

# CORPORATE SERVICES POLICY ADVISORY COMMITTEE MEETING

Date: Wednesday 13 July 2022  
Time: 6.30 pm  
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Brice (Chairman), Brindle, Cannon, Cooke, Cox, Mrs Gooch (Vice Chair), Harper, Hinder and Khadka

*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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## **AGENDA**

Page No.

- |  |         |
|--|---------|
| 1. Apologies for Absence   |         |
| 2. Notification of Substitute Members  |         |
| 3. Urgent Items  |         |
| 4. Notification of Visiting Members  |         |
| 5. Disclosures by Members and Officers   |         |
| 6. Disclosures of Lobbying   |         |
| 7. To consider whether any items should be taken in private because of the possible disclosure of exempt information |         |
| 8. Minutes of the Meeting Held on 15 June 2022   | 1 - 3   |
| 9. Question and Answer session for Members of the Public (if any)  |         |
| 10. Presentation of Petitions (if any)   |         |
| 11. Questions from Members to the Chairman (if any)  |         |
| 12. Forward Plan relating to the Committee's Terms of Reference  | 4 - 7   |
| 13. Medium Term Financial Strategy   | 8 - 29  |
| 14. Public Sector Led Garden Community Update  | 30 - 36 |

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**Issued on 5 July 2022**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

15. Annual Governance Statement and Local Code of Corporate Governance	37 - 87
16. Corporate Planning Timetable	88 - 106

## **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.**

### **Head of Schedule 12A and Brief Description**

17. Property Acquisition for 1,000 homes programme	Paragraph 3 – Information relating to the financial or business affairs of any particular individual (including the authority holding that information)	107 - 118
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## **INFORMATION FOR THE PUBLIC**

In order to ask a question at this meeting, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 11 July 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](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 11 July 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](mailto:committee@maidstone.gov.uk).

To find out more about the work of the Committee, please visit [www.maidstone.gov.uk](http://www.maidstone.gov.uk).

## **MAIDSTONE BOROUGH COUNCIL**

### **CORPORATE SERVICES POLICY ADVISORY COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON WEDNESDAY 15 JUNE 2022**

**Present:** Councillors Brice, Brindle, Cannon, Cox, Mrs Gooch, Harper, Hinder, Khadka and Young

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Cooke.

2. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Young was present as Substitute Member for Councillor Cooke.

3. ELECTION OF CHAIRMAN

**RESOLVED:** That Councillor Brice be elected as Chairman for the municipal year 2022/23.

4. ELECTION OF VICE-CHAIR

**RESOLVED:** That Councillor Gooch be elected as Vice-Chair for the municipal year 2022/23.

5. URGENT ITEMS

There were no urgent items.

6. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

7. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members and officers.

8. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

9. TO CONSIDER WHETHER ANY ITEMS SHOULD BE TAKEN IN PRIVATE BECAUSE OF THE POSSIBLE DISCLOSURE OF EXEMPT INFORMATION

**RESOLVED:** That all items be taken in public as proposed.

10. PRESENTATION OF PETITIONS (IF ANY)

There were no Petitions.

11. QUESTION AND ANSWER SESSION FOR LOCAL RESIDENTS (IF ANY)

There were no questions from Local Residents.

12. QUESTIONS FROM MEMBERS TO THE CHAIRMAN (IF ANY)

There were no questions from Members to the Chairman.

13. ORAL BRIEFING FROM THE LEAD MEMBER FOR CORPORATE SERVICES

The Lead member for Corporate Services addressed the Committee, outlining the priorities for his portfolio. It was emphasised that the portfolio was a wide one and covered amongst other things, finance including the Capital Strategy and the Medium-Term Financial Strategy (MTFS), and shared services. The Lead Member set out the importance of the MTFS as the bedrock to the Council's financial stability, as well as the need to keep a close watching brief on the economic situation and the difficulties of the current climate.

The Lead Member assured the committee that he intended to be fully collaborative and would share the financial scenario analysis with the Committee at the earliest stage it was appropriate to do so.

**RESOLVED**: That the briefing from the Lead Member be noted.

14. 4TH QUARTER FINANCE, PERFORMANCE & RISK MONITORING REPORT 2021/22

The Lead Member introduced the 4<sup>th</sup> Quarter Finance, Performance and Risk Monitoring Report 2021/22. The year end underspend was highlighted and the Lead Member informed the committee that there was ongoing debate in the Executive on the treatment of it, with it going into either a general or a specific reserve.

The Capital slippage was brought to the committee's attention, with the main contributing factor being the difficulty in acquiring properties for temporary accommodation and the need to balance operating in a hot property market, where the method of sale was often via sealed bids, and deliver on homelessness.

It was highlighted that the Treasury Management had not changed and the Lead Member was supportive of the steady and sound approach the Council already undertook.

The changing corporate risk analysis, with the increased risk rating of

Finance risks due to the changing economic circumstances was brought the committee's attention.

**RESOLVED:** That

1. The Revenue position as at the end of Quarter 4 for 2021/22, 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 4 be noted;
3. The Performance position as at Quarter 4 for 2021/22, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted; and
4. Annual Performance for 2021/22 be noted.

15. DURATION OF MEETING

6.30 p.m. to 6.58 p.m.

## MAIDSTONE BOROUGH COUNCIL FORWARD PLAN FOR THE FOUR MONTH PERIOD 1 JULY 2022 TO 31 OCTOBER 2022

This Forward Plan sets out the details of the key decisions which the Executive or Lead Members expect to take and the non-Key decisions that the Executive or Lead Members expect to take during the next four-month period. The plan will be updated weekly for the relevant period and a new plan for a new four-month period, published monthly on the last Friday of the month.

A Key Decision is defined as one which:

1. Results in the Council incurring expenditure, or making savings, of more than £250,000; or
2. Is significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Borough

The current members of the Executive Cabinet are:

<p>4</p>  <p><b>Councillor David Burton</b> Leader of the Council DavidBurton@maidstone.gov.uk 07590 229910</p>	 <p><b>Councillor John Perry</b> Deputy Leader and Lead Member for Corporate Services JohnPerry@Maidstone.gov.uk 07770 734741</p>	 <p><b>Councillor Lottie Parfitt-Reid</b> Lead Member for Communities and Public Engagement LottieParfittReid@Maidstone.gov.uk 07919 360000</p>	 <p><b>Councillor Martin Round</b> Lead Member for Environmental Services MartinRound@maidstone.gov.uk 07709 263447</p>
 <p><b>Councillor Simon Webb</b> Lead Member for Housing and Health SimonWebb@Maidstone.gov.uk 07878 018997</p>	 <p><b>Councillor Claudine Russell</b> Lead Member for Leisure and Arts ClaudineRussell@Maidstone.gov.uk</p>	 <p><b>Councillor Paul Cooper</b> Lead Member for Planning and Infrastructure PaulCooper@Maidstone.gov.uk 01622 244070</p>	

Anyone wishing to make representations about any of the matters listed below may do so by contacting the relevant officer listed against each decision, within the time period indicated.

Under the Access to Information Procedure Rules set out in the Council's Constitution, a Key Decision or a Part II decision may not be taken, unless it has been published on the forward plan for 28 days or it is classified as urgent:

The law and the Council's Constitution provide for urgent key and part II decisions to be made, even though they have not been included in the Forward Plan.

Copies of the Council's constitution, forward plan, reports and decisions may be inspected at the Maidstone House, King Street, Maidstone, ME15 6JQ or accessed from the Council's website: [www.maidstone.gov.uk](http://www.maidstone.gov.uk)

Members of the public are welcome to attend meetings of the Executive which are normally held at the Town Hall, High St, Maidstone, ME14 1SY. The dates and times of the meetings are published on [www.maidstone.gov.uk](http://www.maidstone.gov.uk) or you may contact the Democratic Services Team on telephone number 01622 602899 for further details.

5

**David Burton**  
**Leader of the Council**

<b>Details of the Decision to be taken</b>	<b>Decision to be taken by</b>	<b>Lead Member</b>	<b>Expected Date of Decision</b>	<b>Key</b>	<b>Exempt</b>	<b>Proposed Consultees</b>	<b>Method(s) of Consultation</b>	<b>Documents to be considered by Decision taker</b>	<b>Representations may be made to the following officer by the date stated</b>
Annual Governance Statement and Local Code of Corporate Governance	Executive	Leader of the Council	27 Jul 2022	No	No Open	Corporate Services Policy Advisory Committee 13 Jul 2022		Annual Governance Statement and Local Code of Corporate Governance	<b>Angela Woodhouse</b>  Head of Policy and Communications  angelawoodhouse@maidstone.gov.uk
Corporate Planning Timetable  9	Executive	Lead Member for Corporate Services	27 Jul 2022	No	No Open	Corporate Services Policy Advisory Committee 13 Jul 2022		Corporate Planning Timetable	<b>Angela Woodhouse</b>  Head of Policy and Communications  angelawoodhouse@maidstone.gov.uk
Property Acquisition for 1,000 homes programme Report seeking approval to acquire site with planning consent to deliver affordable rented flats as part of the	Executive	Lead Member for Housing and Health	27 Jul 2022	Yes	Yes Exempt	Corporate Services Policy Advisory Committee 13 Jul 2022		Property Acquisition for 1,000 homes programme	<b>Shanaz Begum, Andrew Connors</b>  Housing Enabling Officer  shanazbegum@maidstone.gov.uk, andrewconnors@maidstone.gov.uk

<b>Details of the Decision to be taken</b>	<b>Decision to be taken by</b>	<b>Lead Member</b>	<b>Expected Date of Decision</b>	<b>Key</b>	<b>Exempt</b>	<b>Proposed Consultees</b>	<b>Method(s) of Consultation</b>	<b>Documents to be considered by Decision taker</b>	<b>Representations may be made to the following officer by the date stated</b>
Council's 1,000 affordable homes programme.									
Medium Term Financial Strategy MTFS 2023/24 - 2027/28 - Initial scoping and assumptions	Executive	Lead Member for Corporate Services	27 Jul 2022	Yes	No Open	Corporate Services Policy Advisory Committee 13 Jul 2022		Medium Term Financial Strategy	<b>Mark Green</b>  markgreen@maidstone.gov.uk

# Agenda Item 13

## **CORPORATE SERVICES POLICY ADVISORY COMMITTEE**

**13 July 2022**

### **Medium Term Financial Strategy 2023/24-2027/28 – Initial Scoping and Assumptions**

<b>Final Decision-Maker</b>	Council
<b>Lead Head of Service</b>	Director of Finance and Business Improvement
<b>Lead Officer and Report Author</b>	Director of Finance and Business Improvement
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### **Executive Summary**

This report sets out the background to be considered in updating the Medium Term Financial Strategy (MTFS) and rolling it forward to cover the five-year period 2023/24 to 2027/28. It describes the issues and risks involved, starting with the Council's current financial position. It sets out key assumptions to be made in preparing the MTFS.

The report concludes by setting out the subsequent steps involved in developing an updated MTFS and includes a timetable for consideration by Members.

#### **This report makes the following recommendations to this Committee:**

1. That the issues and risks associated with updating the Medium Term Financial Strategy are noted.
2. That the assumptions described in this report for planning purposes and to establish the remit for detailed budget development be recommended to the Executive for approval.
3. That the proposed approach outlined to development of an updated Medium Term Financial Strategy for 2023/24 – 2027/28 and a budget for 2023/24 be recommended to the Executive for approval.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Corporate Services Policy Advisory Committee	13 July 2022
Executive	27 July 2022
All Policy Advisory Committees (draft MTFS)	October 2022
Executive	23 November 2022
All Policy Advisory Committees (detailed)	January 2023

budget proposals)	
Executive	8 February 2023
Council	22 February 2023

# Medium Term Financial Strategy 2023/24-2027/28 – Initial Scoping and Assumptions

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The Medium Term Financial Strategy 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
<b>Cross Cutting Objectives</b>	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
<b>Risk Management</b>	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
<b>Financial</b>	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
<b>Staffing</b>	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
<b>Legal</b>	The Council has a statutory obligation to set a balanced budget and development of the MTFs and the strategic revenue projection in the ways set out in this report supports achievement of a balanced budget.	Interim Deputy Head of Legal Services and Monitoring Officer
<b>Privacy and Data Protection</b>	Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report.	Section 151 Officer & Finance Team
<b>Equalities</b>	The MTFs report scopes the possible impact of the Council's future financial position on	Equalities & Communities

	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.	Officer
<b>Public Health</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
<b>Crime and Disorder</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
<b>Procurement</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
<b>Biodiversity and Climate Change</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team

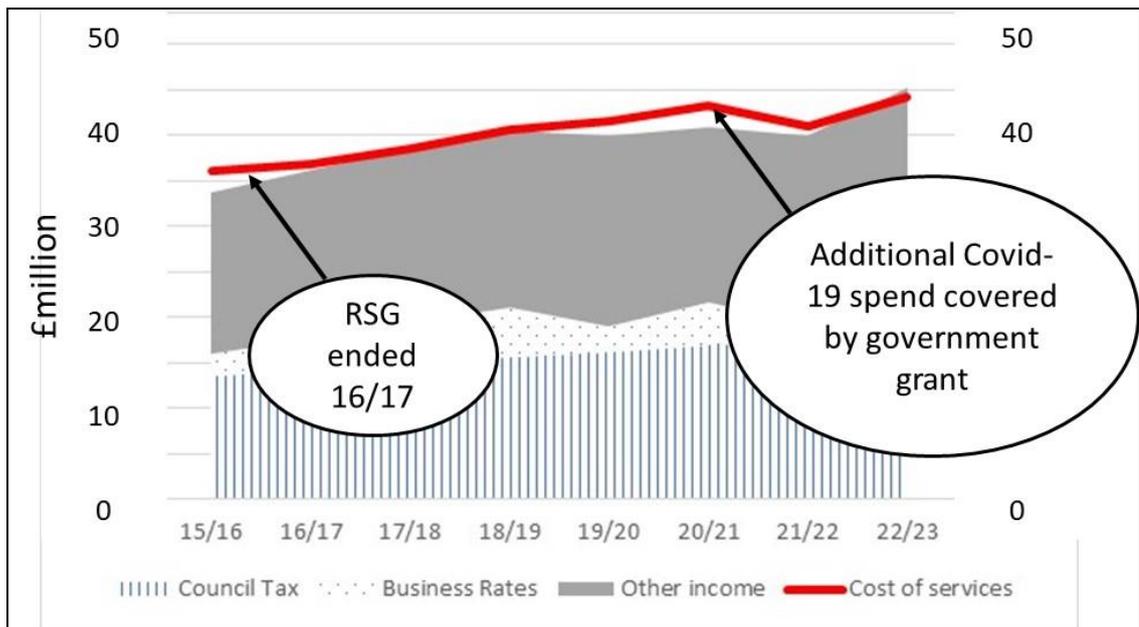
## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Council will deliver its Strategic Plan over the next five years. The Council adopted a Strategic Plan for the period 2021 – 2045 in December 2018, and the existing MTFS for the period 2022/23 to 2026/27 reflects the Strategic Plan. The new MTFS will continue to reflect the Strategic Plan priorities.
- 2.2 A key outcome of the process of updating the MTFS is to set a balanced budget and agree a level of council tax for 2023/24 at the Council meeting on 22 February 2023. This report is the first step towards achieving that objective.

### **Current Financial Position**

- 2.3 A key element in developing the Medium Term Financial Strategy is a consideration of Maidstone's current financial position. This section summarises the position, given the final outturn for the 2021/22 financial year and the agreed budget for 2022/23.

2.4 Prior to the Covid-19 pandemic, the Council was broadly self-sufficient financially. It had ceased receiving direct government support in the form of Revenue Support Grant (RSG) and relied mainly on Council Tax and a range of other locally generated sources of income, including parking, planning fees and the property portfolio, to fund ongoing revenue expenditure. However, during the pandemic, income fell and expenditure increased. The consequent budget gap, being the difference between cost of services and aggregate income, was covered with direct government funding. See graph below.



**Figure 1: Revenue Funding Trends**

- 2.5 In 2021/22, income recovered more strongly than expected from the pandemic and the Council generated a modest surplus compared with budget. For 2022/23, there is no more direct government funding to cover the costs of Covid, but the Council has been able to set a balanced budget. Additional provision of £1.3 million was made within the 2022/23 budget for the expected impact of higher inflation on the Council’s input costs. At this early stage in the financial year, it is expected that, with this provision, the Council will remain within budget for the year. If at any stage it appears that an overspend is likely, measures will need to be taken in-year to bring the budget back into balance.
- 2.6 The Council’s balance sheet position remains strong. As at the end of the financial year 2021/22, unallocated General Fund reserves amount to £9 million. Short-term investments – cash or equivalent – amounted to £41 million. Long term borrowing remained modest, at £9 million.
- 2.7 The Council has an ambitious capital programme, amounting to £230 million over five years. This will largely be funded from external sources, so borrowing will increase rapidly from the current low levels. In anticipation of higher interest rates, the Council has committed to forward borrowing of £80 million, which will be drawn down between 2024 and

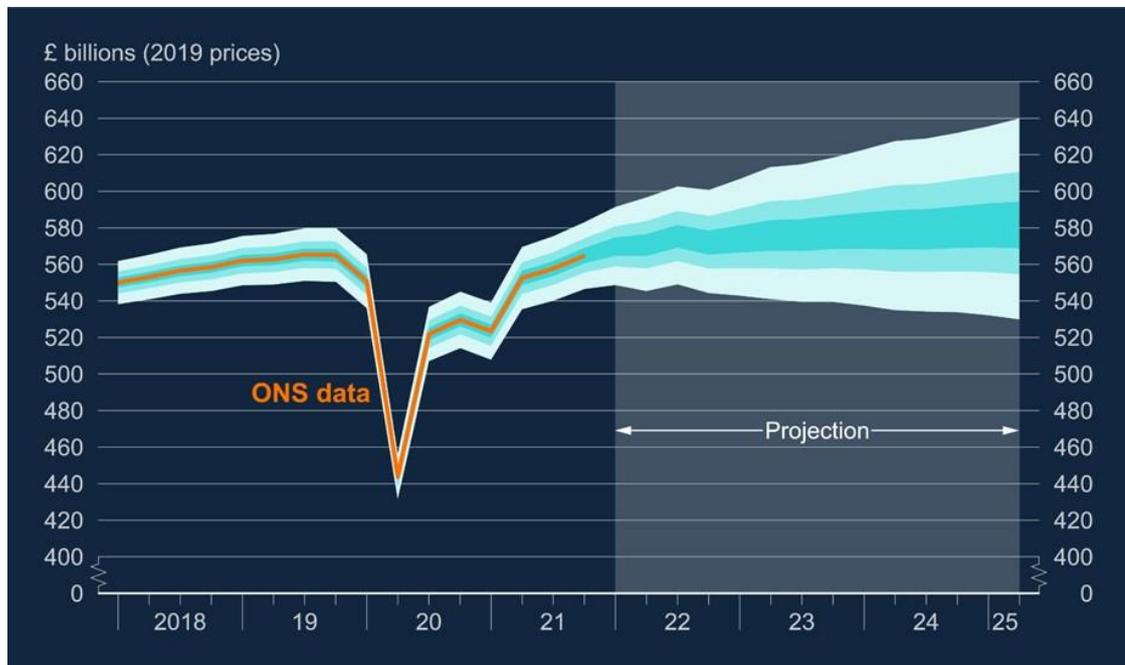
2026. This provides a measure of assurance that the Capital Programme remains deliverable, notwithstanding increases in finance costs and potential future constraints on local authority borrowing from the Public Works Loan Board.

- 2.8 In summary, the Council currently enjoys a sound financial position, with a balanced budget and a strong balance sheet.

