be justified in terms of overall business reasons, or implementation of key strategic considerations e.g. community safety, healthy living.
- 8.3 Examples of concessions and the reasons why they are awarded are:-
- Reductions for older people or children to encourage different age groups to participate in the sport which is linked to the promotion of public health;
 - Free spaces for disabled drivers in Council car parks to support social inclusion;
 - Concessions for new casual traders at the market to stimulate new usage;
- 8.4 In some cases, it may also be justifiable to subsidise a service for all users, where it would support delivery of strategic priorities.
- 8.5 In some circumstances, it may also be suitable to implement a system of means testing for managing access to concessions and subsidies, in order to ensure that subsidy can be targeted appropriately.
- 8.6 A fair and consistent approach should be taken to the application of concessionary schemes, and decisions should recognise the Council's broader agenda on promoting equality, as set out in the Equality Policy. When considering new charges, or significant changes to an existing charge, the budget manager should complete an Equalities Impact Assessment (EQIA).
- 8.7 All decisions regarding concessions and subsidies should include consideration of the impact the Council's ability to generate income and the Medium Term Financial Strategy.

9 Introducing a new charge

Maidstone Borough Council

Charging Policy

- 9.1 Proposals to introduce new charges should be considered as part of the service planning process and income projections should be factored into the Council's medium term financial plan.
- 9.2 Reasonable notice should be given to customers and service users prior to the introduction of a new charge, along with advice on concessions and discounts available.
- 9.3 Proposals should be based on robust evidence, and will incorporate the anticipated financial impact of introducing the charge, as well as the potential impact on demand for the service.
- 9.4 Performance should be monitored closely following implementation to enable amendments to the charge to be made if required, and the charge will subsequently be picked up as part of the annual review process.

10 Monitoring

- 10.1 Income levels will be monitored throughout the year and reported to committees through the quarterly reporting process. Significant variances may be addressed through an amended to charges, which will require approval from the appropriate Director or Service Committee.
- 10.2 The impact of changes in demand for services will be monitored through quarterly performance monitoring reports, where this is identified as a key performance indicator.

Appendices

Appendix A - Discretionary Fees & Charges Review Checklist

The below checklist may be used as a guide for managers when reviewing existing charges or implementing a new fee structure.

Have you considered the following?	Y/N/NA	Comments
1. How does the charge link to the Council's corporate priorities?		
2. Does the charge enable the council to recover all costs of providing the service?		
3. If the answer to question 2 is 'No', have you considered increasing the charge to enable full cost recovery?		
4. Has the impact of inflation on the cost of service delivery been reflected in the proposed charge?		
5. Do the administrative costs of charging or increasing the charge outweigh the potential income to be generated?		
6. Is the charge being used to deter or incentivise certain behaviours?		
7. Has there been any investment in the service to effect an increase in charges?		
8. If there is a market for the service or supply, has the impact of market conditions and competition be considered in setting the charge?		
9. How sensitive is the price to demand for the service? Is there a risk that an increase in charge could deter potential customers?		
10. If applicable, have consultation results been taken into account?		

Appendix A - Discretionary Fees & Charges Review Checklist

11. Could the charges or income budget be increased to support the delivery of a savings target?		
12. What would the impact of the change be on customers, and how does this affect the delivery of corporate priorities?		
13. Have any alternative charging structures been considered?		
14. How will the service be promoted? How successful have previous promotions been in generating demand?		
15. New charges only - are there any legal factors which impact on the scope for charging (e.g. an obligation to limit charges to cost recovery only)?		
16. New charges only - has an Equalities Impact Assessment been completed?		
17. If applicable, have concessionary charges been considered on a fair and consistent basis?		

Signed: _____

Date: _____

Name: _____

Chargeable Service/Supply: _____

Job Title: _____

Department: _____

Appendix B – Example Schedule of Fees & Charges

Fees and Charges April 2017 - March 2018		Includes VAT	Discretionary Fee	Statutory Fee	2016-2017 Actuals	2017 -2018 Current Estimate	Current Charges 2017-2018	Proposed Charges 2018-2019	% Change	2017-2018 +/- Income	2018 -2019 Estimate	Comments
EA31	Street Naming & Numbering				66,995	49,000				0	49,000	
	Name change						25.00	0.00	-100.00%			
	Addition of Name to numbered Property						25.00	0.00	-100.00%			
	Amendment to Postal Address						25.00	0.00	-100.00%			
	New Build - Individual Property						75.00	0.00	-100.00%			
	Official Registration of Postal Address previously not Registered						50.00	0.00	-100.00%			
	New Development - Fee per unit/flat						40.00	0.00	-100.00%			
	Creation of New Street						100.00	0.00	-100.00%			
	Renumbering of Development or Block of Flats - Fee per unit/flat						20.00	0.00	-100.00%			
	Street Naming & Numbering Total				66,995	49,000				0	49,000	

Medium Term Financial Strategy 2022-23
Fees and Charges
Communities, Housing Environment Committee

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals	Current	Current	Proposed	Change	+ / -	Estimate	Comments
				20-21	Estimate	Charges	Charges		Income	2022-2023	
				£	£	£	£	%	£	£	
Parks and Open Spaces											
Football											
Seniors - single let (hirer to erect nets)	*	x		2,600	15,900	48.00	50.40	5.00%		15,900	
Seniors - 10 or more lets (hirer to erect nets)	exempt	x				40.00	42.00	5.00%			
Juniors - 11 v 11 pitch single let (hirer to erect nets) for U13 and U14 with junior goals	*					26.00	27.30	5.00%			Owing to materials and delivery increase charges and labour costs (annual pay rise) it has been necessary to increase all costs by 5%. Please note, during the pandemic we kept all costs the same to encourage the use of Sports pitches for peoples health & wellbeing.
Juniors - 11 v 11 pitch 10 or more lets (hirer to erect nets) for U13 and U14 with junior goals	exempt					21.66	22.74	4.99%			Income is under target, so no increase to budget is proposed.
Juniors - 11 v 11 pitch single let (hirer to erect nets) for U15, U16 and U18 with adult goals	*					32.00	33.60	5.00%			
Juniors - 11 v 11 pitch 10 or more lets (hirer to erect nets) for U15, U16 and U18 with adult goals	exempt					26.66	27.99	4.99%			
Juniors - 9 v 9 pitch single let (hirer to erect nets)	*					20.00	21.00	5.00%			
Juniors - 9 v 9 pitch 10 or more lets (hirer to erect nets)	exempt					16.66	17.49	4.98%			
Juniors - 7 v 7 pitch single let (hirer to erect nets)	*					14.00	14.70	5.00%			
Juniors - 7 v 7 pitch 10 or more lets (hirer to erect nets)	exempt					11.66	12.24	4.97%			
Juniors - 5 v 5 pitch single let (hirer to erect nets)	*					14.00	14.70	5.00%			
Juniors - 5 v 5 pitch 10 or more lets (hirer to erect nets)	exempt					11.66	12.24	4.97%			
Use of five-a-side football nets - per set	*					21.00	22.05	5.00%			
Juniors - hire of an adult pitch (hirer to erect nets)	*					38.40	40.32	5.00%			
Juniors - 10 or more hires of an adult pitch (hirer to erect nets)	exempt					32.00	33.60	5.00%			
Rugby											
Seniors - single let	*	x		0	1,610	63.50	66.67	4.99%		1,610	
Seniors - 10 or more lets	exempt	x				53.00	55.65	5.00%			
Juniors - single let	*	x				32.00	33.60	5.00%			
Juniors - 10 or more lets	exempt	x				26.50	27.82	4.98%			
				2,600	17,510				0	17,510	

Fees and Charges

Communities, Housing Environment Committee

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals	Current	Current	Proposed	Change	+ / -	Estimate	Comments
				20-21	Estimate	Charges	Charges		Income	2022-2023	
Parks and Open Spaces-Leisure Activities											
<u>Tennis - per court per hour</u>											
Adult - single hire	*	x		0	0	8.40	n/a	-100.00%		0	Tennis fees are not collected as the cost to collect them exceeds the income recovered.
Adult -10 or more hires	exempt	x				7.00	n/a	-100.00%			
OAP/Junior - single hire	*	x				4.60	n/a	-100.00%			
OAP/Junior - 10 or more hires	exempt	x				3.80	n/a	-100.00%			
<u>Bowls - Season - Adult</u>											
- OAP/Junior	*	x		0	0	80.00	84.00	5.00%		0	
- per Green - Adult	*	x				40.00	42.00	5.00%			
- OAP/Junior	*	x				6.00	6.30	5.00%			
-Match fees	*	x				3.00	3.15	5.00%			
Use of Woods - per hour/match - Adult	*	x				4.80	5.00	4.17%			
- OAP/Junior	*	x				3.50	3.65	4.29%			
- per match - Adult	*	x				2.30	2.40	4.35%			
- OAP/Junior	*	x				3.50	3.65	4.29%			
<u>Rounders - Weekends</u>	*	x				2.30	2.40	4.35%			
- Evenings 5 - 9.30pm	*	x				53.50	56.00	4.67%			
						41.50	43.50	4.82%			
<u>Use of Changing Rooms and Showers</u>											
	*	x				20.00	21.00	5.00%			
<u>Evenings</u>											
Fairs and circuses - per day (min. charge)	exempt	x		0	550	620.00	n/a	-100.00%		0	No longer a viable income stream . Any funfairs will have income in commercial opportunities using rates dependent on size and scale
Big top show - per evening (min. charge)	exempt	x				430.00	n/a	-100.00%			No longer a viable income stream

Medium Term Financial Strategy 2022-23
Fees and Charges
Communities, Housing Environment Committee

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2023	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
				£	£	£	£	%	£	£	
Parks and Open Spaces (contd.)											
Hire of Parks											
Fitness Classes (10-70 participants) - per session (min charge)		x		0	5,200	18.50	19.00	2.70%		5,200	
All Events (Commercial Opportunities)											
Event day fee (min charge) per day G715 (instead of fees per head below)				0	14,780					15,330	Not predicting increase as many events have not survived or down
- up to 100 participants	exempt	x				50.00	52.00	4.00%			
100 to 499 participants	exempt	x				95.00	100.00	5.26%			
500 - 899 participants	exempt	x				420.00	435.00	3.57%			
901+ by negotiation	exempt	x									
Booking and hire fee (min charge) per day										0	
Commercial and charity ticketed events - Mote Park		x				300.00	310.00	3.33%			
Free events - Mote Park		x				65.00	67.00	3.08%			
Additional hire fee for event parking per day (Mote Park only)		x				300.00	310.00	3.33%			
Commercial and charity ticketed events - All other Parks		x				150.00	155.00	3.33%			
Free events - All other Parks		x				60.00	62.00	3.33%			
Fees per head all events (min charge) if not using event fee by participant eg. up to 100 participants											
Commercial (ticketed) Concerts		x				0.45	0.47	4.44%			
Commercial (ticketed) Walks/runs/sporting		x				0.45	0.47	4.44%			
Commercial (ticketed) Other		x				0.35	0.37	5.71%			
Charity Fundraising (ticketed) Concerts		x				0.30	0.30	0.00%			
Charity Fundraising (ticketed) Walks/runs/sporting		x				0.17	0.18	5.88%			
Charity Fundraising (ticketed) Other		x				0.17	0.18	5.88%			
Commercial (free event) Concerts		x				0.10	0.10	0.00%			Rarely used, no need to increase charge
Commercial (free event) walks/Runs/Sporting		x				No Charge	No Charge				
Commercial (free event) Other		x				No Charge	No Charge				
Charity Fundraising (free event) Concerts		x				0.10	0.10	0.00%			Rarely used, no need to increase charge
Charity Fundraising (free event) Walks/Runs/Sporting		x				No Charge	No Charge				
Charity Fundraising (free event) Other		x				No Charge	No Charge				
Not-for-profit (free event) Concerts		x				0.10	0.10	0.00%			Rarely used, no need to increase charge
Not-for-profit (free event) Walks/Runs/Sporting		x				No Charge	No Charge				
Not-for-profit (free event) Other		x				No Charge	No Charge				
Filming companies -(min charge) per day											
- Mote Park	exempt	x				320.00	325.00	1.56%			
- Brenchley Gardens	exempt	x				210.00	215.00	2.38%			
- others by negotiation											
Commercial medical units - per day		x				145.00	145.00	0.00%			Rarely used, no need to increase charge
Hot air ballooning (per flight/landing) - Private	exempt	x				115.00	115.00	0.00%			Rarely used, no need to increase charge

**Medium Term Financial Strategy 2022-23
Fees and Charges
Communities, Housing Environment Committee**

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2023	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
				£	£	£	£	%	£	£	
Parks and Open Spaces (contd.)											
Mooring Fee											
PER VESSEL (20 feet length)											
per Night	*	x				8.00	8.00	0.00%			Not currently collected but there may be opportunities to do so in the future.
per Week	*	x				40.00	40.00	0.00%			
per Month	*	x				140.00	140.00	0.00%			
per Quarter	*	x				350.00	350.00	0.00%			
				0	20,530				0	20,530	

Fees and Charges

Communities, Housing Environment Committee

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2023	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
				£	£	£	£	%	£	£	
Cemetery											
Purchase of Exclusive Right of Burial				90,955	62,070				0	62,070	
Resident Fees											
General Section - 30 years Exclusive Rights		x				845.00	870.00	2.96%			Would like to put the increase towards grounds maintenance fund for pathway resurfacing etc.
Class: Lawn - 30 years Exclusive Rights		x				845.00	870.00	2.96%			"
General Section - 60 years Exclusive Rights		x				1,690.00	1,740.00	2.96%			"
Class: Lawn - 60 years Exclusive Rights		x				1,690.00	1,790.00	5.92%			"
Class: Vault						POA	POA				"
Class: Cremated remains burial plot - 30 years Exclusive Rights		x				470.00	495.00	5.32%			Would like to put the increase towards grounds maintenance fund for pathway resurfacing etc.
Class: Cremated remains burial plot - 60 years Exclusive Rights		x				940.00	990.00	5.32%			"
Transfer of Exclusive Rights		x				90.00	92.50	2.78%			Admin fee
To add an existing name to Exclusive Rights		x				50.00	51.50	3.00%			Admin fee
Non Resident Fees											
General Section - 30 years Exclusive Rights		x				2,685.00	2,800.00	4.28%			Higher charge as trying to discourage out of area purchasing graves
Class: Lawn - 30 years Exclusive Rights		x				2,685.00	2,800.00	4.28%			Higher charge as trying to discourage out of area purchasing graves
General Section - 60 years Exclusive Rights		x				5,370.00	5,600.00	4.28%			Higher charge as trying to discourage out of area purchasing graves
Class: Lawn - 60 years Exclusive Rights		x				5,370.00	5,600.00	4.28%			Higher charge as trying to discourage out of area purchasing graves
Class: Cremated remains burial plot - 30 years Exclusive Rights						1,880.00	1,950.00	3.72%			new
Class: Cremated remains burial plot - 60 years Exclusive Rights						3,760.00	3,900.00	3.72%			new
Transfer of Exclusive Rights		x				90.00	92.50	2.78%			Admin fee
To add an existing name to Exclusive Rights		x				50.00	51.50	3.00%			
Grave Selection Fee		x				50.00	50.00	0.00%			Charge made for personal selection of plot - where staff time is involved

Fees and Charges

Communities, Housing Environment Committee

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				£	£	£	£	%	£	£	
Cemetery (contd.)											
Monuments				12,514	13,040					13,040	
Headstone		x				160.00	165.00	3.13%			
Kerbstone		x				160.00	165.00	3.13%			
Indicator stone		x				45.00	45.00	0.00%			
Cremated remains memorial		x				160.00	165.00	3.13%			
Tablet 12" x 12"		x				160.00	165.00	3.13%			
Vase		x				160.00	165.00	3.13%			
Initial inscription		x				160.00	165.00	3.13%			
Additional inscription		x				110.00	110.00	0.00%			
Any other monument		x				160.00	165.00	3.13%			
Memorial inspection re-instatement (standard)		x				160.00	165.00	3.13%			
Lawn Grave foundation - by MBS		x				160.00	165.00	3.13%			To reflect current labour costs.
Search fees											
1-5 years		x				10.00	10.00	0.00%			General searches to be priced at £10, however, should the request be particularly involved or urgent then it is suggested that the £40.00 charge be made.
6-10 years		x				10.00	10.00	0.00%			
Over 10 years		x				10.00	10.00	0.00%			
Personal search (by appointment)		x				40.00	40.00	0.00%			
Maintenance											
Earthing		x				90.00	95.00	5.56%			Dependant on charges from ground maintenance team
Turfing		x				90.00	95.00	5.56%			
Memorials				2,955	3,950					3,950	
Mushrooms		x				85.00	95.00	11.76%			
Mushrooms dedication		x				125.00	125.00	0.00%			
Benches (new location)		x				450.00	380.00	-15.56%			This reduction is to match the price at Vinters Park Crematorium.
Existing bench		x				280.00	280.00	0.00%			
Benches dedication annual		x				74.00	75.00	1.35%			
Majestic Mausolia		x									
Majestic Mausolia dedication 30 year (new) with 4 caskets		x				2,500.00	2,500.00	0.00%			
Inscription on Mausolia plaque front (price per line)		x				36.00	36.00	0.00%			
Additional removal of plaque for additional inscription		x				52.00	52.00	0.00%			
Posy Holder for Mausolea		x									
Circular Bench		x				164.00	164.00	0.00%			
Circular Bench dedication		x				66.00	66.00	0.00%			
Cemetery Total				180,374	139,380				0	139,380	

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Fees and Charges
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Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2023	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
				£	£	£	£	%	£	£	
Crematorium											
Cremations				1,463,301	1,114,850				15,000	1,129,850	
Service charges		x									
Medical Referee's Fee		x				28.00	28.50	1.79%			£23.50 fee set by relevant professional body. £5.50 per visit to cover mileage
Non viable foetus and stillborn		x				no charge	no charge				
Less than 5 years		x				95.00	95.00	0.00%			charges recovered from Children's Funeral Fund (CFF)
5 to 18 years		x				109.00	109.00	0.00%			charges recovered from Children's Funeral Fund (CFF)
Adult (18 + 1 day)		x				598.00	615.00	2.84%			
08.15 cremation only - no service and no attendees						365.00	365.00	0.00%			No change proposed in order to remain in line with local competitors.
08.30 cremation only - no service and no attendees		x				365.00	365.00	0.00%			No change proposed in order to remain in line with local competitors.
08.45 cremation only - no service and no attendees		x				365.00	365.00	0.00%			No change proposed in order to remain in line with local competitors.
Adult - committal slot 9.00 A.M. (includes Environmental surcharge, Medical Referee fee & Cremation Carton)		x				495.00	495.00	0.00%			No change proposed in order to remain in line with local competitors.
Adult - reduced cremation slot 9.30 A.M. (includes Environmental surcharge, Medical Referee fee & Cremation Carton)		x				565.00	565.00	0.00%			No change proposed in order to remain in line with local competitors.
Environmental Surcharge		x				69.00	70.00	1.45%			
Cremation of body parts		x				105.00	105.00	0.00%			
N								3.57%			Double ceremony slots - this is an additional 1/2 hour in the Chapel, so effectively eliminates potential fee generation from the days capacity - this increase reflects the income lost by offering a double ceremony.
Use of chapel (additional item)		x				280.00	290.00				
Use of chapel organ		x				10.00	10.00	0.00%			
Visual Tributes for services up to 30 slides- *Remove fee, no longer available		x				60.00	0.00				Changed supplier to Obitus in Feb 2021 so these options now obsolete
Visual Tributes for services 31-99 slides- *		x				105.00	0.00				Changed supplier to Obitus in Feb 2021 so these options now obsolete
Visual Tributes for services 100-150 slides *		x				165.00	0.00				Changed supplier to Obitus in Feb 2021 so these options now obsolete
Visual Tributes for services 151-200 slides *		x				235.00	0.00				Changed supplier to Obitus in Feb 2021 so these options now obsolete
Visual Tributes for services over 30 slides *		x				105.00	0.00				Changed supplier to Obitus in Feb 2021 so these options now obsolete
DVD of Visual Tribute *		x				55.00	0.00				Changed supplier to Obitus in Feb 2021 so these options now obsolete

