

AGENDA

POLICY AND RESOURCES COMMITTEE MEETING



Date: Wednesday 27 January 2016

Time: 6.30 pm

Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Mrs Blackmore, Brice, Chittenden,
Cox, Garland, Mrs Joy, McKay,
McLoughlin, Munford, Naghi, Ross,
Round, Sargeant, Mrs Stockell and
Mrs Wilson (Chairman)

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

Continued Over/:

Issued on Tuesday 19 January 2016

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact Caroline Matthews on 01622 602743**. To find out more about the work of the Committee, please visit www.maidstone.gov.uk

**Alison Broom, Chief Executive, Maidstone Borough Council,
Maidstone House, King Street, Maidstone Kent ME15 6JQ**

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 (Part I) of the Meeting Held on 16 December 2015	1 - 8
9.	Presentation of Petitions (if any)	
10.	Questions and answer session for members of the public (if any)	
11.	Report of the Head of Policy and Communications - Strategic Plan 2015-20 refresh	9 - 29
12.	Report of the Head of Finance and Resources - Medium Term Financial Strategy 2016/17 Onwards - Update	30 - 45
13.	Report of the Head of Finance and Resources - Medium Term Financial Strategy 2016-17 Onwards - Capital Programme	46 - 64

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 12 A and Brief Description

14.	Minutes (Part II) of the Meeting held on 16 December 2015	Para 3 - Information re financial/business affairs	65 - 67
15.	Report of the Head of Finance and Resources - To consider a property acquisition	Para 3 - Information re financial/business affairs	68 - 78

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES (PART I) OF THE MEETING HELD ON WEDNESDAY 16 DECEMBER 2015

Present: Councillor Mrs Wilson (Chairman) and
Councillors Mrs Blackmore, Brice, Cox, Garland,
Mrs Gooch, Mrs Joy, McKay, D Mortimer, Naghi, Perry,
Mrs Ring, Ross, Round and Sargeant

115. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Chittenden, McLoughlin, Munford and Mrs Stockell.

116. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that Councillor D Mortimer was substituting for Councillor Chittenden, Councillor Mrs Gooch was substituting for Councillor Munford, Councillor Mrs Ring was substituting for Councillor McLoughlin and Councillor Perry was substituting for Councillor Mrs Stockell.

117. URGENT ITEMS

The Chairman advised that there was an urgent item which was on the Amended Agenda – Agenda Item 16 – Reference from Communities, Housing and Environment Committee 8 December 2015: Maidstone’s approach to the Syrian Refugee Crisis.

118. NOTIFICATION OF VISITING MEMBERS

There were no visiting Members.

119. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures from Members and Officers.

120. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

121. EXEMPT ITEMS

RESOLVED: That the items on the agenda be taken as proposed.

122. MINUTES OF THE MEETING HELD ON 25 NOVEMBER 2015

RESOLVED: That the Minutes of the meeting held on 25 November 2015 be approved as a correct record and signed.

123. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

124. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC (IF ANY)

It was noted that no questions had been received from members of the public.

125. REPORT OF THE HEAD OF FINANCE AND RESOURCES - COUNCIL TAX - TAX BASE 2016-17

The Committee considered the report of the Head of Finance and Resources which appraised Members of the information available on the tax base as at 17 October 2015 for Council tax purposes.

The Head of Finance and Resources advised that the proposed tax base would be 58525.4.

RESOLVED:

- 1) That pursuant to this report and in accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, that the amount calculated by this Authority as its Council Tax Base for the year 2016/17 will be 58525.4; and
- 2) In accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, that the amount calculated by this Authority as the Council Tax Base for each parish area for the year 2016/17 will be as identified in Appendix B to the report of the Head of Finance and Resources.

Voting: For: 14 Against: 0 Abstentions: 0

126. REPORT OF THE HEAD OF FINANCE AND RESOURCES - PROJECTED COLLECTION FUND ADJUSTMENT ACCOUNT 2015/16

Members considered the report of the Head of Finance and Resources which detailed the projected balance on the Collection Fund as at 31 March 2016 from Council Tax Collection and Business Rate Retention.

Members noted that there was a predicted surplus of £300,272 on income anticipated for the end of 2015/16 financial year. It was also estimated that there would be a net surplus on the Collection Fund of £1,016,915.