### **Future Financial Position**

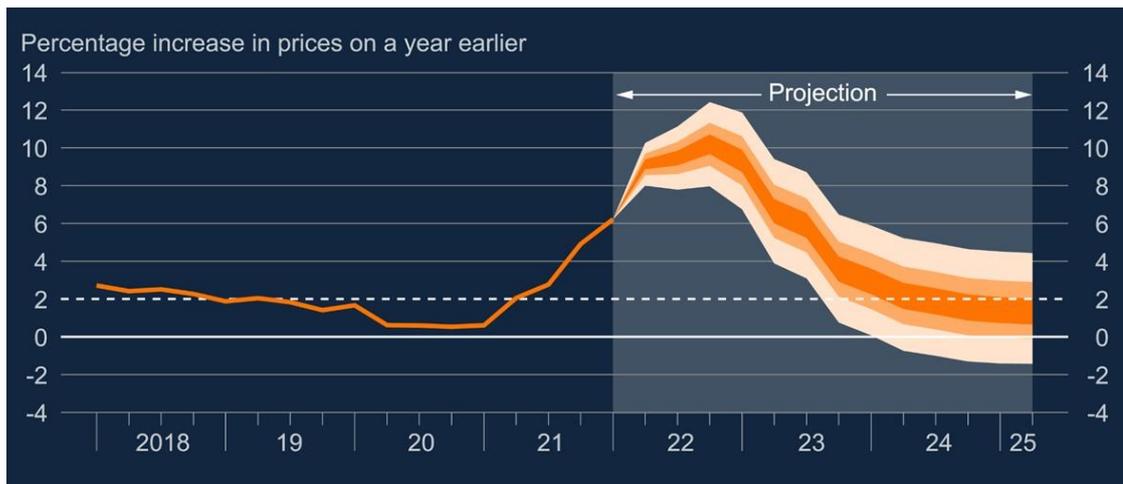
#### **Economic Context**

- 2.9 The prospects for the broader UK economy over the five years of the MTFS period are extremely challenging. The Bank of England projects negligible growth over the next two years and any subsequent recovery will be modest.



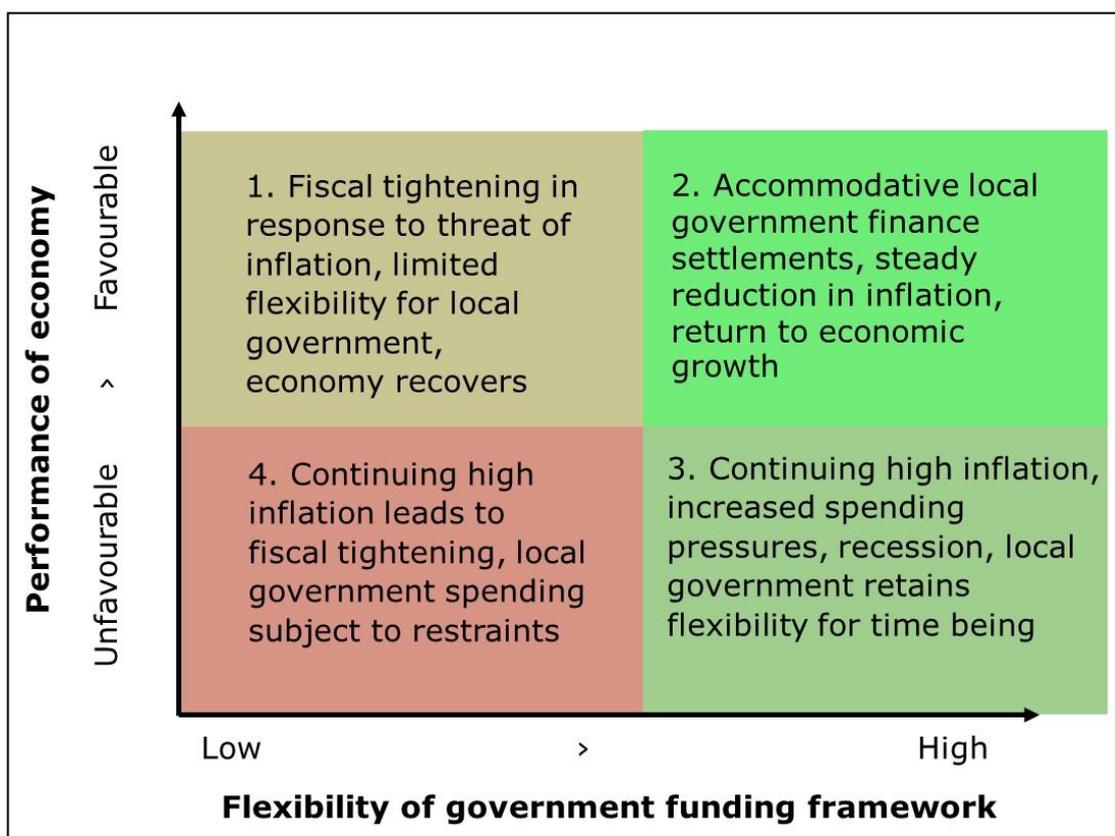
**Figure 2: GDP projection based on market interest rate expectations**

- 2.10 Stagnant economic growth will be accompanied, in the short term at least, by high inflation. The Bank of England forecasts that inflation will peak at over 10% later in 2022 before falling subsequently.



**Figure 3: CPI inflation projection based on market interest rate expectations**

- 2.11 The projections above indicate that inflation will fall rapidly. However, many commentators have challenged whether current policies will be successful in bringing down inflation. The example of the 1970s has been cited, when 'those countries that rapidly killed inflationary impulses with tight policy, led by the West German Bundesbank, took the pain and suffered a short and shallow downturn. Those that followed a more accommodating path ended up with persistently higher inflation rates that required much deeper recessions in the early 1980s to stamp out inflation'. (Chris Giles, FT 09.06.2022)
- 2.12 The implications of this analysis are that the government and the Bank of England would need to tighten policy now in order to be sure of bringing down inflation. If inflation does not come down in line with projections, policy will have to be tightened eventually in any case. The two variables which must therefore be considered in constructing future scenarios are therefore (a) the performance of the economy, which is closely linked to the global economy and subject to all the pressures of war and constraints on energy supplies, and (b) how aggressively the government and the Bank of England respond to rising inflation. The possible scenarios, given these two key variables, can be shown as follows.



**Figure 4: Potential future scenarios**

In the top half of the table, the economy recovers, either in conjunction with aggressive government and Bank of England action to restrain inflation (Scenario 1) or without the need for such action (Scenario 2). In the lower half of the table, stagflation persists, and the government and the Bank of England either continue with their current, relatively passive, approach (Scenario 3), or respond aggressively (Scenario 4).

### **Impact on Maidstone**

- 2.13 Maidstone Borough Council was largely self-sufficient financially prior to the Covid-19 pandemic, drawing most of its income from Council Tax and other locally generated sources of income. The percentage of revenue raised locally increased from 82% in 2014/15 to 93% in 2019/20. However, this did not mean that the Council was insulated either from the wider economy or government policy. Covid-19 showed how vulnerable the Council's income was to a downturn in the economy, particularly in relation to services like parking.
- 2.14 Meanwhile, the local authority funding framework set by government remains a crucial determinant of the Council's future financial position. This is primarily because central government restricts the amount by which Council Tax can be increased through the referendum limit and it determines the share of business rates that can be retained locally.
- 2.15 Local authority funding was subject to a four-year settlement between 2016/17 and 2019/20, which provided a degree of certainty about the

Council's funding position, even though the amount of central government support for local government fell steadily. The key elements of the settlement have been rolled forward every year since 2019/20, with Brexit and then Covid-19 limiting the capacity of central government to introduce any major changes. This has benefited authorities like Maidstone, which has a relatively strong business rates base, because we have enjoyed the advantages of continued growth in business rates, whereas a reset of the local government finance settlement would have been accompanied by a reset of the distribution of business rates between authorities in the interests of 'fair funding'. The Secretary of State has indicated that there will be a two year settlement announced for 2023/24 and 2024/25.

#### *Revenue Support Grant*

- 2.16 It should be noted that the four-year funding settlement gave no Revenue Support Grant (RSG) to Maidstone Borough Council from 2017/18. It was originally envisaged that the four-year funding settlement would incorporate a clawback of £1.6 million from the Council in the form of negative RSG in 2019/20, as the level of central government support for the local authority sector as a whole was gradually reduced. Under pressure from local authorities like Maidstone and our parliamentary representatives, the government withdrew the proposal to levy negative RSG. This concession has continued to apply since 2019/20. However, without an overall increase in recurring funding available to local government, it is not clear how the local government financial settlement will be balanced in future years without the 'lost' negative RSG being recouped in some form. In practice, the introduction of 'fair funding' may have a similar impact to negative RSG.

#### *New Homes Bonus*

- 2.17 Whilst the Council no longer receives funding directly from the government in the form of RSG, it continues to benefit from New Homes Bonus (NHB), which amounts to £4.2 million in 2022/23. The Council has traditionally earmarked NHB for specific purposes, rather than treating it as a mainstream source of funding for revenue budgets. In 2022/23 the first £1 million of NHB has been allocated for strategic policy and planmaking, with the balance transferred to a Housing Investment Fund, to be used to subsidise the Council's Affordable Housing Programme.
- 2.18 NHB has gradually reduced over the years, although the impact has been mitigated by the introduction of two new grants – Lower Tier Services Grant with effect from 2021/22 and Services Grant from 2022/23. Because of uncertainty about the future of NHB, it is prudent to continue disregarding it when considering the funding of mainstream budgets.

#### *Future local government finance settlements*

- 2.19 At this stage it is not known when we will have clarity about the Council Tax referendum limit, the Business Rates baseline, or future specific grants such as NHB over the period of the proposed two year settlement period 2023/24 - 2024/25. The usual pattern whereby the local government

finance settlement is announced just before Christmas suggests that we will not have definitive figures until late December 2022.

2.20 Whilst it is likely that the existing funding regime will be rolled forward in broadly its current form for the next two years, there will probably be more significant changes in 2025/26. These are likely to include:

- Implementation of Fair Funding;
- Resetting business rates baselines.

2.21 All of these factors mean that the government has a number of levers that are likely to be employed if there is an overall tightening of fiscal policy. The most relevant for Maidstone Borough Council, with its dependence on Council Tax income, is the Council Tax referendum limit.

### **Scenario Planning**

2.22 As Maidstone's financial position is so dependent on the broader economy and on government policy, it is appropriate to model the impact of the different scenarios described above on the Council. The Medium Term Financial Strategy will then address all potential scenarios, in order to ensure that the Council is equipped to deal with each.

2.23 Using the four scenarios sketched out in Figure 4, the impact of each would be as follows.

#### ***Scenario 1: Fiscal tightening in response to threat of inflation, limited flexibility for local government, economy recovers***

This is the scenario in which the government takes prompt action to bring down inflation. This would be likely to involve restrictions on government spending, including limits on Council Tax increases. If successful, this policy would mean that inflation would return to the government's long term target rate of 2% and the economy would recover, leading to renewed growth in the Council Tax base and the Council's other sources of income.

#### ***Scenario 2: Accommodative local government finance settlements, steady reduction in inflation, return to economic growth***

Current government and Bank of England policy is based on the assumption that drastic action is not required to combat inflation, and there will be a return to growth in any case. Growth would however be anaemic, with external income returning to pre-Covid levels over a period of 3-4 years. There would continue to be growth in the Council Tax base, but constraints in the construction sector mean there is a slow-down for the first 2-3 years of the planning period. The Council would be able to fund inflationary increases in expenditure through matching increases in Council Tax. This is the most optimistic scenario.

***Scenario 3: Continuing high inflation, increased spending pressures, recession, but local government retains flexibility for time being***

Heightened assumptions about the inflation rate, capacity constraints and low economic growth compared with other national economies lead to prolonged inflation in excess of the government's 2% target. As a result, there is no real terms growth in Council income. Whilst under this scenario, the Council would be able to match inflationary growth in costs through increases in Council Tax, the poor performance of the economy would nevertheless lead to an overall deterioration in its financial position.

***Scenario 4: Continuing high inflation leads to fiscal tightening, local government spending subject to restraints***

In this scenario the government would eventually be forced to take action to bring down inflation. This would involve restrictions on government spending, including limits on Council Tax increases. The Council would not be able to match inflationary growth in costs through increases in Council Tax and the poor performance of the economy would mean minimal growth in the Council Tax base and other sources of income. This is the most pessimistic scenario.

**Strategic Revenue Projection**

- 2.24 For illustrative purposes, assumptions about what each of these scenarios might mean are set out in this section, and high level revenue projections are shown for each. The key dimensions are:
- (a) the Council Tax base;
  - (b) the level of Council Tax;
  - (c) retained Business Rates, which in turn depends on overall business rates income and government policy on distributing it between local authorities and central government;
  - (d) other local income, eg fees and charges;
  - (e) the cost of service delivery, which is subject to the effect of inflation on input prices.

Each of these is considered in more detail below.

*Council Tax base*

- 2.25 Projected Council Tax income for 2022/23 amounts to £18.2 million and is the Council's single biggest source of income. Council Tax is a product of the tax base and the level of tax set by the council. The tax base is a value derived from the number of chargeable residential properties within the borough and their band, which is based on valuation ranges, adjusted by all discounts and exemptions.
- 2.26 The tax base has increased steadily in recent years, reflecting the number of new housing developments in the borough. See table below:

**Table 1: Number of Dwellings in Maidstone**

	2017	2018	2019	2020	2021
Number of dwellings	69,633	70,843	71,917	73,125	75,034
% increase compared with previous year	1.63%	1.74%	1.52%	1.68%	2.61%

**Note:** Number of dwellings is reported each year based on the position shown on the valuation list in September.

- 2.27 The Council tax base is also affected by collection rates and the number of households benefitting from the Council Tax Reduction Scheme. Typically these factors do not vary significantly between years but in the event of a major downturn in the economy, collection rates could be expected to fall and more households would be eligible for the Council Tax Reduction Scheme.
- 2.28 Future growth assumptions for each scenario are set out below.

<b>Council Tax base growth assumptions</b>					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	1.5%	1.5%	2.0%	2.5%	3.0%
Scenario 2 – Some flexibility, economy recovers	1.5%	1.5%	2.0%	2.5%	3.0%
Scenario 3 – Some flexibility, continued stagflation	1.5%	1.0%	1.0%	1.0%	1.0%
Scenario 4 – Limited flexibility, continued stagflation	1.5%	1.0%	1.0%	1.0%	1.0%

### *Level of Council Tax*

2.29 The level of council tax An alternative approach to developing an MTFS is A number of factors that influence the annual budget and the MTFS are not yet known. However, the disadvantage of this approach is that it could take some time for full information to emerge, and in the meantime the Council needs to take steps to set a budget for the coming year. increase for 2023/24 is a decision that will be made by Council based on a recommendation made by the Executive. In practice, the Council's ability to increase the level of council tax is limited by the need to hold a referendum for increases over a government set limit. In 2022/23, the limit was 2%. The Council approved the maximum possible increase. The rationale for this approach was that:

- pressures on the Council's budget mean that even a marginal difference in Council Tax income is of value;
- the referendum limit might revert to a lower level in later years;
- because the starting point for calculating the referendum limit in any given year is the previous year's Council Tax, agreeing a lower increase reduces the Council's room for manoeuvre in later years.

2.30 The referendum limit of 2% was intended broadly to reflect the rate of inflation. It was also assumed in the government's planning for local government expenditure that local authorities would indeed increase by the maximum permissible amount, and this was reflected in the 'Spending Power' data published for each local authority. At this stage there is no indication as to whether the government will set a higher referendum limit in 2023/24 to reflect current inflation levels.

2.31 Assumptions for each scenario are set out below, on the basis that these increases represent the government's referendum limit and the Council follows its practice of increasing Council Tax by the maximum permitted.

<b>Council Tax increase assumptions</b>					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	2.0%	2.0%	2.0%	2.0%	2.0%
Scenario 2 – Some flexibility, economy recovers	5.0%	2.0%	2.0%	2.0%	2.0%
Scenario 3 – Some flexibility, continued stagflation	5.0%	4.0%	3.0%	3.0%	3.0%
Scenario 4 – Limited flexibility, continued stagflation	2.0%	2.0%	2.0%	2.0%	2.0%

### *Retained business rates*

- 2.32 Under the current business rates regime, local government in aggregate retains 50% of business rates income. However, most of the 50% share collected locally is lost to Maidstone, because it is redistributed to other authorities and the government through a system of tariffs and top-ups.

**Table 2: Projected Business Rates Income 2022/23**

	£000	%
<b>Maidstone Borough Council</b>	<b>5,285</b>	<b>10</b>
Kent County Council	4,631	9
Kent Fire & Rescue Authority	515	1
Central Government	41,410	80
<b>Total Business Rates Income</b>	<b>51,841</b>	<b>100</b>

- 2.33 To the extent that business rates income exceeds a notional baseline, this growth element is retained locally, subject to a levy payable to central government by tariff authorities like Maidstone. The Council has been able to minimise the levy payable on business rates growth through its membership of the Kent Business Rates Pool. This is because, by pooling our income, the levy payable by some pool members (district councils) is offset against the top-up received by the major preceptors (Kent County Council and Kent Fire and Rescue).

- 2.34 The proceeds from membership of the pool are split as follows.

- 30% is allocated to a reserve which is used for specific projects that form part of the Council's economic development strategy.
- 30% represents a Growth Fund, which has in the past been spent in consultation with Kent County Council on the Maidstone East development. Following Maidstone's acquisition of Kent County Council's 50% share in the development in 2021/22, the Growth Fund will be split equally between Maidstone Borough Council and Kent County Council.
- 30% goes directly to Kent County Council.
- The residual 10% is held back to compensate Kent districts whose business rates income falls below the baseline or for whom it is not beneficial to belong to the Pool.

- 2.35 Total retained business rates income for 2022/23 is summarised below.

**Table 3: Retained Business Rates Income 2022/23 including pool proceeds**

	£000
<b>Projected income before pooling</b>	<b>5,285</b>
Pool proceeds earmarked for Economic Development	507
Pool proceeds earmarked for Maidstone East	204
<b>Total</b>	<b>5,996</b>

- 2.36 It is assumed at this stage that pool proceeds continue to be earmarked as shown above. Note that in the event of a business rates reset (see paragraph 2.15 above) there would initially be no growth available for pooling.
- 2.37 In general, projections of business rates income for the years after 2023/24 must, of necessity, take a cautious position on how much business rates income is likely to be retained locally, given that this is the element in our total resources that is most at risk from the vagaries of government policy. Future growth assumptions for each scenario are set out below.

<b>Business Rates growth assumptions</b>					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	0.0%	0.0%	3.0%	4.0%	5.0%
Scenario 2 – Some flexibility, economy recovers	2.0%	2.0%	3.0%	4.0%	5.0%
Scenario 3 – Some flexibility, continued stagflation	2.0%	2.0%	3.0%	3.0%	3.0%
Scenario 4 – Limited flexibility, continued stagflation	0.0%	0.0%	2.0%	2.0%	2.0%

*Other income*

- 2.38 The main components of other income are set out below:

**Table 4: Projected Other Income 2022/23**

	£ million
Fees and charges	9.2
Property rental income and service charges	6.9
Shared services trading income	3.3
Other income	2.3
<b>TOTAL</b>	<b>21.7</b>

Each component is subject to different inflationary factors. Some fees and charges are set by central government and are not necessarily increased annually. However, where the council has the flexibility to review fees and charges, it is assumed that they are increased in line with inflation. Rents may only change at the point of periodic rent reviews. Future growth assumptions, using a composite inflation rate, are set out below.

<b>Other income growth assumptions</b>					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	4.0%	2.0%	3.0%	4.0%	5.0%
Scenario 2 – Some flexibility, economy recovers	5.0%	2.0%	3.0%	4.0%	5.0%
Scenario 3 – Some flexibility,	4.0%	4.0%	4.0%	4.0%	4.0%

continued stagflation					
Scenario 4 – Limited flexibility, continued stagflation	5.0%	5.0%	5.0%	5.0%	5.0%

### *Cost of services*

- 2.39 The cost of services is subject to inflation. Salaries account for around 50% of total input costs, and whilst salary increases tend to lag behind published inflation figures, market pressures are likely to mean that inflation will impact salaries in the medium term. Many other costs, in particular contract costs, are directly linked to inflation indices.
- 2.40 A recent benchmarking exercise indicates that salaries at Maidstone have fallen behind the policy target of the public and not for profit sector median level for any given grade. It is estimated that an additional £675,000 growth, including salary on-costs, less amounts that can be recharged, would be required to bring salaries into line. For the purposes of the MTFs projections, this growth has been excluded, on the basis that it will need to be self-financing, ie any growth will need to be funded from new savings.
- 2.41 Assumptions for each scenario, using a composite rate at this stage, are set out below. Note that these figures do not equate to inflation projections, because the growth in cost of services tends to lag behind headline inflation indices. The figures below exclude any growth to address the shortfall against the salary benchmark described in the previous paragraph.