Fees and Charges

Communities, Housing Environment Committee

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals	Current	Current	Proposed	Change	+ / -	Estimate	Comments
				20-21	Estimate	Charges	Charges		Income	2022-2023	
				£	£	£	£	%	£	£	
Crematorium (contd.)											
Webcasting *		x				65.00	0.00				Changed supplier to Obitus in Feb 2021 so these options now obsolete
DVD of Webcasting *		x				55.00	0.00				Changed supplier to Obitus in Feb 2021 so these options now obsolete
Visual Tributes for services up to 25 slides		x				40.00	40.00	0.00%			
Pro Visual Tributes for services up to 25 slides		x				60.00	65.00	8.33%			
Additional 25 slides for visual tribute		x				25.00	25.00	0.00%			
Family made video shown as tribute		x				30.00	30.00	0.00%			
Downloadable copy of visual tribute		x				40.00	40.00	0.00%			
Keepsake copy of Visual Tribute or Webcast on DVD/Blu-Ray/USB		x				55.00	55.00	0.00%			
Webcasting - live only		x				45.00	50.00	11.11%			This increase is due to some new technology we have ordered to allow for a visual tribute to be shown on full screen during a webcast rather than watchers being unable to see it on the screens in the chapel
Webcast + 28 day viewing		x				50.00	55.00	10.00%			This increase is due to some new technology we have ordered to allow for a visual tribute to be shown on full screen during a webcast rather than watchers being unable to see it on the screens in the chapel
Witness fee		x				42.00	42.00	0.00%			
Saturday morning supplement fee		x				790.00	790.00	0.00%			Charge reflects cost for staff premium rates + high utility costs
Service over-run fee		x				from 100.00	From 100.00				Services that over-run can severely affect the days schedule - charges to be levied on Funeral Directors who fail to control length of services
Containers for cremated remains											
Polytainer / Cremation carton / strewing tube	*	x				18.00	18.50	2.78%			
Urn	*	x				41.00	60.00	46.34%			Increase due to supplier issues with current metal urn. Cannot source so need to change option which is more expensive
Casket	*	x				59.00	65.00	10.17%			Increase due to supplier issues
Baby urn	*	x				12.75	12.75	0.00%			
Other related services											
Exhumation of cremated remains		x				270.00	280.00	3.70%			
Disposal from other crematoriums		x				60.00	60.00	0.00%			To satisfy VAT regulations the elements of the memorial charge are identified separately as distinct elements. Customers may provide such elements of the memorial as appropriate providing that such elements satisfy the specification set by the Bereavement Services Officer from time to time to ensure the
Burial in individual plot		x				52.50	52.50	0.00%			

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Communities, Housing Environment Committee

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				£	£	£	£	%	£	£	
Crematorium (contd.)											
Memorials				155,108	163,080				10,000	173,080	
Book of Remembrance											
line entry (min 2 lines) *	*	x				108.00	110.00	1.85%			
Flower/Crest/or Badge *	*	x				270.00	275.00	1.85%			
Folded Remembrance Card		x									
Card purchase *	*	x				10.00	10.00	0.00%			
per line entry (minimum 2 lines) *	*	x				54.00	55.00	1.85%			
Flower/Crest/or Badge *	*	x				280.00	285.00	1.79%			
Cloister Hall of Remembrance											
Wall vases		x									
Vase	*	x				34.00	38.00	11.76%			Price increase is due to rental and initial purchase price being the wrong way round, we are reducing the vase price and increasing the rental price.
Plot Rental - per annum		x				51.00	50.00	-1.96%			
Stone Block vase	*	x				68.00	70.00	2.94%			
Plot Rental - per annum		x				51.00	50.00	-1.96%			
Cloister Hall of Remembrance											
Cloister wall tablets		x									
Single	*	x				185.00	183.00	-1.08%			
Plot Rental - 10 year dedication		x				180.00	210.00	16.67%			Increase to bring in line with other granite plaques
Double (2 inscriptions)	*	x				370.00	366.00	-1.08%			
Plot Rental - 10 year		x				250.00	260.00	4.00%			
Refurbishment per letter - re-gild	*	x				4.00	4.00	0.00%			
Refurbishment per letter - repaint	*	x				4.00	4.00	0.00%			
Second inscription	*	x				185.00	183.00	-1.08%			
Memorial Hall											
Leather plaques	*	x				62.00	70.00	12.90%			
Plot Rental -5 year		x				90.00	95.00	5.56%			
Added inscription	*	x				62.00	70.00	12.90%			

Fees and Charges

Communities, Housing Environment Committee

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				£	£	£	£	%	£	£	
Crematorium (contd.)											
<u>Gardens of Remembrance</u>		x									
Stone effect plaque	*	x				108.00	108.00	0.00%			Phasing out, found better supplier, more value for money
Stone effect plaque for bench	*	x				108.00	108.00	0.00%			Phasing out, found better supplier, more value for money
Stone effect plaque on spike	*	x				108.00	108.00	0.00%			Phasing out, found better supplier, more value for money
Plot Rental 10 year		x				230.00	230.00	0.00%			Phasing out, found better supplier, more value for money
Added inscription	*	x				108.00	108.00	0.00%			Phasing out, found better supplier, more value for money
Refurbishment	*	x				25.00	28.00	12.00%			
Plaque						98.00	98.00	0.00%			
Plaque rental						23.00	24.00	4.35%			
Heart shaped plaque						146.00	148.00	1.37%			
Heart shaped plaque renewal						23.00	24.00	4.35%			
<u>Sanctum Vault</u>		x									
5 year lease		x				1,035.00	1,075.00	3.86%			shorter lease period to make more affordable
10 year lease		x				1,400.00	1,630.00	16.43%			
20 year lease		x				2,100.00	2,600.00	23.81%			
30 year lease		x				3,145.00	3,300.00	4.93%			
<u>Family Sanctum Vault (From Jan 15)</u>		x									
5 Year lease						0.00	1,145.00				shorter lease period to make more affordable
10 year lease		x				1,700.00	1,700.00	0.00%			
20 year lease		x				2,540.00	2,670.00	5.12%			
30 year lease		x				3,800.00	3,370.00	-11.32%			incentivising purchase of longer time as cheaper

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				£	£	£	£	%	£	£	
Crematorium (contd.)											
<u>Gardens of Remembrance</u>											
Bench & Plaque	*	x				280.00	280.00	0.00%			
Plot Rental - 5 years		x				370.00	375.00	1.35%			
Plot Rental - bench and SE Plaque - Annual		x				74.00	75.00	1.35%			
Added inscription	*	x				74.00	70.00	-5.41%			
Sanctum Panorama Vault 5 years						0.00	875.00				shorter lease period to make more affordable
Sanctum Panorama Vault 10 years		x				1,140.00	1,270.00	11.40%			incentivising purchase of longer time as cheaper
Sanctum Panorama Vault 20 years		x				1,700.00	1,960.00	15.29%			incentivising purchase of longer time as cheaper
Sanctum Panorama Vault 30 years						2,555.00	2,460.00	-3.72%			
Barbican		x				210.00	210.00	0.00%			
Barbican - annual renewal		x				25.00	26.00	4.00%			
Woodside Sundial		x				210.00	210.00	0.00%			
Woodside Sundial annual renewal		x				25.00	26.00	4.00%			
Granite bench x 2 plaques		x				160.00	160.00	0.00%			
Granite bench		x				20.00	20.00	0.00%			
Illustration, photo plaques etc.		x				P.O.A.	P.O.A.				
Chapel Lawn Planter		x									
Plaque with inscription	*	x				118.00	120.00	1.69%			
Plus 10 year dedication		x				220.00	220.00	0.00%			
Birdbath Memorial	*	x									
6" x 3" plaque with inscription	*	x				118.00	120.00	1.69%			
Annual dedication		x				17.00	19.00	11.76%			Increase to bring in line with other granite plaques
7 1/4" x 3" plaque with inscription	*	x				128.00	130.00	1.56%			
Annual dedication		x				18.00	20.00	11.11%			Increase to bring in line with other granite plaques
8 1/2 " x 3" plaque with inscription	*	x				138.00	140.00	1.45%			
Annual dedication		x				19.00	21.00	10.53%			Increase to bring in line with other granite plaques
9 3/4 " x 3" plaque with inscription	*	x				148.00	150.00	1.35%			
Annual dedication		x				20.00	22.00	10.00%			Increase to bring in line with other granite plaques
11 " x 3" plaque with inscription	*	x				158.00	160.00	1.27%			
Annual dedication		x				21.00	23.00	9.52%			Increase to bring in line with other granite plaques
<u>Woodside Walk Book</u>											
Plaque with inscription	*	x				65.00	68.00	4.62%			
Plus 10 year dedication		x				150.00	160.00	6.67%			
<u>Woodside Walk Mushrooms</u>											
Tablet with inscription	*	x				85.00	95.00	11.76%			increase from supplier
Plus 10 year dedication		x				250.00	250.00	0.00%			
3 tablet Family Mushrooms (New Memorial)	*	x				255.00	285.00	11.76%			increase from supplier
3 tablet Family Mushrooms (New Memorial) dedication						75.00	75.00	0.00%			
5 tablet Family Mushrooms (new memorial)	*	x				340.00	380.00	11.76%			increase from supplier
5 tablet Family Mushrooms (new memorial) dedication						100.00	100.00	0.00%			
Blossom Valley Barbican (new memorial)	*	x				210.00	210.00	0.00%			
Blossom Valley Barbican (new memorial) dedication	*	x				25.00	26.00	4.00%			
Standing Stone (new memorial)	*	x				310.00	310.00	0.00%			
Standing Stone (new memorial) dedication	*	x				30.00	30.00	0.00%			

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				20-21	Estimate	Charges	Charges		Income	2022-2023	
				£	£	£	£	%	£	£	
Environmental Health (contd.)											
<u>Tattooing, Electrolysis, Acupuncture & Ear-piercing - C205</u>											
Skin Piercing/Tattooing Registration		x		5,697	6,450	320.00	328.00	2.50%	0	6,450	Based on estimated registration of tattooists.
Additional registration of tattoo/piercing or other beauty treatment		x				54.50	56.00	2.75%			Fee charged for amendment or increase in treatments provided by previously registered practitioner.
Tattoo & other beauty treatments Events		x				200.00	205.00	2.50%			One off event held pre-pandemic
Per New Artist & Practitioner at Events		x				25.00	25.00	0.00%			Individual artists fee attending above event
<u>Pollution Control</u>											
Statutory Fees for 48 Pollution Prevention Control Processes - C061			x	9,185	8,000	*	*		0	8,000	The fee levels for this are set by DEFRA under the Environmental Permitting Regulations. If better pollution controls are implemented by the business their fees reduce and Maidstone income reduces.
Environmental Health Total				16,971	18,020				0	18,020	

Fees and Charges

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				20-21	Estimate	Charges	Charges		Income	2022-2023	
				£	£	£	£	%	£	£	

Waste Crime/Community Protection

Fixed Penalty Fines			x	32,977	43,700	120.00	120.00	0.00%		43,700	Charge reduces to £90 if paid within 14 days.
Failure to produce waste documents		x				300.00	300.00	0.00%			
Failure to produce authority to transport waste		x				300.00	300.00	0.00%			
Unauthorised distribution of free printed matter		x				75.00	75.00	0.00%			
Fly Posting		x				80.00	80.00	0.00%			
Abandonment of a vehicle		x				200.00	200.00	0.00%			
Repairing vehicles on a road		x				100.00	100.00	0.00%			
Graffiti		x				75.00	75.00	0.00%			
Failure to comply with a waste receptacles notice		x				100.00	100.00	0.00%			
Smoking in a smoke free place			x			50.00	50.00	0.00%			Discounted to £30 for early payment - set by central government
Failure to display no smoking signs			x			200.00	200.00	0.00%			Discounted to £150 for early payment - set by central government
Community Protection Notice Fixed Penalty Notice			x			100.00	100.00	0.00%			Amount shown is the maximum penalty
Public Space Protection Order Fixed Penalty Notice			x			100.00	100.00	0.00%			Amount shown is the maximum penalty
Duty of Care (Household Waste)			x			300.00	300.00	0.00%			
Fly tipping			x			400.00	400.00	0.00%			Amount shown is the maximum penalty
Duty of Care (Household Waste)			x			300.00	300.00	0.00%			
Fly tipping			x			400.00	400.00	0.00%			Amount shown is the maximum penalty
Waste Crime Total				32,977	43,700				0	43,700	
Stray dog charges											
Collection charge (office hours)		x		2,529	3,900	85.00	85.00	0.00%		3,900	
Collection charge (out of office hours)		x				85.00	85.00	0.00%			Reduced to £65 if paid within two weeks of the invoice date.
Collection charge (out of office hours (after midnight))		x				85.00	85.00	0.00%			Includes statutory fee of £25

Fees and Charges

Communities, Housing Environment Committee

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2023	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
				£	£	£	£	%	£	£	
Waste Crime/Community Protection (contd.)											
Pest Control charges											Fees adjusted to bring them into line with Swale BC and in discussion with shared contractor.
Hourly charge for treatments carried out on industrial and commercial properties							"Call for quote"				Flexible to allow competition in bidding for contracts
For treatments outside of normal office hours		×				98.00	Call for quote"				
Charge per visit for the treatment of wasps nests carried out on domestic properties		×				60.00	62.60	4.33%			Per visit charge (Wasp nest requiring treatment using a ladder/tower scaffold, this will require a survey as a surcharge may be applied)
Additional nests treatment		×				8.00	11.30	41.25%			Additional nests treated on same visit
Charge per visit for the treatment of rat and mouse nests carried out on domestic premises for initial two visits.		×				59.00	61.00	3.39%			For mandatory two visits at £30.70 each.
Additional rat and mouse treatment visits £29 per visit		×				30.00	30.70	2.33%			
Minimum charge for treatment of ants on domestic premises		×				31.00	31.80	2.58%			Per visit charge
Squirrels: for a 2 x Fenn Trapping Programme		×				98.00	Call for quote"				
Culls		×				71.00	72.70	2.39%			
For the treatment of fleas and other household pests (Flies, Lice, Silverfish etc.) carried out on a domestic premises up to 6 x rooms. Additional rooms over the original 6 are £10 each		×				71.00	72.70	2.39%			Subsequent minimum charge will apply for further treatments after a period of 14 days has elapsed
Minimum charge (including up to four rooms) for the treatment of bedbugs carried out on a domestic premises		×				286.00	537.50	87.94%			Higher cost in relation to other services reflects the nature of the treatment and number of visits required by the current contractor
For each additional room (up to four rooms additional)		×				10.00	Call for quote"				Anything larger than 4 rooms will require a survey
Documentation charge added to charges above where it is necessary to send an invoice for payment.		×				30.00	30.00	0.00%			
Community Safety Charges											
Road closure application		×		225	0	75.00	75.00	0.00%			Standard fee to cover the cost of trained operatives displaying signage and an administration fee
CCTV Footage request (insurance companies etc.)		×				0.00	0.00				These are considered to be subject access requests and we cannot charge for them.
Fixed Penalty Fines											
Public Space Protection Order (Dog Control) Fixed Penalty Notice			×	1,450	0	100.00	100.00	0.00%			Set by Order
Public Space Protection Order (Town Centre) Fixed Penalty Notice			×			100.00	100.00	0.00%			Set by Order
Community Protection Total				4,204	3,900				0	3,900	

**Medium Term Financial Strategy 2022-23
Fees and Charges
Communities, Housing Environment Committee**

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals	Current	Current	Proposed	Change	+ / -	Estimate	Comments
				20-21	Estimate	Charges	Charges		Income	2022-2023	
				£	£	£	£	%	£	£	
Recycling & Refuse Collection											
Bulky Collection				160,224	147,020				0	147,020	
1-4 items		x				26.00	26.00	0.00%			Please leave all as is, all were increased last year by above 3%
5-8 items		x				36.00	36.00	0.00%			
Fridge/Freezers		x				21.00	21.00	0.00%			
Garden Waste Service											
140 litre bin hire		x		1,016,378	1,087,340	40.50	40.50	0.00%	0	1,087,340	Please leave as is - was increased by 12.5% last year.
240 litre bin hire		x				45.00	45.00	0.00%			Please leave as is - was increased by 12.5% last year.
Trade Waste				129,939	176,170				0	176,170	
Sack collection - refuse only		x				2.00	2.40	20.00%			Owing to a number of factors which include fuel cost, labour cost, disposal costs, fleet servicing costs. We did not receive income from Smurfit Kappa where we tip Recycling due factors beyond our control. Our charges have not increased for a number of years and we did not want to put an extra burden on our
240 litre bin - refuse only		x				9.00	9.90	10.00%			
500 litre bin - refuse only		x				20.00	22.00	10.00%			
1100 litre bin - refuse only		x				25.00	27.50	10.00%			
Sack collection - with recycling		x				2.00	2.20	10.00%			
240 litre bin - with recycling		x				8.00	8.80	10.00%			
500litre bin - with recycling		x				16.50	18.15	10.00%			
1100 litre bin - with recycling		x				20.00	22.00	10.00%			
£1 charge per 240 litre bin or weekly sacks collection - for paper/cardboard		x				1.00	1.10	10.00%			
Recycling & Refuse Collection Total				1,306,541	1,410,530					1,410,530	

Fees and Charges

Communities, Housing Environment Committee

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals	Current	Current	Proposed	Change	+ / -	Estimate	Comments
				20-21	Estimate	Charges	Charges		Income	2022-2023	
				£	£	£	£	%	£	£	

HMO Licensing

Mandatory HMO Licensing				11,516	20,380					20,380	Original estimate of £20380 to be increased to reflect expected HMO renewals in year and new applications already processed.(Based on 44 renewals/4New cases)
Initial Licence Fees											
Landlord Accreditation Status											
Accredited landlord on application		x				665	680	2.26%			(These fees are applicable on first application for a licence, or where a licence has been revoked or has lapsed for whatever reason.)
Non-accredited landlord		x				685	700	2.19%			
Renewal Licence Fees											
Landlord Accreditation Status											
Accredited landlord on application		x				620	635	2.42%			(These fees are applicable on application for a licence renewal, where a licence remains in force at the time of the application.)
Non-accredited landlord		x				640	655	2.34%			Estimate based on 20 HMO's renewals in 22/23 year. Note that new applications cannot be predicted and renewal licensing for HMO's only occurs every 5 years. Values are based upon average renewal charge.
Variation application licence fees applicable											Fees for variation of licencing are not chargeable
Proposed Licence Variation											
Change of address details of any existing licence holder, manager, owner, mortgagor, freeholder, leaseholder etc.						0	0				
Change of mortgagor, owner, freeholder, and leaseholder (unless they are also the licence holder or manager)						0	0				
Reduction in the number of maximum occupiers for licensing purposes						0	0				
Variation of licence instigated by the council						0	0				
Increase in the number of habitable rooms						0	0				
Increase in the number of maximum occupiers for licensing purposes						0	0				
Change of use of HMO, e.g. from bedsits to shared house						0	0				
Change in room sizes of HMO						0	0				
Change in amenity provision						0	0				