RESOLVED: That:

- 1) The Committee agrees the Council Tax projection of £1.017m (Maidstone's share £0.169m) as detailed in the report of the Head of Finance and Resources and as a result agree the distribution of the surplus set out in paragraph 3.7 of the report; and
- 2) The Committee also agrees the Business Rate projection of £0.681m (Maidstone's share £0.272m) as detailed in the report of the Head of Finance and Resources and as a result agrees the distribution of the surplus set out in paragraph 3.13 of the report.

Voting: For: 14 Against: 0 Abstentions: 0

Councillor Sargeant arrived at 6.45 p.m. during the debate of this item and therefore could not participate or vote.

127. **REPORT OF THE HEAD OF FINANCE AND RESOURCES - MEDIUM TERM FINANCIAL STRATEGY 2016-17 ONWARDS**

The Committee considered the report of the Head of Finance and Resources which updated Members on the budget strategy.

It was noted that in previous years this report followed the publication of the provisional financial settlement figure from Central Government. However, although imminent, this had not been received at the time of the meeting.

Members were advised that each of the Service Committees would be receiving a report on their fees and charges in January and the results of which would be reported back to this Committee in February.

The Head of Finance and Resources advised Members of the pressures and options facing the Council in the short, medium and long term in terms of its future delivery of services.

In addressing the areas around additional pressures, Members noted that there had been a significant amount of capital resources put against Pay Policy Assessment. The Committee, whilst recognising that the Employment Committee would be receiving a report in January on this, prior to it going to Council for ratification in March, requested that the Employment Committee send a reference to this Committee detailing any financial implications as a result of their decision.

RESOLVED:

- 1) That the Committee agree to continue to plan on the basis of the revised SRP set out at Appendix A to the report of the Head of Finance and Resources, including the revised resource and expenditure budgets as detailed in the report;

- 2) That the allocation of funding to assist the loss of council tax income by Parish Councils as set out in Appendix B to the report of the Head of Finance and Resources be agreed;
- 3) That the savings and efficiencies of this Committee as set out in Appendix C to the report of the Head of Finance and Resources be agreed;
- 4) That the Committee accepts the proposed savings and efficiencies from all service committees as set out in Appendix D to the report of the Head of Finance and Resources; and
- 5) That the Employment Committee be requested to consider a comparative analysis of the pay policy and current levels of pay at Maidstone Borough Council in advance of this Committee's meeting in February 2016 and produce a report to Policy and Resources Committee on any financial consequences of its decision as part of the strategic budget planning process.

Voting: For: 15 Against: 0 Abstentions: 0

128. ORAL REPORT OF THE HEAD OF FINANCE AND RESOURCES - PROVISIONAL FINANCIAL SETTLEMENT (IF NECESSARY)

As the Government had not released any details of the financial settlement by the time that this Committee met, this item was not required.

129. URGENT REFERENCE FROM COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE 8 DECEMBER 2015: MAIDSTONE'S APPROACH TO THE SYRIAN REFUGEE CRISIS

The Committee considered the Urgent Reference from the Communities, Housing and Environment Committee which had been referred to the Committee due to the budgetary implications and potential capital spend associated with the report.

In response to Members questions, the Head of Housing and Community Services advised that:-

- the commitment from the Council to take in six Syrian refugees could be reviewed in the future, if it was considered that the scheme has been an initial success.
- After five years if the refugees are granted leave to remain, they would have the same rights as anyone else and the Council would assist them to find their own accommodation if required.

RESOLVED:

That:

- 1) Maidstone Borough Council commits to take part in the Syrian Vulnerable Persons Scheme;

Voting: For: 13 Against: 1 Abstentions: 1

- 2) That, as per paragraph 4.1 of the report of the Head of Housing and Community Services, the Council's offer is 6 single males over the five year period, to be reviewed annually with an aim of increasing this through the lifetime of the scheme if viable;

Voting: For: 12 Against: 1 Abstentions: 2

- 3) The Council investigate options for the provision of housing, including the purchase of property from capital funds; and

Voting: For: 12 Against: 2 Abstentions: 1

- 4) Syrian refugees should be accepted as soon as suitable housing is available.

Voting: For: 12 Against: 1 Abstentions: 2

Councillor Mrs Blackmore proposed and Councillor Mrs Wilson seconded that the final recommendation as stated in the Reference be removed.

Voting: For: 14 Against: 0 Abstentions: 1

RESOLVED: That the final recommendation as stated in the Reference be removed.