<b>Cost of services growth assumptions</b>					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	5.0%	2.0%	2.0%	2.0%	2.0%
Scenario 2 – Some flexibility, economy recovers	5.0%	2.0%	2.0%	2.0%	2.0%
Scenario 3 – Some flexibility, continued stagflation	5.0%	5.0%	5.0%	5.0%	5.0%
Scenario 4 – Limited flexibility, continued stagflation	5.0%	5.0%	5.0%	5.0%	5.0%

For the purposes of detailed budget planning, a more granular approach is taken to forecasting budget growth, and specific percentages are applied to the different categories within cost of services.

### **Revenue Projections**

- 2.42 Strategic revenue projections, based on the assumptions set out above, are summarised in table 5 below for the different scenarios. In light of the many uncertainties around future funding, it is important to note that projections like these can only represent a 'best estimate' of what will happen. These projections will be updated as more information becomes

available, prior to a final version of the projections being included in the updated Medium Term Financial Strategy. The figures exclude the cost of changes in pay and grading as set out in paragraph 2.40.

**Table 5: MTFS Revenue Projections 2023/24-2027/28**

	23/24	24/25	25/26	26/27	27/28
	£m	£m	£m	£m	£m
<b>Scenario 1 – Limited flexibility, economy recovers</b>					
Total Resources <sup>1</sup>	46.7	47.8	49.5	51.6	54.1
Predicted Expenditure <sup>2</sup>	47.9	50.2	51.9	54.1	55.8
Budget Gap	-1.2	-2.4	-2.4	-2.5	-1.7
Existing Planned Savings	0.4	0.7	0.7	0.7	0.7
Savings Required <sup>3</sup>	-0.8	-1.7	-1.7	-1.8	-1.0
<b>Scenario 2 – Some flexibility, economy recovers</b>					
Total Resources	47.6	48.8	50.5	52.6	55.3
Predicted Expenditure	47.9	50.2	51.9	54.1	55.8
Budget Gap	-0.3	-1.4	-1.4	-1.5	-0.5
Existing Planned Savings	0.4	0.7	0.7	0.7	0.7
Savings Required	0.1	-0.7	-0.7	-0.8	0.2
<b>Scenario 3 – Some flexibility, continued stagflation</b>					
Total Resources	47.6	49.8	52.0	54.3	56.6
Predicted Expenditure	47.9	51.6	54.9	58.7	62.2
Budget Gap	-0.3	-1.8	-2.9	-4.4	-5.6
Existing Planned Savings	0.4	0.7	0.7	0.7	0.7
Savings Required	0.1	-1.1	-2.2	-3.7	-4.9
<b>Scenario 4 – Limited flexibility, continued stagflation</b>					
Total Resources	46.7	48.2	49.8	51.5	53.3
Predicted Expenditure	47.9	51.6	54.9	58.7	62.2
Budget Gap	-1.2	-3.4	-5.1	-7.2	-8.9
Existing Planned Savings	0.4	0.7	0.7	0.7	0.7
Savings Required	-0.8	-2.7	-4.4	-6.5	-8.2

Notes

1. Resources comprise Council Tax, retained Business Rates and Other Income.
2. Predicted expenditure comprises the cost of services and finance costs.
3. A negative figure represents the amount of savings required to balance the budget; a positive figure represents a budget surplus.
4. All scenarios incorporate the assumption that Council Tax income is increased by the maximum possible given the referendum limit, and fees and charges are increased in line with inflation to the extent that the Council has the flexibility to do so.

2.43 It can be seen that in Scenario 2 and 3, the budget can be balanced in 2023/24 without making more savings, provided that Council Tax is increased up to the referendum limit. The assumed referendum limit in these two scenarios is 5%, and it is furthermore assumed that the Council

will take advantage of this to increase Council Tax by 5%.

- 2.44 In the case of Scenario 3, continued weakness in the economy means that savings are required in subsequent years. In the case of Scenario 2, there are budget deficits in years 2-4 of the planning period, but the position is balanced again in year 5.
- 2.45 In Scenarios 1 and 4, government constraints on local government spending, principally a freeze in the Council Tax referendum limit at the current level of 2%, lead to a deficit in 2023/24 if no further savings were to be made.
- 2.46 All scenarios other than Scenario 2 therefore require the Council to make savings to balance the budget, even if (as in Scenario 3) this is not necessary from the first year of the planning period.

### **Updating the Medium Term Financial Strategy**

- 2.47 The updated Medium Term Financial Strategy will need to balance the requirement to deliver the savings identified in the previous section with the key priorities set out in the Council's Strategic Plan. These are as follows:
- Embracing Growth and Enabling Infrastructure
  - Homes and Communities
  - A Thriving Place
  - Safe, Clean and Green.

'Embracing growth and enabling infrastructure recognises' the Council's role in leading and shaping the borough as it grows. This means taking an active role in policy and master planning for key sites in the borough, and where appropriate, investing directly ourselves.

'Homes and communities' expresses the objective of making Maidstone a place where people love to live and can afford to live. This means providing a range of different types of housing, including affordable housing, and meeting our statutory obligations to address homelessness and rough sleeping.

'A thriving place' is a borough that is open for business, attractive for visitors and an enjoyable and prosperous place to live for our residents. We will work to regenerate the County town and rural service centres and will continue to grow our leisure and cultural offer.

A 'safe, clean and green' place is one where the environment is protected and enhanced, where parks, green spaces, streets and public areas are looked after, well-managed and respected, and where people are and feel safe.

- 2.48 The next stage in development of the Medium Term Financial Strategy will be to review budgets to identify opportunities for savings, or increased income, which can be delivered with the minimum impact on the strategic priorities. To the extent that further growth is planned, above and beyond

existing budgets, this will need to be offset by further savings. It is envisaged that the outcome of this review will be a set of growth and savings proposals that can be incorporated in an updated Medium Term Financial Strategy.

2.49 It can be seen from Table 5 that the budget gap increases each year in Scenarios 3 and 4. Whilst the immediate priority will be to deliver a balanced budget in all scenarios in 2023/24, the Medium Term Financial Strategy will need to set out what further steps would be required in subsequent years in the event of these scenarios materialising.

### **Capital Programme**

2.50 The capital programme plays a vital part in delivering the Council's strategic plan, since it is only through long term investment that our ambitions for the borough can be realised. The capital programme is a rolling five year programme. The existing capital programme was approved by Council at its budget meeting on 23<sup>rd</sup> February 2022. An updated capital strategy and capital programme is due to be considered by the Executive in January.

2.51 Major schemes include the following:

- Affordable housing programme
- Private rented sector housing programme
- Temporary accommodation
- Gypsy and traveller sites refurbishment
- Corporate property acquisitions
- Leisure Centre replacement / refurbishment
- Biodiversity & Climate Change capital projects.
- Mote Park Visitor Centre
- Garden Community preliminary work.

2.52 Schemes may be included in the capital programme if they fall within one of the four following categories:

- Required for statutory reasons, eg to ensure that Council property meets health and safety requirements;
- Self-funding schemes focused on strategic plan priority outcomes;
- Other schemes focused on strategic plan priority outcomes; and
- Other priority schemes which will attract significant external funding.

2.53 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must reflect the Prudential Code, which requires that capital investment should be funded in a way that is prudent, affordable and sustainable.

2.54 The current capital programme amounts to £230 million over the next five years. In the light of inflation, this amount will need to be increased if the same outputs are to be delivered, and higher input costs will need to be factored into the appraisal of individual capital schemes to ensure that they are still affordable.

2.55 It is envisaged that the capital programme will primarily be funded from external borrowing. In view of uncertainty about the future trajectory of interest rates and the availability of funds from the Public Works Loan Board, the Council has secured forward borrowing of £80 million, which will be drawn down between 2024 and 2026.

### Reserves

2.56 The Council maintains reserves as a safety net to allow for unforeseen circumstances. There is no statutory definition of the minimum level of reserves: the amount required is a matter of judgement. However, the Council has agreed to set £4 million as the minimum General Fund balance.

2.57 In addition to uncommitted General Fund balances, the Council holds reserves that are earmarked for specific purposes. Full details of reserves held are set out below:

**Table 6: General Fund balances as at 31 March 2022**

	31.3.21 £000	31.3.22 £000
<b>General Fund</b>		
Unallocated balance	9,196	9,124
<b>Sub-total</b>	<b>9,196</b>	<b>9,124</b>
<b>Earmarked Reserves</b>		
Local Plan	200	0
Neighbourhood Plans	96	96
Planning Appeals	286	286
Civil Parking Enforcement	158	389
Housing Prevention & Temporary Accommodation	773	1,279
Business Rates Earmarked Balances	3,774	1,999
Future Funding Pressures	970	970
Trading Accounts	30	0
Future Capital Expenditure	1,131	2,426
Invest to Save Reserve	500	500
Commercial Risk Reserve	500	500
Funding for future collection fund deficits	14,739	1,382
Covid-19 Response and Recovery	0	778
Resources carried forward from 2020/21 to 2021/22	1,077	0
Resources carried forward from 2021/22 to 2022/23	0	1,184
<b>Sub-total Earmarked Reserves</b>	<b>24,234</b>	<b>11,789</b>
<b>Total General Fund balances</b>	<b>33,430</b>	<b>20,913</b>
<b>Total General Fund balances excluding Collection Fund deficits</b>	<b>18,691</b>	<b>19,531</b>

The unallocated balances exceed the £2 million minimum. They are equivalent to around 20% of the gross revenue budget, which is comfortably in excess of the 10% benchmark that is sometimes cited as a reasonable level. It can therefore be seen that the level of reserves is adequate without being excessive.

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### **3. AVAILABLE OPTIONS**

- 3.1 Option 1: The approach outlined to development of an updated Medium Term Financial Strategy for 2023/24 – 2027/28 and a budget for 2023/24 is agreed.
  - 3.2 Option 2: Further options are considered for the development of an updated Medium Term Financial Strategy and the issue is reconsidered in the next Committee cycle.
- 

### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The preferred option is to proceed with development of an updated MTFS. Whilst there is a considerable amount of uncertainty about the future, this can be addressed through careful consideration of the risks and by building flexibility into our financial plans. The disadvantage of delaying is that it could take some time for full information to emerge, and in the meantime the Council needs to take steps to set a budget for the coming year.
- 

### **5. RISK**

- 5.1 The preceding paragraphs have indicated at several points the risks and uncertainty surrounding the Council's financial position. In order to address these 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 meeting.
  - 5.2 It should be recognised that risks are not usually discrete. There are interrelationships between the risks, such that (for example) inaccurate inflation projections could impact the overall risk of failing to deliver a balanced budget.
-

## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 Consultation with all relevant stakeholders is an important part of the process of developing the MTFS. A public budget consultation will take place this Autumn, then individual Policy Advisory Committees will be consulted on the details of the MTFS proposals as they affect the respective Committee portfolios.
- 

## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 An outline timetable for developing the Medium Term Financial Strategy and budget for 2023/24 is set out below.

<b><i>Date</i></b>	<b><i>Meeting</i></b>	<b><i>Action</i></b>
27 July 2022	Executive	Agree approach to development of updated MTFS and key assumptions
August – December		Develop detailed budget proposals for 2023/24
October	All Policy Advisory Committees	Consider draft updated MTFS
23 November 2022	Executive	Agree updated MTFS for submission to Council
December 2022		Receive 2023/24 Local Government Finance Settlement
January 2023	All Policy Advisory Committees	Consider 23/24 budget proposals
8 February 2023	Corporate Services Policy Advisory Committee	Agree 23/24 budget proposals for recommendation to Council
22 February 2023	Council	Approve 23/24 budget

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## **8. REPORT APPENDICES**

None.

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## **9. BACKGROUND PAPERS**

None.

# Agenda Item 14

## **CORPORATE SERVICES POLICY ADVISORY COMMITTEE**

**13 JULY 2022**

### **Public Sector Led Garden Community Update**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Corporate Services PAC	13 July 2022

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	N/A
<b>Lead Head of Service</b>	Director of Regeneration & Place
<b>Lead Officer and Report Author</b>	Director of Regeneration & Place.
<b>Classification</b>	Public
<b>Wards affected</b>	All but in particular Lenham & Harrietsham and Headcorn Wards

#### **Executive Summary**

Officers from both the Council and Homes England continue to focus upon matters relating to land assembly and the production of further technical reports to be provided to the Local Planning Authority. Furthermore, a further three community engagement events have been undertaken, and 40% of the total land required is under Option to Homes England. As in the case of previous reports to the Policy & Resources 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**

Noting

#### **This report makes the following recommendations to the Committee:**

1. That this report be noted.

# Public Sector Led Garden Community Update

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p><b>Impact on Corporate Priorities</b></p>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> <li>• Embracing Growth and Enabling Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <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>	<p>Director of Regeneration &amp; Place</p>
<p><b>Cross Cutting Objectives</b></p>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> <li>• Heritage is Respected</li> <li>• Health Inequalities are Addressed and Reduced</li> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul> <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>	<p>Director or Regeneration &amp; Place</p>

<b>Risk Management</b>	See Section 5.	Director of Regeneration & Place
<b>Financial</b>	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 £698,205.	Director of Regeneration & Place
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Director of Regeneration & Place
<b>Legal</b>	N/A	Director of Regeneration & Place
<b>Information Governance</b>	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Director of Regeneration & Place
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Director of Regeneration & Place
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
<b>Crime and Disorder</b>	N/A	Director of Regeneration & Place
<b>Procurement</b>	N/A	Director of Regeneration & Place
<b>Biodiversity and Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and are; <ul style="list-style-type: none"> <li>• There are no implications on biodiversity and climate change.</li> </ul>	Director of Regeneration & Place

## **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 The updates since the last report are as follows:

### **Public engagement**

2.3 The second round of public engagement events took place in May 2022:

- Lenham Community Centre, 23<sup>rd</sup> May 2.30pm-7.30pm, 32 attendees.
- Harrietsham Village Hall, 24<sup>th</sup> May 2.00pm-7.00pm, 32 attendees.
- Lenham Community Centre, 26<sup>th</sup> May 10.00am-2.00pm, 56 attendees.

2.4 Around 120 attendees completed surveys and the main areas of concern about Heathlands were as follows:

- It will change the identity of the area.
- I will lose a local amenity.
- It will mean a big increase in road traffic.
- Worries about the environment.

2.5 No further public engagement events are scheduled to take place ahead of the Examination in Public.

2.6 A meeting will take place between Lenham Parish Council and senior figures from the Council and Homes England on 6<sup>th</sup> July, which is after the publication date for this report. A positive briefing for Harrietsham Parish Council was also delivered by the report author in person on 1<sup>st</sup> April 2022.

### **Land Assembly**

2.7 Circa 40% of the required land is now under option to Homes England, and this figure is expected to reach 50% by the end of this month.

### **Local Plan Review (LPA)**

2.8 The Local Planning Authority received a letter dated 18<sup>th</sup> May from the appointed Local Plan Inspector, David Spencer, which provided his initial observations. In effect, this letter has reinforced the previously agreed areas of focus with the LPA. So the promoters are now working on gathering further technical evidence in respect of the following:

- Railway station options

- Employment
- Minerals
- Nutrient Neutrality
- Transport
- Landscape impact

- 2.9 MBC is leading on the first three bullets, and Homes England on the second three. It is envisaged that there will be a further report issued to the LPA this summer on each of the six workstreams over the summer period.
- 2.10 In terms of the station, it is worth reiterating that both of the preferred options that will be explored in the most detail in the next station report, retain the existing Lenham station.
- 2.11 Furthermore, on 31<sup>st</sup> March 2022, the joint promoters entered into a statement of common ground with the LPA that covers the following; Introduction, Engagement, Common Ground and the Maidstone Local Plan Examination. The common ground section covers how parties will work together on the following specific topics; Shared vision, Heathlands Garden Community Supplementary Planning Document (DPD), Phasing and delivery, Housing, Landscape and design, Employment / commercial, Infrastructure, Transport connections, Environment, Governance and stewardship. I.e. it sets the topic areas across which Heathlands will be developed up to the examination and then beyond. The planning strategy that was referred to in the previous report will now be produced in tandem with the LPA, post examination, and will be a pre-cursor to the joint production of the DPD.

### **Homes England Partnership**

- 2.12 The partnership remains very strong, with Homes England continuing to supply skilled staff as well as resources to the project. It is understood that Homes England are now close to appointing the professional team that will take the project forward, in terms of the DPD and the eventual planning application (assuming the project remains supported in the Local Plan review post Examination). An MBC colleague has participated in this selection process, that Homes England have led.

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## **3. AVAILABLE OPTIONS**

- 3.1 This report is for noting.

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## **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 N/A
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## 5. RISK

5.1 When this proposal was presented to the Policy & Resources 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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. Should the proposal ultimately become an “allocation” in the Local Plan Review, a fresh project risk register will be established, that will look to the longer-term risks.

## 6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 Nothing further to report.

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## 7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The next steps will be:

- Homes England to enter into the finalised option agreements with the remaining principal landowners.
- 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.
- 

## **8. REPORT APPENDICES**

None

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## **9. BACKGROUND PAPERS**

None

**Corporate Services Policy  
Advisory Committee**

**13 July 2022**

**Annual Governance Statement 2021/22 and Local Code of  
Corporate Governance Update 2022**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Corporate Services PAC	13 July 2022
Audit, Governance and Standards Committee	26 July 2022
Executive	27 July 2022

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Executive
<b>Lead Head of Service</b>	Angela Woodhouse, Head of Policy, Communications and Governance
<b>Lead Officer and Report Author</b>	Angela Woodhouse, Head of Policy, Communications and Governance
<b>Classification</b>	Public
<b>Wards affected</b>	

**Executive Summary**

Attached at Appendix A is the Annual Governance Statement for 2021/22. The purpose of the Annual Governance Statement is to provide assurance on the Council's governance arrangements. Attached at Appendix B is a refreshed Local Code of Corporate Governance with minor amendments. Audit Governance and Standards Committee are required to approve both of these. Sign off is sought from the Leader on the Annual Governance Statement.

**Purpose of Report**  
Recommendation

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**This report makes the following recommendations to the Policy Advisory Committee to recommend to the Executive; That**

1. The Annual Governance Statement be signed by the Leader
2. The local Code of Corporate Governance be noted.

# Annual Governance Statement 2021/22 and Local Code of Corporate Governance 2022 Update

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> <li>• Embracing Growth and Enabling Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <p>Effective corporate governance arrangements ensure the Council's priorities are understood and delivered</p>	Head of Policy, Communications and Governance
<b>Cross Cutting Objectives</b>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> <li>• Heritage is Respected</li> <li>• Health Inequalities are Addressed and Reduced</li> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul> <p>Effective corporate governance arrangements ensure the Council's priorities are understood and delivered</p>	Head of Policy, Communications and Governance
<b>Risk Management</b>	Already covered in the risk section at paragraph 5.1	Head of Policy, Communications and Governance
<b>Financial</b>	The action plan may have resource implications. These will be identified as projects come forward.	Head of Policy, Communications and Governance
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Head of Policy, Communications and Governance
<b>Legal</b>	<p>Section 6(1) of the Accounts and Audit Regulations 2015 requires all local authorities to:</p> <p>a) conduct a review of the effectiveness of</p>	Interim Deputy Head of Legal Services and Monitoring Officer.