Fees and Charges

Communities, Housing Environment Committee

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2023	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
				£	£	£	£	%	£	£	
HMO Licensing (contd.)											
Other licence fees applicable											(These fees are applicable as appropriate in relation to HMO licensing applications, or where HMOs are licensed.)
Revocation of licence						0	0				No refund on relevant licence application
Application refused by the council						0	0				Initial application fee with no refund
Application withdrawn by the applicant						0	0				Initial application fee with no refund
Application made in error						0	0				Refund of application fee will be made
Properties that cease to be licensable during the licensing process						0	0				Initial application fee with no refund
Charge for enforcement under S49 of the Housing Act 2004											(These fees are applicable as appropriate in relation to the service of enforcement notices, and taking enforcement action under the Housing Act 2004.)
Enforcement Action											
Service of Improvement Notice under s11 and/or s12		x				530	545	2.83%			This type of charge is rarely made.
Service of Prohibition Order under s20 and/or s21		x				530	545	2.83%			This type of charge is rarely made.
Service of Hazard Awareness Notice under s28 and/or s29		x				530	545	2.83%			This type of charge is rarely made.
Taking Emergency Remedial Action under s40		x				530	545	2.83%			Charge In addition to cost of works plus administration fee of 30%
Making of Emergency Prohibition Order under s43		x				530	545	2.83%			This type of charge is rarely made.
Works in Default of Enforcement Notice		x				COST +	COST +	N/A			Cost of works + 30% (minimum of £100)
Immigration - housing inspection and accommodation certificates											
Fee for inspection	*	x				230	235	2.17%			These applications are rarely made
Housing Register Application Medical Fee						75	75	0.00%			
HMO Licensing Total				11,516	20,380				0	20,380	

**Medium Term Financial Strategy 2022-23
Fees and Charges
Communities, Housing Environment Committee**

Fees and Charges	* Includes VAT	Discretionary	Statutory Fee	Actuals	Current	Current	Proposed	Change	+ / -	Estimate	Comments
				20-21	Estimate	Charges	Charges		Income	2022-2023	
				£	£	£	£	%	£	£	
Gypsy and Travellers Sites											
Gypsy & Traveller Site Plot fee											
Stilebridge Lane		x		34,513	30,340	55.98	58.1	0.00%	-	30,340	Charges to remain at their current level for 2022/23, as agreed by CHE committee on 30 November.
Water Lane		x		41,244	40,000	65.12	67.59	0.00%	-	40,000	Charges to remain at their current level for 2022/23, as agreed by CHE committee on 30 November.
Gypsy & Traveller Site Total				75,757	70,340				0	70,340	
GRAND TOTAL				3,304,392	3,075,650				25,000	3,100,650	

Medium Term Financial Strategy 2022/23
Fees and Charges
Economic Regeneration and Leisure Committee

Fees and Charges	* Includes VAT	Discretionary / Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2022	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
			£	£	£	£	%	£	£	
Museum										
School Education Activities										
First workshop		x	1,805	24,300	85.00	90.00	5.88%		24,300	
Each Subsequent workshop		x			65.00	70.00	7.69%			Per additional class
Craft Sessions		x			85.00	90.00	5.88%			
Object Inspired		x			30.00	40.00	33.33%			Self-led package
Virtual sessions - 1 class					60.00	60.00	0.00%			New charge introduced 2020/21
Virtual sessions - 2 classes (same session)					90.00	90.00	0.00%			New charge introduced 2020/21
Lunch room hire					15.00	20.00	33.33%			School charged to use lunch room if on an unpaid for visit
Outreach to schools										
Children's holiday activities		x								
Out with 1 staff member										
1 workshop		x			175.00	180.00	2.86%			
2 workshops		x			250.00	250.00	0.00%			
3 workshops		x			325.00	325.00	0.00%			
3 workshops + Giant craft		x			475.00	475.00	0.00%			
4 workshops		x			400.00	400.00	0.00%			
Out with 2 CLA										
Loan Boxes to schools per half term		x			50.00	50.00	0.00%			
Room hire										
Glass Room - Per day		x	-617	5,000	135.00	135.00	0.00%		5,000	Market testing post-Covid needed before price change
Library - Per day		x			220.00	220.00	0.00%			
Museum out of hours (based on 4 hours))		x			600.00	600.00	0.00%			
Events										
Per Child minimum charge depending on activity		x	262	8,000	3.00	3.00	0.00%		8,000	
Children's Parties										
Per Child minimum charge depending on activity	*	x	34	5,000	12.50	12.50	0.00%		5,000	
Carriage Museum Admission										
Adult		x	0	1,600	2.50	3.00	20.00%		1,600	
Senior Citizen- Separate fee no longer offered		x			1.00	n/a	n/a			Separate fee no longer offered
Child over 5		x			1.00	2.00	100.00%			
Family Ticket		x			5.00	7.00	40.00%			
Collections enquiries										
QORWK - enquiries		x	795	500	15.00	20	33.33%		500	QORWK enquiry £15 per family history enquiry. The fee is waived for collections based enquiries or where the museum gains research/information
Museum Total			2,280	44,400				0	44,400	

Medium Term Financial Strategy 2022/23
Fees and Charges
Economic Regeneration and Leisure Committee

Fees and Charges	* Includes VAT	Discretionary / Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2022	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
			£	£	£	£	%	£	£	
Market										
Office Rent C250										
Mon/Tue/Fri charge per month 1st April - 31st March		x	-191	4,360	460.00	460.00	0.00%	0	4,360	
Tuesday & Saturday Market Pitches C223/C226			15,805	66,040				0	66,040	All pitch fees includes £1 contribution towards the Market Traders Fund
Open Market										
Regular Rate Market Square										
Up to 10 feet - 1 April - 31 Dec		x			25.00	25.00	0.00%			Market Manager has discretion to vary these fees
Up to 10 feet - 1 Jan - 31 Mar		x			18.00	18.00	0.00%			
Undercroft Rate - 1 April - 31 Dec		x			25.00	25.00	0.00%			
Undercroft Rate - 1 Jan - 31 Mar		x			18.00	18.00	0.00%			
Saturday Rate for 2 day Traders										
Up to 10 feet (2 day Trader) - 1 April - 31 Dec		x			24.00	24.00	0.00%			Market Manager has discretion to vary these fees
Up to 10 feet (2 day Trader) - 1 Jan - 31 Mar		x			17.00	17.00	0.00%			
Lettings-General C251/D358/C227			9,337	69,940				0	69,940	
Hire of Agricultural Hall										
Standard Hire - per day - regular hire		x			400.00	400.00	0.00%			Regular hire - twice per month
Standard Hire - per day - casual hire		x			495.00	495.00	0.00%			Casual hire - once per month
Standard Hire minimum 3 hours		x			35.00	35.00	0.00%			£35.00 per hour / £105 per session to C251
Boot Fair -When in undercroft										
10' - pitch (£10 per each additional 10' pitch)		x			15.00	15.00	0.00%			Market Manager has discretion to vary these fees
Commercial Hire										
Per half day (maximum 8 hours)		x			550.00	550.00	0.00%			Market Manager to consider the commercial viability when confirming these
Per day (over 8 hours)		x			1,050.00	1,050.00	0.00%			charges to secure the booking
Hire of chairs for events - per 100		x			50.00	50.00	0.00%			Charged pro rata
Farmers Market C253										
Every other Friday - daily rate		x	0	3,500	25.00	25.00	0.00%	0	3,500	
April - March										
Market Total			24,951	143,840				0	143,840	

Medium Term Financial Strategy 2022/23
Fees and Charges
Economic Regeneration and Leisure Committee

Fees and Charges	* Includes VAT	Discretionary / Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2022	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
			£	£	£	£	%	£	£	
Business Terrace										
Offices (month)			40,900	57,140				0	57,140	
Office 1		x			600.00	600.00	0.00%			
Office 2		x			250.00	250.00	0.00%			
Office 3		x			250.00	250.00	0.00%			
Office 4		x			200.00	200.00	0.00%			
Office 5		x			360.00	360.00	0.00%			
Office 6		x			360.00	360.00	0.00%			
Office 7		x			525.00	525.00	0.00%			
Office 8		x			375.00	375.00	0.00%			
Office 9		x			500.00	500.00	0.00%			
Office 10		x			375.00	375.00	0.00%			
Office 11		x			250.00	250.00	0.00%			
Office 12		x			250.00	250.00	0.00%			
Hot desks and meeting space			15,329	27,840				0	27,840	
Hot desk day pass		x			12.00	12.00	0.00%			
Hot desk package 30 (month)		x			48.00	48.00	0.00%			
Hot desk package 50 (month)		x			75.00	75.00	0.00%			
Hot desk package 100 (month)		x			144.00	144.00	0.00%			
Hot desk unlimited (month)		x			195.00	195.00	0.00%			
Meeting room (hour)		x			6.00	6.00	0.00%			
Seminar Room (half day)		x			70.00	70.00	0.00%			
Seminar Room (full day)		x			150.00	150.00	0.00%			
Business Terrace Total			56,229	84,980				0	84,980	

Medium Term Financial Strategy 2022/23
Fees and Charges
Economic Regeneration and Leisure Committee

Fees and Charges	* Includes VAT	Discretionary / Statutory Fee	Actuals 20-21	Current Estimate 2021-22	Current Charges 2021-2022	Proposed Charges 2022-2022	Change	+ / - Income 2021-22	Estimate 2022-2023	Comments
			£	£	£	£	%	£	£	
Economic Development-Jubilee Square										
Jubilee Square (EN40 B724)			-4,553	3,500					3,500	
Use of premises licence		x			70.00	70.00	0.00%			
Use of electricity - 3 phase (incl Openreach call out)		x			80.00	80.00	0.00%			
Use of Electricity (Without Openreach call out)		x			20.00	20.00	0.00%			
Promotional/Comercial use inc admin fee		x			250.00	250.00	0.00%			
Events/Educational Promotion (min) charity / public sector admin fee		x			50.00	50.00	0.00%			
Economic Development Total			-4,553	3,500				0	3,500	
GRAND TOTAL			193,544	461,310				0	461,310	

Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory / Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	

Parking Services

Business Permits D043		x	6,425	12,710	100.00	100.00	0.00%		12,710	
Residents Permits D065		x	100,975	85,440	25.00	25.00	0.00%		85,440	Maximum of two residents permits, a third Visitors Permit is £50
Visitors Permits D066		x	99,573	83,240	25.00	25.00	0.00%		83,240	Maximum of one per property
3rd Permit [resident / visitor parking]		x			50.00	50.00	0.00%			Applied to 3rd permit where applicable
Replacement Permits/Duplicate Permits D067	*	x	8	780	10.00	10.00	0.00%		780	(For lost Permits)
Carers Permits - Organisation D050	*	x	975	1,290	20.00	20.00	0.00%		1,290	
School Permit	*	x			12.00	0.00	-100.00%			Discontinued - charge to be deleted

Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory / Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Parking Services (contd.)										
Dispensations and Waivers D061			13,494	2,560					2,560	
Waivers/Work permits [max 1 day]		x			11.00	12.00	9.09%			
Waivers/ Work Permits [max 1 week]		x			33.00	36.00	9.09%			
Waivers/ Work Permits [max 2 week]		x			0.00	45.00				New charge
Waivers/ Work Permits [max 1 month]		x			0.00	60.00				New charge
Waivers/ Work Permits [over 1 month (to a maximum of 3 months) - per month (or part month)]		x			0.00	50.00				New charge
Waivers/ Work Permits [max 3 months]		x			55.00	0.00	-100.00%			Deleted
Dispensations [max 1 day]		x			11.00	12.00	9.09%			
Dispensations [max 1 week]		x			33.00	36.00	9.09%			
Dispensations [max 2 week]		x			n/a	45.00				New charge
Dispensations [max 1 month]		x			n/a	60.00				New charge
Dispensations [over 1 month (to a maximum of 3 months) - per month (or part month)]		x			n/a	50.00				New charge
Dispensations [max 3 months]		x			55.00	0.00	-100.00%			Deleted
Cones/ Suspension administration Fee		x			70.00	100.00	42.86%			(Plus any bay charges for Pay & Display)
PCN Low - Statutory D042		x	629,547	864,660	50.00	50.00	0.00%		864,660	Discounted by 50% if paid within 14 days.
PCN High - Statutory		x			70.00	70.00	0.00%			Discounted by 50% if paid within 14 days.

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Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory / Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Parking Services (contd.)										
<u>Season Tickets - Car Parks D041 RC20</u>										
			110,653	138,290					138,290	
6 Month 5 days Mon - Fri	*	x			496.00	553.00	11.49%			Pro-rata refunds after 3 months upon surrender / admin fee applied
6 Month 7 days Mon - Sun	*	x			638.00	736.00	15.36%			Pro-rata refunds after 3 months upon surrender / admin fee applied
12 Month 5 days Mon - Fri	*	x			910.00	1,050.00	15.38%			Pro-rata refunds after 3 months upon surrender / admin fee applied
12 Month 7 days Mon - Sun	*	x			1,163.00	1,396.00	20.03%			Pro-rata refunds after 3 months upon surrender / admin fee applied
Evening (any CP) off-peak valid after 5pm and before 8am Mon - Sun-12 Months	*	x			357.00	357.00	0.00%			Off-peak season ticket / Pro-rata refunds on surrender / admin fee applied
Refund administration fee					30.00	30.00	0.00%			
<u>Season Tickets - Car Parks (Mote Park Only) D041 RC23</u>										
One Year	*	x	4,333	5,000	40.00	40.00	0.00%		5,000	Maidstone residents only
<u>PAY AND DISPLAY</u>										
<u>Electric Vehicles</u>										
Battery Electric Vehicles (BEVs)		x			n/a	0.00				Free parking for BEVs when customer registers transaction through the Council's cashless payment provider
Electric Vehicle Charging (per kWh)		x			Car park tari	0.25				Charged per Kilowatt hour (kWh)
<u>On Street D060 James Whatman Way</u>										
30 mins		x	117,966	201,340	0.70	0.70	0.00%		201,340	
1 hr		x			1.50	1.50	0.00%			
1.5 hr		x			2.00	2.00	0.00%			
2 hr		x			2.50	2.50	0.00%			
3 hr		x			3.50	3.50	0.00%			
4 hr		x			4.50	4.50	0.00%			

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Medium Term Financial Strategy 2022-23
 Fees and Charges
 Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory Discretionary	2020-2021	2021-2022	Current	Proposed	%	2021-	2022 -	Comments
			Actuals	Current Estimate	Charges 2021-2022	Charges 2022-2023	Change	2022 + / - Income	2023 Estimate	
			£	£	£	£	%	£	£	
Parking Services (contd.)										
<u>All other on-street pay and display locations</u>										
30 mins		x			0.80	0.80	0.00%			
1 hr		x			1.50	1.50	0.00%			
1.5 hr		x			2.25	2.25	0.00%			
2 hr		x			3.00	3.00	0.00%			
<u>Off street</u>			807,993	1,551,750					1,551,750	
<u>Short Stay</u>										
<u>Medway St</u>										
1 hr	*	x			1.30	1.30	0.00%			
2 hr	*	x			2.60	2.60	0.00%			
3 hr	*	x			3.90	3.90	0.00%			
4 hr	*	x			5.20	5.20	0.00%			
<u>Brewer Street [E]</u>										
30 mins	*	x			0.65	0.65	0.00%			
1 hr	*	x			1.15	1.15	0.00%			
2 hr	*	x			2.30	2.30	0.00%			
3 hr	*	x			3.45	3.45	0.00%			
4 hr	*	x			4.60	4.60	0.00%			

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			£	£	£	£	%	£	£	
Parking Services (contd.)										
<u>King Street</u>										
1 hr	*	x			1.35	1.35	0.00%			
2 hr	*	x			2.70	2.70	0.00%			
3 hr	*	x			4.05	4.05	0.00%			
4 hr	*	x			5.40	5.40	0.00%			
<u>Wheeler Street</u>										
30 mins	*	x			0.65	0.65	0.00%			
1 hr	*	x			1.15	1.15	0.00%			
2 hr	*	x			2.30	2.30	0.00%			
3 hr	*	x			3.45	3.45	0.00%			
4 hr	*	x			4.60	4.60	0.00%			
<u>Palace Avenue</u>										
3 hr	*	x			3.90	3.90	0.00%			
4 hr	*	x			5.20	5.20	0.00%			
<u>Mote Road</u>										
1 hr	*	x			1.05	1.05	0.00%			
2 hr	*	x			2.10	2.10	0.00%			
3 hr	*	x			3.15	3.15	0.00%			
4 hr	*	x			4.20	4.20	0.00%			

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			£	£	£	£	%	£	£	
Parking Services (contd.)										
Mill Street										
1 hr	*	x			1.05	1.05	0.00%			
2 hr	*	x			2.10	2.10	0.00%			
3 hr	*	x			3.15	3.15	0.00%			
4 hr	*	x			4.20	4.20	0.00%			
Long Stay										
Barker Road										
1 hr	*	x			1.15	1.15	0.00%			
2 hr	*	x			2.30	2.30	0.00%			
3 hr	*	x			3.45	3.45	0.00%			
4 hr	*	x			4.60	4.60	0.00%			
5 hr	*				5.75	5.75	0.00%			
Over 5 hours					7.30	7.30	0.00%			
Brooks Place										
1 hr	*	x			1.15	1.15	0.00%			
2 hr	*	x			2.30	2.30	0.00%			
3 hr	*	x			3.45	3.45	0.00%			
4 hr	*	x			4.60	4.60	0.00%			
5 hr	*	x			5.75	5.75	0.00%			
Over 5 hours	*	x			7.30	7.30	0.00%			
Brunswick Street										
1 hr	*	x			1.05	1.05	0.00%			
2 hr	*	x			2.10	2.10	0.00%			
3 hr	*	x			3.15	3.15	0.00%			
4 hr	*	x			4.20	4.20	0.00%			
5 hr	*	x			5.25	5.25	0.00%			
Over 5 hours	*	x			7.30	7.30	0.00%			
College Road										
1 hr	*	x			1.05	1.05	0.00%			
2 hr	*	x			2.10	2.10	0.00%			
3 hr	*	x			3.15	3.15	0.00%			
4 hr	*	x			4.20	4.20	0.00%			
5 hr	*	x			5.25	5.25	0.00%			
Over 5 hours	*	x			7.30	7.30	0.00%			

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				£	£	£	£	%	£	£	
Parking Services (contd.)											
Lucerne Street											
1 hr	*		x			1.15	1.15	0.00%			
2 hr	*		x			2.30	2.30	0.00%			
3 hr	*		x			3.45	3.45	0.00%			
4 hr	*		x			4.60	4.60	0.00%			
5 hr	*		x			5.75	5.75	0.00%			
Over 5 hours	*		x			7.30	7.30	0.00%			
Sittingbourne Road											
1 hr	*		x			1.15	1.15	0.00%			
2 hr	*		x			2.30	2.30	0.00%			
3 hr	*		x			3.45	3.45	0.00%			
4 hr	*		x			4.60	4.60	0.00%			
5 hr	*		x			5.75	5.75	0.00%			
Over 5 hours	*		x			7.30	7.30	0.00%			
Union Street [E]											
1 hr	*		x			1.15	1.15	0.00%			
2 hr	*		x			2.30	2.30	0.00%			
3 hr	*		x			3.45	3.45	0.00%			
4 hr	*		x			4.60	4.60	0.00%			
5 hr	*		x			5.75	5.75	0.00%			
Over 5 hours	*		x			7.30	7.30	0.00%			
Union Street [W]											
1 hr	*		x			1.15	1.15	0.00%			
2 hr	*		x			2.30	2.30	0.00%			
3 hr	*		x			3.45	3.45	0.00%			
4 hr	*		x			4.60	4.60	0.00%			
5 hr	*		x			5.75	5.75	0.00%			
Over 5 hours	*		x			7.30	7.30	0.00%			
Well Road											
1 hr	*		x			1.05	1.05	0.00%			
2 hr	*		x			2.10	2.10	0.00%			
3 hr	*		x			3.15	3.15	0.00%			
4 hr	*		x			4.20	4.20	0.00%			
5 hr	*		x			5.25	5.25	0.00%			
Over 5 hours	*		x			7.30	7.30	0.00%			