130. REPORT OF THE HEAD OF PLANNING AND DEVELOPMENT - TOWN CENTRE STRATEGIC DEVELOPMENT PLAN 2015-2020

Members considered the report of the Director of Planning and Development which set out a vision, plan and programme of projects to develop, improve and enhance Maidstone Town Centre in line with the Council's approved policies and emerging aspirations.

In response to questions from Members, the Head of Commercial and Economic Development responded as follows:-

- the town centre was just one of four key themes of the Economic Development Strategy, there were many elements within the action plan that related to rural areas and these would be picked up at a later stage

- the digital information points would be implemented, in both the town centre and the rural areas

The Head of Commercial and Economic Development was asked to send a list of the documents that feed into this report by email to all Members of this Committee for information.

RESOLVED that:

- 1) The priority areas set out in Section 6 of the report of the Director of Planning and Development be approved;
- 2) The draft 5 year investment and action plan be approved;
- 3) The formation of a Town Centre Strategic Advisory Board be approved; and
- 4) The Chairman and Vice-Chairman of Policy and Resources Committee be nominated as members of the Town Centre Strategic Advisory Board.

Voting: For: 15 Against: 0 Abstentions: 0

131. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information for the reason specified having applied the Public Interest Test:

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

Report of the Director of Planning and Development – Business Plan for land and property following its acquisition	3 – Financial/Business Affairs
--	--------------------------------

Report of the Director of Planning and Development – Development of the Mall	3 – Financial/Business Affairs
--	--------------------------------

132. REPORT OF THE DIRECTOR OF PLANNING AND DEVELOPMENT - BUSINESS PLAN FOR LAND AND PROPERTY FOLLOWING ITS ACQUISITION

The Committee considered the exempt report of the Director of Planning and Development which set out the draft Business Plan following the Council’s acquisition of a site in partnership with Kent County Council.

Members noted the progress made to date in regard to the Business Plan, Collaboration Agreement and negotiations with third parties.

RESOLVED:

That:

- 1) The draft Business Plan at Appendix 1 to the exempt report of the Interim Director of Planning and Development be approved;
- 2) Delegated authority be given to the Interim Director of Planning and Development or Chief Executive to finalise the Business Plan in consultation with the Chairman of Policy and Resources Committee;
- 3) The short term holding strategy and capital expenditure is approved as set out in paragraph 2.10 of the exempt report of the Interim Director of Planning and Development;
- 4) Delegated authority be given to the Interim Director of Planning and Development or Chief Executive in consultation with the Chairman of Policy and Resources Committee to agree, and enter into, a Management Agreement/or lease with Kent County Council for its use of the car park; and
- 5) Approval is given for decisions relating to the project which must be taken by each Council to be made in co-located meetings of this Committee and the relevant KCC committee advising the Cabinet Member, subject to KCC's agreement.

Voting: For: 15 Against: 0 Abstentions: 0

133. **REPORT OF THE DIRECTOR OF PLANNING AND DEVELOPMENT - DEVELOPMENT OF THE MALL**

The Committee considered the exempt report of the Director of Planning and Development which set out details of the proposed scheme and how it would deliver these objectives and contribute to the Town Centre Development Plan.

Members noted the progress made to date in regard to the Council's 5 year Town Centre Development Plan.

RESOLVED:

That:

- 1) The Committee notes progress made with the significant project towards the comprehensive refurbishment and development of the Mall as part of the Council's 5 year Town Centre Development Plan;
- 2) Subject to a detailed business case and an appropriate commercial agreement, Committee endorsed the principle of the Council investing in this project, as detailed in the exempt report of the

Interim Director of Planning and Development;

- 3) The Committee agree that officers progress the specific business case for the acquisition of a building detailed in the exempt report of the Interim Director of Planning and Development as part of this proposed investment;
- 4) The Committee agrees that officers work closely with the respective stakeholders to develop the specification for a transport facility as detailed in the exempt report and report back on options for its delivery; and
- 5) The Committee requests that officers report back with further proposals and the business case to support capital investment to deliver the major scheme.

Voting: For: 15 Against: 0 Abstentions: 0

134. DURATION OF MEETING

6.30 p.m. to 10.25 p.m.

Policy and Resources Committee

27 January 2016

Is the final decision on the recommendations in this report to be made at this meeting?