	<p>the system of internal control required by regulation 3; and  (b) prepare an annual governance statement;</p> <p>Under the Council's Constitution one of the functions of the Audit Governance and Standards Committee is to oversee the production of the Council's Annual Governance Statement. The Annual Statement demonstrates measures are in place to ensure good governance arrangements which enable the Council to meet its statutory requirements</p>	
<b>Information Governance</b>	Data protection is covered in the statement and action will continue into 2020-21	Information Governance Team
<b>Equalities</b>	Effective corporate governance arrangements include behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law as set out in the code of corporate governance.	Equalities & Communities Officer
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
<b>Crime and Disorder</b>	No implications	Head of Policy, Communications and Governance
<b>Procurement</b>	No implications	Head of Policy, Communications and Governance
<b>Biodiversity and Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and it aligns with the Biodiversity and Climate Change Action Plan	Head of Policy, Communications and Governance

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Each year the Council reviews its governance arrangements to ensure compliance with the Local Code of Corporate Governance. The purpose of the review is to provide assurance that governance arrangements are adequate, operating effectively and to identify action which is planned to ensure effective governance in the future. The outcome of the review takes the form of an Annual Governance Statement (AGS) at **Appendix A** prepared on behalf of the Leader of the Council and Chief Executive.
- 2.2 Overall, we can confirm that the Council has the appropriate systems and processes in place. Whilst we are satisfied the governance arrangements in general work well our review has identified additional actions to ensure good standards of governance are maintained. The most significant governance issues relate to the change to the governance model that took place in May this year with actions focused on ensuring we maintain an effective decision-making process and an effective constitution. There are also a number of actions from last year that continue into this year including improving transparency and compliance with the financial management code
- 2.3 Updates on the actions will be provided to the Audit Governance and Standards Committee on a six-monthly basis and kept under review by the internal Corporate Governance Group.
- 2.4 The following areas have been identified for improvement for 2022/23

Corporate Governance Area	Lead Officer	By When
New Process for part II items embedded and officers trained	Head of Policy, Communication and Governance	November 2022
Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)	Data Protection Officer	Action plan progress will be reported to this committee in November 2022
Actions to ensure compliance with the Financial Management Code: <ul style="list-style-type: none"> <li>• Develop and embed a policy on Social Value</li> <li>• Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal'</li> <li>• Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate.</li> </ul>	Director of Finance and Business Improvement	November 2022 and March 2023

Corporate Governance Area	Lead Officer	By When
Learning from governance failings at other Local Authorities	Chief Executive	Monthly briefing to review any issues
Corporate Governance Review: Following the Boundary Review at a district level a community governance review is proposed for 2022/23, this will be undertaken by the Democracy and General Purposes Committee	Democratic and Electoral Services Manager	Timetabled with Democracy and General Purposes – updates to Audit Governance and Standards Committee in November 2022
Ensure effective decision making and a workable constitution. Review of constitution planned for December 2022 with the Democracy and General Purposes Committee	Head of Policy, Communications and Governance and Monitoring Officer	Update in March 2023
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	Updates in November 2022 and March 2023
Corporate Risk: General and localised economic pressure leads to <b>contraction in retail sector</b> , limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports
Corporate Risk: General <b>financial uncertainty</b> , unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims.	Director of Finance and Business Improvement	Updates in November 2022 and March 2023 plus updates through the risk register and reports
Corporate Risk: Inflation continues to rise and a significant economic event (e.g. further pandemic impacts, BREXIT, supply chain issues) causes <b>significant changes in construction costs which may also result in a contractor insolvency, as they are generally locked into delivering schemes at a fixed price, and so need to manage their exposure to rising costs in</b>	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports

Corporate Governance Area	Lead Officer	By When
<b>their supply chain.</b> For the Council, this leads to a narrowing gap between build price and end of property values, increased costs to the Council and a possible time lag in delivery of 1000 affordable new homes, owing to a lack of capacity in the construction sector.		

Progress against last year's action plan

2.5 Several improvement actions were identified in the 2021/22 action plan and the table below shows progress with those actions:

Corporate Governance Area	Update
Make data and information more freely accessible on the website and on request	<p>A new space has now been created on the website called information and data <a href="https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data">https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data</a></p> <p>To bring all the relevant elements into one accessible place this includes access to information and results on our consultations, access to the council's disclosure log, as well as useful statistics and data on local population.</p> <p>Work is currently underway on a dashboard development programme for services across the council. As part of this consideration is being given to publicly accessible information from services which could be made available through the use of dashboards, principles that need to be considered have been drafted for approval, which will help guide the Data Analytics Team. The team hope to have a first dashboard published this year.</p>
Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)	Report to Audit, Governance and Standards Committee 15 November 2021
Raising awareness of the Local Code of Corporate Governance and the Nolan Principles	The local code of corporate governance was shared with Wider Leadership Team for development and insight in June 2021 and May 2022 . An update was given at a unit managers forum in 2022 on the code and what it means in practice. The Nolan

Corporate Governance Area	Update
	principles for Councillors will be addressed when the code of conduct is updated, this is being progressed by the Monitoring Officer.
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> <li>• Develop and embed a policy on Social Value</li> <li>• Review and update the Commissioning Strategy</li> <li>• Hold Member workshops to inform the development of the 2022/23 budget</li> <li>• Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal'</li> <li>• Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate.</li> <li>• Refresh the 2021/22 Capital Strategy</li> </ul>	<p>Social Value – Work due to commence in next six months.</p> <p>Commissioning Strategy – Strategy has been reviewed and contract management guidance updated.</p> <p>Member workshops on budget – Briefings were held for members in the course of developing the 2022/23 budget. Discussions are starting to take place with members about rolling forward the Medium Term Financial Strategy for 2023/24.</p> <p>Investment Appraisal – approach being refined as part of Capital Strategy update</p> <p>Budget monitoring reports – Under review with a view to updating format for 22/23</p> <p>An updated Capital Strategy was considered by Members January 2022 and agreed by Council. It will continue to be updated on a regular annual basis.</p>
Learning from governance failings at other Local Authorities	Monthly meetings held with governance lead and statutory officers to review governance matters
Review of Church Road, Otham	Report completed and submitted to Democracy and General Purposes Committee on 23 November 2021. Considered by Policy and Resources Committee in February 2022.
Change to Executive Model of Governance	<p>Model approved by Full Council and notice of change published.</p> <p>External legal advisor appointed to assist the Democracy and General Purposes Working Group to write the new constitution.</p>

Corporate Governance Area	Update
	New constitution approved in April 2022, new model introduced at the May Annual Meeting of Council 2022.
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	<p>In respect of the public sector led Garden Community, there remains a clear separation in place between the Council acting as the Local Planning Authority and the Council acting as land promotor in partnership with Homes England. This differentiation is made clear in the various reports that go to the Strategic Planning and Infrastructure Committee and P&amp;R Committees respectively.</p> <p>The Council and Homes England have appointed a communications firm to assist with community engagement from the land promotor perspective. Their work will include creating a new digital engagement platform for the project, where information with stakeholders can easily be shared.</p>
Corporate Risk: Contraction in retail and leisure sectors, the Council will be developing a Town Centre Management Strategy	The principle of creating a town centre strategy has been approved as part of the Council's Recovery and Renewal Action Plan and so the funding is now in place within the current Medium Term Financial Strategy, the project is now fully funded and underway. Furthermore, budget growth was approved for 2022/23 for further economic development, arts & culture and visitor economy initiatives to kick start the process of reimagining the town centre, including a full calendar of events to bolster visitor numbers.
Corporate Risk: Financial Restrictions	Under regular review. This is addressed as part of Risk Reports to AGS Committee and in quarterly monitoring reports to Service Committees. The Medium-Term Financial Strategy is being updated to reflect both implications from Covid and longer-term issues around slower economic growth. Furthermore, measures are being identified to address future budget gaps
Corporate Risk: Environmental Damage	Actions from the Carbon Trust report are in the process of being implemented and Policy & Resources Committee to provide governance and oversight on delivery of BD&CC Strategy.
Corporate Risk: Major Unforeseen Emergency	Work is ongoing to ensure the robustness of Disaster Recovery and Business Continuity Arrangements.
Corporate Risk: Housing Pressure Increases	Initiatives to increasing housing and temporary accommodation provision underpinned by the drafting of a new Housing Strategy. Furthermore, the Policy & Resources Committee in January 2022 approved its 1,000 homes programme for circa

Corporate Governance Area	Update
	£200m of net council spend into the Council development of new homes primarily for affordable rent, with further homes for the private rented sector too. Since then, contracts have been exchanged on to two substantial land acquisitions to support this programme.
Corporate Risk: Brexit/EU transition	Risk removed from the Corporate register, but operational elements continue to be monitored. MBC officers participate in Kent Resilience Forum planning for disruption at Channel ports.

### Local Code of Corporate Governance

- 2.6 The Local Code of Corporate Governance created in 2017 has been updated as per the tracked changes set out in Appendix B, changes proposed are concerned with ensuring the accuracy of the Code and reflecting the recent change to the Council’s governance arrangements from a Committee to and Executive System.
- 2.7 Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Code sets out how the Council meets these requirements and how we conduct our business and affairs.

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### **3. AVAILABLE OPTIONS**

- 3.1 The Annual Governance Statement is a requirement of statutory regulations and provides assurance about the Council’s governance arrangements.
- 3.2 The Committee can recommend the Annual Governance Statement as it has been presented or suggest amendments as appropriate by way of a reference to the Audit, Governance and Standards Committee.
- 3.3 The Local Code of Corporate Governance was rewritten in 2017, the refreshed version attached at Appendix B has minor amendments for approval by the Committee, the Committee could request additional amendments or no amendment to the present code by way of reference to the Audit, Governance and Standards Committee.
-

#### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The Committee is asked to recommend the Annual Governance Statement for sign-off by the Leader and note the updated Local Code of Corporate Governance which will be considered by the Audit Governance and Standards Committee.
- 

#### **5. RISK**

- 5.1 The Annual Governance Statement considers and gives assurance to the Council's approach to risk management.
- 

#### **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 Members of the Wider Leadership Team and the Corporate Governance working Group have all been consulted on the council's governance arrangements for 2021/22, the views gathered have been included in the statement.
- 6.2 They have also been consulted on the Local Code of Corporate Governance and changes have been included as suggested.
- 

#### **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 Following the Audit, Governance and Standards Committee's approval the statement will be included in the final statement of accounts and published on the Council's website. The refreshed Local Code of Corporate Governance will be placed on the website and intranet.
- 

#### **8. REPORT APPENDICES**

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

- Appendix A: Annual Governance Statement 2021/22
  - Appendix B: Local Code of Corporate Governance 2022 Update
- 

#### **9. BACKGROUND PAPERS**

None



# Annual Governance Statement 2021/22

## EXECUTIVE SUMMARY

This statement constitutes a review of the effectiveness of our governance arrangements with input from the Chief Executive, Directors and Heads of Service. Overall, we can confirm that the Council has the appropriate systems and governance arrangements in place. When considering the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework 2016 the statement evidences compliance across the seven principles with further action required for principals F and G to ensure transparency is improved and we comply with the new code of financial management see summary below:

Principle	Assurance Level
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law	Assured
B. Ensuring openness and comprehensive stakeholder engagement	Assured
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.	Assured
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Assured
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	Assured
F. Managing risks and performance through robust internal control and strong public financial management	Assured in part
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Assured in part

Other action areas include embedding the new process for confidential information and applying the public interest test to reports to ensure transparency. A big change in 2022 has been the move to an Executive model including Policy Advisory Committees, a review of the new constitution is planned by Democracy and General Purposes in December 2022.

## INTRODUCTION

The Annual Governance Statement is a review of the Council's governance arrangements in previous financial year. The statement evaluates how we meet the governance framework and provides an opinion on whether the current governance arrangements are fit for purpose.

Each aspect of the statement has been given an assurance rating based on the following criteria:

Assured	We fully comply
Assured in part	We comply however, improvements could be made or there are concerns or changes proposed
Not Assured	We do not comply and action is required

The past year has seen the Council continue to adapt and respond to challenges as a result of the COVID-19 pandemic as well as new requirements to provide support and assistance as result of the war in Ukraine. In 2021/22 Council Members wrote a new constitution with a focus on ensuring the Council was Member-Led, a new Executive model was introduced in May 2022. Over the past year, the Council has transitioned from a committee system to an executive system. The Council also appointed a new interim Monitoring Officer as part of staff changes to the Legal Partnership.

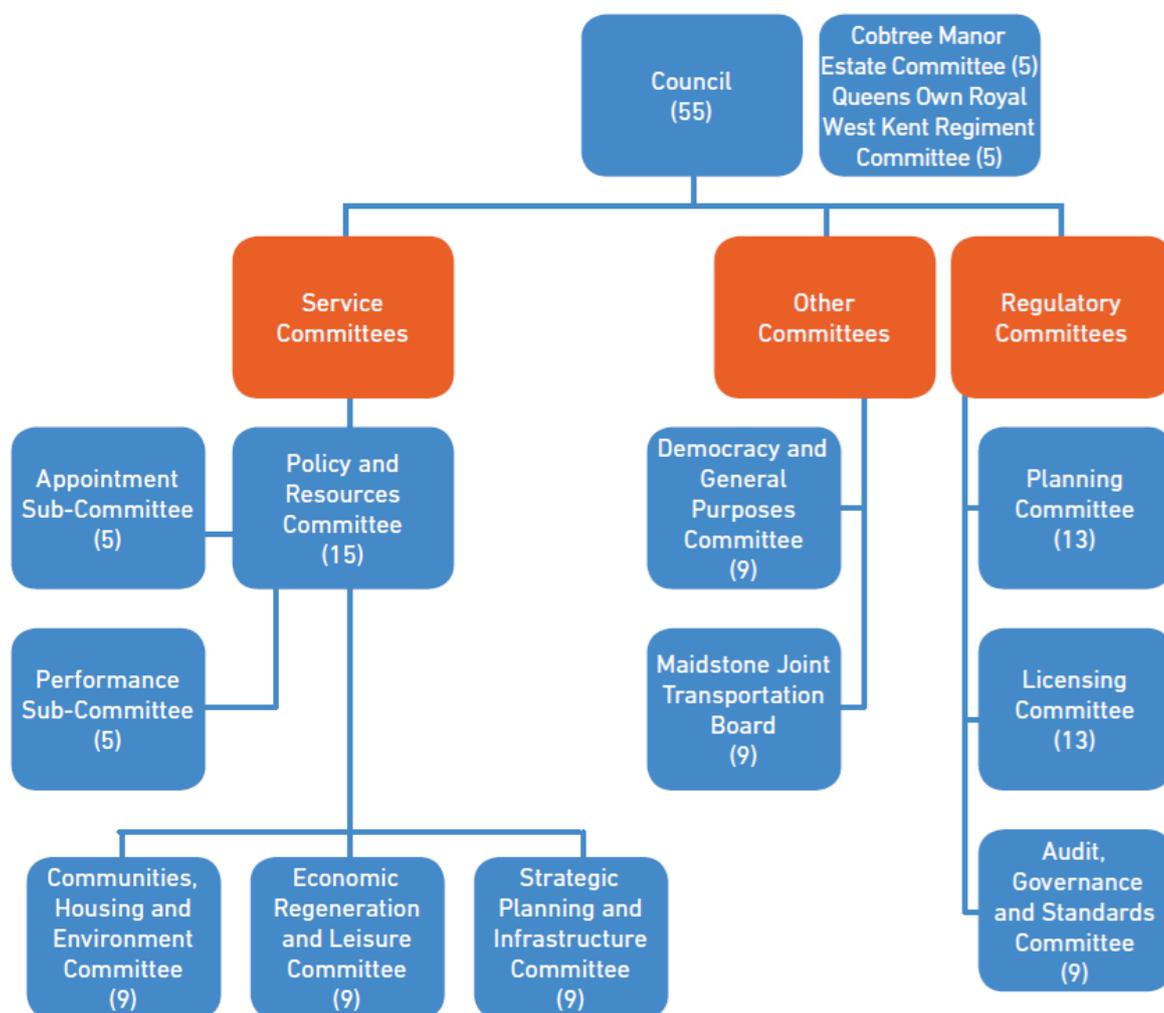
## **KEY GOVERNANCE ROLES AND RESPONSIBILITIES**

Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. Maidstone Borough Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. This Annual Governance Statement for 2021-22 also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) which requires an authority to conduct a review of the effectiveness of its system of internal control and the duty to prepare an annual governance statement.

The Council operated a committee system of governance in 2021-22, with the Leader as the focus for political direction, the chief spokesperson for the Council and the Chairman of the Policy and Resources Committee. The Council had four service committees taking decisions within their terms of reference as agreed by Council; individual Councillors did not have delegated authority from Council to make decisions. In addition, there were committees that dealt with licensing, planning, audit, governance and standards, democracy and employment and other regulatory matters. The numbers shown in the diagram below reflect membership. The Council moved to an Executive System at the May 2022 Annual General Meeting.

# Council Governance Model 2021/22

Council and Committees 2021/22 (changed to Executive system in May 2022)



The Council's Section 151 Officer, Mark Green, and the interim Monitoring Officer, Jayne Bolas, are key members of the Corporate Leadership Team, reviewing all decisions taken through the Corporate Leadership Team, Committees and Full Council. The Section 151 Officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget. The Section 151 Officer also has a number of statutory powers to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

The Monitoring Officer serves as the guardian of the Council's Constitution and the decision-making process and has been involved alongside the Head Of Policy, Communications and Governance in the change of governance arrangements in the transition to an executive system. The Monitoring Officer is also responsible for advising the Council on the legality of its decisions and providing guidance to councillors and officers on the Council's Constitution and its powers. This includes dealing with complaints under the Councillors' Code of Conduct.

The Corporate Leadership Team is led by the Chief Executive, Alison Broom who is Head of Paid Service with overall corporate management and operational responsibility.

The Head of Policy, Communications and Governance, Angela Woodhouse, has responsibility for corporate governance and is the Council's Data Protection Officer, leading the Council's

corporate governance group and coordinating the annual governance statement as well as ensuring the Local Code of Corporate Governance is updated.

In discharging this overall responsibility, Maidstone Borough Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.

The Council had approved and adopted a Local Code of Corporate Governance in 2017 which has since been updated in 2020, 2021 and again this year. The code is consistent with the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework [Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016](#).