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			£	£	£	£	%	£	£	
Parking Services (contd.)										
Lockmeadow										
1 hr	*	x			1.00	1.00	0.00%			
2 hr	*	x			2.00	2.00	0.00%			
3 hr	*	x			2.50	2.50	0.00%			
4 hr	*	x			3.50	3.50	0.00%			
Up to 5 hours	*	x			5.00	5.00	0.00%			
Over 5 hours	*	x			7.00	7.00	0.00%			
Overnight charge all off-street car parks (6.30pm to 8am) (except Lockmeadow)										
	*	x			2.00	2.00	0.00%			
Mote Park										
			242,751	213,000					213,000	
Up to 6 Hours	*	x			2.00	2.00	0.00%			
Over 6 Hours	*	x			12.00	12.00	0.00%			
Parking Services Total			2,134,692	3,160,060				0	3,160,060	
Sandling Road Car Park										
			29,797	151,000					151,000	
1 hr	*	x			1.10	1.10	0.00%			
3 hr	*	x			2.20	2.20	0.00%			
4 hr	*	x			3.50	3.50	0.00%			
Up to 5 hours	*	x			6.00	6.00	0.00%			
Over 5 hours	*	x			6.00	6.00	0.00%			
Sandling Road Car Park Total			29,797	151,000				0	151,000	

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			Actuals	Current Estimate	Charges 2021-2022	Charges 2022-2023	Change	2022 + / - Income	2023 Estimate	
			£	£	£	£	%	£	£	
Development Control-Land Charges										
			343,957	286,900					286,900	
Search only (LLC1 only)		x			40.00	40.00	0.00%			
LLC1 Only - Additional Parcel of Land		x			11.00	11.00	0.00%			
CON29 (Including VAT)	*	x			120.00	120.00	0.00%			
CON29 - Additional Parcel of Land (Including VAT)	*	x			21.00	21.00	0.00%			
Standard Official Search (LLC1 and CON29) (Including VAT)	*	x			160.00	160.00	0.00%			
Standard Official Search (LLC1 and CON29) - Additional Parcel of Land (Including VAT)	*	x			32.00	32.00	0.00%			
Part II enquiry - CON 29 Optional Questions 4-21 (Including VAT)	*	x			15.00	15.00	0.00%			
Part II enquiry - CON29 Optional Question 22 (Including VAT)	*	x			30.00	30.00	0.00%			
Additional Questions (Including VAT)	*	x			22.80	22.80	0.00%			

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Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control-Land Charges (contd.)										
CON29 - Personal Searches (EIR)										
Question										
Personal Search		x			0.00	0.00	0.00%			
Enhanced Personal Search		x			15.00	15.00	0.00%			
1.1 (a) - (l) (Planning)	*	x			7.20	7.20	0.00%			
1.1 (j,k,l) (Building Regulations)	*	x			7.20	7.20	0.00%			
2.1 (b) - (d)	*	x			6.00	6.00	0.00%			
3.1 (Land for Public Purpose)	*	x			3.60	3.60	0.00%			
3.3 Drainage Matters	*	x			3.60	3.60	0.00%			
3.5 (Railway Schemes)	*	x			3.60	3.60	0.00%			
3.7 (Outstanding Notices)	*	x			12.00	12.00	0.00%			
3.8 (Building Regulations Contravention)	*	x			3.60	3.60	0.00%			
3.9 (Enforcement)	*	x			7.20	7.20	0.00%			
3.10 CIL	*	x			4.80	4.80	0.00%			
3.13 b (Contaminated Land)	*	x			3.60	3.60	0.00%			
3.13 c (Contaminated Land)	*	x			3.60	3.60	0.00%			
Land Charges Total			343,957	286,900				0	286,900	

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Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory / Discretionary	2020-2021	2021-2022	Current	Proposed	%	2021-	2022 -	Comments
			Actuals	Current Estimate	Charges 2021-2022	Charges 2022-2023	Change	2022 + / - Income	2023 Estimate	
			£	£	£	£	%	£	£	
Street Naming & Numbering										
										No changes proposed to the street naming and numbering service. We are happy with the increases we put in place last time.
			38,145	73,350					73,350	
Name change		x			25.00	25.00	0.00%			
Addition of Name to numbered Property		x			25.00	25.00	0.00%			In line with other Kent Authorities.
Amendment to Postal Address		x			25.00	25.00	0.00%			
New Build - Individual Property		x			80.00	80.00	0.00%			
Official Registration of Postal Address previous		x			50.00	50.00	0.00%			
New Development - Fee per unit/flat		x			45.00	45.00	0.00%			
Creation of New Street		x			105.00	105.00	0.00%			
Conversion of property into Flats-fee per flat		x			45.00	45.00	0.00%			
Renumbering of Development or Block of Flats		x			20.00	20.00	0.00%			
Street Naming & Numbering Total			38,145	73,350				0	73,350	

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			Actuals	Current Estimate	Charges 2021-2022	Charges 2022-2023	Change	2022 + / - Income	2023 Estimate	
			£	£	£	£	%	£	£	
Building Control										
			441,919	354,160				7,510	361,670	
Erection of a single dwelling house - Full Plan & Building Notice Charge	*	x			1,010.00	1,059.00	4.85%			
Erection of 2 dwelling houses - Full Plan & Building Notice Charge	*	x			1,365.00	1,392.00	1.98%			
Garages up to 60m ² - Full Plan & Building Notice Charge	*	x			505.00	514.00	1.78%			
Garages up to 60m ² - Regularisation Charge		x			631.25	643.86	2.00%			
Garage with room over 60m ² - 100m ²	*	x			593.00	605.00	2.02%			
Garage with room over 60m ² - 100m ² - Regularisation Charge		x			741.25	756.08	2.00%			
Extension up to 40m ² - Full Plan & Building Notice Charge	*	x			742.00	757.00	2.02%			
Extension up to 40m ² - Regularisation Charge		x			927.50	946.05	2.00%			
Extensions over 40m ² and up to 100m ² - Full Plan & Building Notice Charge	*	x			890.00	908.00	2.02%			
Extensions over 40m ² and up to 100m ² - Regularisation Charge		x			1,112.50	1,134.75	2.00%			
Loft Conversions up to 60m ² - Full Plan & Building Notice Charge	*	x			771.00	787.00	2.08%			
Loft Conversions up to 60m ² - Regularisation Charge		x			963.75	983.02	2.00%			

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				Actuals	Current Estimate	Charges 2021-2022	Charges 2022-2023	Change	2022 + / - Income	2023 Estimate	
				£	£	£	£	%	£	£	
Building Control (contd.)											
Garage Conversion under 40m ² - Full Plan & Building Notice Charge	*	x				475.00	484.00	1.89%			
Garage Conversion under 40m ² - Regularisation Charge		x				593.75	605.63	2.00%			
Installation of up to 10 replacement windows - Full Plan & Building Notice Charge	*	x				237.00	242.00	2.11%			
Installation of up to 10 replacement windows - Regularisation Charge		x				296.25	302.18	2.00%			
Part P electrical work or installation of heating appliance - Full Plan & Building Notice Charge	*	x				297.00	303.00	2.02%			
Part P electrical work or installation of heating appliance - Regularisation Charge		x				371.25	378.68	2.00%			
Alterations up to the value of £4999 - Full Plan & Building Notice Charge	*	x				326.00	333.00	2.15%			
Alterations up to the value of £4999 - Regularisation Charge		x				407.50	415.66	2.00%			
Alterations from £5000 to £9999 - Full Plan & Building Notice Charge	*	x				475.00	484.00	1.89%			
Alterations from £5000 to £9999 - Regularisation Charge		x				593.75	605.63	2.00%			
Demolition Notice	*	x				252.50	257.50	1.98%			
Building Control Total				441,919	354,160				7,510	361,670	

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			£	£	£	£	%	£	£	
Development Control - Planning and Conservation										
Written Pre-Application Advice										
Pre-Application Fees D160 + D167										
			211,432	257,550				5,150	262,700	
Advice for Householder Proposals										
charged for written advice on Householder applications	*	x			70.00	71.00	2.00%			
email response to follow up request	*	x			50.00	51.00	2.00%			
and with an hour long meeting with an officer	*	x			170.00	173.00	2.00%			
additional hour	*	x			50.00	51.00	2.00%			
follow up call/skype with email response	*	x			75.00	76.00	1.33%			
and with an hour long site meeting with an officer	*	x			220.00	224.00	1.82%			
additional hour	*	x			50.00	51.00	2.00%			
follow up call/skype with email response	*	x			75.00	77.00	2.67%			
Advice for Minor Development Proposals 1-9 Dwellings										
charged for written advice	*	x			250.00	255.00	2.00%			
email response to follow up request	*	x			100.00	102.00	2.00%			
and with an hour long meeting with an officer	*	x			350.00	357.00	2.00%			
additional hour	*	x			100.00	102.00	2.00%			
follow up meeting	*	x			150.00	153.00	2.00%			
and with an hour long site meeting with an officer	*	x			450.00	459.00	2.00%			
additional hour	*	x			100.00	102.00	2.00%			
follow up call/Skype with email response	*	x			150.00	153.00	2.00%			

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			£	£	£	£	%	£	£	
Development Control - Planning and Conservation										
Advice for Major Development Proposals 10-39 Dwellings										
charged for written advice	*	x			350.00	357.00	2.00%			
email response to follow up request	*	x			250.00	255.00	2.00%			
and with an hour long meeting with an officer at MBC Offices	*	x			600.00	612.00	2.00%			
additional hour	*	x			1,252.00	1,277.00	2.00%			
follow up call/Skype with email response	*	x			250.00	255.00	2.00%			
and with an hour long site meeting with an officer	*	x			725.00	739.00	1.93%			
additional hour	*	x			125.00	127.00	1.60%			
follow up call/Skype with email response	*	x			250.00	255.00	2.00%			

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			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
Advice for Large Development Proposals 40+ Dwellings										
and with an hour long meeting with an officer at MBC Offices	*	x			825.00	842.00	2.06%			
follow up call/Skype with email response	*	x			350.00	357.00	2.00%			
and with an hour long site meeting with an officer	*	x			950.00	969.00	2.00%			
follow up call/Skype with email response	*	x			350.00	357.00	2.00%			
Request for Manager attendance										
Should the applicant request the attendance of a Manager in additional to the assigned case officer, the following additional charge shall apply.	*	x								
Managers - Spatial Policy, Development Management, Major Projects - (MBC Offices or Skype).	*	x			250.00	255.00	2.00%			
on-site	*	x			375.00	382.00	1.87%			
Head of Service	*	x			500.00	510.00	2.00%			
on-site	*	x			750.00	765.00	2.00%			
Meetings with additional Specialist Officers attending (hourly rate) (additional charges for specialist officers additional to the above pre-application charges)(heritage, spatial policy, landscape, etc)										
Meeting at Maidstone House	*	x			175.00	179.00	2.29%			
Meeting on Site	*	x			250.00	255.00	2.00%			

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			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
Heritage Works Only Advice (EE20)										
Written Advice (D165)			0	8,000					8,000	
Written advice Householder	*	x			75.00	76.00	1.33%			
Written advice Minor	*	x			250.00	255.00	2.00%			
Written advice Major	*	x			350.00	357.00	2.00%			
Site visit/Meeting/ Fee depending type of app/onsite/office based	*	x								
Written plus Meeting Fee Householder	*	x			175.00	179.00	2.29%			
Written plus Meeting Fee Minor	*	x			200.00	204.00	2.00%			
Written plus Meeting Fee Major	*	x			600.00	612.00	2.00%			
Written plus Site visit Fee Householder	*	x			225.00	229.00	1.78%			
Written plus Site visit Fee Minor	*	x			400.00	408.00	2.00%			
Written plus Site visit Fee Major	*	x			600.00	612.00	2.00%			
Work to Protected Tree Only Advice (D164)										
Written advice/response	*	x			75.00	77.00	2.67%			
Works to Trees - Site visit	*	x			150.00	153.00	2.00%			
High Hedges										
					500.00	510.00	2.00%			

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Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory / Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
S.106 Agreements										
<i>(The following charges do not include any charges levied by MKS Legal)</i>										
Initial email advice following planning/housing officer review of request for DoV	*	x			175.00	178.00	1.71%			
Formal request to instruct on DoV (first clause)	*	x			350.00	357.00	2.00%			
(each additional clause)					125.00	128.00	2.40%			
Confirmation of S.106 clause compliance (desktop) (per clause)	*	x			150.00	153.00	2.00%			
(additional charge if site visit required)	*	x			125.00	127.00	1.60%			

Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Discretionary	Statutory	2020-2021	2021-2022	Current	Proposed	%	2021-	2022 -	Comments
				Actuals	Current Estimate	Charges 2021-2022	Charges 2022-2023	Change	2022 + / - Income	2023 Estimate	
				£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)											
Enforcement											
Written confirmation of closure of household enforcement case and reasons	*	x				50.00	51.00	2.00%			
(additional charge if site visit required)	*	x				50.00	51.00	2.00%			
Written confirmation of compliance with household enforcement notice	*	x				50.00	51.00	2.00%			
(additional charge if site visit required)	*	x				50.00	51.00	2.00%			
Written confirmation of closure of (other) enforcement case and reasons	*	x				80.00	82.00	2.50%			
(additional charge if site visit required)	*	x				50.00	51.00	2.00%			
Written confirmation of compliance with (other) enforcement notice	*	x				90.00	92.00	2.22%			
(additional charge if site visit required)	*	x				50.00	51.00	2.00%			
Listed Building Works											
Site visit and written confirmation of completion in accordance with approval	*	x				275.00	280.00	1.82%			
Written advice only (where possible without inspection)	*	x				150.00	153.00	2.00%			

Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory / Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
Planning Conditions										
Written confirmation of compliance with condition	*	x			100.00	102.00	2.00%			
(each additional condition)	*	x			75.00	77.00	2.67%			
(additional charge if site visit required)	*	x			125.00	127.00	1.60%			
Other Pre-Application Fees										
Administration fees										
Research of Permitted Development Rights and Planning Histories										
Research on Planning Histories		x			116.00	116.00	0.00%			
Research on Permitted Development Rights		x			116.00	116.00	0.00%			
Statutory Application Fees (currently set nationally)										
<u>Application to discharge conditions related to a permission</u>										
The standard fee for conditions per request; or		x			116.00	116.00	0.00%			
Where the related permission was for extending or altering a dwelling house or other development in the curtilage of a dwelling house.		x			34.00	34.00	0.00%			

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Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
<u>Written confirmation of conditions previously discharged relating to a permission</u>		x								
Per request; or		x			116.00	116.00	0.00%			
Where the related permission was for extending or altering a dwelling house or other development in the curtilage of a dwelling house.		x			34.00	34.00	0.00%			
<u>Administration fees</u>										
<u>Research of Permitted Development Rights and Planning Histories</u>										
Research on Planning Histories		x			116.00	116.00	0.00%			
Research on Permitted Development Rights		x			116.00	116.00	0.00%			
<u>All Outline Applications (D118+D161+D162+D163+D333)</u>			1,107,713	1,179,110					1,179,110	
£462.00 per 0.1 hectare for sites up to and including 2.5 hectares		x			462.00	462.00	0.00			
More than 2.5 hectares £11432 + £138 for each 0.1 in excess of 2.5 hectares to a maximum of £150,000		x			11,432.00	11,432.00	0.00			
<u>Householder Applications</u>										
Alterations/extensions to a single dwelling , including works within boundary		x			206.00	206.00	0.00%			

Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory	Discretionary	2020-2021	2021-2022	Current	Proposed	%	2021-	2022 -	Comments
				Actuals	Current Estimate	Charges 2021-2022	Charges 2022-2023	Change	2022 + / - Income	2023 Estimate	
				£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)											
Full Applications (and First Submissions of Reserved Matters)											
Alterations/extensions to two or more dwellings houses (or flats), including works within boundaries			x			407.00	407.00	0.00%			
Per New dwelling (up to and including 50)			x			462.00	462.00	0.00%			
New dwellings (for more than 50) £22,859 + £138 per additional dwelling in excess of 50 up to a maximum fee of £300,000			x			22,859.00	22,859.00	0.00%			
112 Erection of buildings (not dwellings, agricultural, glasshouses, plant or machinery)											
No increase in gross floor space or no more than 40m ² gross floor space to be created by the development			x			234.00	234.00	0.00%			
More than 40 sqm but no more than 75 sq m gross floor space to be created by the development			x			462.00	462.00	0.00%			
More than 75 sqm but no more than 3,750 sqm gross floor space to be created by the development (£462 per £75 sq m or part thereof)			x			462.00	462.00	0.00%			
More than 3,750 sq m - £22,859 plus £138 for each 75 sqm or part thereof in excess of 3,750 sq.m to a maximum of £300,000			x			22,859.00	22,859.00	0.00%			

Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory / Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
The erection of buildings (on land used for agriculture for agricultural purposes)										
Gross floor space to be created by the development not more than 465 Sq.m		x			96.00	96.00	0.00%			
Gross floor space to be created by the development more than 465 sq.m but less than 540 sq.m		x			462.00	462.00	0.00%			
Gross floor space to be created by the development more than 540m2 but not more than 4,215m2		x			462.00	462.00	0.00%			
Gross floor space to be created by the development More than 4,215m ²		x			22,859.00	22,859.00	0.00%			
Erection of glasshouses (on land used for the purposes of agriculture)										
Gross floor space to be created by the development Not more than 465m ²		x			96.00	96.00	0.00%			
Gross floor space to be created by the development More than 465m ²		x			2,580.00	2,580.00	0.00%			

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Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
<u>Erection/alterations/replacement of plant and machinery</u>										
Site area Not more than 5 hectares		x			462.00	462.00	0.00%			
Site area More than 5 hectares max £300,000		x			22,859.00	22,859.00	0.00%			
<u>Applications other than Building Works</u>										
Car parks, service roads or other accesses For existing uses		x			234.00	234.00	0.00%			
Waste (Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals)										
Site area Not more than 15 hectares		x			234.00	234.00	0.00%			
Site area More than 15 hectares		x			34,934.00	34,934.00	0.00%			
<u>Operations connected with exploratory drilling for oil or natural gas</u>										
Site area Not more than 7.5 hectares		x			508.00	508.00	0.00%			
Site area More than 7.5 hectares		x			38,070.00	38,070.00	0.00%			