No

Strategic Plan 2015-20 refresh

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Head of Policy and Communications
Lead Officer and Report Author	Policy and Information Manager
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. To consider the projects under the Priority Action areas and whether there is anything missing
2. Agree the action plan, milestones and outcomes (attached at Appendix I)

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all
- Securing a successful economy for Maidstone Borough

Timetable

Meeting	Date
Policy and Resources Committee	27 January 2016
Policy and Resources Committee	17 February 2016
Council	2 March 2016

Strategic Plan 2015-20 refresh

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Council's Strategic Plan sets the direction for the next five years and aligns with the Medium Term Financial Strategy. The Strategic Plan 2015-20 (Appendix II) will be refreshed for 2016 to ensure that it continues to align and projects remain relevant.
 - 1.2 The Council is facing a particularly challenging future with changes to funding from central government. The Council will remain objective led and outcome focussed.
 - 1.3 The Policy and Resources Committee have the opportunity to shape the work that delivers the priority action areas for this Committee before the final draft document and complete action plan is presented to them for consideration following review and agreement by the other Committees.
 - 1.4 The priority action areas for the Policy and Resources committee are
 - Promoting a range of employment opportunities and skills required across our Borough
 - Enhancing the appeal of the town centre for everyone
 - Providing a clean and safe environment (relates to one Crematorium project only)
 - 1.5 The Committee are asked to review the projects and related draft action plan identifying any changes that they consider may be required.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The Council's current Strategic Plan 2015-20 was agreed in March 2015 and set two priorities:
 1. Keeping Maidstone Borough an attractive place for all
 2. Securing a successful economy for Maidstone Borough
- 2.2 With eight priority action areas:
 - Providing a clean and safe environment
 - Encouraging good health and wellbeing
 - Respecting the character of our Borough
 - Ensuring there are good leisure and cultural attractions
 - Enhancing the appeal of the town centre for everyone
 - Securing improvements to the transport infrastructure of our Borough
 - Promoting a range of employment opportunities and skills required across the Borough
 - Planning for sufficient homes to meet our Borough's Needs

- 2.3 In September 2015 the Policy and Resource Committee agreed that the existing Strategic Plan would be refreshed to ensure that the actions and performance measures align with changes to the Budget Strategy.
 - 2.4 Chairmen and Vice Chairmen have already met with Head of Services and reviewed the proposed projects under the eight priority action areas and raised some areas for consideration. The draft action plan can be seen at Appendix I.
 - 2.5 The Policy and Resources Committee will receive the draft Strategic Plan 2016-17 refresh with the full completed action plan to review before it is presented to full Council in March 2016.
 - 2.6 It should be noted that whilst the Council's resources have been diminished as a result of the provisional local government finance settlement the ambition and aspiration to deliver our priorities remains. The Medium Term Financial Strategy remains aligned to the priorities and underpins their delivery.
-

3. AVAILABLE OPTIONS

- 3.1 The Committee reviews the projects and related actions plan and comments on areas for change or development, and help shape the Council's Strategic Plan. This can be seen at Appendix I.
 - 3.2 The Committee could decide not consider the update areas and defer any decision to the next Policy and Resources Committee in February when the draft Strategic Plan and related action plan will be considered. This would reduce the time for officers to take on any recommendations made by the Committee to shape future direction.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Committee reviews the projects and related action plan, comments on areas for change or development helping shape the Council's Strategic Plan.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 This agenda item is the first part of the consultation with Members of this Committee before the full draft refreshed action plan is submitted in February prior to consideration by Full Council in March 2016.
 - 5.2 Residents were consulted on our strategic priorities as part of developing the Strategic Plan 2015-20. Further consultation has now been undertaken through a resident survey, top ten results can be seen at Appendix III.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The full Strategic Plan 2015-20 (2016-17 refresh) will be reported to the Policy and Resources Committee along with any suggested changes from the Committee on 17 February 2016 and will be agreed at Full Council on 2 March 2016.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Keeping Maidstone Borough an attractive place for all Securing a successful economy for Maidstone Borough	Angela Woodhouse
Risk Management		[Head of Service or Manager]
Financial	Any significant changes recommended by the committee would need to align with the medium term financial strategy	Paul Riley
Staffing	Any changes to existing projects or work programmes may affect the staff delivering this	John Littlemore and Dawn Hudd
Legal		[Legal Team]
Equality Impact Needs Assessment		[Policy & Information Manager]
Environmental/Sustainable Development		[Head of Service or Manager]
Community Safety		[Head of Service or Manager]
Human Rights Act		[Head of Service or Manager]
Procurement		[Head of Service & Section 151]