## **OUR GOVERNANCE FRAMEWORK**

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled, and the activities through which it is accountable to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

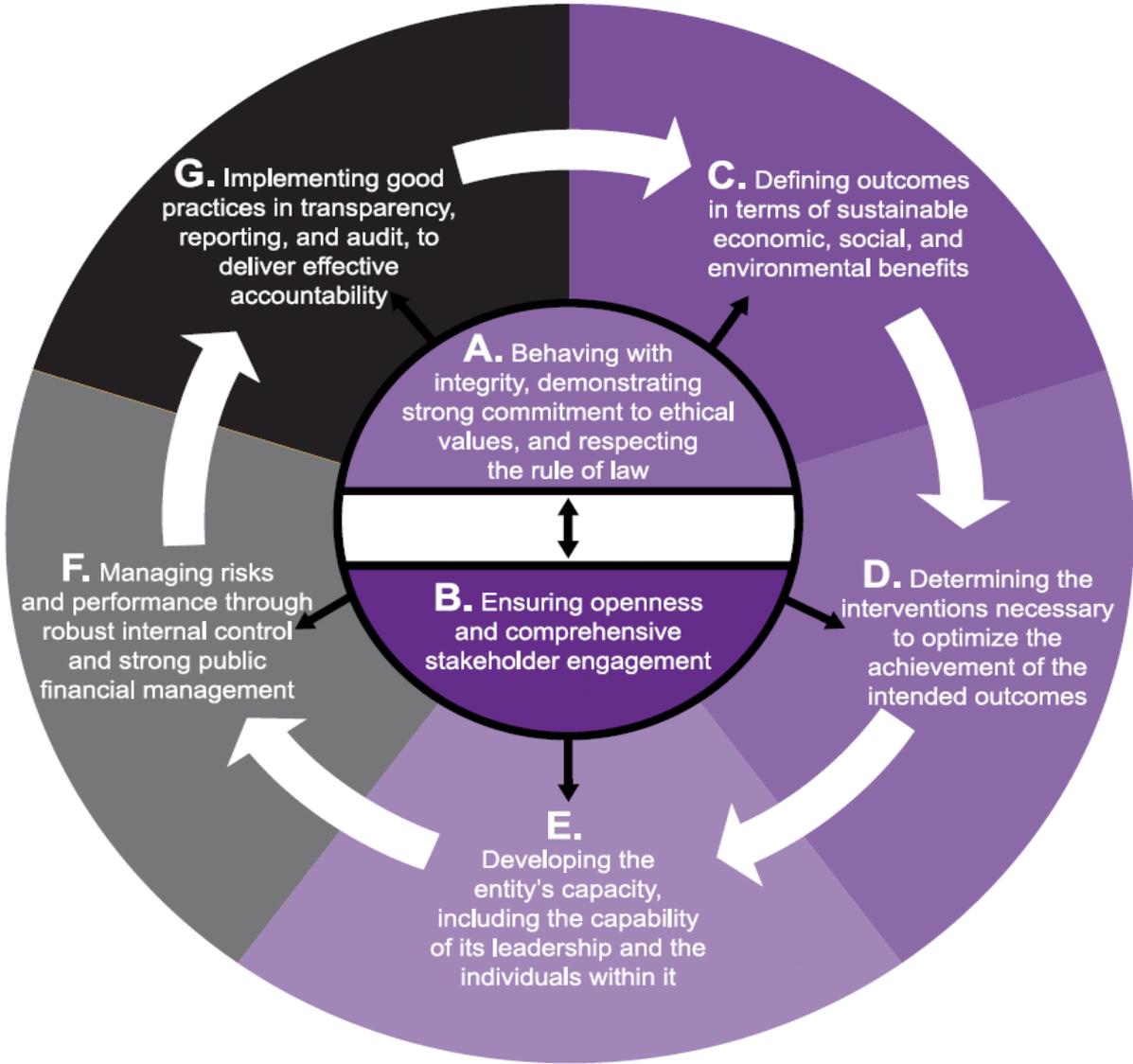
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve the Council's objectives, and therefore can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the Council's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

This governance framework has been in place at Maidstone Borough Council for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

The International Framework: Good Governance in the Public Sector states that: "Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved."

Our Local Code sets out the framework within which we conduct our business and affairs and the governance structure we have in place. Whilst this code sets out principles, processes and policies, it is the application of the framework that will demonstrate good governance.

The diagram below shows the 7 principles within the Local Code of Corporate Governance from CIPFA and SOLACE Framework:



This statement sets out how we have demonstrated and met those principles in 2021-2022, through a review of our effectiveness.

## GOVERNANCE REVIEW OF EFFECTIVENESS 2021-22

### A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING RULE OF LAW

#### **Assurance Rating: Assured**

#### **Assurance Comments:**

The Council has strong values known which are demonstrated in the integrity of officers. The Council has a culture of compliance, which is supported by the Leadership Team. Councillors are trained on the Code of Conduct and guidance is offered from the Monitoring Officer, Corporate Leadership Team and Democratic Services Team.

The Council's Codes of Conduct sets out clear expectations and requirements for behaving with integrity, committing to ethical values, and respecting the rule of law for both Councillors and Officers. Last year it was identified by the Wider Leadership Team that there could be more awareness of the Nolan Principles and our governance framework throughout the organisation, the Head of Policy, Communications and Governance has given presentations on this topic to Wider Leadership Team, Unit Managers and individual team meetings.

The Council adopted the local code of corporate governance in 2017 which complies with CIPFA and SOLACE "Delivering Good Governance in Local Government". This code was refreshed last year and has been updated again in 2022 with input from the Council's Wider Leadership Team.

The Council also has in place a local Code of Conduct for Councillors and a Code of Conduct for staff which includes the Nolan Principles. Code of Conduct training is carried out annually for Councillors and included in the new councillor induction programme to which all members are invited.

During the municipal year 2021-2022, there were 13 Code of Conduct complaints dealt with under the Localism Act 2011 against Parish Councillors and 5 complaints raised against Borough Councillors.

In 2020 the LGA provided an updated model code of conduct. The general view of the Audit Governance and Standards Committee was that it did not meet their aspirations for an updated code. Since that time Kent County Council considered the model and made comments for consideration. Kent Secretaries have as a group considered the model and what they would consider appropriate to propose as a new model for adoption by all principal authorities in Kent and consideration by Parish Councils, should they wish to adopt a Kent code. The Government have responded to the Independent Committee on Standards in Public Life report and as a result it became clear that some aspects of member aspirations for amendment of the code could not be met as changes to legislation would not be forthcoming.

Kent Secretaries reached an agreed proposal which has recently been considered by Kent County Council and adoption has not yet occurred as amendments have been suggested. The resulting options for members are contained in a report to Audit Governance and Standards Committee in July 2022.

A Register of Interests is maintained, and training is offered to Councillors on standards, interests and our Code of Conduct as part of the annual Member Induction open to all Councillors. A register of gifts and hospitality is also maintained, and staff are reminded to complete this annually. Under the Local Government Act 1972, section 117, the Council requires

officers to disclose any direct or indirect pecuniary interests they may have in any contract or potential contract involving the Council.

The Audit, Governance and Standards Committee's purpose is to promote and maintain high standards of Councillor and Officer conduct within the Council. The Committee has responsibility for adopting and reviewing the Annual Governance Statement, independent assurance of the adequacy of the financial and risk management framework and the associated control environment.

We have a clearly defined set of core values that are embedded at the Council, they form part of our competency framework against which staff are assessed annually. A staff survey was carried out at the beginning of 2021 which showed a clear understanding of the Council's priorities with 80% of respondents indicating they understood the Council's priorities and 91% stating they were committed to helping the Council achieve its objectives. With regard to Service, Teamwork, Responsibility, Integrity, Value and Equality, our STRIVE values, 87% of those who responded agreed they understand the Council's values and were committed to delivering those values. Annually, we hold a staff awards event for those who have demonstrated they have exceeded the standards by going above and beyond the expected, in their behaviour.

The statutory roles of the Chief Financial Officer (s.151 officer) and the Monitoring Officer are set out in the Constitution and in the scheme of delegation. They provide oversight of propriety and lawfulness. They have a direct reporting line to the Chief Executive and are involved in all major decision-making preparation through membership of the Corporate Leadership Team, as well as being signatories to all key and other significant decisions.

There is an Equality Policy in place for the organisation; the objectives and action plan were updated in 2020 and were reviewed and updated again in 2021.

The Constitution is kept under review by the Democracy and General Purposes Committee and the Monitoring Officer, with changes agreed by Council. As the Council has approved a new constitution in May 2022 a review is planned of effectiveness of the new constitution by the Democracy and General Purposes Committee in December 2022. A log of issues is being maintained by Democratic Services with urgent changes required prior to the review being reported to Democracy and General Purposes for decision.

Since 2019, the Council has created a separation between the Local Plan Review and other Planning Functions as the Director for Regeneration and Place is leading on the proposal for a Council-led garden community. This has ensured a clear separation of roles.

## **B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT**

### **Assurance Rating: Assured**

#### **Assurance Comments:**

The council is proactive in relation to transparency and stakeholder engagement.

In 2022, a new guide to Part II items has been developed to ensure transparency

Ward Boundaries were reviewed in 2021/22, as a result a Community Governance Review has been planned for 2022/23

The Communications Team issued 175 press releases in 2021-22 as well as producing two editions of our Council magazine Borough Insight which has been distributed to 82,000

residential properties across the borough. These magazines include articles and features promoting the services and support available from MBC.

The need for good communication with our residents and businesses was accentuated as the country recovered after the Covid pandemic. The comms team has helped partner organisations to promote the Covid vaccinations; they sourced venues and arranged eight pop-up vaccination clinics across the borough. Communications also supported front line service delivery messaging needs through over 150 design projects including signage, posters, newsletters, press releases, radio and newspaper advertising, radio and TV interviews. Topics covered include changes to services e.g. parking, parks and new initiatives including #CleanUpMaidstone, business rate grants, Community Resilience Fund, organised and held the Compassionate Community Awards. The team was also responsible for MBC opening and launch events including the Bus Station, Maidstone East Railway Station, Student Art Project for the Mote Park Café, Love Food at Lockmeadow, Winter Bills Roadshows, Lockmeadow Play Area, and the Mote Park Café & Visitor Centre. They have also hosted 12 All Staff Webinars and facilitated the One Council and STRIVE Awards event. The team is responsible for MBC social media channels and has been active across all producing Facebook – 1,184 posts, 749 Twitter posts and 36 on Instagram.

During 2021/22 the Policy and Information team carried out 23 consultations. 6 of these were internal, aimed at staff or members and 17 were public, resident or stakeholder consultations. Overall, 19,500 responses were received to consultations run by the Policy, Communities & Engagement team in 2021/22.

Public consultations were undertaken on a variety of topics. Some focussed on specific geographical areas in the borough such as Polling Places in Harrietsham & Lenham, Headcorn and South wards and other consultations sought information about specific policies or how residents felt about particular issues. For example, the Archbishops Palace Consultation sought to find out what uses residents felt were appropriate for a prominent historic building. The Community Safety survey built on the previous year's Young People's Crime survey helping to identify where people feel safe in the borough and their experiences of crime.

The information gathered through these surveys has been used to support decision making. Survey data has also been used to identify and prioritise ongoing improvements to service delivery.

The Council has a Communication and Engagement Action Plan in place which is reviewed annually. In December 2021 a Local Government Association Peer Review was undertaken looking at our communications function. As a result a new Communication and Engagement Strategy is being developed for approval in September 2022. The review identified a need to be clear on our priorities as a Council. The Cabinet will be asked to consider reviewing and updating the Council's Strategic Plan as part of the Corporate Planning Timetable in 2022/23.

We also have a Statement of Community Involvement in place for Planning, covering a whole variety of means of communicating with and involving residents in planning matters. A Community Governance Review is planned for 2022/23 following the review of ward boundaries in 2022. Regular communication and engagement has been scheduled into the review to ensure openness and transparency, any decisions taken to change Parish Boundaries or create new parish or town councils will be publicised.

We believe in transparency and have a large amount of information available on the data and information pages of our website, including details of payments to suppliers, decision notices, performance information, a list of our assets and senior staff salaries. This data has been reviewed in 2020/21 and a project has been agreed to improve openness and transparency in 2022/23, a senior Information governance officer was recruited in 2022 to add capacity to the team. The Council's website includes an accessibility statement to inform users how the site has been tested and audited to improve accessibility as well as identifying areas for improvement.

We have dealt with a large volume of Freedom of Information requests a total of 901 requests of which 95% were processed on time, a sustained performance with a higher volume of work compared to the previous year in which we dealt with 896 requests and 96% processed on time.

The Council applies the public interest test appropriately when deciding whether reports or other information the Council holds should be confidential and makes an effort to put as much information in the public domain as possible, including splitting confidential information into appendices to allow discussion of the broader topic in public. This was the subject of substantial consideration as part of the review and development of the new constitution. A new part II guide has been developed for Officers to be rolled out in 2022/23 Over the last three years the Council has been subject to increased scrutiny in relation to its Garden Community Proposal, and this has been identified as an area for continued improvement for 2021/22.

To ensure robust, effective and transparent decision making the Council continues to utilise remote technology to enable committee meetings to go ahead with full public access and engagement on-line. We continue to use remote working technology to allow public participation remotely.

The Council takes up opportunities to engage with partners and stakeholders through avenues such as the Developers' forum, Parish Liaison meetings, Maidstone Destination Management Plan. We have acted as community ambassadors in our capacity as the democratically elected body representing residents with partners.

The Council's Corporate Insight, Communities and Governance Team lead on the Council's engagement with its wider community. The team are a point of contact for both the Voluntary and Community Sector and Parish Councils. A two-way communication process in place which ensures that issues or concerns can be responded to collaboratively. This relationship was strengthened during the pandemic and has been key to the Council's response to the Ukraine.

A regular newsletter is sent to Parish Council and the Voluntary and Community Sector which includes key information from across the Council, facilitating a wider reach for consultation and engagement with the wider community through extended networks.

The Council has service level agreements in place with Involve Kent, the Citizens Advice Bureau and Maidstone Mediation. This funding helps support the delivery of local community forums, including Service Providers, Voluntary and Community Sector, Children and Young People, Health, Wellbeing and Disability and a West Kent Multicultural Network. The forums, run by Involve Kent, offer learning and insight through join up with practitioners and partner organisations. The Citizen's Advice Bureau provide practical advice and increase access to financial support and Maidstone Mediation's services play an important role in homelessness prevention and resolving disputes that can have a detrimental impact on an individual, family or community.

In the past year, the Council has been able to support local community groups through the delivery of the Community Resilience Fund. The fund was designed to enable organisations to continue to provide support to communities experiencing loneliness, social isolation or mental health issues. Funding was provided to a number of counselling and support services in Maidstone to help increase accessibility and ensure demand could be met. The fund also supported a number of organisations providing activities to help well-being, increasing access to outdoor space and group activities.

The Household Support Grant provided a total of £63,000 to organisations offering immediate support such as food, fuel and clothing. The Council asked local community groups and Parish Councils to come forward and apply if they knew of people in their area who needed help buying food or paying essential bills this winter. Maidstone accounts for 25% of all food boxes that are distributed across the whole of Kent, and the 57 foodbanks have seen a 100% increase in deliveries

across the borough for various reasons including the pandemic and financial hardship. The Council increased its support to local food banks in December 2021 after what has been a challenging time for many people. MBC gave the Salvation Army Food Bank in Maidstone £20k and Maidstone Family Food Bank £30k so that they could increase their support for those in need.

## **C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS**

### **Assurance Rating: Assured**

#### **Assurance Comments:**

The Council's priorities and cross cutting objectives in the Strategic Plan 2019-45 seek outcomes with sustainable economic, social, and environmental benefits.

The Council developed a [Strategic Plan](#) in 2018 through a series of events, meetings and consultation with stakeholders. We have in place a clear vision and four key priorities to 2045. Outcomes are measured through strategy action plan updates, performance measures and targets which are reported regularly to Wider Leadership Team and the Service Committees. We updated and refreshed the Strategic Plan in 2021

To ensure the delivery of the strategic plan priorities and actions each service is required to produce a service plan and individuals also identify how they meet the priorities in their objectives which are reviewed monthly. Regular updates are given on progress with the Strategic Plan at our Staff and Manager Forums as well as at our annual One Council event.

Our corporate report template requires report authors to identify how decisions align with the Council's priorities and show the options that have been considered and the impact of the recommended course of action. The template has been updated to include biodiversity and climate change considering the council's new biodiversity and climate change strategy. We also have a robust risk management framework in place; risks are reported to the Wider and Corporate Leadership Teams, Policy and Resources and Audit, Governance and Standards Committees.

In 2021/22 the Council created a [Recovery and Renewal Action Plan](#) in response to the COVID-19 pandemic, following consultation with all four Service Committees this was approved by Policy and Resources Committee in October 2021. Actions were focused on four themes:

- Vibrant Economy
- Community Resilience
- The Way We Work
- Responding to Increased Demands

Maidstone Borough Council's Biodiversity and Climate Change Strategy and Action Plan scored a 72% or joint 25th place in UK out of 325 councils who have declared a climate emergency according to Climate Emergency UK's campaign. An annual review and progress of the Plan was reported to the Policy and Resources Overview and Scrutiny Committee in February 2022. The reviewed and updated Action Plan retained all the same key themes, structure, and actions, with the addition of supplementary information and minor wording changes only. Some additions were made to the Action Plan to ensure it meets soon to be standardised criteria and comparable objectives for local authorities across the UK. Additions to the Action Plan include key information and definitions of 'Net Zero', 'Climate Adaptation and Resilience', detailed targets per year on carbon reductions, and updates to the status of each action.

The Council's Inclusion board is in place to support the delivery of its social and financial inclusion responsibilities. These are underpinned by its Public Sector Equalities Duty. Key service

areas are represented on the board as well as partner organisations. In 2021/22, the board has focused on financial inclusion. The Board has oversight of Maidstone Borough Council Financial Inclusion Strategy 2021-2026 and its 4 workstreams. An action plan is in place to monitor outcomes. A number of initiatives have been successfully delivered including the fuel voucher scheme and the South East Water Project and impact is being maximised through collaborative working, across the Council, with key partners and the Voluntary and Community Sector (VCS).

In October 2021, the Policy and Resources Committee was informed on progress made against the Council's Equalities Objectives and Action Plan. This included the implemented of the Rough Sleeping initiative by the housing team which continued to support approximately 360 households and had been extended until March 2022. It also highlighted the strengthened relationship between the Council and the VCS as a result of joined up working to support residents during the Covid-19 pandemic.

In March 2022, the first Ukrainians arrived in Maidstone under the Homes for Ukraine Scheme. The Council's Housing team have been responsible for home inspections and there is join up in place across key service to help ensure support is in place and the valued relationship with the with the VCS, Parishes and Ward Councillors ensures that we are working together to identify and respond need.

The first [compassionate community awards](#) were first held in October 2020 to acknowledge individuals, groups and organisations who went above and beyond to make a difference to so many people in their communities throughout the COVID-19 lockdown. The awards were held again in October 2021 are now moving into their third year, reflecting new challenges and recognising the positive contributions made.

## **D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES**

### **Assurance Rating: Assured**

#### **Assurance Comments:**

Oversight and healthy challenge are provided through service committees, boards and working groups. The Council's risk register has been reviewed and updated with key risks included in the action plan.

The Council's Constitution clearly defines the roles and responsibilities of Officers and Councillors. It was kept under regular review in 2021/22 by the Interim Monitoring Officer and the Democracy and General Purposes Committee. A new constitution was written in 2021/22 and approved by Members in May 2022 for the change to the governance model.

The Council's four service committees were responsible for making decisions on the services delivered by the Council. The four service committees, Democracy and General Purposes Committee and Audit, Governance and Standards Committee have work programmes in place. These programmes detail the decisions and reports for the year and were reviewed monthly by each committee. Details of committees and their work can be found on our website.

Performance was reported on a quarterly basis to each service committee as well as updates on plans and strategies throughout the year.

The Council has a Transformation Team which carries out reviews to improve the efficiency of Council services. In 2021-22 reviews were carried out covering: Property and facilities, office accommodation and desk booking, HMO licencing and corporate mobile working projects, as well

as improving the online processes for Council Tax discount, ordering and replacing bins and reporting abandoned vehicles.

The Corporate Risks and highest-level risks on the Operational Risk register, were reported to and monitored by Corporate Leadership Team throughout the year, and action identified to manage risks to an acceptable level. Further to this, risk updates were reported to Policy & Resources Committee and also to Audit, Governance and Standards Committee during the year for oversight and challenge. Significant Corporate Risks have been added to the annual governance statement action plan.

## **E. DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

### **Assurance Rating: Assured**

#### **Assurance Comments:**

The Council has a clear commitment to developing capacity with a well-developed Learning and Development Programme and an Established Members Charter in place. Staff and Councillors have the opportunity to attend training relevant to their roles and there are agreed budgets for Member development and Staff.

The Council reviewed its senior staff structure in February 2022 and a new structure will be in place in 2022-23 to reflect the change in council services and demand as we fulfil the ambition to deliver 1,000 affordable homes.

The focus for the 2021-2022 training year was on supporting managers as the Council moved to a more hybrid way of working and providing training to support frontline staff in managing difficult conversations with residents. The Council also continued to provide training to staff to help with their own mindset and wellbeing, including re-introducing the Personal Best programme, and running a series of webinars delivered by an external provider on topics such as anxiety, trauma, sleep, anger, etc.

The bi-annual staff survey ran in January 2022. 70% of people reported that they felt they were able to access the right learning and development opportunities, although only 50% felt that the learning and development activities they had completed in the past 12 months had improved their performance and that there were opportunities for people to develop their careers within the Council.

In the 2022-2023 training year, the Council will continue to provide the training offered in the 21/22 year and will also provide training in workplace skills such as presentation skills, reporting writing, project management and time management. The Learning and Development Team will also run webinars for staff and managers on career planning and identifying appropriate training to support people in developing in their current roles and preparing for career progression.