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Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
<u>Operations(other than exploratory drilling) for the winning and working of oil or natural gas</u>										
Site area Not more than 15 hectares		x			257.00	257.00	0.00%			
Site area More than 15 hectares		x			38,520.00	38,520.00	0.00%			
<u>Other operations (winning and working of minerals)</u>										
Site area Not more than 15 hectares		x			234.00	234.00	0.00%			
Site area More than 15 hectares		x			34,034.00	34,034.00	0.00%			
Other operations (not coming within any of the above categories) Any site area		x			234.00	234.00	0.00%			
<u>Lawful Development Certificate</u>										
LDC - Existing Use - in breach of a planning condition					Equivalent to full application for same works					
LDC - Existing Use LDC - lawful not to comply with a particular condition		x			234.00	234.00	0.00%			
LDC - Proposed Use -					50% planning fee					
<u>Prior Approval</u>										
Agricultural and Forestry buildings & operations or demolition of buildings		x			96.00	96.00	0.00%			
Telecommunications Code Systems Operators		x			462.00	462.00	0.00%			
All other Prior Approval		x			96.00	96.00	0.00%			
With Operational development		x			206.00	206.00	0.00%			

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Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
<u>Reserved Matters</u>										
Application for approval of reserved a condition following grant of planning permission		x			462.00	462.00	0.00%			
matters following outline approval full fee due if the full fee already paid then £462 due.										
<u>Approval/Variation/discharge of condition</u>										
Application for removal or variation of		x			234.00	234.00	0.00%			
Request for confirmation that one or more planning conditions have been complied with - householder		x			34.00	34.00	0.00%			
All other development		x			116.00	116.00	0.00%			
Change of Use of a building to use as one or more separate dwelling houses, or other cases										
Number of dwellings not more than 50 £462 each dwelling		x			462.00	462.00	0.00%			
Number of dwellings More than 50		x			22,859.00	22,859.00	0.00%			
Other Changes of Use of a building or land		x			462.00	462.00	0.00%			

Medium Term Financial Strategy 2022-23
Fees and Charges
Strategic Planning Infrastructure Committee

Fees and Charges April 2022 - March 2023	* Includes VAT	Statutory / Discretionary	2020-2021 Actuals	2021-2022 Current Estimate	Current Charges 2021-2022	Proposed Charges 2022-2023	% Change	2021-2022 + / - Income	2022 - 2023 Estimate	Comments
			£	£	£	£	%	£	£	
Development Control - Planning and Conservation (contd.)										
Advertising										
Relating to the business on the premises		x			132.00	132.00	0.00%			
Advance signs which are not situated on or visible from the site, directing the public to a business		x			132.00	132.00	0.00%			
Other advertisements		x			462.00	462.00	0.00%			
Application for a Non-material Amendment Following a Grant of Planning Permission										
Applications in respect of householder developments		x			34.00	34.00	0.00%			
Applications in respect of other developments		x			234.00	234.00	0.00%			
Permission in Principle - Site Area		x			402.00	402.00	0.00%			
Development and Conservation Control Total			1,319,146	1,452,260				5,150	1,457,410	
Grand Total			4,307,656	5,477,730				12,660	5,490,390	

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Agenda Item 16

Policy and Resources Committee

19 January 2022

Medium Term Financial Strategy – Capital Programme

Final Decision-Maker	Council
Lead Head of Service/Lead Director	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager (Client)
Classification	Public
Wards affected	All

Executive Summary

This report forms part of the process of agreeing a budget for 2022/23 and setting next year's Council Tax. It develops the outline of the capital programme and reconfirms the principles behind the Council's capital strategy, explains how the capital programme will be funded, and describes the individual projects that comprise the programme.

This report makes the following recommendations to this Committee:

It is recommended that the Committee:

1. Agrees the capital strategy principles set out in paragraph 2.6;
2. Agrees the capital funding projection set out in Appendix 2 to this report;
3. Agrees the capital programme 2022/23 onwards as set out in Appendix 3 to this report;
4. Notes that in agreeing recommendations 2 and 3 above the Committee will set a prudential borrowing limit of £216.585 million over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2022/23;

Timetable

Meeting	Date
Policy and Resources Committee	19 January 2022
Council	23 February 2022

Medium Term Financial Strategy – Capital Programme

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Medium-Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. Specifically, the capital programme allows for investment in long term projects that support the strategic plan objectives.	Section 151 Officer & Finance Team
Cross Cutting Objectives	The MTFS supports the cross-cutting objectives in the same way that it supports the Council’s other strategic priorities.	Section 151 Officer & Finance Team
Risk Management	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
Financial	Set out in the report.	Section 151 Officer & Finance Team
Staffing	Staffing implications are taken into account when developing individual capital schemes.	Section 151 Officer & Finance Team
Legal	<p>Under Section 151 of the Local Government Act 1972 (LGA 1972) the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management. The Medium-Term Financial Strategy demonstrates the Council’s commitment to fulfilling it’s duties under the Act.</p> <p>The Council is required to set a council tax by the 11 March in any year and has a statutory obligation to set a balanced budget. The budget requirements and basic amount of Council Tax must be calculated in accordance with the requirements of sections 31A and 31B to the Local Government Finance Act 1992 (as amended by sections 73-79 of the Localism Act 2011).</p> <p>The Council is required to determine whether the basic amount of council tax is excessive as</p>	Mid Kent Legal Services

	<p>prescribed in regulations - section 52ZB of the 1992 Act as inserted under Schedule 5 to the Localism Act 2011. The Council is required to hold a referendum of all registered electors in the borough if the prescribed requirements regarding whether the increase is excessive are met.</p> <p>Approval of the budget is a matter reserved for full Council upon recommendation by Policy and Resources Committee on budget and policy matters.</p>	
Privacy and Data Protection	<p>Privacy and Data Protection is considered as part of the development of new capital schemes. There are no specific implications arising from this report.</p>	Policy and Information Team
Equalities	<p>This report sets out the overall capital programme. When an individual capital scheme is developed, changed or reviewed, an evidence-based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.</p>	Equalities and Corporate Policy Officer
Public Health	<p>The resources to achieve the Council's objectives are allocated through the development of the Medium-Term Financial Strategy which sets the overall priorities for the capital programme.</p>	Public Health Officer
Crime and Disorder	<p>The resources to achieve the Council's objectives are allocated through the development of the Medium-Term Financial Strategy which sets the overall priorities for the capital programme.</p>	Section 151 Officer & Finance Team
Procurement	<p>Procurement of the capital schemes described in section 2 of this report will be in accordance with the procurement provisions within the Council's constitution.</p>	Section 151 Officer & Finance Team
Biodiversity & Climate Change	<p>The capital programme includes provision for funding to deliver schemes which will help meet the Council's biodiversity and climate change objectives.</p>	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

Background

- 2.1 The capital programme plays a vital part in the Council's Strategic Plan, since long term investment is required to deliver many of the objectives of the plan. The capital programme is a rolling five-year programme, so sets out over the medium term how the Council will invest its capital resources.
- 2.2 The current capital programme 2020/21 – 2025/26 was approved by Council at its meeting on 24th February 2021 and totals £129.5 million over five years. Details are set out in Appendix 1.
- 2.3 The updated capital programme represents a significant expansion, owing mainly to a further £82 million for Affordable Housing in light of the commitment to provide 1,000 new affordable homes and a new item of £30 million for re-provision of leisure facilities at the end of the current Serco contract. Individual items within the programme will be subject to specific reports to the Committee in due course, but overall it is considered that the expansion of the programme is affordable and sustainable, and is required in order to deliver the Council's strategic objectives.

Capital Strategy

- 2.4 Under CIPFA's updated Prudential Code, the Council is now required to produce a Capital Strategy, which is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 2.5 The Capital Strategy is being considered by Audit, Governance & Standards Committee at its meeting on 17th January 2022. The Strategy describes how the Capital Programme is developed and the key points are set out below.
- 2.6 The Council has defined certain core principles for the inclusion of schemes within the capital programme. Schemes may be included in the capital programme if they fall within one of the four following categories:
 - (i) Required for statutory reasons, e.g. to ensure that Council property meets health and safety requirements;
 - (ii) Self-funding schemes focused on Strategic Plan priority outcomes;
 - (iii) Other schemes focused on Strategic Plan priority outcomes; and
 - (iv) Other priority schemes which will attract significant external funding.
- 2.7 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code and the following locally set principles:

- (a) Where schemes fit within a specific strategy and resources are available within the capital programme for that strategy, such as the Asset Management Plan, the schemes are also subject to appraisal and prioritisation against the objectives of that strategy. These schemes must be individually considered and approved by the relevant service committee.
- b) Where schemes require the use of prudential borrowing, a business case must first be prepared setting out the viability and justification in terms of necessity or contribution to the delivery of strategic goals.
- 2.8 Where schemes do not fit within the criteria above but an appropriate option appraisal has been completed, they may still be included within the programme if they fall within one of the four categories set out above.
- 2.9 If, following all considerations, there are a number of approved schemes that cannot be accommodated within the current programme, a prioritised list of schemes that can be added to the programme as future resources permit will be created and approved by Policy and Resources Committee, thus allowing officers to focus funding efforts on delivering schemes that are next in priority order.
- 2.10 The Medium-Term Financial Strategy (MTFS) requires the Council to identify actual funding before commencement of schemes. Accordingly, while schemes may be prioritised for the programme, ultimately commencement of any individual scheme can only occur once all the necessary resources have been identified and secured.
- 2.11 The MTFS principles require that the Council will maximise the resources available to finance capital expenditure, in line with the requirements of the Prudential Code, through:
- a) The use of external grants and contributions, subject to maintaining a focus on the priority outcomes of its own strategies;
- b) Opportunities to obtain receipts from asset sales as identified in the asset management plan and approved for sale by Policy and Resources Committee;
- c) The approval of prudential borrowing when the following criteria also apply to the schemes funded by this method:
- i. financial viability of the schemes can be clearly evidenced;
 - ii. the outcome returns economic value commensurate to the cost incurred by borrowing to fund the schemes;
 - iii. after covering the cost of funding, a further benefit accrues to the Council that directly or indirectly supports the objectives of the strategic plan or the medium term financial strategy.
- d) The use of residual New Homes Bonus for capital purposes (after a £1m topslice to support the revenue budget), in line with the Council's strategic plan priorities;

e) The implementation of a community infrastructure levy (CIL) and the management of its use, along with other developer contributions (S106), to deliver the objectives of the infrastructure delivery plan.

2.12 Service managers submit proposals to include projects in the Council's capital programme. Bids are collated by Corporate Finance who calculate the financing cost (which can be nil if the project is fully externally financed). Each Committee appraises the proposals based on a comparison with corporate priorities. Policy & Resources Committee recommends the capital programme which is then presented to Council in February each year.

2.13 Prior to any capital commitment being entered into, a detailed report setting out a full project appraisal and detailed financial projections is considered by the relevant service committee.

Funding the Capital Programme

2.14 All capital expenditure must be financed, either from external sources (grant funding and other contributions), the Council's own resources (revenue contributions, earmarked reserves, internal borrowing and capital receipts) or debt (external borrowing and other forms of corporate finance).

2.15 The Council currently has external borrowing of £9 million, comprising short term borrowing from another local authority of £2m and Public Works Loan Board borrowing of £7 million. With internal resources expected to be fully utilised in future, the Council will look to increase external borrowing to a maximum of £247.585m over the 5 year lifetime of the capital programme. Over this time the Council will seek a mixture of long term and short-term debt to minimise the risk of refinancing. The Director of Finance & Business Improvement may look to procure forward borrowing terms ahead of requiring funding for the capital programme. This is to lock into preferential rates in case of future rate rises.

2.16 The Council has hitherto used the New Homes Bonus to fund capital expenditure. It is now proposed that £1 million of the 2022/23 New Homes Bonus be topsliced for revenue expenditure that supports the provision of new homes. The balance will be used for capital purposes, in the form of a Housing Investment Fund to support the Affordable Housing Programme, as described in a separate report elsewhere on this agenda.

2.17 External funding is sought wherever possible. The Council has been successful in obtaining Government Land Release Funding for its housing developments and ERDF funding for the Kent Medical Campus Innovation Centre, and funding will be sought in particular to support the Affordable Housing Programme.

2.18 Funding is also available through developer contributions (S 106) and the Community Infrastructure Levy (CIL).

2.19 The resource available for the capital programme, based on the detail above, is given in Appendix 2. The appendix shows total resources expected in the period 2022/23 to 2026/27 as £233.546m.

Capital Programme Proposals

2.20 Capital Programme proposals have been developed based on the principles set out above and reflect the strategic priorities agreed by Council when it set the current Strategic Plan.

2.21 Appendix 3 to this report sets out the recommended programme. This includes schemes that already form part of the existing capital programme together with new schemes that it is now proposed to include within the capital programme. Further details are set out below.

Communities, Housing and Environment

2.22 Disabled Facilities Grants - £4.7 million

The Council works with Kent County Council Social Services to deliver adaptations and facilities to enable disabled people to remain at home. This element of the capital programme therefore has a directly beneficial impact for individual local residents. Assistance under this budget is not funded by the Council but is funded from the Department of Health Better Care Fund (BCF) as a specific capital grant.

2.23 Temporary Accommodation - £1.5 million

The Council has a programme to acquire housing on the open market for temporary accommodation, as it is more cost-effective to use our own property for this purpose and enables delivery of a revenue saving. It is proposed to buy further units in 2022/23.

2.24 Springfield Mill Phase 2 - £200,000

These are the final costs associated with the completion of this acquisition.

2.25 Private Rented Sector Housing Programme - £46.3 million

This incorporates a number of schemes that are in the process of being developed. These will be the subject of separate committee reports at the point a decision to proceed or not is required.

There is also further funding for indicative schemes which come forward that represent opportunities to grow the market rented portfolio. Some schemes have already been identified and exploratory talks and early negotiations have been undertaken.

2.26 Affordable Housing Programme (Trinity Place) - £500,000

This budget is for the conversion and renovation of Trinity Place into suitable accommodation for affordable housing.

2.27 1,000 Homes Affordable Housing Programme - £113.6 million

In the Autumn of 2021, The Leader of the Council announced his ambition to build 1,000 affordable homes in the shortest period possible. A development strategy setting out how this ambition can best be achieved is being proposed to the Policy & Resources Committee on 19th January 2022. It is likely that the whole programme will take ten years to deliver, but the MTFs and capital programme is focussed upon the expenditure that will occur in the first five years. The programme is likely to provide only Affordable Rented homes that will be let at 80% of market rent, capped at the Local Housing Allowance. The expenditure shown is net of any grant receipts from the likes of Homes England that will be necessary to deliver the programme. Expenditure in the initial years of the programme will be relatively modest as the focus will be upon land identification and acquisition, and the more costly works contracts will follow in the later years.

As indicated in the report on this item elsewhere on this evening's agenda, a subsidy will be required to deliver this Programme, which will be provided through a separate Housing Investment Fund.

2.28 Market Sale Housing Programme - -£4.4 million

The Council has developed a track record of delivering homes for market sale through joint venture arrangements. On the right site, market sales homes can provide cross-subsidy to help provide affordable housing, and on larger sites in particular, can also help to provide more balanced communities in terms of tenure diversification. Market sale will be modest relative to the Affordable and PRS housing programmes, and in terms of risk management, the tenure could be switched to rented tenures were market conditions to worsen. Market sales homes will be provided by way of joint venture arrangements with experienced contractors and will be focussed upon houses rather than apartments.

2.29 Acquisitions Officers Social Housing Delivery Partnership - £800,000

This funding for two Acquisitions Officers over five years to ensure delivery of the affordable housing programme, with the costs of the post and ancillary costs capitalised and charged to the programme.

2.30 Granada House Refurbishment Works - £2.0 million

Granada House is in need of refurbishment upgrade works to improve the external façade and visual appearance as well as internally to the communal areas and residential flats.

2.31 Street Scene Investment - £250,000

This capital programme item allows for items such as the provision of new bins.

2.32 Flood Action Plan - £750,000

The Council works with the Environment Agency and Kent County Council as part of the Medway Flood Partnership to develop measures to manage and reduce flood risk. A capital budget of £1 million was set aside for a flood action plan following the last major floods in the Maidstone area in winter 2013/14. No large scale flood mitigation scheme was found to be feasible and individual household flood mitigation measures have been funded through central government grants. The residual budget is therefore being carried forward to fund further schemes that may be developed, including natural flood management schemes.

2.33 Parks Improvements - £250,000

This an annual budget to allow for any works that are identified in the parks to be undertaken, particularly where there is a health and safety issue to be addressed.

2.34 Gypsy & Traveller Sites Refurbishment - £1,900,000

The Council owns two sites at Stilebridge Lane & Water Lane. These sites have not been adequately maintained over the years and now extensive catch-up repairs and refurbishment are required to bring them back up to an acceptable standard. As reported previously to this Committee the budget for these works was increased from £1.0m following the receipt of tenders.

2.35 Waste Crime Team Additional Resource - £25,000

Over the past 18 months there has been an increase in such crimes with fly tipping seeing the biggest raise of 250%. To combat this increase there is needs for greater enforcement actions and equipment to carry out such work. These addition resources will deployed/used within the existing Waste Crime Team. This budget proposal is for the purchasing of addition CCTV cameras and related equipment to ensure they work within a variety of locations.

2.36 Section 106 Funded Works Open Spaces – £2.0 million

This is a new line in the programme to reflect open spaces capital projects that are funded by S.106 contributions. These works have been taking place for a number of years but it is considered appropriate that the programme reflects this to show the total forecast capital expenditure.

Economic Regeneration & Leisure

2.37 Mote Park Visitor Centre & Estate Services Building - £1.5 million

Construction is now under way on the new building, and it is expected to open in Summer 2022.

2.38 Museum Development Plan - £389,000

The project stems from the work on the Museum's 20-year plan. In 2019 Innes Architect was appointed to set out how this vision could be realised within the building. After extensive consultation, this formed the basis of a National Lottery Heritage Fund bid, which although unsuccessful, is still accepted by ERL Committee as the preferred long-term aspiration for the Museum. The vision is achievable in discrete phases. The first phase is estimated to cost £1.5m.

A report was taken to Economic Regeneration & Leisure Committee in November 2021 to identify initial proposals to progress this scheme. The preferred option is to improve a gallery space which is supported by the Maidstone Museum Foundation and Kent Archaeological Society. However more work is needed to create proposals which reflect Member ambitions for a dynamic and changing museum high quality experiences for visitors and drive-up visitor numbers.

2.39 Leisure Provision - £30.0 million

Options are currently being considered for the future of the leisure centre, and some initial options were presented to the Economic Regeneration & Leisure Committee in December 2021. This is an indicative budget at this stage, allowing for either refurbishment or replacement of the centre.

2.40 Cobtree Golf Course New Clubhouse - £449,000

The clubhouse is in need of major refurbishment or replacement. Responsibility for this lies with the Cobtree Manor Estate Committee, but the Council does have a 2/9ths interest in the golf course, and this indicative budget represents the contribution the Council would make towards the total cost. Again, this is an indicative budget whilst options are being considered.

2.41 Tennis Courts Upgrade - £20,000

This funding is required to bring the courts in the parks back up to an acceptable playing standard.

2.42 Riverside Walk Works - £500,000

The Economic Regeneration & Leisure Committee has considered proposals for a riverside walk alongside the Medway by the Lockmeadow Millennium Bridge. Better access to the river would be created from the Maidstone road bridge and other areas of interest along the river would be linked, such as the memorial park and Archbishop's Palace. Improvements to the riverside path would increase safety and reduce antisocial behaviour. Costings and

detailed proposals are still to be developed. Third party funding will be sought for the project. Specific proposals will be brought to the Committee in due course but for the purpose of developing the capital programme an indicative budget of £500,000 has been included here.