		Officer]
Asset Management		[Head of Service & Manager]

8. REPORT APPENDICES

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

- Appendix I: Action Plan
- Appendix II: Strategic Plan 2015-20
- Appendix III: Resident Survey Results

9. BACKGROUND PAPERS

Strategic Priority: Keeping Maidstone Borough an attractive place for all

Priority Action: Respecting the Character of the Borough

Project	Detail	Milestones	Outcomes	Responsible Owner
Parish Charter	Undertake a review in 2016	<ul style="list-style-type: none"> • Consultation with Parishes • Undertake full review – October 2016 	Maintain a valuable and constructive relationship between the Borough Council and Parish Councils	John Littlemore
Culture and Heritage Strategy	Developing information base and plan.	RSA on a pilot project based on “what are the stories we tell each other, ourselves and others about who we are?” - April 2017	Ensuring that we make the most of our Culture and Heritage assets	Dawn Hudd

14

Strategic Priorities: Keeping Maidstone Borough an attractive place for all & Securing a successful economy for Maidstone

Priority Action: Ensuring there are good leisure and cultural attractions

Project	Detail	Milestones	Outcomes	Responsible Owner
A Sustainable Future for Mote Park	A plan will be adopted setting out a masterplan for the development and sustainability of Mote Park.	<ul style="list-style-type: none"> • Operational models explored for AZ and approach agreed – March 16 • Contract Administrator appointed for stage 2 build phase of AZ – March 16 	A range of outcomes have been identified including to, establish Mote Park as a destination recognising its status as one of Britain’s best loved parks and to protect the long term sustainability and financial future of the parks and open spaces and t.	Dawn Hudd

Strategic Priorities: Keeping Maidstone Borough an attractive place for all & Securing a successful economy for Maidstone

Priority Action: Ensuring there are good leisure and cultural attractions

15

Project	Detail	Milestones	Outcomes	Responsible Owner
		<ul style="list-style-type: none"> • Business case produced for a new Café/Visitor/Education Centre for Mote Park – March 16 • Funding bid submitted to HLF and/or other bodies – August 16 • Construction of AZ complete – Feb 17 • AZ open and operational – March 17 		
Play Area Improvements Programme	The £1.75m capital programme to replace strategic play areas will be delivered over 2016/17 and 2017/18.	<ul style="list-style-type: none"> • Complete play area designs for reviews by parks and leisure team - Feb 16 • Coordinate public communication at each play area, 	To ensure a network of strategically Important Play Areas based on a 12 minute walking time for local residents to ensure all round, healthy development of children and young people.	Dawn Hudd

Strategic Priorities: Keeping Maidstone Borough an attractive place for all & Securing a successful economy for Maidstone

Priority Action: Ensuring there are good leisure and cultural attractions

Project	Detail	Milestones	Outcomes	Responsible Owner
		<ul style="list-style-type: none"> outlining scope and closure periods – Feb 2016 • Commence works – March 2016 • Complete year one programme of works – July 2016 • Assess performance of contractor on year one programme. – July 2016 • Retender or Award phase 2 contract – August 2016 		
Parks & Open Spaces 10 Year Development Plan	A new plan will be produced which outlines the role of our parks and open spaces, how we will manage and develop	<ul style="list-style-type: none"> • Develop draft plan – Jan 2017 • Consultation with key stakeholders – April 2016 	A consolidated plan which sets out the role of parks and open spaces in our borough and addresses their sustainability for the future. Including identifying	Dawn Hudd

Strategic Priorities: Keeping Maidstone Borough an attractive place for all & Securing a successful economy for Maidstone

Priority Action: Ensuring there are good leisure and cultural attractions

Project	Detail	Milestones	Outcomes	Responsible Owner
	them.	<ul style="list-style-type: none"> Adoption of plan – Oct 2016 Consider the operational models – Jan 2017 	<p>maintenance and investment requirements.</p>	
Destination Management Plan	<p>Delivery has commenced on the three year Destination Management Plan Action plan with the DMP Board overseeing its delivery via four working groups based on the themes River, Town, Countryside and Events.</p>	<ul style="list-style-type: none"> DMP Project Working Groups set up – Nov 2015 Implement actions – Nov 2015 Update report to HCL Committee – May 2016 	<ul style="list-style-type: none"> Increase the value of tourism Connect the town with its surrounding countryside Encourage more overnight visitors to the Borough to come into the town centre – including in the early evening – and to explore Maidstone’s countryside and villages Strengthen potential visitors’ awareness and image of the Borough by using the Shared Story 	Dawn Hudd