The Council has a [Member Development Charter](#) in place for Councillors. In 2021/22 42 training and briefing sessions were held for Councillors, most of these sessions consisted of topic-based briefings for example briefings on the new governance arrangements, various strategies covid19 recovery and briefings from external partners including Golding Homes and Leeds Castle. Most Member training sessions delivered were in respect of Planning and Licensing roles, functions and responsibilities. Briefings were largely held virtually with some held face to face on a topic-by-topic basis.

In February 2022 the Council's Chief Executive took a [report to Policy and Resources](#) outlining changes to the senior staff structure developed in response to the cumulative impact of incremental changes already made since the structure was implemented in 2016, more recent significant changes in our operating environment arising in part from the pandemic but also government policy including for Levelling Up and a variety of decisions made by the council's committees over the last 12 months which together significantly impact on the skills, experience, expertise and capacity required of the organisation in order to lead delivery of the outcomes identified.

## **F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

### **Assurance Rating: Assured in Part**

#### **Assurance Comments:**

Performance and risk are well managed and regularly reported to management team and committees. Significant risks from the corporate risk register feature in the Annual Governance Statement Action Plan. Several actions have been identified through reviewing council compliance with the new Financial Management Code.

The Council manages risk through a comprehensive risk management framework. This involves identification of risk at corporate and service levels, ownership of individual risks by named officers, development of controls to mitigate risks, and regular reporting. Quarterly reports are presented to the Corporate Leadership Team and Policy and Resources Committee. Going forward these will be taken to Policy Advisory Committees. Members take an active interest in the risk management process and engage fully in discussion about individual risks. The Council has in place a robust risk management framework and guidance and risk management is considered by the Audit Governance and Standards Committee.

Performance reports aligned to the Council's priorities were reported to the wider leadership team and service committees on a quarterly basis for scrutiny and challenge. Service committees carried out policy and strategy development. Financial performance was reported to all the service committees on a quarterly basis. Dashboards have been developed to monitor key service performance across the council. In 2022/23 it is proposed to use these Dashboards as a tool for performance management for Councillors, allowing performance to be monitored in a timelier fashion.

Monthly budget spending is reported to budget holders and quarterly review meetings with the Director of Finance and Business Improvement are in place. The corporate report template requires information explaining the legal and financial impact of decisions and the S151 Officer and Monitoring Officer are required to comment on financial and legal implications of reports.

The Council has an anti-fraud and corruption policy and a whistle blowing policy in place, these are regularly reviewed by the Audit, Governance and Standards Committee.

The Council has a Data Protection Officer and an action plan to ensure compliance with Data Protection Legislation. This Action Plan is reviewed regularly and forms part of the Governance Action Plan for 2022/23. An internal information management officer group chaired by the Senior Information Risk Owner meets quarterly to review information management practice and policies including cyber security. The group regularly monitors trends in rights requests, freedom of information requests, data breaches and cyber security. Cyber security has been identified as a risk on the Council's corporate risk register as a constant and immutable danger. The Council takes this risk seriously investing in defensive counter measures, implementing robust and integrated cyber security tools, ensuring policies and training is in place as well as continuation of cyber phishing campaigns.

## **G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

### **Assurance Rating: Assured in Part**

#### **Assurance Comments:**

The Council has a strong commitment to transparency. Regular consultation is carried out to improve and inform services. A variety of information is available on the council's website. Partnership arrangements are robust.

The change to governance arrangements resulted in Councillors considering the process for part II reports as a result a new process has been introduced with guidance for 2022/23

The Council's website includes information that is required under transparency. It has been identified that this data has now become out of date and we will be updating the pages as part of a project on open data and transparency. We publish an annual report as part of our Statement of Accounts which includes our performance, progress against priorities and financial performance. We report the results of public consultation on our website and our committee meetings are webcast.

The Whistleblowing Policy is available on the intranet and sets out a confidential reporting process for those who wish to raise concerns.

The annual governance statement and action plan is published on-line as part of the statement of accounts and reported to the Audit, Governance and Standards Committee.

The Local Code of Corporate Governance was rewritten in 2017 and a refreshed code was considered by Audit, Governance and Standards and Committee in July 2020 with a further revision presented in July 2021.

Internal audit activity is reported regularly to the Audit, Governance and Standards Committee to inform members of the internal audit activity that takes place during the year.

We are part of the Mid Kent Services Partnership delivering several shared services; to ensure the partnership is operating effectively, regular board meetings are held quarterly to manage performance.

The Council has assessed its compliance with the new Financial Management Code and as a result several actions were identified to improve transparency and reporting for financial information these were included in the action plan last year and incomplete actions have been carried forward to this year.

## UPDATE ON GOVERNANCE AREAS IDENTIFIED FOR DEVELOPMENT IN 2020/21

Corporate Governance Area	Lead Officer	Update
<p>Make data and information more freely accessible on the website and on request</p>	<p>Data Protection Officer</p>	<p>A new space has now been created on the website called information and data <a href="https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data">https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data</a></p> <p>To bring all the relevant elements into one accessible place this includes access to information and results on our consultations, access to the council's disclosure log, as well as useful stats and data on local population.</p> <p>Work is currently underway on a dashboard development programme for services across the council. As part of this consideration is being given to publicly accessible information from services which could be made available through the use of dashboards, principles that need to be considered have been drafted for approval, which will help guide the Data Analytics Team. The team hope to have a first dashboard published this year.</p>
<p>Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)</p>	<p>Data Protection Officer</p>	<p>Report to Audit, Governance and Standards Committee 15 November 2021</p>
<p>Raising awareness of the Local Code of Corporate Governance and the Nolan Principles</p>	<p>Head of Policy, Communications and Governance</p>	<p>The local code of corporate governance was shared with Wider Leadership Team for development and insight in June 2021 and May 2022 . An update was given at a unit managers forum in 2022 on the code and what it means in practice. The Nolan principles for Councillors will be addressed when the code of conduct is updated, this is being progressed by the Monitoring Officer.</p>
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> <li>• Develop and embed a policy on Social Value</li> <li>• Review and update the Commissioning Strategy</li> <li>• Hold Member workshops to inform the development of the 2022/23 budget</li> </ul>	<p>Director of Finance and Business Improvement</p>	<p>Social Value – Work due to commence in next six months.</p> <p>Commissioning Strategy – Strategy has been reviewed and contract management guidance updated.</p> <p>Member workshops on budget – Briefings were held for members in the course of developing the 2022/23 budget. Discussions are starting to take place with members about rolling</p>

Corporate Governance Area	Lead Officer	Update
<ul style="list-style-type: none"> <li>• Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal'</li> <li>• Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate.</li> <li>• Refresh the 2021/22 Capital Strategy</li> </ul>		<p>forward the Medium Term Financial Strategy for 2023/24.</p> <p>Investment Appraisal – approach being refined as part of Capital Strategy update</p> <p>Budget monitoring reports – Under review with a view to updating format for 22/23</p> <p>An updated Capital Strategy was considered by Members January 2022 and agreed by Council. It will continue to be updated on a regular annual basis.</p>
Learning from governance failings at other Local Authorities	Chief Executive	Monthly meetings held with governance lead and statutory officers to review governance matters
Review of Church Road, Otham	Head of Policy, Communications and Governance	Report completed for submission to Democracy and General Purposes Committee on 23 November 2021
Change to Executive Model of Governance	Head of Policy, Communications and Governance	<p>Model approved by Full Council and notice of change published.</p> <p>External legal advisor appointed to assist the Democracy and General Purposes Working Group to write the new constitution.</p> <p>New constitution approved in April 2022, new model introduced at the May Annual Meeting of Council 2022.</p>
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	<p>In respect of the public sector led Garden Community, there remains a clear separation in place between the Council acting as the Local Planning Authority and the Council acting as land promotor in partnership with Homes England. This differentiation is made clear in the various reports that go to the Strategic Planning and Infrastructure Committee and P&amp;R Committees respectively.</p> <p>The Council and Homes England have appointed a communications firm to assist with community engagement from the land promotor perspective. Their work will include creating a new digital engagement platform for the project, where information with stakeholders can easily be shared.</p>

Corporate Governance Area	Lead Officer	Update
		Decision making in respect in relation to the council as land promoter and developer will be scrutinised at the Corporate Services Policy Advisory Committee (PAC) and decision making by the Executive, updates will be given by the Lead Member on the Executive to the PAC as and when required in 2022/23.
Corporate Risk: Contraction in retail and leisure sectors, the Council will be developing a Town Centre Management Strategy	Director of Regeneration and Place	The principle of creating a town centre strategy has been approved as part of the Council's Recovery and Renewal Action Plan and so the funding is now in place within the current Medium Term Financial Strategy, and so the project is now fully funded and underway. Furthermore, budget growth has been approved for the current financial year for further economic development, arts & culture and visitor economy type initiatives to kick start the process of reimagining the town centre, to include a full calendar of events to bolster visitor numbers.
Corporate Risk: Financial Restrictions	Director of Finance and Business Improvement	Under regular review. This is addressed as part of Risk Reports to AGS Committee and in quarterly monitoring reports to Service Committees. The Medium-Term Financial Strategy is being updated to reflect both implications from Covid and longer-term issues around slower economic growth. Furthermore, measures are being identified to address future budget gaps
Corporate Risk: Environmental Damage	Head of Transformation and Property	Actions from the Carbon Trust report are in the process of being implemented and Policy & Resources Committee to provide governance and oversight on delivery of BD&CC Strategy.
Corporate Risk: Major Unforeseen Emergency	Chief Executive	Work is ongoing to ensure the robustness of Disaster Recovery and Business Continuity Arrangements.
Corporate Risk: Housing Pressure Increases	Director of Regeneration and Place	Initiatives to increasing housing and temporary accommodation provision underpinned by the drafting of a new Housing Strategy. Furthermore, the Policy & Resources Committee in January 2022 approved its 1,000 homes programme for circa £200m of net council spend into the Council development of new homes primarily for affordable rent, with further homes for the private rented sector too. Since then, contracts have been exchanged on to two substantial land acquisitions to support this programme.
Corporate Risk: Brexit/EU transition	Director of Finance and Business Improvement	Risk removed from the Corporate register, but operational elements continue to be monitored. MBC officers participate in Kent Resilience Forum planning for disruption at Channel ports.

## CORPORATE GOVERNANCE ACTION AREAS 2022-23

Corporate Governance Area	Lead Officer	By When
New Process for part II items embedded and officers trained	Head of Policy, Communications and Governance	November 2022
Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)	Data Protection Officer	Action plan progress will be reported to this committee in November 2022
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> <li>• Develop and embed a policy on Social Value</li> <li>• Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal'</li> <li>• Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate.</li> </ul>	Director of Finance and Business Improvement	November 2022 and March 2023
Learning from governance failings at other Local Authorities	Chief Executive	Monthly briefing to review any issues
Corporate Governance Review: Following the Boundary Review at a district level a community governance review is proposed for 2022/23, this will be undertaken by the Democracy and General Purposes Committee	Democratic and Electoral Services Manager	Timetabled with Democracy and General Purposes – updates to Audit Governance and Standards Committee in November 2022
Ensure effective decision making and a workable constitution. Review of constitution planned for December 2022 with the Democracy and General Purposes Committee	Head of Policy, Communications and Governance and Monitoring Officer	Update in March 2023
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	Updates in November 2022 and March 2023
Corporate Risk: General and localised economic pressure leads to <b>contraction in retail sector</b> , limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports
Corporate Risk: General <b>financial uncertainty</b> , unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation places further financial restrictions on the Council resulting in	Director of Finance and Business Improvement	Updates in November 2022 and March 2023 plus updates through the risk register and reports

Corporate Governance Area	Lead Officer	By When
difficulty maintaining standards or meeting aims.		
Corporate Risk: Inflation continues to rise and a significant economic event (e.g. further pandemic impacts, BREXIT, supply chain issues) causes <b>significant changes in construction costs which may also result in a contractor insolvency, as they are generally locked into delivering schemes at a fixed price, and so need to manage their exposure to rising costs in their supply chain.</b> For the Council, this leads to a narrowing gap between build price and end of property values, increased costs to the Council and a possible time lag in delivery of 1000 affordable new homes, owing to a lack of capacity in the construction sector.	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports

## CONCLUSION ON SIGNIFICANT GOVERNANCE ISSUES

Overall, we can confirm that the Council has the appropriate systems and governance arrangements in place.

The S151 Officer has a personal duty under Section 114(3) of the Local Government Finance Act 1988 to report to the Council if it appears that the set budget will be exceeded. Key considerations for the Council include the need for an adequate contingency provision, the S151 officer's guidance on the financial prudence of options before members and ensuring that there are reasonable grounds for making decisions.

Updates on the areas for improvement will be provided to the Audit Governance and Standards Committee on a six-monthly basis and kept under review by the internal Corporate Governance Group.

## INTERNAL AUDIT OPINION

The Internal Audit function for the Council is delivered through the Mid Kent Audit Partnership, a 4-way shared service with Maidstone, Swale and Tunbridge Wells. The Audit Partnership provides internal audit, consultancy, and advisory support to the Council, and deliver a programme of work (an audit plan) each year. The plan is agreed and monitored through the Audit Committee.

The Internal Audit team continue to report positive levels of engagement across the Council when undertaking their work. Managers and Heads of Service are actively involved in scoping audit work and display a good understanding of internal control and risk management as part of that process.

A key source of assurance over the internal control environment for the Council is derived from the Head of Audit Annual Opinion. The interim Head of Audit Partnership gave the following conclusion for 2021/22 and no matters of concerns were highlighted:

**The planned programme of work delivered by internal audit was constrained by the impact of the COVID pandemic restrictions and significant staffing changes within the**

**internal audit team. The results of the reduced level of internal audit work concluded during the year required me to seek additional assurances to form my opinion. A summary of where it has been possible to place reliance on the work of other assurance providers is presented in the annual internal audit report. Utilising all these forms of assurance I am able to draw a positive conclusion as to the adequacy and effectiveness of Maidstone Borough Council's risk management, control and governance processes. In my opinion, Maidstone Borough Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.**

Signed:

Chief Executive:

Date:

Leader of the Council:

Date:

**Maidstone Borough Council**  
**Local Code of Corporate Governance**

Updated June 202~~1~~

## **Introduction**

The International Framework: Good Governance in the Public Sector states that

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

Maidstone Borough Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance.

Our Local Code sets out the framework within which we conduct our business and affairs and the governance structure we have in place. Whilst this code sets out principles, processes and policies, it is the application of the framework that will demonstrate good governance.

## **Purpose of the Local Code of Corporate Governance**

Governance is about how we ensure we are doing the right things, in the right way, for the right people, in a timely inclusive, open, honest and accountable manner.

Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This code sets out how we meet these requirements, how we conduct our business and affairs

## **The Governing Body**

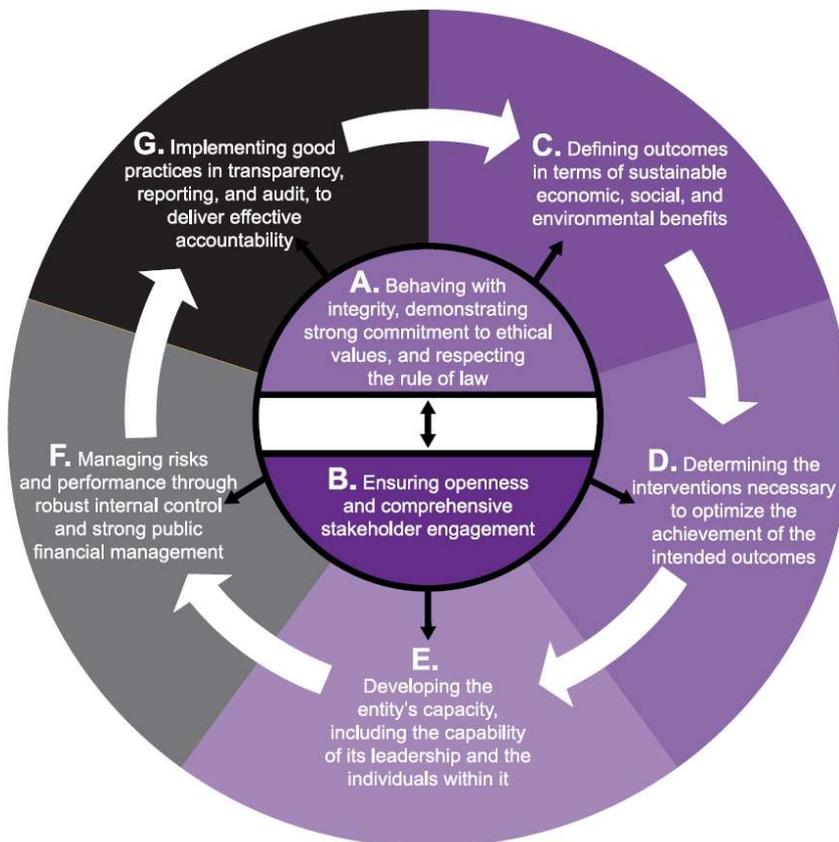
The governing body of an organisation has overall responsibility for directing and controlling that organisation. In local government the governing body is the full council or authority. In England, the Local Government Act 2000 introduced new governing structures for all local councils, clarifying responsibility for making decisions and establishing a scrutiny role. The Localism Act 2011 amended the provisions relating to Executive Arrangements and allowed local authorities to return to decision-making by committees if they so resolved.

[At the Annual Meeting in May 2022, Maidstone Borough Council adopted an Executive Model of Governance. This model comprises a Leader and Executive advised by four Policy Advisory Committees. One Overview and Scrutiny Committee is in place, this also undertakes Crime and Disorder Reduction Overview and Scrutiny Functions. In addition, there are committees that deal with licensing, planning, audit, governance and standards, democracy and other regulatory matters.](#)

~~In 2015 Maidstone Borough Council resolved to change its governance arrangements to a committee system. The Council has in place four service committees to make decisions as delegated by Full Council. The Leader is also Chair of the Policy and Resources Committee. The Council has four service committees taking decisions within their terms of reference as agreed by Council; individual Councillors do not have delegated authority from Council to make decisions. In addition, there are committees that deal with licensing, planning, audit, governance and standards, democracy and employment and other regulatory matters.~~

## The Seven Principles

In order to achieve good governance we need to demonstrate that our governance structures comply with the principles contained within the Delivering Good Governance in local Government Framework 2016.



## Annual Review and Reporting

To comply with the principles of good governance we must ensure that systems and processes are continually monitored and kept up to date. An annual review of the Council's Corporate Governance arrangements will be carried out using the guidance contained in the CIPFA/SOLACE Framework. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively or to identify action which is planned to ensure effective governance in the future. The results of the review will take the form of

an Annual Governance Statement prepared on behalf of the Leader of the Council and the Chief Executive. It will be submitted to the Audit, Governance and Standards Committee for consideration and review.