Policy & Resources

2.43 Corporate Property Acquisitions - £12.5 million

It is envisaged that the Council will continue to seek further suitable opportunities to acquire assets, following the acquisitions of the Lockmeadow Leisure Complex and the Wren Industrial Estate. The capital programme includes this fund which is intended to give the capacity to pursue opportunities to enhance the corporate property portfolio. The Council continues to work with selected agents to identify suitable opportunities and these will be brought forward for member approval when identified.

2.44 Kent Medical Campus - Innovation Centre - £250,000

The Centre was completed and handed over to the Council in December 2021. The need for additional parking has been identified and plans have been drawn up, with the funding to come from the Enterprise Zone.

2.45 Lockmeadow ongoing investment - £1.8 million

Improvements are required to the exterior of the market hall and undercroft. There is also a need for new signage and expansion of the new play area for older children. There may also need to be provision for the reconfiguration of a larger unit that may become vacant in the future.

2.46 Garden Community - £1.0 million

Good progress continues to be made with the public sector led garden community, where the Council has entered into a collaboration agreement with Homes England. The project now features as a draft allocation in the Council's Local Plan Review at Regulation 19 stage, which is scheduled to go to public examination in the summer of 2022. Assuming the sites becomes an allocation in an adopted Local Plan, the Council will continue to work very closely with Homes England to take the project through to the point of Planning consent, and then Homes England will exclusively take on the master developer role thereafter. The Council's role will then become more focussed upon the governance and stewardship of the new community. Furthermore, once the project reaches the delivery stage, the Council will also benefit from rights of first refusal in terms of acquiring the affordable housing and employment land, so these elements could feature in the Council's capital programme in years to come.

2.47 Infrastructure Delivery - £5.0 million

Infrastructure schemes as outlined in the Local Plan are in general funded directly from the benefits gained from the development. However, in some cases, it is appropriate for the Council to invest directly in infrastructure, for example where viability assessments indicate a funding gap and where it is

appropriate for the Council to meet the shortfall in order to enable strategic priorities to be met. An annual amount of £1.0 million has been set aside within the capital programme for this purpose. Including rolled up unspent budget from previous years, this gives a total allocation of £6.2 million over the lifetime of the capital programme.

2.48 Asset Management / Corporate Property - £875,000

The Property Services section carries out a 5 year cycle of condition surveys of Council property which provide a costed programme of essential replacement or refurbishment of building elements to ensure the proper, compliant and efficient operation of the buildings in accordance with the Asset Management Plan. There is no financial return from the projects, but they do eliminate the accumulation of a backlog of maintenance, reduce the risk of failure and interruption of service and the cost of reactive maintenance.

2.49 Other Property Works - £980,000

This budget is for work required to various commercial properties to meet the requirements of the current Minimum Energy Efficiency Standards. This will mainly be upgrades to LED lighting and heating systems, but there may be a need to replace windows and improve insulation in some of the older buildings.

2.50 Biodiversity & Climate Change - £2.9 million

In April 2019 the Council declared twin emergencies in Biodiversity and Climate Change. P&R then set up a Member led working group to produce an action plan for agreement in April 2020. In order to fund that action plan directly and to provide pump prime funding and funds for embedding biodiversity and climate change actions across the authority, a pot of funding was approved last year, and an officer appointed to support the work. This pot will fund the action plan items directly, each of which will be costed where relevant, and will provide a reserve pot for other initiatives to bid into.

2.51 Feasibility Studies - £250,000

An allowance has been included in the capital programme for feasibility works on schemes that are not yet ready to be included in the main programme.

2.52 Digital Projects - £125,000

This programme is for hardware and software development carried out in-house by the Digital team, such as website re-design, new webcasting facilities, and investment to streamline ways of working.

2.53 Software/PC Replacement - £1.0 million

This is an annual budget to allow replacement of ICT resources on an ongoing basis.

2.54 Maidstone House Works - £1.0 million

Capital investment is envisaged at Maidstone House.

2.55 Automation Projects - £200,000

These projects are likely to focus around voice automation in customer services and should eventually yield revenue savings.

2.56 New Ways of Working Make the Office Fit For Purpose - £40,000

Further investment is needed to continue to ensure Maidstone House is suitable to meet the demands of the new ways of working that have evolved as a result of the pandemic.

2.57 Archbishop's Palace Works - £800,000

Due to the expiration of the contract with Kent County Council, options are being explored as to how the Archbishop's Palace will be used in the future. A procurement exercise is currently ongoing to gain proposals from interested parties. The council may need to undertake some capital works as part of any agreement with a provider, and if no external bids are successful or an internal proposition is preferable, may undertake to run services from the palace itself, which would require extensive capital works to prepare and improve the building sympathetically.

2.58 Fleet Vehicle Replacement Programme – £1.4 million

Vehicle purchases have been capitalised previously but not included on the programme. Funding comes from capital receipts including the sale of vehicles when they reach the end of their useful life.

Strategic Planning & Infrastructure

2.59 Bridges Gyratory Scheme - £120,000

This is an additional budget allocation to allow works to commence on the Medway Street flood barrier. The costs of the project have increased since it was initially included in the programme.

3. AVAILABLE OPTIONS

- 3.1 Agree the capital strategy principles, funding arrangements and detailed proposals as set out in section 2 above.
- 3.2 Amend or delete some or all of the proposals and agree alternative proposals.

- 3.3 Defer a decision on the proposals to this Committee's meeting on 9 February 2022.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred option is that the Committee agrees the proposals set out in section 2. Whilst a final decision is not required until Council sets a budget on 23 February 2022, an early decision by this Committee will allow advance planning to commence and will potentially allow the benefits of investment to be realised more quickly.
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5. RISKS

- 5.1 From now on, the capital programme will primarily be funded through prudential borrowing. Many of the schemes outlined above are projected to be self-funding. However, this assumes that the income assumptions on which they are based are reliable. In an uncertain economic environment, there is a significant risk that the cost of borrowing and the requirement to make provision for repayment will not be covered.
- 5.2 The scale of the capital programme – over £200 million - will require considerable capacity for delivery and project management.
- 5.3 At present it is anticipated that funding will be available for the capital programme. In the past, local authorities have relied for funding on the Public Works Loan Board. PWLB borrowing has recently become more expensive, and whilst alternative sources of finance are currently available at lower rates, there is a risk that funding could become more expensive generally, thus putting at risk the viability of more marginal schemes.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Policy and Resources Committee received an initial report on the MTFs at its meeting on 24 November 2021.
- 6.2 Consultation is currently being carried out on the broader budget proposals for 2022/23. Individual Service Committees are considering the budget proposals relating to capital schemes within their areas of responsibility. There will be an opportunity for Policy and Resources Committee to consider the outcomes of consultation at its meeting on 9th February 2022, before submitting final budget proposals to Council.
- 6.3 Public consultation on the budget has been carried out, as described in the report on revenue budget proposals elsewhere on the Committee's agenda. This identified that the most popular area amongst respondents for new

investment was infrastructure, with flood prevention and the street scene cited as examples in the survey to illustrate what 'infrastructure' means.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The timetable for setting the budget for 2022/23 is set out below.

<i>Date</i>	<i>Meeting</i>	<i>Action</i>
January 2022	All Service Committees	Consider 22/23 budget proposals
9 February 2022	Policy and Resources Committee	Agree 22/23 budget proposals for recommendation to Council
23 February 2022	Council	Approve 22/23 budget

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Existing Capital Programme 2021/22 to 2025/26
 - Appendix 2: Estimated Capital Resources 2022/23 to 2026/27
 - Appendix 3: Proposed Capital Programme 2022/23 to 2026/27
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9. BACKGROUND PAPERS

There are no background papers.

	Projected Budget 2020/21	Five Year Plan					Total 21/22 to 25/26
		2021/22	2022/23	2023/24	2024/25	2025/26	
	£000	£000	£000	£000	£000	£000	£000
Housing - Disabled Facilities Grants Funding	591	1,786	800	800	800	800	4,986
Temporary Accommodation	1,887	2,526	1,560				4,086
Brunswick Street - Costs of Scheme	4,233						
Brunswick Street - Receipts	-1,502						
Union Street - Costs of Scheme	5,201						
Union Street - Receipts	-2,100						
Springfield Mill - Phase 1	1,807						
Springfield Mill - Phase 2	1,322	2,089	37				2,126
Granada House Extension	125	890	890				1,780
Private Rented Sector Housing Programme	822	11,701	14,874	6,131	4,500		37,206
Affordable Housing Programme	800	1,600	3,200	6,400	9,957	9,958	31,115
Acquisitions Officer - Social Housing Delivery P/ship	80	80	80	80	80		320
Granada House Refurbishment Works		976	30				1,006
Street Scene Investment	96	50	50	50	50	50	250
Flood Action Plan	50	200	200	200	200	150	950
Electric Operational Vehicles	100						
Vehicle Telematics & Camera Systems		35					35
Rent & Housing Management IT System	50						
Installation of Public Water Fountains	15						
Crematorium & Cemetery Development Plan	230	170					170
Continued Improvements to Play Areas	123	174					174
Parks Improvements	99	50	50	50	50	50	250
Gypsy & Traveller Sites Refurbishment		1,000					1,000
Sub-total Communities, Housing & Environment	14,029	23,327	21,771	13,711	15,637	11,008	85,454
Mote Park Visitor Centre & Estate Services Building	20	2,773					2,773
Mote Park Lake - Dam Works	1,041	682					682
Mall Bus Station Redevelopment	400	690					690
Museum Development Plan			389				389
Sub-total Economic Regeneration & Leisure	1,461	4,145	389				4,534
Corporate Property Acquisitions	1,983	11,833	2,500	2,500	2,500	2,500	21,833
Kent Medical Campus - Innovation Centre	5,800	4,440					4,440
Lockmeadow Ongoing Investment	4,000	1,000	500				1,500
Garden Community	200	340	465	425	425		1,655
Infrastructure Delivery		1,200	1,800	600	600	600	4,800
Asset Management / Corporate Property	437	1,487	175	175	175	175	2,187
Biodiversity & Climate Change	50	950					950
Feasibility Studies	150	50	50	50	50	50	250
Digital Projects	20	20	20	20	20	20	100
Software / PC Replacement	231	220	200	200	200	200	1,020
Sub-total Policy & Resources	12,871	21,540	5,710	3,970	3,970	3,545	38,735
Bridges Gytratory Scheme	86						
Sub-total Strategic Planning & Infrastructure	86						
Sub-total	28,447	49,012	27,870	17,681	19,607	14,553	128,723
Section 106 Contributions	62	44	447	58	49	242	840
TOTAL	28,509	49,056	28,317	17,739	19,656	14,795	129,563

ESTIMATED CAPITAL PROGRAMME RESOURCES 2022/23 - 2026/27

Appendix 2

Source of Funding	Estimate					Total £000
	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	
External Sources	1,950	1,250	1,250	1,250	1,250	6,950
Own resources (including Internal borrowing)	5,026	3,514	4,568	5,699	6,582	25,389
External Borrowing	20,554	26,335	45,586	46,626	62,106	201,207
Total	27,530	31,099	51,404	53,575	69,938	233,546

	Projected Budget 2021/22	Five Year Plan					Total 21/22 to 25/26
		2022/23	2023/24	2024/25	2025/26	2026/27	
	£000	£000	£000	£000	£000	£000	£000
Housing - Disabled Facilities Grants Funding	1,017	1,500	800	800	800	800	4,700
Temporary Accommodation	3,008	1,560					1,560
Brunswick Street	233						
Union Street	217						
Springfield Mill - Phase 1							
Springfield Mill - Phase 2	2,045	200					200
Private Rented Sector Housing Programme	1,125	2,316	4,632	11,579	11,579	16,211	46,317
Affordable Housing Programme - Trinity Place		500					500
1,000 Homes Affordable Housing Programme	750	5,679	11,358	28,396	28,396	39,754	113,582
Market Sale Housing Programme - Costs of Scheme		515	5,682	5,682	5,167	5,167	22,213
Market Sale Housing Programme - Receipts				-1,853	-12,400	-12,400	-26,653
Acquisitions Officer - Social Housing Delivery P/ship	160	160	160	160	160	160	800
Granada House Refurbishment Works	20	980	1,000				1,980
Street Scene Investment	50	50	50	50	50	50	250
Flood Action Plan	244	200	200	200	150		750
Electric Operational Vehicles	84						
Vehicle Telematics & Camera Systems	35						
Rent & Housing Management IT System	19						
Installation of Public Water Fountains	15						
Crematorium & Cemetery Development Plan	378						
Continued Improvements to Play Areas	200						
Parks Improvements	149	50	50	50	50	50	250
Gypsy & Traveller Sites Refurbishment	50	1,900					1,900
Waste Crime Team - Additional Resources		25					25
Section 106 funded works - Open Spaces		400	400	400	400	400	2,000
Sub-total Communities, Housing & Environment	9,798	16,035	24,332	45,464	34,352	50,192	170,374
Mote Park Visitor Centre & Estate Services	1,233	1,543					1,543
Mote Park Lake - Dam Works	672						
Mall Bus Station Redevelopment	1,006						
Museum Development Plan		389					389
Leisure Provision		100	100	500	14,300	15,000	30,000
Cobtree Golf Course New Clubhouse		4	111	333			449
Tennis Courts Upgrade		20					20
Riverside Walk Works		250	250				500
Sub-total Economic Regeneration & Leisure	2,910	2,306	461	833	14,300	15,000	32,901
Corporate Property Acquisitions	11,809	2,500	2,500	2,500	2,500	2,500	12,500
Kent Medical Campus - Innovation Centre	3,000	250					250
Lockmeadow Ongoing Investment	932	500	1,300				1,800
Garden Community	1,613	200	200	200	200	200	1,000
Infrastructure Delivery		1,000	1,000	1,000	1,000	1,000	5,000
Asset Management / Corporate Property	1,653	175	175	175	175	175	875
Other Property Works		980					980
Biodiversity & Climate Change	100	1,400		500	500	500	2,900
Feasibility Studies	162	50	50	50	50	50	250
Digital Projects	25	25	25	25	25	25	125
Software / PC Replacement	342	200	200	200	200	200	1,000
Maidstone House Works		1,000					1,000
Automation Projects		200					200
New Ways of Working - Make the Office Fit		40					40
Archbishop's Palace		400	400				800
Fleet Vehicle Replacement Programme	748	149	456	457	270	96	1,428
Sub-total Policy & Resources	20,384	9,069	6,306	5,107	4,920	4,746	30,148
Bridges Gyrotory Scheme	86	120					120
Sub-total Strategic Planning & Infrastructure	86	120					120
TOTAL	33,179	27,530	31,099	51,404	53,572	69,938	233,543

Agenda Item 17

POLICY AND RESOURCES COMMITTEE 19 January 2022
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PUBLIC SECTOR-LED GARDEN COMMUNITY UPDATE
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Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	William Cornall, Director of Regeneration & Place
Report Author	William Cornall, Director of Regeneration & Place
Wards affected	All, but in particular Harrietsham & Lenham and Headcorn Wards.
Classification	Public

Executive Summary

The purpose of this report is to update the Committee on the progress of the Heathlands Garden Community proposition. As in the case of previous reports to this Committee, the contents of this report relate to the Council's position as a potential property owner/developer and not as Local Planning Authority (LPA).

Purpose of Report

To provide this Committee with an update on progress with respect to the Heathlands Garden Community proposition.

This report makes the following recommendations to this Committee:

1. That this Committee notes the report.

Timetable

Meeting	Date
Policy and Resources Committee	19 th January 2022

PUBLIC SECTOR-LED GARDEN COMMUNITY UPDATE

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Continuing with the development of the Heathlands Garden Community proposition will materially improve the Council's ability to achieve all the corporate priorities.</p>	Director of Regeneration & Place
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The Heathlands Garden Community proposition supports the achievement of all the cross-cutting objectives.</p> <p>Through delivering much needed homes to include 40% affordable housing. The emerging masterplan is landscape led with up to 50% of the total proposed as green space. Led by the ambitions set out in the Strategic Plan the Council can ensure that the design principles of development where it is the master planner reflect the commitment to reduce health inequalities amongst other things.</p>	Director of Regeneration & Place

Risk Management	See section 4.	Director of Regeneration & Place
Financial	Investment in the Garden Community forms part of the Council's five-year capital programme and budgetary provision exists for the expenditure described in the report and the plans outlined here. Spend to date on the project by the Council is £634,672.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Director of Regeneration & Place
Legal	There are no legal implications arising from this report as it is for noting only.	Interim Head of Legal Partnership
Privacy and Data Protection	No impact identified	Policy and Information Team
Equalities	An Equalities Impact Assessment will be completed if the proposal forms part of the draft spatial strategy of the Local Plan Review at Regulation 19 stage.	Equalities and Communities Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals more broadly. However, the period of uncertainty whilst the opportunity is being explored could negatively affect local residents.	Public Health Officer
Crime and Disorder	The recommendation will not have a negative impact on Crime and Disorder.	Head of Service or Manager
Procurement	N/A.	Head of Service & Section 151 Officer
Biodiversity and Climate Change	The revised masterplan brief seeks a biodiversity net gain within the area defined by the proposed redline.	Head of Policy Communications & Governance Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

2.1 The Council is pursuing this project as it is consistent with its Strategic Plan priority of “embracing growth and enabling infrastructure” and the desired outcomes within it:

- The Council leads master planning and invests in new places which are well designed.
- Key employment sites are delivered.
- Housing need is met including affordable housing.
- Sufficient infrastructure is planned to meet the demands of growth.

2.2 This report updates this Committee concerning progress in respect of the following areas:

- Option agreements
- Homes England (HE) partnership
- Promotion of Heathlands through the Local Plan Review (LPR)
- Proposed rail based sustainable transport solution

2.3 **Option Agreements.** Homes England have now exchanged contracts on several of the land Options, which provides approximately 30% of the land required. Progress remains positive on the remaining Options, which are in their final form and these are expected to exchange before the end of the financial year.

2.4 **Homes England (HE) Partnership.** The community engagement event is likely to take place in February or March, dates to be confirmed. An in-person event had been envisaged but owing to the emergence of the Omicron variant and the subsequent work from home guidance by government, a virtual / online format is now being formulated. If the guidance does change imminently, the format will revert to in person, in which case it is planned to utilise the Maidstone Innovation Centre. The appointed communications firm have now produced the draft material for the event, which is under review.

2.5 **Promotion of Heathlands through the Local Plan Review.** The LPA’s Regulation 19 public consultation has now closed. Dialogue is ongoing with the LPA in respect of the final submissions that will be required ahead of the Examination in Public, and these will relate to providing the LPA with further assurance in respect of; the ability to achieve nutrient neutrality, how the development of Heathlands will dovetail with mineral extraction, the scoping of the required Supplementary Planning Document for Heathlands, as well as continuation of the work on the strategic outline business case for the rail based sustainable transport strategy for the new community.

Proposed rail based sustainable transport solution.

2.6 Homes England commissioned a specialist firm to produce an Outline assessment of how the existing and new communities could best be served by a rail focussed sustainable transport strategy. The commission considered the following matters:

- Are there any station options available for a new location?
- Could existing or relocated stations be adequate for potential needs?