Strategic Priorities: Keeping Maidstone Borough an attractive place for all & Securing a successful economy for Maidstone

Priority Action: Ensuring there are good leisure and cultural attractions

Project	Detail	Milestones	Outcomes	Responsible Owner
Museum Development Programme	A new 20 year Strategic Development Plan for Maidstone Museums will be produced and a Strategic Board set up to oversee its development and implementation.	<ul style="list-style-type: none"> • Scope prepared for a new Museums 20 Year Strategic Plan – Jan 2016 • Set up new Museums Strategic Board – Jan 2016 • Capital works completed in reception – April 2016 • Implement outstanding efficiencies identified from front of house review – April 2016 • Implement new budget – April 2016 • Draft Museums 20 Year Development Plan- April 2016 	The museum will be a flagship museum and a nationally recognised tourist destination	Dawn Hudd

Strategic Plan 2015-2020



Foreword from the Leader, Councillor Annabelle Blackmore



The Strategic Plan is Maidstone Borough Council's most important document because it illustrates how we will create the conditions in making Maidstone Borough an attractive place to live, work and visit. The council faces tough challenges over the next five years however we must create the conditions which allow for managed economic growth, but also respects our natural environment and the heritage which the county town of Kent possesses.

Maidstone is the county town of Kent and we have attracted investment and growth to help secure our future. We have a unique mix of rural Kentish villages, urban areas and a vibrant town centre, which makes Maidstone a highly desirable place in which to live, work and visit. However I believe we must not be complacent. Following public consultation about our priorities it was clear residents value a clean and safe borough and improvement to our transport infrastructure to ease the traffic congestion across the Borough of Maidstone.

The delivery of improved road infrastructure must occur through close working with key partners. For example work on the improved Bridges Gyratory scheme will start later in 2015. Other schemes across the borough will be funded through a variety of measures and will seek to improve key pinch points.

Although our borough is a clean and safe place we must work with all partners to continue to improve all areas of the public realm for the benefit of all. Working together with our parish councils and other local community groups we will facilitate improvements across the borough.

Over the next five years the Council will face a difficult financial future, along with most public sector organisations, as our funding for the provision of local services is reduced. We are taking steps to manage our assets more effectively through a series of measures including our Festivals and Events programme.

This document puts people at the heart of our plans. I want Maidstone to have a bright future and I believe the Strategic Plan sets out what we want to achieve over the next five years and what we will deliver for our residents, our businesses and also our visitors.

Our Vision, Mission and Values

OUR VISION

That our residents live in decent homes, enjoy good health and a pleasant environment, with a successful economy that is supported by reliable transport networks.

OUR MISSION

Putting People First.

PRIORITY 1

Keeping Maidstone Borough an attractive place for all

Providing a clean and safe environment

Encouraging good health and wellbeing.

Respecting the character of our Borough

Ensuring there are good leisure and cultural attractions

Enhancing the appeal of the town centre for everyone

PRIORITY 2

Securing a successful economy for Maidstone Borough

Securing improvements to the transport infrastructure of our Borough

Promoting a range of employment opportunities and skills required across our Borough

Planning for sufficient homes to meet our Borough's needs

OUR VALUES

Service

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

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

We have the courage to act on our convictions to build trust and honesty. We work with our partners and customers to create a feeling of openness and transparency in everything 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.

Providing a Clean and Safe Environment

Over the past 5 years, Maidstone Borough Council has demonstrated its commitment to deliver cost effective and sustainable waste and recycling services as a result our recycling rate has improved significantly. Maidstone does not experience high levels of crime. We have with our Community Safety Partnership agreed that reducing anti-social behaviour, domestic abuse, reoffending and improving road safety are our priorities up until 2018.

We mean:

- People feel safe in the Borough and they live in a clean environment of high quality

We will:

- Work with our partners to improve all areas of the public realm
- Deliver the waste and recycling strategy
- Deliver an efficient and effective street cleansing service
- Deliver the Community Safety strategy
- Deliver the Air Quality Strategy working with partners

Measured by:

- Resident satisfaction
- British crime survey
- Environmental quality indicators
- Recycling
- Reduction in residual waste
- Estimated levels of CO2 Emissions (per head of population)

Encouraging Good Health and Wellbeing

Deprivation in the borough is lower than average, however 15% (4,300) of children (under 16 years old) in Maidstone live in poverty. There is a larger difference in life expectancy of men and women; 7 years lower for men and 4 years lower for women in the most deprived areas of Maidstone than in the least deprived.