## Actions and behaviours taken by the Council that demonstrate good governance

### Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sub Principle	Actions and behaviours	Evidence
Behaving with Integrity	<ul style="list-style-type: none"> <li>• We ensure that councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</li> <li>• We ensure that councillors take the lead in establishing values for the organisation and its staff and that they are communicated and understood. Building on the Seven Principles of Public Life (the Nolan Principles)</li> <li>• We lead by example and include integrity as one of our corporate values on our competency framework</li> <li>• We demonstrate, communicate and embed the values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Councillor Code of Conduct and training for Councillors on the code</li> <li>• Officer Code of Conduct</li> <li>• Anti-Fraud and Corruption Policy &amp; Strategy</li> <li>• Equalities Policy</li> <li>• Whistle-blowing charter</li> <li>• Corporate Values (Service, Teamwork, Responsibility, Integrity, Value and Equality)</li> <li>• Internal Staff Survey</li> <li>• One to Ones evidenced on clear review with documented targets and <del>actions with</del> deadlines and actions</li> <li>• Democracy and General Purposes Committee</li> <li>• <u>Audit Governance and Standards Committee</u></li> <li>• <u>Overview and Scrutiny Committee</u></li> <li>• Staff Handbook</li> <li>• Emergency Plan</li> <li>• Business Continuity Plans</li> </ul>

73

Sub Principle	Actions and behaviours	Evidence
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>• We establish, monitor and maintain the organisation’s ethical standards and performance</li> <li>• We underpin personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation</li> <li>• We develop and maintain robust policies and procedures which place emphasis on agreed ethical values</li> <li>• We ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Human Resources Policies</li> <li>• Staff Handbook</li> <li>• Induction Process</li> <li>• Register of Interests</li> <li>• Register of gifts and hospitality</li> <li>• <u>Staff and Manager’s’ Forums</u></li> <li>• <u>Equalities Policy</u></li> <li>• <u>Whistleblowing Policy</u></li> </ul>
Respecting the rule of law	<ul style="list-style-type: none"> <li>• We ensure councillors and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> <li>• We create the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</li> <li>• We strive to optimise the use of the full powers available for the benefit of residents, communities and other stakeholders</li> <li>• We deal with breaches of legal and regulatory provisions effectively</li> <li>• We ensure corruption and misuse of power are dealt with effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring Officer Role</li> <li>• Internal Audit</li> <li>• External Auditors</li> <li>• Complaints process including referral to the Local Government Ombudsman</li> <li>• Audit, Governance and Standards Committee</li> <li>• Appraisals <u>for Chief Executive and Directors and Regular Monthly Check-ins with all staff using clear review</u></li> <li>• <u>Code of Conduct for Councillors and Officers</u></li> <li>• <u>Anti-fraud and Corruption Policy</u></li> </ul>

## Principle B - Ensuring openness and comprehensive stakeholder engagement

Sub Principle	Actions	Evidence
Openness	<ul style="list-style-type: none"> <li>• We ensure an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness.</li> <li>• We make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes.</li> <li>• We provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.</li> <li>• We use formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Communication and Engagement Strategy</li> <li>• Committee work programmes</li> <li>• Council Website</li> <li>• Formal consultation processes</li> <li>• Community and voluntary sector representation on Partnership Boards</li> <li>• Freedom of Information publication scheme</li> <li>• Report Templates <u>include options appraisal, risk and consultation</u></li> <li>• Staff and Councillor Codes of Conduct</li> <li>• <u>Access to Information Procedure Rules</u></li> <li>• <u>Part II Guidance for Officers for confidential and exempt reports</u></li> <li>• <u>Public interest test application</u></li> <li>• <u>Forward Plan produced for all Executive Decisions</u></li> </ul>
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• We effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and</li> <li>• We develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> <li>• We define the purpose, objectives and intended outcomes for each stakeholder relationship</li> </ul>	<ul style="list-style-type: none"> <li>• Safer Maidstone Partnership and Strategy</li> <li>• Health and Wellbeing Board</li> <li>• Community Safety Unit</li> <li>• Consultation processes</li> <li>• Council Website</li> <li>• <u>Anchor Institutions Meeting and Regular Communication</u></li> </ul>

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> <li>• We use formal and informal consultation and engagement to determine the most appropriate and effective interventions</li> </ul>	<ul style="list-style-type: none"> <li>• <del>Member Sounding Board</del></li> </ul>
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> <li>• We establish a clear policy on the type of issues that the organisation will consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.</li> <li>• We ensure that communication methods are effective and members and officers are clear about their roles with regard to community engagement.</li> <li>• We encourage, collect and evaluate the views and experiences of communities, residents, businesses service users and organisations of different backgrounds including reference to future needs.</li> <li>• We have feedback mechanism in order to demonstrate how their views have been taken into account.</li> <li>• We balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>• We take into account of the interests of future generations of tax payers and service users.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan published on website</li> <li>• External Auditor provides an annual organisational assessment of the Council's performance through the Value for Money conclusion</li> <li>• Council Website</li> <li>• Council minutes and agendas available on website</li> <li>• Formal consultation arrangements</li> <li>• Community and voluntary sector representation on Partnership Boards</li> <li>• Satisfaction Surveys</li> <li>• Freedom of Information publication scheme</li> <li>• Statement of Community Involvement</li> <li>• Consultation Processes</li> <li>• Strategic Plan 2019-2045</li> <li>• Local Plan</li> <li>• Councillor Access to Services Review</li> </ul>

## Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Sub Principle	Actions	Evidence
Defining Outcomes	<ul style="list-style-type: none"> <li>• We have a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.</li> <li>• We specify the intended impact on, or changes for, stakeholders including residents, businesses and service users.</li> <li>• We deliver defined outcomes on a sustainable basis within the resources that will be available.</li> <li>• We identify and manage the risks to the achievement of outcomes.</li> <li>• We manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Committee work programmes</li> <li>• Corporate report template requires information explaining the legal and financial implications of decisions</li> <li>• Community Safety Unit</li> <li>• <a href="#">Housing Strategy</a></li> <li>• <a href="#">Waste Strategy</a></li> <li>• <a href="#">10 Year Parks Plan</a></li> <li>• <a href="#">Biodiversity and Climate Change Strategy</a></li> <li>• Temporary Accommodation Strategy</li> <li>• Risk Management Framework &amp; <a href="#">outline processes for identifying and managing risk-Guide</a></li> <li>• Regular consideration of risk by Audit, Governance and Standards Committee</li> <li>• Corporate report template contains 'risk implications'</li> <li>• Staff Survey</li> </ul>
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• We consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.</li> <li>• We take a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Committee work programmes</li> <li>• Formal consultation arrangements</li> <li>• Economic Development Strategy</li> <li>• Medium Term Financial Strategy</li> </ul>

Sub Principle	Actions	Evidence
	<p>conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.</p> <ul style="list-style-type: none"> <li>• We determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.</li> <li>• We ensure equality of access.</li> </ul>	<ul style="list-style-type: none"> <li>• Safer Maidstone Strategy</li> <li>• Local Plan</li> <li>• Waste and Recycling Strategy</li> <li>• Health and Wellbeing Action Plan</li> <li>• Equality Policy</li> <li>• Biodiversity and Climate Change Working Group</li> </ul>

## Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

79

Sub Principle	Actions	Evidence
Determining interventions	<ul style="list-style-type: none"> <li>• We ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and include the risks associated with those options.</li> <li>• We ensure best value is achieved however services are provided.</li> <li>• We consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate report template requires information explaining the legal and financial implications of decisions</li> <li>• Options appraisal included in all committee reports for decision</li> <li>• Financial, legal and technical advice provided by the s151 Officer, the Monitoring Officer and other officers as required</li> <li>• Council Website</li> <li>• Consultation processes</li> <li>• Quarterly performance management reports</li> </ul>
Planning interventions	<ul style="list-style-type: none"> <li>• We establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets.</li> <li>• We engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.</li> <li>• We consider and monitor risks facing each partner when working collaboratively including shared risks.</li> <li>• We ensure arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.</li> <li>• We establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Planning Timetable</li> <li>• Strategic Plan</li> <li>• Service Plans</li> <li>• Quarterly Monitoring Reports</li> <li>• Contract Monitoring Arrangements</li> <li>• Performance Reports aligned to Corporate Plan priorities</li> <li>• Medium Term Financial Strategy</li> <li>• Capital Programme</li> <li>• Value for Money judgement by External Auditor</li> </ul>

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> <li>• We ensure capacity exists to generate the information required to review service quality regularly.</li> <li>• We prepare budgets in accordance with organisational objectives, strategies and the medium term financial plan.</li> <li>• We inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.</li> </ul>	
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• We ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.</li> <li>• We ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.</li> <li>• We ensure the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.</li> <li>• We ensure the achievement of 'social value' through service planning and commissioning.</li> </ul>	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy</li> <li>• Revenue budget process</li> <li>• Capital Programme</li> <li>• Procurement Policy</li> <li>• Procurement Standing Orders</li> <li>• Action Plans developed in response to external audit and inspections</li> <li>• Value for Money judgement by external auditor</li> <li>• Budget Consultation</li> </ul>

**Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

Sub Principle	Actions	Evidence
Developing the entity's capacity	<ul style="list-style-type: none"> <li>• We review operations and performance on a regular basis to ensure their continuing effectiveness and enable organisational learning.</li> <li>• We improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.</li> <li>• We recognise the benefits of partnerships and collaborative working where added value can be achieved.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Planning Timetable</li> <li>• Budget Setting Process</li> <li>• Service Plans</li> <li>• Regular one to ones and reviews of development and training needs</li> <li>• Developing Everybody Competency Framework used to identify top performers for stretch</li> <li>• Mid Kent Services Partnership</li> <li>• Learning and Development Programme</li> <li>• Standing arrangement with temporary staffing providers to help manage fluctuations in capacity demand</li> </ul>
Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> <li>• We clarify roles and responsibilities of members and management at all levels.</li> <li>• We develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.</li> <li>• We publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.</li> <li>• We ensure the Leader and the Chief Executive have clearly defined and distinctive leadership roles.</li> <li>• We develop the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Job descriptions and person specifications produced for all posts</li> <li>• Recruitment and appointment policies and procedures</li> <li>• <del>Leaders' forum</del> <u>Informal Cabinet</u></li> <li>• Councillor workshops and briefings</li> <li>• Democracy and General Purposes Committee</li> <li>• Comprehensive learning and development programme for officers and councillors</li> <li>• Corporate Workforce Strategy</li> <li>• Staff surveys</li> <li>• HR Policies and Guidance on intranet</li> <li>• Member and Staff induction</li> </ul>

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> <li>• We ensure that there are structures in place to encourage public participation.</li> <li>• We hold staff to account through regular performance reviews which take account of training or development needs.</li> <li>• We ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Check-ins held monthly with staff</u></li> <li>• <u>Annual Health and Wellbeing week and regular updates to staff</u></li> </ul>

## Principle F - Managing risks and performance through robust internal control and strong public financial management

Sub Principle	Actions	Evidence
Managing Risk	<ul style="list-style-type: none"> <li>• We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making.</li> <li>• We implement robust and integrated risk management arrangements and ensure that they are working effectively.</li> <li>• We ensure that responsibilities for managing individual risks are clearly allocated.</li> </ul>	<ul style="list-style-type: none"> <li>• <del>—Risk Management Framework &amp; outline processes for identifying and managing risk Risk-Management Framework &amp; Guide in place and reviewed annually</del></li> <li>• Strategic Risk Register in place and reviewed by Leadership team</li> <li>• Directorate and Service level risk registers in place and reviewed monthly</li> <li>• Corporate report template contains 'risk implications'</li> <li>• <u>Audit Governance and Standards Committee reviews risks regularly</u></li> <li>• <u>Corporate Services PAC regularly reviews all high risks</u></li> <li>• <u>All risks are assigned a risk owner responsible for managing the risk</u></li> <li>• </li> </ul>
Managing Performance	<ul style="list-style-type: none"> <li>• We monitor service delivery effectively including planning, specification, execution and independent post implementation review.</li> <li>• We make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</li> </ul>	<ul style="list-style-type: none"> <li>• Performance Reports aligned to Strategic Plan priorities</li> <li>• Quarterly Monitoring Reports</li> <li>• Contract Monitoring Reports</li> <li>• Corporate report template requires information explaining the legal and financial implications of decisions</li> </ul>

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> <li>• We ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible</li> <li>• We provide members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>• We ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate report template contains risk implications</li> <li>• <u>Monthly spend/budget reports sent to all budget holders</u></li> <li>• <u>Quarterly workforce reports</u></li> </ul>
Robust Internal Control	<ul style="list-style-type: none"> <li>• We align the risk management strategy and policies on internal control with achieving the objectives.</li> <li>• We evaluate and monitor the authority's risk management and internal control on a regular basis.</li> <li>• We ensure effective counter fraud and anticorruption arrangements are in place.</li> <li>• Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.</li> <li>• We ensure an audit committee or equivalent group or function which is independent of the decision making committees provides further assurance regarding arrangements for managing risk and maintaining an effective control environment</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management Policy &amp; Guide in place and reviewed annually</li> <li>• <del>Strategic-Corporate</del> Risk Register in place and reviewed by Leadership team</li> <li>• <del>Corporate and</del> Service level risk registers in place</li> <li>• <del>Anti-Fraud and Corruption Policy</del> <ul style="list-style-type: none"> <li>• <u>Audit Governance and Standards Committee reviews the effectiveness of risk arrangements</u></li> <li>• <u>Corporate Services PAC regularly reviews all high risks</u></li> </ul> </li> <li>• <del>Audit, Governance and Standards Committee reviews risks and the Risk Management process quarterly</del></li> <li>• Corporate Information Management and Governance Groups</li> </ul>

Sub Principle	Actions	Evidence
Managing Data	<ul style="list-style-type: none"> <li>• We ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.</li> <li>• We review and audit regularly the quality and accuracy of data used in decision making and performance monitoring.</li> <li>• We ensure effective arrangements for sharing data with other bodies are in place</li> </ul>	<ul style="list-style-type: none"> <li>• Communication and Engagement Strategy</li> <li>• Information Management Group and action plan</li> <li>• Freedom of Information publication scheme</li> <li>• Ongoing monitoring of Data Protection Act / Freedom of Information compliance</li> </ul>
Strong public financial management	<ul style="list-style-type: none"> <li>• We ensure financial management supports both long term achievement of outcomes and short term financial and operational performance.</li> <li>• We ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Budget setting process</li> <li>• Procurement Policy</li> <li>• Procurement Standing Orders</li> <li>• Value for Money judgement from the External Auditor</li> <li>• External Auditors' Annual Audit letter</li> </ul>

## Principle G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub Principle	Actions	Evidence
Implementing good practice in transparency	<ul style="list-style-type: none"> <li>• Write and communicate reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.</li> <li>• Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.</li> </ul>	<ul style="list-style-type: none"> <li>• Council website accessibility statement</li> <li>• Communication and Engagement Strategy</li> <li>• Budgets and spending published on website</li> <li>• Senior Officer remuneration published on website</li> <li>• Clear roles and responsibilities in relation to access to information in the Constitution</li> </ul>
Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• We report at least annually on performance, value for money and the stewardship of its resources.</li> <li>• We ensure members and senior management own the results.</li> <li>• We assess the extent to which the principles contained in the Framework have been applied and publish the results on this assessment including an action plan for improvement and evidence to demonstrate good governance in action</li> <li>• We ensure that the Framework is applied to jointly managed or shared service organisations as appropriate.</li> <li>• We ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities.</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of Annual Report and Statement of Accounts on website</li> <li>• Annual Governance Statement produced and published on website</li> <li>• Local Code of Corporate Governance refreshed annually in accordance with CIPFA/SOLACE principles</li> <li>• Documents are scrutinised and approved by Leadership Team, Service Committees and Audit Committee prior to publication</li> <li>• Performance information and reports are published on the website and reported to Committees</li> </ul>

<p>Assurance and effective accountability</p>	<ul style="list-style-type: none"> <li>• We ensure that recommendations for corrective action made by external audit are acted upon.</li> <li>• We ensure an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.</li> <li>• We welcome peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.</li> <li>• We gain assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement.</li> <li>• We ensure that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.</li> </ul>	<ul style="list-style-type: none"> <li>• The external auditors produce an Annual Audit Letter which is presented at Audit Committee and published on the website. The council produces a response to all issues and recommendations contained within.</li> <li>• The Head of Audit Partnership presents an annual report to Audit, Governance, Standards Committee to inform members of Internal Audit activity that has taken place during the year</li> <li>• Annual Governance Statement produced and published on website</li> </ul>
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# Agenda Item 16

## Corporate Services Policy Advisory Committee

**13 July 2022**

### Corporate Planning Timetable

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Corporate Services Policy Advisory Committee	13 July 2022
Executive	27 July 2022

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Executive
<b>Lead Director</b>	Chief Executive
<b>Lead Officer and Report Author</b>	Angela Woodhouse, Head of Policy, Communications and Governance
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### Executive Summary

The Policy Advisory Committee and the Executive is asked to consider whether to update the existing strategic plan, create a new one or leave the current one in place. This report sets out a proposed approach to updating the plan and setting the Medium Term Financial Strategy 2023/24- 2027/28. The report concludes that the existing Strategic Plan continues to provide an appropriate overall framework however the milestones for 2021/26 should be refreshed for 2023/2028 to ensure alignment with the priorities of the administration and changes in the short to medium term context for local government services including the Levelling Up White Paper and the evolving financial environment including the impact of significant inflation.

#### Purpose of Report

Recommendation

#### **This report makes the following recommendations to the PAC; to recommend to the Executive that:**

1. The Strategic Plan 2019-45 milestones for 2023-28 be refreshed and the corporate planning timetable at 3.5 be approved.

# Corporate Planning Timetable

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> <li>• Embracing Growth and Enabling Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <p>The Strategic Plan sets out the Council's priorities. This paper sets out a timetable for refreshing the Plan and setting the Medium Term Financial Strategy</p>	Head of Policy, Communications and Governance
<b>Cross Cutting Objectives</b>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> <li>• Heritage is Respected</li> <li>• Health Inequalities are Addressed and Reduced</li> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul> <p>The Strategic Plan sets out the Council's priorities. This paper sets out a timetable for refreshing the Plan and setting the Medium Term Financial Strategy</p>	Head of Policy, Communications and Governance
<b>Risk Management</b>	The Council's corporate risk strategy includes strategic risks associated with the Strategic Plan.	Head of Policy, Communications and Governance
<b>Financial</b>	The financial implications of the Strategic Plan are set out in the Council's five-year Medium Term Financial Strategy. The MTFS will be updated to cover the period 2023/24 to 2027/28 as set out in the timetable at paragraph 3.5 of this report	Section 151 Officer & Finance Team
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Head of Policy, Communications and Governance
<b>Legal</b>	The Strategic Plan aligns with the Council's general duty, as a best value authority, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and	Interim Monitoring Officer and Deputy Head of Legal Services

	effectiveness – section 3 of the Local Government Act 1999. If adopted as recommended the corporate planning timetable enables the Council to monitor its performance against the agreed Strategic Plan outcomes.	
<b>Information Governance</b>	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Information Governance Team –
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities & Communities Officer
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of Policy, Communications and Governance
<b>Crime and Disorder</b>	The decision will have no direct impact on crime and disorder	Head of Policy, Communications and Governance
<b>Procurement</b>	Not applicable	Head of Policy, Communications and Governance
<b>Biodiversity and Climate Change</b>	The strategic plan was refreshed in 2020-21 to include biodiversity and climate change as an area of focus for 2021-26	Biodiversity and Climate Change Officer

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Strategic Plan is a core element of our corporate planning. The priorities and outcomes in the Strategic Plan are developed alongside the Medium Term Financial Strategy (MTFS) to ensure consistency between priorities, service delivery and budgets. Service Planning allows the Council to convert high level priorities from the Strategic Plan into actions for each directorate, service or team across the Council, which then feeds into individual staff priorities.
- 2.2 In previous years the Policy and Resources Committee and the Executive have been asked annually to consider whether to refresh the existing Strategic Plan, create a new one or leave it as is. A timetable of activity is then planned around this and the Medium-Term Financial Strategy Process. The proposed timetable of activities includes a period of public consultation on the 2023/4 budget as required by law, it also includes the resident survey undertaken every three years (previously undertaken in 2017, disrupted by COVID-19) and reports to Policy Advisory Committees (PACs), the Executive and Council on the Strategic Plan, Medium Term Financial Strategy and Budget.

2.3 The current Strategic Plan was adopted in December 2018 and covers the period until 2045. The plan was agreed after careful analysis and consultation. The decision was taken for it to be a 26-year plan to ensure continuity, and a basis on which all other Maidstone Borough Council plans and strategies could be developed. It was last updated in 2020 with a review of the areas of focus for 2021/26, the main changes agreed were:

- A focus on delivering those actions in the new Economic Development Strategy (EDS) that will promote economic recovery from COVID-19
- Delivering a sustainable and vibrant leisure and cultural offer
- Working with community groups and parish councils to develop community resilience and pride in our Borough
- Promoting inward investment; and
- Identifying opportunities with partners to reduce health inequalities in the Borough.