- What rail operational topics could need to be addressed and technical matters solved?
 - What rail engineering topics could need to be addressed and technical matters solved?
 - Is there an outline commercial case for a station?
- 2.7 The report identified that there were four initial possibilities, in terms of how best to serve the new and existing communities, and these were as follows:
- Upgrade of Lenham station, with a transport interchange adequate to accommodate passenger access to/from Heathlands.
 - New 'Parkway' station between Lenham and Heathlands.
 - **New station at Heathlands in addition to Lenham (a two-station option).**
 - New station at Heathlands, with closure of Lenham station.
- 2.8 The option highlighted and underlined is the one preferred by the land promoters and was also the one that the consultancy firm felt would be the optimum solution based on their research and expertise too. They also went on to consider what, if any, suitable locations there could be for a new station within the Heathlands redline. There were several options with the favoured one now shown in the latest masterplan framework document submitted to the LPA. Importantly, they felt there was a strong commercial case for the preferred option too.
- 2.9 In a commission of this nature, it is important that all realistic options were considered at the outset, rather than simply focussing upon what the client might assume is best, or what the client might assume might be favoured by different stakeholders. I.e., a blank page approach is appropriate.
- 2.10 As per the terms of our collaboration agreement, Homes England are leading the procurement of a suitable firm to take this preliminary work on to the next stage, being the production of a strategic outline business case for the preferred option. An appointment is expected in the coming weeks.

3. AVAILABLE OPTIONS

- 3.1 This report is for noting.

4. RISK

- 4.1 When this proposal was presented to this Committee in September 2019, the likely risks were set out as follows:

- **At risk consultancy expenditure.**
- **Maintaining cohesion amongst the landowner group.**
- **Possible negative perceptions of a broader role for the Council in the context of acting as master developer.**
- A period of uncertainty for the community affected.

4.2 Arguably, the first three risks (bold) have diminished because of the progress that has been made, particularly in respect of entering into the collaboration agreement with Homes England, the scheme securing “draft allocation” status in the Maidstone Local Plan Review, and the fact that there is now a smaller landowner pool, with several land parcels now under Option.

4.3 Further risks that had since been added are:

- **Terms cannot be agreed with the principal landowners.**
- Challenge from individuals or organisations that oppose the principle and/or the specific details of the Council’s public sector-led garden community.

4.4 The first of these newer risks (bold) is subsiding given the progress made with the land Options. The next emerging risk of significance is that:

- The Heathlands proposal is not supported by the (to be) appointed Local Plan Inspector.

4.5 The Council and Homes England now have plenty of time to work with Homes England’s professional teams to produce further technical evidence to give the project the best chance of being supported by the examiner.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 Nothing further to report.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 The next steps will be:

- Homes England to enter into the finalised option agreements with the remaining principal landowners.
- Homes England and the Council to undertake the public engagement work (acting as land promoters), with “We Are Fabrick”.
- Homes England and the Council to prepare the (Town) Planning Strategy.
- Continue to develop the proposal to respond to public engagement feedback received either through the LPA’s Reg 19 consultation or our own engagement work and to prepare to defend the proposal at the Examination in Public.
- Appoint an external consultant team to further develop the outline strategic business case for the delivery of the new railway station / halt.

7. REPORT APPENDICES

7.1 None

8. BACKGROUND PAPERS

8.1 None.

**POLICY & RESOURCES
Committee**

19th January 2022

Affordable Housing Delivery by the Council

Final Decision-Maker	Communities Housing & Environment Committee
Lead Head of Service	William Cornall, Director of Regeneration & Place
Lead Officer and Report Author	William Cornall, Director of Regeneration & Place
Classification	Public with a private appendix. Exempt Category 5: Information in respect to which a claim to legal professional privilege could be maintained in legal proceedings.
Wards affected	All wards.

Executive Summary

At Full Council on 29th September 2021, the Leader of the Council set out an ambition to build and own 1,000 affordable homes in the shortest possible time frame. This report provides a development strategy as to how this ambition could best be achieved.

It is likely that each affordable home will have a net cost of at least £200k, so the overall programme will be worth at least £200m.

Market conditions in terms of high land and house prices are not favourable at present and so the Council will need to be bold, creative, and flexible in respect of the types of projects it will consider and the amount of risk that it will be willing to accept.

The Council has had successes in delivering new homes over the past five years, but the pipeline of new projects has dwindled latterly both because of market conditions and a lack of consensus as to what types of projects should be pursued. Accordingly, there will now need to be a different strategy deployed and this will require Councillors, and this Committee in particular, to prioritise the delivery of the programme over other considerations.

Purpose of Report

Decision.

This report makes the following recommendations to this Committee:

1. To note the proposed capital spend of c£200m, net of any grant, to build a portfolio of 1,000 Affordable Homes over the ten-year period commencing 1st April 2022, with individual schemes subject to approval by this Committee.
2. To note the preliminary officer advice and the legal advice (provided as exempt Appendix 1) on the possible and likely corporate structure arrangements within which an affordable housing portfolio could be held once it passes 200 homes, and that a further report on this matter, for decision, will be brought back to this Committee during the next financial year.
3. To note that a bid for grant to Homes England via the Continuous Market Engagement route will be made in the coming months but subject to a further detailed decision by this Committee to approve any grant Funding Agreement that is offered by Homes England.
4. To note that this Affordable Homes programme is proposed to be supplemented by further additional capital spend of c£46.5m in Private Rented Sector (PRS) Housing, to build a further 200 such homes over the five-year period commencing 1st April 2022, with individual schemes subject to approval by this Committee.
5. To note that the proposed Affordable Homes and PRS programmes will be supplemented by investment in circa 60 Market Sale homes, via joint venture arrangements with incumbent scheme contractors, with individual schemes subject to approval by this Committee. As per the capital programme for approval, proposed exposure will be capital spend of circa c£22m over the programme period.
6. To approve the scheme target hurdle rates for Affordable Housing and PRS investments as being a positive Net Present Value (NPV) and Internal Rate of Return of 4%, and that there will be cognisance of the challenges in respect of the likely cost / value ratio on some schemes. These hurdle rates will be kept under review by the Director of Finance and Business Improvement and any changes will be dealt with through reporting on the Capital Strategy.
7. To note the likely viability gap per Affordable Housing home developed which will equate to circa £1.7m per 100 homes built, and that provision will be made by this Committee elsewhere in the Council's Medium Term Financial Strategy to meet this viability shortfall. I.e., the creation of a Maidstone Housing Investment Fund (MHIF).
8. To approve that all the Affordable Housing will be let as Affordable Rented Homes, with rents set at 80% of the prevailing market rent but capped at the Local Housing Allowance.
9. To approve the overall Development Strategy that is set out from paragraph 2.49 to 2.58 of this report and endorse it for subsequent approval by the CHE Committee at a later date.

Timetable	
<i>Meeting</i>	<i>Date</i>
Committee (please state)	19 th January 2022
Council	N/A

Affordable Housing Delivery by the Council

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Accepting the recommendations will materially improve the Council's ability to achieve its corporate priorities.</p>	Director of Regeneration & Place
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendations support the achievement of the Council's cross cutting objectives.</p>	Director of Regeneration & Place
Risk Management	Already covered in the risk section.	Director of Regeneration & Place
Financial	Budgetary approval for this project is part of the capital programme report elsewhere on the agenda.	Senior Finance Manager (Client Accountancy)
Staffing	We will need access to extra expertise to deliver the recommendations, as set out in section 3 [preferred alternative]. There is a need for two additional Development Management Officers, that are currently in place on an interim basis, but the intention is	Director of Regeneration & Place

	to make permanent appointments in due course. The cost of these additional staff will be capitalised, and this situation will be reflected in the next Medium Term Financial Strategy and Capital Programme (subject to approval).	
Legal	<p>Under s1 of the Localism Act 2011 the Council has a general power of competence which enables it to do anything that individuals generally may do.</p> <p><i>Under section 111 of the Local Government Act 1972 the Council has power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.</i></p> <p><i>The Council has the power to acquire properties by agreement under the Local Government Act 1972, section 120.</i></p> <p><i>Legal advice is sought for all transactions and all necessary Legal documentation will be approved by Mid-Kent Legal Services before completion.</i></p> <p><i>At this stage legal implications are not specific to proposed schemes yet to be presented for decision.</i></p>	Interim deputy Head of Legal Services.
Privacy and Data Protection	Accepting the recommendations will increase the volume of data held by the Council. We will hold that data in line with our retention schedules.	Policy and Information Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	[Policy & Information Manager]
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Director of Regeneration & Place
Crime and Disorder	The recommendation will not have a negative impact on Crime and Disorder.	Director of Regeneration & Place
Procurement	On accepting the recommendations, the Council will then follow its usual procurement protocols and Financial Procedure Rules to deliver the programme.	Director of Regeneration & Place
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	[Biodiversity and Climate Change Officer]

2. INTRODUCTION AND BACKGROUND

LSVT Background

- 2.1 A return to building council housing, or affordable housing, as it is commonly now termed, would be a significant reversal of a previous Council decision, inasmuch, back in 2004 the Council opted to transfer its council housing stock of around 6,000 units to Golding Homes (formerly Maidstone Housing Trust). Therefore, Maidstone is a Large-Scale Voluntary Transfer (LSVT) local authority.
- 2.2 Consequently, the Council's Housing Revenue Account (HRA) was closed, and at present, an HRA is the only mechanism by which a Council can directly hold and fund council housing at scale (beyond 200 homes). If a Council doesn't any longer have an HRA, like Maidstone, it could re-open one. There are alternative corporate structures that can be considered too, and these will be explored later in the report.

Recent housing delivery by the Council

- 2.3 The Council's current housing portfolio is as follows:

Tenure	No. of homes	Commentary
Long leases and tied accommodation	15 homes	As these properties become void, they will be considered for either Private Rented Sector (PRS) or Affordable Housing (AH).
Temporary Accommodation (TA) for homeless households	65 homes	This portfolio has been assembled through Purchase & Repair programmes, these properties are able to be held long term in the General Fund.
Private Rented Sector (PRS) homes managed by Maidstone Property Holdings Limited (MPH)	89 homes	Granada House, Lenworth House, Brunswick Street, Union Street and Springfield Mill Phase 1.
Affordable Homes (AH)	23 homes	Trinity Place, to be refurbished and let by 31 st March 2022.
	192 homes	

- 2.4 At the present time, the Council only has one new development on site at Springfield Mill Phase 2, 14 PRS homes, and these will complete in May 2022. Furthermore, there are further sums allocated within the capital programme to acquire further TA homes.

- 2.5 In 2019 a decision was made to re-enter the AH sector. There is £30m in the current Capital Programme to build circa 200 homes. To date, the Council has only contractually secured Trinity Place, a stock transfer from Hyde Housing Group. Also, there is further capacity (c £35m) within the current capital programme to increase the PRS portfolio to circa 175 units. The balances of these sums will be rolled into the Council's new MTFS and Capital Programme for 2022-27, which will then fully reflect the Council's housing growth ambitions and the strategy set out in this report.

Affordable Housing in the Borough, new delivery, and subsidy

- 2.6 There are currently around 9,000 affordable rented homes within the borough and around 75% of these are owned by Golding Homes. The other main stock holding Registered Providers (RPs) are Hyde, Town & Country, West Kent, Clarion and Orbit.
- 2.7 In terms of growing the stock of affordable homes in the borough, this happens through the following means:
- Section 106 affordable housing delivered through planning gain. RPs (formally housing associations) tend to bid circa 75% of market value for these homes. Typically, 70% of these homes are for affordable rent and 30% for shared ownership. Around 300 such affordable homes are delivered through this means every year. It is worth noting that the Council benefits from 100% nomination rights to these homes.
 - Grant funded affordable homes. This is where Homes England pays grant at circa £50k possibly up to circa £65k per home, to convert a new build home not designated as affordable via a S106 agreement to become an affordable home. I.e., these are homes that would otherwise typically be offered for market sale or rent by the developer. A note of caution on this option is that the amount of grant offered by Homes England often makes the viability marginal. Furthermore, the Planning Committee has recently taken to capping the quantum of affordable housing on consented sites, so have started to close this route to some degree.
 - Rural exception sites. These are small sites that would not ordinarily secure planning consent but can be used for affordable housing in perpetuity. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Through this mechanism, land can be acquired at typical agricultural value, plus a very modest uplift of say 10%. This ability to acquire land at below normal residential land values in effect provides the subsidy. Given the considerable rural nature of the borough, this is a source of affordable housing land that the Council is already exploring.
- 2.8 Over the past ten years virtually all new affordable housing delivered in the borough has been delivered through the Section 106 route.

Affordable Housing Tenure Options

- 2.9 In terms of the available affordable housing tenures, these are as follows:
- Social Rent, which has the cheapest rents at circa 50% of the market rent plus service charge.
 - Affordable Rent, with rents charged at 80% of the market rent (capped at the Local Housing Allowance (LHA), inclusive of service charge.
 - Shared Ownership, where the purchaser buys a minimum 25% share in a home and pays a low rent on the unsold equity. Purchasers can buy (staircase) further shares through to outright ownership.
 - First Homes, typically delivered by the housebuilder, with a home sold at a discount to market value (say 70% of market value), and this discount must remain vested in the property for perpetuity. There is no rent payable on the unsold equity. Realistically, it is more practical for housebuilders to offer this product directly to purchasers, and the scope for the Council to deliver it is very limited.
- 2.10 For the first two rented products, the landlord would hold all the repairing liabilities, and the properties would usually be subject to the Right to Buy, meaning there is a risk they could be sold for less than their net cost, so providing an unwelcome financial exposure to the Council. For the sale tenures, 100% of the repairs' liability is with the tenant.
- 2.11 Officers do not feel that it is wise for the Council to offer Low-Cost Home Ownership (LCHO) products. This is because of the introduction of First Homes, which will be most appropriate for developers and housebuilders to deliver themselves. The other consequence of First Homes is that the quantum of homes for Shared Ownership will be squeezed and so it may become a diminishing sector in years to come.

Corporate Structure for holding an Affordable Housing portfolio

- 2.12 The Council can hold 200 completed affordable homes within its General Fund. Once the Council's portfolio goes above 200 completed homes, they must be held in one of the following;
- a) Housing Revenue Account.
 - b) 100% Council owned Registered Provider.
 - c) Community Benefit Society.
- 2.13 Preliminary specialist legal advice has been sought on these options and this is enclosed in **Private Appendix 1**. The Council does not need to take a firm decision now on its preferred structure, as it will take time to get to 200 AH units, and so a further report dealing with this point specifically will come to this Committee later in 2022.
- 2.14 The officer view is that option C should be dismissed as it would result in the Council losing direct control over its considerable investment in the portfolio. Option A is the most straightforward although there are some drawbacks created by the risks presented by the Right to Buy (RTB). However, there is an option to manage this risk through the housing assets being held in a Council owned company and then leased to the Council itself to manage.

- 2.15 Regardless, the reduced discounts on offer nowadays arguably make the risks of RTB more manageable financially and it has also caused the tenant interest in it to decline too. Officers are therefore at this stage of the view that Option B may be overly complex, time consuming and costly to set up and run, given the modest RTB risk.
- 2.16 Irrespective of the chosen corporate structure, the Finance Director is unequivocal in his view that Prudential Borrowing is the most advantageous means of funding the portfolio at the present time, so this therefore rules out the use of any Income Strip Lease arrangements (referred to in the legal advice note) for the time being.
- 2.17 MPH is not appropriate because it is not an RP and so cannot access Homes England Grant nor hold stock delivered via S106 agreements.

Development Opportunity Appraisal

- 2.18 The Officer advice is that the Council's programme for affordable homes should be entirely rented, so either social rent or affordable rent. The following tables demonstrate that whilst social rent is a laudable ambition, the Council will not be able to offer social rented homes at the scale sought, because they would require too much internal subsidy to be affordable for the council. Therefore, the advice is that the Council should deliver only Affordable Rent homes in its AH programme to be let at 80% of the market rent but capped to the Local Housing Allowance (LHA) (capping to the LHA means that homes remain affordable to households on benefits).
- 2.19 The table shows the typical rents that would be charged for different rented tenures (Social Rent, Affordable Rent and PRS) and shows the estimated investment value of the different tenures, and for ease the 2-bed apartment column is highlighted as this could form the mainstay of the programme.

	1 bed apartment	2 bed apartment	2 bed house	3 bed house	4 bed house
Rents PCM					
Social Rent + Typical Service Charge	£ 492	£ 561	£ 524	£ 625	£ 674
Affordable Rent (80% of market rent, capped @ LHA)	£ 640	£ 760	£ 813	£ 972	£ 1,247
Market Rent	£ 800	£ 950	£ 1,050	£ 1,400	£ 1,650
Investment Values (80% of rent capitalised @ 4%)					
Social Rent + Typical Service Charge	£ 117,967	£ 134,753	£ 125,726	£ 149,906	£ 161,772
Affordable Rent (80% of market rent, capped @LHA)	£ 153,600	£ 182,400	£ 195,062	£ 233,354	£ 299,177
PRS Market Rent	£ 192,000	£ 228,000	£ 252,000	£ 336,000	£ 396,000

- 2.20 The investment value is created by capitalising the net rental income at a yield of 4%. The Council's investment hurdle is set at 4% as this reflects being able to access Prudential Borrowing at 2%, with the need for capital to be repaid too over the maximum 50-year borrowing period (as well as interest costs being met).

- 2.21 The table shows that the investment value of each unit type tends to flatten as the units get larger, and this is even more pronounced for social rented homes.
- 2.22 The difficult market conditions of rising land and construction prices coupled with relatively flat rental returns and modest grant or S106 subsidy means that the investment value of AH homes tends to be lower than their production cost, again using the 2-bed apartment example.

2 bed 4 person apartment, 70m2	Affordable	PRS
Open Market Value (OMV) @ £365 per Sq ft	£ 275,000	£ 275,000
Target Price, circa 90% of OMV	£ 250,000	£ 250,000
Build Cost @ £2,500 per m2 inc communal parts	£ 201,250	£ 201,250
On Costs @ 8% of Constuction Costs	£ 16,100	£ 16,100
Residual Land Value	£ 32,650	£ 32,650
Gross Cost Per Unit	£ 250,000	£ 250,000
Subsidy S106 Discount or Homes England Grant	-£ 50,000	£ -
Net Cost Per Unit	£ 200,000	£ 250,000
Net Cost Per Unit as % of OMV	73%	91%

- 2.23 The table below demonstrates this viability gap for a typical 2-bed apartment for affordable rent, where in fact the viability gap is at its lowest.

Typical 2-bed flat for Affordable Rent	
Likely cost	£ 200,000
Investment Value	£ 182,400
Viability Gap Per Unit	-£ 17,600
Viability Gap Per 100 homes	-£ 1,760,000
Viability Gap Per 1,000 homes	-£ 17,600,000
How do oher RP's subsidise?	
Existing asset base / business plan	
Stock disposals	
Homes for market sale	

- 2.24 Therefore, market forces mean that there tends to be a viability gap for every affordable housing home delivered, the competition from other RPs to deliver new affordable stock can drive up the cost of production too. The table shows how other RPs can subsidise their programmes, but the Council is more constrained inasmuch it does not have an existing sizeable

asset base and its overall income is too small (relatively) to risk a sizeable market sale programme.

Internal subsidy and the creation of a Maidstone Housing Investment Fund (MHIF)

- 2.25 Therefore, even though the Council's portfolio will benefit from either (or both) S106 subsidy and grant from Homes England, each AH unit will require circa £17.6k of internal subsidy too. If it was assumed the 1,000 homes would be delivered over ten years, this internal subsidy would be circa £1.7m per annum or £17.6m over the ten-year delivery period. Therefore, a MHIF will be required and the options for how this is achieved include:
- Putting aside council resources including New Homes Bonus (NHB) or potentially other one-off funding or windfall resources;
 - Making existing Council owned land available for housing development;
 - Selling some homes for market sale;
 - Cutting other Council services / costs to create financial headroom.
- 2.26 Following discussion with political party leaders, the favoured route is that of utilising one off resources where appropriate and NHB and to a lesser degree making use of some Council owned land with perhaps some market sale exposure through joint venture (with the developer contractor) on suitable sites. A reduction in spend on other Council services was not favoured.
- 2.27 Given the uncertainty over the existence of NHB in the medium to long term, the use of it to help subsidise the 1,000 homes project in the short term is very important, as well as making some Council owned land available too. In the latter years of the programme, it is possible that some modest market sale exposure could be a source of subsidy too, but this will need to be proportionate to the Council's revenue budget and only where schemes are suitable for this tenure in terms of surety of demand, and where there is a willing and appropriately experienced contractor available with who the Council can joint venture with.