We mean:

- Addressing the social determinants of health through our role in services like Housing, Environmental Health and Community Development and our provider role in terms of leisure activities
- Improved health outcomes for residents, reduced health inequality

We will:

- Deliver our housing strategy
- Deliver our health inequalities action plan
- Work with businesses to promote health and wellbeing

Measured by:

- Health Indicators
- Number of private sector homes improved
- Disabled Facilities Grants
- Homelessness Prevention

Respecting the Character of our Borough

Maidstone is the county town of Kent, in terms of its geography it is largely rural and the countryside offers high quality landscape and biodiversity. Approximately 50% of the borough population lives in a parished area. We are focused on achieving economic prosperity, whilst at the same time balancing protecting the environment and landscape that makes the borough of Maidstone a great place to live, work in and visit.

We mean:

- Thriving and Resilient Urban and Rural Communities
- Listening to our communities
- Respecting our Heritage and Natural Environment
- Devolving services where we can and working with Kent County Council to do the same

We will:

- Deliver and honour our parish charter
- Deliver the communication and engagement action plan
- Work with our Parishes and Communities on the design of their communities

Measured by:

- Resident survey
- Parish survey

Ensuring there are good Leisure and Cultural Attractions

There is always something to see or do in Maidstone with the river, two museums and a theatre in the town centre, four green flag parks, a well-used leisure centre, a castle, various markets and a variety of festivals and events held across the Borough and throughout the year.

We mean:

- Maidstone has leisure and cultural offers which attract visitors and meet the needs of our residents

We will:

- Adopt and deliver a Destination Management Plan with a shared statement of intent to manage, develop and promote our borough
- Deliver the festival and events strategy
- Maximise the benefits of our leisure and cultural assets through our commercialisation approach to maintain key services

Measured by:

- Customer satisfaction with our leisure and cultural attractions
- Visitor economy indicators

Enhancing the Appeal of the Town Centre for Everyone

Maidstone has had an historically thriving town centre however we need to ensure that we keep pace with the changing economic environment and continue to meet the demands of businesses and consumers. Investment in Maidstone town centre is needed if it is to continue to be a popular place for leisure, to live, shop and work.

We mean:

- Ensuring we have a thriving and attractive town centre that is fit for the future

We will:

- Be proactive in delivering a vision for the town centre through working with partners, businesses and regenerating areas ourselves.

Measured by:

- % of vacant retail units
- Conversion of office space to residential,
- How Maidstone is rated as a retail destination
- Resident satisfaction

Securing Improvements to the Transport Infrastructure for our Borough

Maidstone is strategically situated between London and the channel ports and is serviced by two motorway networks, the M20 and M2, with rail connections to central London. With regard to travelling in and around the Borough by car, congestion is an issue particularly at peak time in the town centre. The bus transport network serving Maidstone town is relatively strong whilst rural transport presents distinct challenges.

We mean:

- A transport network that meets the needs of residents and businesses

We will:

- Deliver an integrated transport strategy and work with our partners to seek improvements to the transport infrastructure

Measured by:

- Measures from Integrated Transport Strategy
- Resident Survey

Promoting a range of employment skills and opportunities across the borough

There were 68,300 people employed in the Maidstone economy in 2012 with a high proportion in the public sector, reflecting the town's status as Kent's County Town and administrative capital. There were 6,760 registered businesses in Maidstone in 2012, equivalent to 43 businesses per 1,000 population, compared to 39 for England and an above average rate of self-employment.

We mean:

- Meeting the skills and employment needs of our residents, not becoming a dormitory borough and supporting and attracting businesses

We will:

- Adopt a Economic Development Strategy and Deliver with Partners.
- Work with businesses and support them to grow and develop
- Support the principle of an enterprise hub
- Work with our partners to support those not in education, employment or training (NEET)

Measured by:

- % of our residents that are NEET
- Net change in jobs
- % of Job Seekers Allowance claimants
- Business Start-ups versus failures

Planning for Sufficient Homes to meet our Borough's Needs

Over the last five years, the supply of new affordable housing within the borough has been greater than in neighbouring authorities, although still less than historic levels. 189 new affordable homes were built in the borough in 2013/14. In total 630 new homes were delivered in 2012/13, of these new homes over 80% were built on land that had previously been developed.