2.4 It is recommended that it would be timely to revisit the outcomes the Council aims to achieve in the areas of focus for the next five years including the performance indicators used to measure progress of the Council's priorities due to a number of factors arising from change in context set out below.

2.5 A review of the strategic plan areas of focus would allow the council to consider national and local changes of importance including and not limited to:

- Levelling Up and Regeneration Bill: The Bill seeks to put into place a robust framework for levelling up through:
  - Providing a legal basis for the setting and reporting against the levelling up missions
  - Devolving powers to all areas in England that want them, providing more control over budgets, transport and skills
  - Empowering local leaders to regenerate towns and cities and restore local pride in place
  - Improving the planning process
- Financial Inclusion and the cost-of-living Crisis  
The cost-of-living crisis is an issue affecting the borough's residents and businesses. Teams across the Council have been working to provide both its own and central government initiatives in supporting local residents. This is evidenced through the Council's Recovery and Renewal Plan following the Covid-19 pandemic, the Financial Inclusion Strategy, ongoing development of the Town Centre Strategy and the Mid-Kent Skills Hub. The Discretionary Energy Rebate Scheme as introduced by Central Government is also in the process of being administered.
- Financial Resilience of the Council  
The Council will need to consider how it reconciles its strategic objectives with the requirement to maintain financial resilience and

set a balanced budget given the risk of continued high inflation and negligible (or negative) economic growth.

- Kent County Council (KCC) Strategic Statement – “Framing Kent’s Future – Our Council Strategy 2022-2026”. The Strategy sets four priorities for Kent, a refresh of our own strategy milestones will consider whether and how we align to these priorities including opportunities to work together:
  - Levelling up Kent  
“This includes strengthening the county’s economy, helping people gain the skills they need, continuing to support schools, a particular focus on improving life in deprived communities in coastal areas and working with our partners to improve the health of Kent’s population.”
  - Infrastructure for Communities  
“This includes taking an ‘Infrastructure First’ approach to new development, improving digital connectivity and access, supporting our rural areas, ensuring people have access to safe and efficient travel options and that all communities can benefit from a strong social infrastructure.”
  - Environmental Step Change  
“This includes protecting and strengthening our natural environment, working with our partners towards Kent being Net Zero by 2050, exploring options for carbon zero energy production and use, and ensuring that the county is well placed to adapt to climate change.”
  - New Models of Care and Support  
“This includes integrating our social care and public health services with our partners, supporting vulnerable children and families, helping adults who draw on social care to lead the lives they want to live and improving the way we design and deliver our care and support services.”
- UK Shared Prosperity Fund – Maidstone Local Investment Plan prioritises building the reputation of our town and pride in place through promotion of the town centre with investment in events, lighting and greening with increased heritage and culture.
- Ambitions have already been identified by the Leader in the speech to the Annual Council meeting for a review of key strategies and policies including development of the Maidstone Town Centre Strategy, Policies and Plans relating to the Local Plan including the Integrated Transport Policy, Community Infrastructure Levy, Social Housing Allocations Policy. Alongside a commitment to acquiring at least an additional 1,000 affordable homes was reiterated as well as a commitment to expand financial inclusion and promoting and restoring pride in our Borough

### 3. AVAILABLE OPTIONS

#### Retain and refresh the existing strategic plan

- 3.1 The current Strategic Plan was developed involving a wide cross section of Councillors, staff and other stakeholders in 2018 before being adopted in December of that year, the vision and priorities are clear and relevant.
- 3.2 In-light of the significant impact of the pandemic, the new priorities of the administration, national changes and projects underway within the Council work will now need to be carried out to refresh our outcomes for 2021/26 to a refreshed set of outcomes for 2023/28 in the plan. This will not mean rewriting our vision or priorities, work will be focused on the actions for the next five years.
- 3.3 A refresh of the Strategic Plan would include:
- Review and amendment of areas of focus for 2023/28
  - Refresh of any contextual information in the document such as statistics
  - New foreword.
- 3.4 Outlined below is a proposed timetable for updating the Strategic Plan and development of budget proposals. A report on the MTFs has been included on this agenda and that has been considered in the proposed timetable below.
- 3.5 Corporate Planning Timetable

<b>Date</b>	<b>Action</b>
27 July 2022	Executive consider the corporate planning timetable
July 2022- August 2022	Resident Survey – Using Bang the Table and Roadshows
September 2022	Informal Executive Away Day (budget and strategic plan focus)
September 2022	Budget Survey – Using Bang the Table
August - December 2022	Work on refreshing the Strategic Plan and detailed budget proposals/priorities (Executive and Wider Leadership Team)
December 2022	Strategic Plan Proposals considered by Policy Advisory Committees formally at Committee Meetings
January 2023	PACS consider the final proposals on the Budget and Strategic Plan for recommendation to the Executive
February 2023	Executive approve the Strategic Plan and Medium-Term Financial Strategy to be considered at full Council on 22 February 2023

### Create a new Strategic Plan

- 3.6 Creating a new Strategic Plan would have a substantially greater impact on resources. The timetable proposed would need to be revisited and this could have an impact on work elsewhere as this would take substantially more time and involvement from the Executive and Senior Officers.

### Amend or create a new timetable for a new strategic plan

- 3.7 The timetable proposed could be amended for the refresh of the plan. Members would need to consider the impact that this would have on other priorities. The corporate planning timetable proposed includes the development of the MTFS which is also included on this agenda.

### Do not refresh the Strategic Plan

- 3.10 Councillors may identify that the current plan does not need refreshing. Whilst the vision, priorities and cross cutting objectives are long-term and therefore would not need redrafting; this would miss the opportunity to look again at the shorter-term outcomes we want to achieve to determine if they are fit for purpose in light of the impact of COVID-19, national and local priorities and the changing context.

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## **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 It is recommended that the present plan is refreshed to ensure contextual information is up to date and areas of focus in relation to outcomes for 2021/26 are updated for 2023/28.
- 4.2 Not updating the plan is not recommended as the Council needs to demonstrate how it is planning, managing and responding to national and local changes.

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## **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.

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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 The timetable sets out consultation with residents and councillors.

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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 The timetable identifies the next steps in the process.

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## **8. REPORT APPENDICES**

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

- Appendix 1: Current Strategic Plan

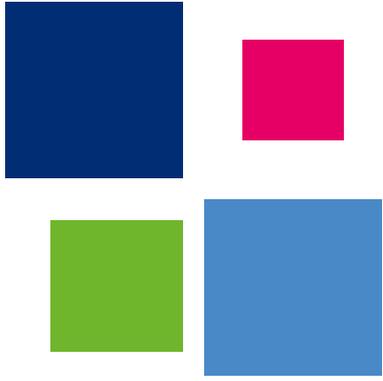
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## **9. BACKGROUND PAPERS**

None



# Maidstone Borough Council **Strategic plan** **2019 - 2045**





# Contents

<b>Foreword</b>	<b>3</b>
<b>Vision and Priorities</b>	<b>4</b>
<b>Embracing Growth and Enabling Infrastructure</b>	<b>5</b>
<b>Safe, Clean and Green</b>	<b>6</b>
<b>Homes and Communities</b>	<b>7</b>
<b>Thriving Place</b>	<b>8</b>
<b>Our Values</b>	<b>9</b>
<b>Strategy Map</b>	<b>10</b>

# Foreword

Maidstone Borough Council's responsibility is to make every effort to deliver its services and produce cohesive plans for – economic, environmental, social and cultural prosperity. We have stewardship for our future, and it's important that we get it right. The ambitious priorities set out in this plan recognise the potential in Maidstone Borough whilst setting long-term aspirations that will benefit our residents, businesses and partners now and in the future.

Despite huge and unprecedented cuts in central Government funding, prudent investment by the Council will lead to significant improvements to enable delivery of our vision.

We will achieve our ambitions by being good stewards and ensuring we take a long-term view. The choices we make today will impact on the state of our environment, and the quality of life enjoyed by our residents, decades from now. That's why it's so important for the Council to have a long-term strategic plan and vision to lead us towards a planned future where we embrace controlled growth.

Fundamental to our success is understanding what matters most to our communities. We invest in regular consultation, engaging with our residents, parish councils, businesses and partners on important issues and decisions that affect and benefit us all. This underpins our decision making and the direction and journey we will take together.

This document sets out our aspiration for Maidstone through to 2045, and how we're going to achieve it. Of course, we can't do it alone. It should come as no surprise that a key feature of this plan is collaboration. We value the relationships with partners, both in the private and public sector. We will continue to collaborate so that we use our finite resources to get the best results particularly in meeting our communities' housing needs, improving health and employment opportunities and delivering sustainable transport and infrastructure solutions.

We recognise each member of staff and Councillor for their contribution to our success. Over time we will reap the benefit of our long-term plans and should soon be able to function without being at the continual mercy of the ebb and flow of funding from Central Government. The work we do together today is supported by all political groups, which now puts us in an excellent position to attract investment and opportunities for Maidstone that will help us achieve each milestone and goal we challenge ourselves with to deliver our Strategic Plan.

PRIDE IN OUR BOROUGH  
**A Borough that works for everyone**



**Cross Cutting Objectives:**

-  Heritage is respected
-  Health inequalities are addressed and reduced
-  Deprivation is reduced and social mobility is improved
-  Biodiversity and Environmental sustainability is respected

# Embracing Growth and Enabling Infrastructure

We want Maidstone Borough to work for the people who live, visit and work; now and in the future. We want a Borough where there is a variety of jobs, housing need is met and infrastructure is in place to meet the growing needs of our residents and economy. We also want to ensure we lead and shape our place as it grows, including leading master planning and investing to bring about high quality housing and jobs in the Borough.

## Our Outcomes by 2045

- 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

## Between 2021-26 we will place particular importance on:

- Engaging with our communities on the Local Plan review 
- The Council will take a proactive role in creating and consider investing in new places 
- Expanding the Council's role in the delivery of affordable and market rent housing including the provision for the Gypsy and Traveller community 
- Working with partners to get infrastructure planned, funded and delivered 
- Intervening where necessary in the market, to deliver key employment sites 



As of 2017 we had  
**167,700** people  
living in the Borough

Our population is forecast to grow by  
**24.3%**  
between 2016 and 2036

From 2011/12-2017/18 a total of  
**5,291** new homes  
have been built in the Borough



Better transport systems was the **second highest priority** for our residents



In 2018 the average home broadband speed is around **46.2Mbps**, up from **36.2Mbps in 2017**. We do recognise that in the rural areas there are substantial problems with broadband.



101

In 2017/18 the **employment rate** was **78.5%** (83,400 people) up from the same period in the previous year by 3.9%

# Safe, Clean and Green

We will keep Maidstone an attractive and clean place for all. Maidstone is a safe place to live and we want our residents to feel safe. We want to protect and where possible enhance our environment and make sure our parks, green spaces, streets and public areas are high quality by ensuring they are looked after, well managed and respected.

## Our Outcomes by 2045

- People feel safe and are safe
- A Borough that is recognised as clean and well cared for by everyone
- An environmentally attractive and sustainable Borough
- Everyone has access to high quality parks and green spaces

## Between 2021-26 we will place particular importance on:

- Taking action against those who do not respect our public spaces, streets, green spaces and parks 
- Improving community safety by working with our partners to make people less vulnerable to crime 
- Maintain resident satisfaction with the cleanliness of the Borough 
- Implementation of the Biodiversity and Climate Change Strategy and Action Plan 

Over **50%** of the Borough's waste is recycled 

The town centre and its immediate surrounds have been designated as an **Air Quality Management Area**

Overall, **70.5%** of respondents were **very or fairly satisfied** with their local area as a place to live 

Just over **40%** of residents use amenity green space once a week 

of residents feel safe in their own home, but **93%** don't feel safe walking in their local area at night 

Maidstone has **30 large parks**, four of which are Green Flag parks and **80 Neighbourhood greenspaces** 

# Homes and Communities

We want to have a place that people love and where they can afford to live. This means ensuring that there is a good balance of different types of homes, including affordable housing. We will have safe and desirable homes that enable good health and wellbeing for our communities. We will address homelessness and rough sleeping to move people into settled accommodation. We will work with our partners to improve the quality of community services and facilities including for health care and community activities. Residents will be encouraged and supported to volunteer and play a full part in their communities.

## Our Outcomes by 2045

- A diverse range of community activities is encouraged
- Existing housing is safe, desirable and promotes good health and well-being
- Homelessness and rough sleeping are prevented
- Community facilities and services in the right place at the right time to support communities

## Between 2021-26 we will place particular importance on:

- Reducing rough sleeping in a sustainable way 
- Reducing the use of temporary accommodation for homeless families 
- Improving housing through use of our statutory powers to promote good health and wellbeing 
- Working with the Integrated Care Partnership to identify opportunities to reduce health inequalities in the borough 

In 2018 we provided emergency accommodation for in excess of **30 people** sleeping rough



On average people could expect to pay **9 times their annual earnings** on purchasing a home in 2018 compared to 7 times in 2007



Only **22%** of residents agree their neighbourhood is a place where homes are affordable

103

**Three** of our wards rank in the **top 10%** for deprivation in Kent.

# A Thriving Place

Maidstone is a Borough that is open for business, attractive for visitors and is an enjoyable and prosperous place to live for our residents. Maidstone is the Business Capital of Kent; we will continue to grow our local economy with high employment, good local jobs and thriving local businesses. We want our town and village centres to thrive and be fit for the future. We will lead investment in the County town and rural service centres through our regeneration projects and working with partners. We are proud of our heritage and will continue to grow our leisure and cultural offer.

## Our Outcomes by 2045:

- A vibrant leisure and culture offer, enjoyed by residents and attractive to visitors
- Our town and village centres are fit for the future
- Skills levels and earning potential of our residents are raised
- Local commercial and inward investment is increased

## Between 2021-26 we will place particular importance on:

- Deliver key actions for the refreshed Economic Development Strategy focussing on actions to enable economic recovery from the Covid-19 pandemic 
- Deliver a sustainable and vibrant leisure and cultural offer across the Borough 
- Working with community groups and parish councils, to develop more sustainable community resilience and to encourage pride in our Borough 
- Promote inward investment in the Borough to ensure a diverse employment and business offer 
- Working with partners to redevelop the Maidstone East site and modernise the bus station in the County Town 
- Developing and delivering plans for the five opportunity sites in the town centre and the Staplehurst regeneration project 
- Working with parishes and community groups on neighbourhood plans 



Maidstone has the **biggest economy** of all the Kent districts



We attract over **4.5 million visits** a year with over **£284 million spend** in the local economy.

**45%** of residents view the economy as **thriving** or on the way up

**1160** more businesses have started up or located to the Borough since 2010

Unemployment (job seeker allowance claimants) is **1.1%** (Nov 2018)

# How we do things

We recognise that our vision is ambitious and the outcomes we are seeking to achieve will require us to work with our partners and key stakeholders in the Borough. We have a key role in the Borough through our direct service delivery as well as the services we commission. We are keen to take an active role in shaping the Borough through investing our resources in housing and regeneration as well as leading the development of new communities. We will do all this whilst engaging and listening to our communities.

- Community Engagement and Leadership
- Partnership working
- Proactive Investment
- Outcome focussed commissioning and service delivery

We are a confident organisation, so whilst central government funding has reduced, we are prepared to generate resources locally to fulfil our ambitions and aspirations to deliver our priorities. Building on our strengths, assets, knowledge, expertise and our track record for innovation and improvement we are creating a financially sustainable future so that we can continue with our undiminished plans.

## Our Values:

### Service

It is important to understand that everything we do impacts on our customers, both internal and external. We will listen to and understand their needs, then take action to provide the right service in a positive and professional manner.

### Teamwork

Working together to achieve our objectives and goals in a way that utilises the talents and creativity of everyone in our organisation.

### Responsibility

Knowing that we work in an environment that encourages us to take ownership for our actions. Making the right choices and decisions that lead to a satisfactory outcome for all.

### Integrity

Having the courage to act on our convictions to build trust and honesty within the organisation. Working with our partners and customers to create a feeling of openness and transparency in all that we do.

### Value

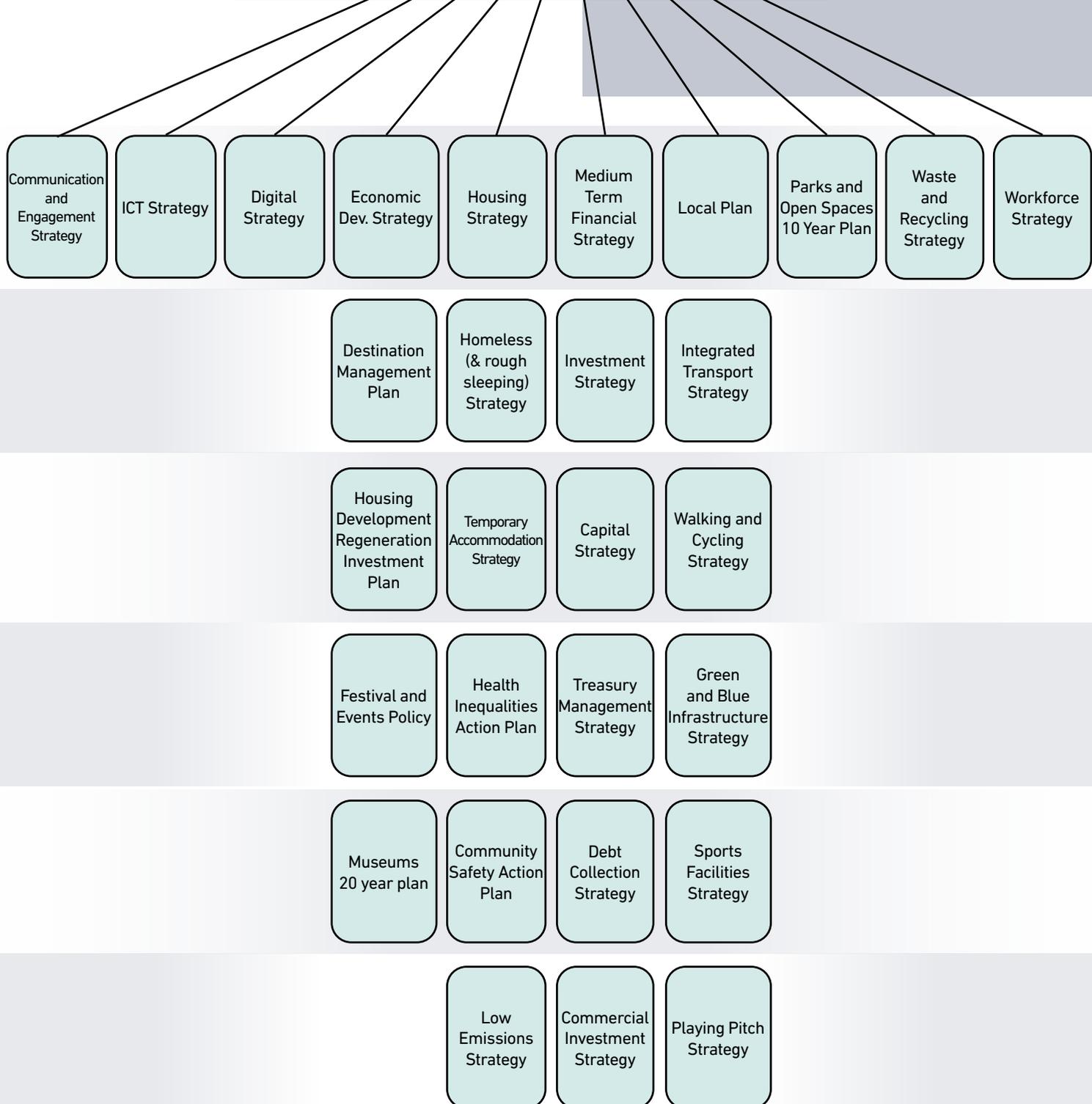
Taking care and weighing up our options, aiming to get the maximum effect for every penny of public money we spend.

### Equality

Valuing our differences and understanding how they can contribute to a better working environment and services that are fair and easy to access.

# Strategy Map

## STRATEGIC PLAN 2019 - 2045



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

Document is Restricted

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