Grant funding from Homes England

- 2.28 As per the section on development opportunity appraisals, any affordable homes that are not delivered through the Section 106 route will require grant, and in most cases, this will be provided by Homes England, but is subject to strict bidding criteria and Value For Money assessments. To streamline their processes, and support the largest developers of affordable housing, Homes England allocates the bulk of its resources to a relatively small number of RPs that they classify as Strategic Investment Partners. The current Homes England programme for 2021-2026 is for £7.39 billion.
- 2.29 For the Council to access the grant monies it needs, up to £50m, based on 1,000 homes multiplied by £50k per affordable home, it has two options:

- Make Continuous Market Engagement (CME) bids to Homes England on a scheme-by-scheme basis.
 - Access the grant via forming a partnership with an existing Homes England Strategic partner. In the Maidstone area, these are Hyde, Orbit, Optivo and Clarion.
- 2.30 The officer view is that in the early years of the programme it is most appropriate to use the CME route direct to Homes England. In time, once the Council has built up a good land bank and has more to offer, it would be worth exploring the possibility of joining a strategic partner under their umbrella.
- 2.31 Furthermore, the Council does also have some commuted sums (circa £1m at present) from developers via Section 106 agreements that are intended for the provision of off-site affordable housing. This pot can be utilised to get the schemes underway in the early years, pending successful bids to Homes England.
- 2.32 Regardless of which route the Council engages with Homes England, it must be appreciated that they are a delivery focussed organisation that awards grants to those RPs that deliver on time, and they withdraw funding from those that do not, so building a credible pipeline of schemes will be vital to strengthen the relationship with them.
- 2.33 For the CME route, the Council will need to apply to Homes England to become a (regular) partner as part of making its first CME bid and enter into a Grant Funding Agreement with them, and this would need to be subject to a further decision by this Committee in due course.

Typical project timelines / milestones

- 2.34 There appears to be a cross party political will to build 1,000 affordable homes and a desire for these homes to be delivered as soon as possible. However, it is worth noting that the lead time for new homes from the initial scheme identification through to the keys being handed over is significant reflecting a long process, typically as follows:
- Month 1 Scheme identification.
 - Month 3 Negotiate land purchase & gain Committee Project Approval.
 - Month 6 Complete land purchase.
 - Month 12 Submit Planning application.
 - Month 18 Secure Planning consent.
 - Month 24 Contractor completes post Planning design & starts on site.
 - Month 48 Scheme handover, assuming a typical 24-month build period.
- 2.35 Therefore, an aggressive programme for a typical scheme is 4 years, but this can be longer if there are delays in any of the stages.
- 2.36 The programme for certain schemes could be shortened in some cases, were the Council to, for example, purchase sites with the benefit of an

existing planning consent or indeed buying (to be) completed homes off plan once they are already on site. However, there is usually a premium to be paid if it is perceived by the vendor that they have already added value or have held some risk in the process prior to disposal.

- 2.37 Furthermore, the later in the development process the Council identifies the opportunity, there then becomes much less scope to have the homes designed and specified to the Council's exact requirements. This can be an issue also in terms of the fact that Homes England usually require higher standards in the new homes they grant fund, than the market would typically deliver. An example of this would be that a condition of securing Homes England grant is that the funded homes need to meet the National Space Standards, which are not mandatory for developers to meet, unless they are adopted within a borough's Local Plan (which in Maidstone they currently are not).
- 2.38 Similarly, Homes England is usually reluctant to provide grant funding for "Purchase and Repair" programmes of acquiring second-hand stock for affordable housing. The reason being is that Homes England are motivated to use their grant funding to leverage the delivery of the government's ambition for 300k new homes each year. Also, they want grant funded homes to be of the highest standards, and this would not usually be the case in terms of eco and space credentials for second-hand stock.
- 2.39 Regardless, Officers have expressed an interest (to Homes England) in undertaking a grant funded "Purchase & Repair" programme for 50 Affordable Rented Homes to be completed by 30th April 2022. Their response is awaited, but as stated previously, such programmes tend not to be their preference. Furthermore, there is the current dearth of good quality, well priced second-hand stock on the market to consider too.
- 2.40 The Council could in theory deliver such a Purchase & Repair programme without the benefit of grant funding, but this would increase the amount of internal subsidy required by a further c£50k per unit, and so would be difficult to justify. Furthermore, the Council is already undertaking a similar programme for Temporary Accommodation at the present time, but this has slowed markedly in recent months because of the dearth of suitable homes available. I.e., taking these matters into account, the potential for the early delivery of Affordable Homes is difficult.

Types of Project

- 2.41 There are several different routes through which the Council could assemble stock, and these together with their pros and cons are set out in the table below:

	Route	Pros	Cons	AH	PRS
1	Acquire S106 stock from developers (without grant)	Low risk High quality High demand	RP competition Not new supply Nomination rights regardless	Yes	
2	Acquire Non-S106 stock from developers	Low risk High quality High demand	Tenure balance Seller's market	Yes	Yes

			Planning Committee resistance		
3	Rural Exception sites	Desirable locations Meets local needs Land at agricultural value +10%	Parish support needed Speed of delivery Small schemes	Yes	
4	Develop Council owned sites	Free / cheap land Design excellence Regeneration impact	Opportunity cost Consensus Small land bank	Yes	Yes
5	Buy & develop non-Council owned (urban brownfield) sites	Scale & density Design excellence Regeneration impact Enabling grants	Overpriced Brownfield risks Construction risk Planning risks	Yes	Yes
6	Master-developer role (E.G. Heathlands)	New supply Design impact Develops pipeline	Slow to deliver Limited sites Up front "at risk" investment	Yes	Yes
7	Acquire old social housing stock from housing associations	VFM	Scarcity Not new supply	Yes	

- 2.42 In terms of route 1, in the main, this is already being effectively delivered by the RPs and the Council already benefits to the Nomination Rights (from our Housing Register) to these properties. Arguably, there would be limited value in the Council investing its resources in this route, unless a given scheme was not attracting RP interest, as is sometimes the case with smaller schemes of less than 10 affordable homes.
- 2.43 Under the current market conditions there will be a scarcity of options from route 2, but this will ebb and flow over time.
- 2.44 Route 3 often provides excellent and popular schemes but realistically, the officers will be largely dependent on Parish and Ward Councillors to identify and bring forward suitable sites. This route can make a valuable contribution to the programme, but it is unlikely to be the mainstay, as such schemes are usually small, complex, and lengthy to deliver.
- 2.45 In terms of route 4, the Council does not have an extensive land bank, and for the sites it does use, there are usually competing uses that would need to be sacrificed to make way for development. Such sites tend to be resisted by Ward Councillors for this reason.
- 2.46 Route 5, therefore would be able to make the largest contribution to delivering the program, with the added benefit of delivering it within a relatively small number of larger, high density schemes. Such schemes would also bring an important regeneration impact to their localities too. There are several such sites, especially in and around Maidstone town centre, some of which appear to be stalled. However, viability is invariably challenging on these sites, and this is being exacerbated by steeply rising construction prices too. The opportunity is whether these viability challenges can be offset by securing additional brownfield type grants from Homes England and government, a tactic the Council has successfully deployed on previous schemes. N.B. our planned acquisitions and investments at Maidstone East fall into this route.

- 2.47 The Heathlands project, where the Council is acting as master developer (route 6) may deliver some homes for the programme if it becomes an allocation in the Local Plan Review, as the Council has the right of first refusal on all the affordable housing that will be delivered at Heathlands, but this will not yield any homes for around seven years. There is the potential to deploy this type of approach on other sites, whereby the Council acquires land, secures planning consent, allows a private developer to deliver the market sale homes but retain the affordable itself. This route can contribute and there may be other schemes of this ilk, but it will not be the mainstay of the programme.
- 2.48 Finally, route 7, the number of opportunities is likely to be scarce, but they will be considered when they arise. However, even if such deals were to occur, they would not increase the overall supply of affordable housing in the borough.

Development Strategy

- 2.49 To deliver 1,000 affordable homes in a reasonable time frame, say by March 2032, the Officer opinion is that all routes to market would always need to be supported by Cllrs. The officer opinion is that a realistic distribution of stock through these routes would be as follows:

	Route	%	Number
1	Acquire S106 stock from developers (without grant)	10%	10
2	Acquire Non-S106 stock from developers	15%	150
3	Rural Exception sites	5%	50
4	Develop Council owned sites	10%	100
5	Buy & develop non-Council owned (urban brownfield) sites	50%	500
6	Master-developer role (E.G. Heathlands)	10%	100
7	Acquire old social housing stock from housing associations	0%	0
		100%	1,000

- 2.50 The table above indicates that the most effective means to build new homes at pace will be to buy and develop further brownfield sites. As discussed previously, this will also give a regeneration impact but there is an increasing risk around rising build costs, which seems to be particularly acute in respect of higher density schemes. This does present the risk that whilst schemes may still deliver acceptable financial returns, the cost of production may from time to time exceed end values. Additional grants maybe available to offset this phenomenon, but it is not uncommon in terms of regeneration projects, but the situation seems to be becoming extreme at the present time.
- 2.51 The counter argument might be to instead purchase greenfield sites, but competition for these from private sector housebuilders is intense. As these firms have "in-house" contracting capacity, so can build cheaper, and therefore offer more for the land than the Council could. Similarly, housebuilders are at the present time reluctant to bulk sell off plan new stock to the Council, as they have strong demand from private purchasers, and bulk sales bring some perceived risks in terms of social cohesion and

estate management. However, market conditions will ebb and flow over the programme period.

- 2.52 Also, this proposed strategy of developing a small number of larger schemes in and around the town centre, irrespective of the challenging costs, is consistent with the delivery of the Council's emerging Town Centre Strategy. I.e., focussing a sizeable slice of the capital programme towards construction in and around the town centre is logical and is likely to deliver social value and returns, beyond purely the financial returns.
- 2.53 Furthermore, it is proposed that the Council continues to invest in PRS housing too, so the capital programme contains proposals to continue to grow this portfolio, by a further 200 homes over the next five years, and these homes will be managed by Maidstone Property Holdings Limited.
- 2.54 Similarly, the capital programme assumes that the Council will also invest modestly in market sale housing, perhaps delivering around 60 such homes over the next five years, and ideally with the risk shared with the incumbent developer / contractor on a given scheme. Market sale will not be a suitable tenure for all schemes, it will be site specific and generally is best suited to houses rather than apartments within the Maidstone market.
- 2.55 By delivering PRS, as well as modest levels of market sale, this does benefit the overall programme as it will allow the Council to create more balanced communities, and this is especially important on larger schemes. Market sale also can provide some modest levels of subsidy back into the overall affordable housing programme.
- 2.56 In terms of the Council investing in affordable rented housing, returns will be modest. The net rent will be around 80% (of the gross) allowing for management, rent loss, void loss, and repairs and maintenance costs to include service costs. As per the current investment criteria, the Council will seek a positive Net Present Value (NPV) and an Internal Rate of Return (IRR) of 4% or above. On some brownfield land developments, it may be that grant monies for brownfield remediation and infrastructure will be necessary to ensure development costs do not exceed development value. The investment profiles of Affordable Rent and PRS housing will be comparable, and as such the investment hurdles will be the same too.
- 2.57 The PRS programme will not subsidise the Affordable programme from a revenue perspective, but with the PRS programme there is potential to capture capital growth through sales, which could in theory pay down overall borrowing. The affordable housing programme has no potential for long term capital growth because of the conditions attached to it either through Homes England grant funding or the Council's own S106 agreements, as affordable housing is generally required to be provided in perpetuity.
- 2.58 In terms of the development strategy generally, it will need to be reviewed annually and be flexed to reflect the pace of progress made as well as the prevailing market conditions.

Risks

2.59 Developing and investing in residential property is capital intensive, requiring considerable cash lock up, followed by modest but steady long-term returns. The overall programme will be subject to several risks, the main ones being:

- **Committee approvals.** New housing is often contentious, and often new proposals have been brought forward to this Committee, even when they have been approved, there has been resistance to the projects from some Cllrs, especially those local to the scheme. To deliver a programme of this scale will require difficult decisions to be made, to start to build the programme at pace. Realistically, the housing programme started well in 2016 but the pipeline has dwindled in the last two years as it has been difficult to gain consensus as to the best types of projects to take forward. Similarly, pragmatic approaches in terms of key design facets will be required too, around such issues as, for example height, density, and parking ratios, to allow the Council to be competitive in the marketplace.
- **Land availability.** The amount of developable land in the borough is very constrained, and demand for it is high, which means high prices. Land prices tend to remain high even in tougher economic times, as landowners can utilise cheap finance to mothball sites until such time as the economic environment improves, hence there tend not to be bargains / fire-sales irrespective of prevailing market conditions. Land values are also determined by the "residual" means of valuation, whereby those bidders that have the cheapest rates of production (build costs) will be the most successful in acquiring sites. Furthermore, those purchasers that develop for market sale will be in a more advantageous position too, as investment values of rented stock tend not to match open market values.
- **Construction prices.** This is perhaps the biggest threat to the delivery of the programme at the present time. Construction prices have been rising above inflation for many years, arguably driven by higher quality standards being rolled out in terms of design, aesthetics, building safety, eco-credentials, space etc, but there appears to have been a seismic shift upwards in the build up to BREXIT and since then. This phenomenon has been exacerbated by the pandemic, further driving labour shortages, and adding to on site complications around working practices and the supply and availability of materials.

To illustrate this point, when the Council tendered the works for Brunswick St and Union St, prices were around £2,000 per m² when the schemes started on site in Jan 2019. Over the past three years, the team have been modelling schemes with an assumption that build prices will be around £2,500 per m². However, more latterly our cost consultants have been quoting expected rates of £3,500 to £4,000 per m². At these quoted rates, build prices will already exceed end values of the homes, before taking into the cost of land and other production costs.

Even with these costs of construction, it should still be possible to deliver schemes that have an acceptable IRR and NPV, but this is because the Council can use Prudential Borrowing to finance the programme at very low rates. But Cllrs will need to be cognisant that they may be approving schemes where the cost of production exceeds end open market values.

Obviously, officers can work at the margins with their professional teams to design schemes that are efficient to build, and the government is pushing other remedies such as the greater use of “off-site” and Modern Methods of Construction (MMC) which can help to curtail the problem, as per the proposed King Street scheme design.

Realistically though, inflation is rising elsewhere in the economy, and there are also imminent new housing standards to meet in the form of the Future Homes Standard (carbon neutral housing) as well as any other local standards that the Council may choose to implement through its own Local Plan Review. So, to summarise, rising build prices are a huge issue, and it is difficult to see this situation reversing, and so it may well be that production values exceed end values on some schemes.

- **Contractor solvency**. When the Council lets construction contracts, it is on the basis of “design & build” fixed price contracts, whereby the client (Council) commissions the design up to the grant of Planning permission, and the contractor undertakes the post Planning design and delivers the works for a guaranteed fixed price thereafter. Therefore, the contractor holds the risk of future construction price rises and so if they bid incorrectly, they can be exposed. Past experiences are that contractors can be most vulnerable in a rising construction market rather than in a recession, and so the Council will need to protect itself using financial stability checks, overall exposure checks, Performance Bonds, quality monitoring and retentions. Needless to say, the more stable the contractor, the greater the premium. Contractor failure on smaller lower density sites whilst not ideal, is not hugely problematic, but on larger higher density projects it is. This is a risk that needs to be managed very carefully, inasmuch when trying to mitigate the risk of rising construction prices, the perceived remedy (of using smaller, newer, and less experienced contractors) can instead just expose one to another risk (of contractor insolvency).
- **Town Planning**. When buying sites “at risk” of or “subject to” Planning consent, it is important that the team take pre-application Planning advice to ensure that the development aspirations for a given site will be achievable in terms of Planning. This is a relatively straightforward risk to manage if the Council acting as developer is treated comparably to others by the Local Planning Authority.
- **Pipeline**. The Council does not have a large land bank nor a pipeline of approved scheme, and so the programme will take ten years to deliver, and there will need to be rapid progress in the early years in

terms of scheme approvals and site acquisitions, and this period will realistically coincide with adverse market conditions.

- **Competing priorities.** The market conditions will make the programme challenging to deliver. The ambition to deliver 1,000 affordable homes in the shortest time possible will be further compromised if the Council then seeks to add further “softer” aspirations to various schemes such as enhanced eco credentials (above policy), increased affordability to the end user (in terms of Social Rent versus the proposed Affordable Rent), a general bias towards larger homes and houses, will all further adversely affect the financial metrics and deliverability of the programme.
- **Market sales.** A modest market sales programme is proposed. Should market conditions move against such schemes, once work on site has begun, this risk can be managed by switching tenures to either Affordable Rent or PRS.
- **Grant funding.** The Council will need to build a strong delivery reputation to secure long-term grant funding support from Homes England. Furthermore, when securing grant, the Council will be bound by the conditions sought by Homes England too in terms of the long-term stewardship of the affordable housing assets, as well as adhering to good practice (Scheme Development Standards) in terms of how those assets are developed.

3. AVAILABLE OPTIONS

- 3.1 Option 1 – to approve the proposed Development Strategy set out in the main body of this report.
- 3.2 Option 2 – to give the lead officer feedback as to how the proposed Development Strategy could be amended and invite that it be brought back to a subsequent meeting for further consideration. The most practical alternative approach might be to instead to focus the programme on acquiring Section 106 affordable homes from developers, to meet the ambitious growth target. Beyond an expansion of this route (S106) the other routes to market are unlikely to achieve the number of homes required even with a much greater amount of officer focus and attention.
- 3.3 Option 3 – to decide not to proceed with affordable homes programme at all.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred approach is Option 1, the Development Strategy as detailed in this report, as it will ensure that the sizeable investment made by the Council into this sector will be focused upon new affordable homes that would otherwise not have been delivered and bring a regeneration impact to the town centre too. I.e., If the Council were to amend the

Development Strategy to instead focus upon the acquisition of S106 homes, this is not recommended, as these homes are already largely being delivered acceptably by RPs, and the Council already benefits from the nomination rights to these homes, irrespective of who owns them.

5. RISK

5.1 The various risks are covered within the main body of the report.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 All the various political party leaders have been briefed and consulted with in respect of the development of this development strategy. This report and its recommendations are consistent with those discussions.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 There are several subsequent steps that will need to be undertaken to include:

- Agree the longer-term corporate structure for holding the affordable housing portfolio.
 - Agree the details of any grant funding agreement with Homes England.
 - To review the progress made in delivering the programme in January each year at this Committee, making any adjustments necessary.
 - To receive feedback from Homes England on the prospects of them funding a Purchase and Repair programme to deliver early home completions by May 2022, and if encouraging, bring a more detailed scheme approval paper to this committee.
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8. REPORT APPENDICES

- Private Appendix 1: Legal advice on corporate structure options.
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9. BACKGROUND PAPERS

None.

By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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