We mean:

- Having enough homes to meet our residents needs with sufficient homes across a range of tenures

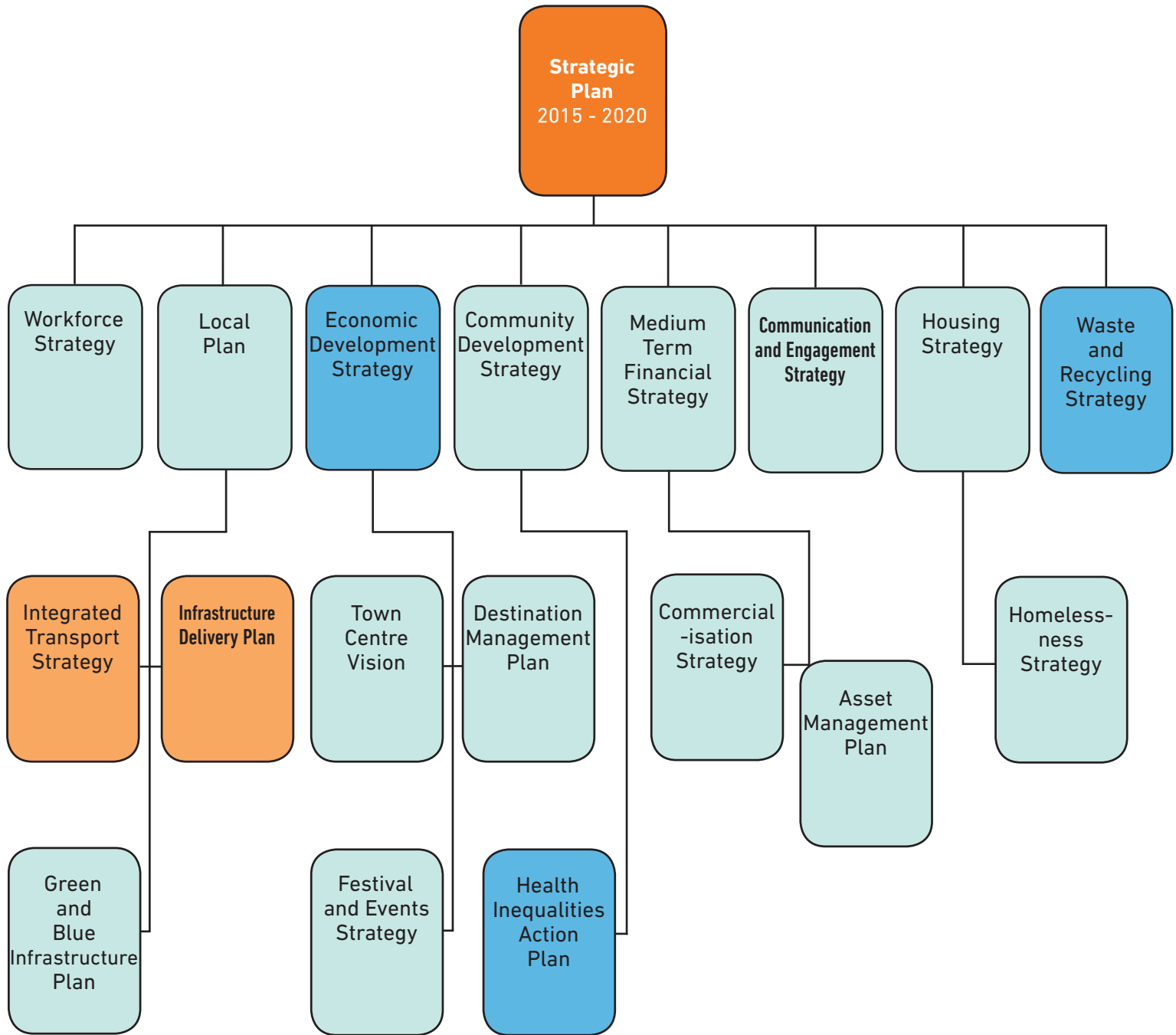
We will:

- Adopt a local plan
- Deliver the Housing Strategy

Measured by:

- Net Additional Homes
- % of additional homes that are affordable

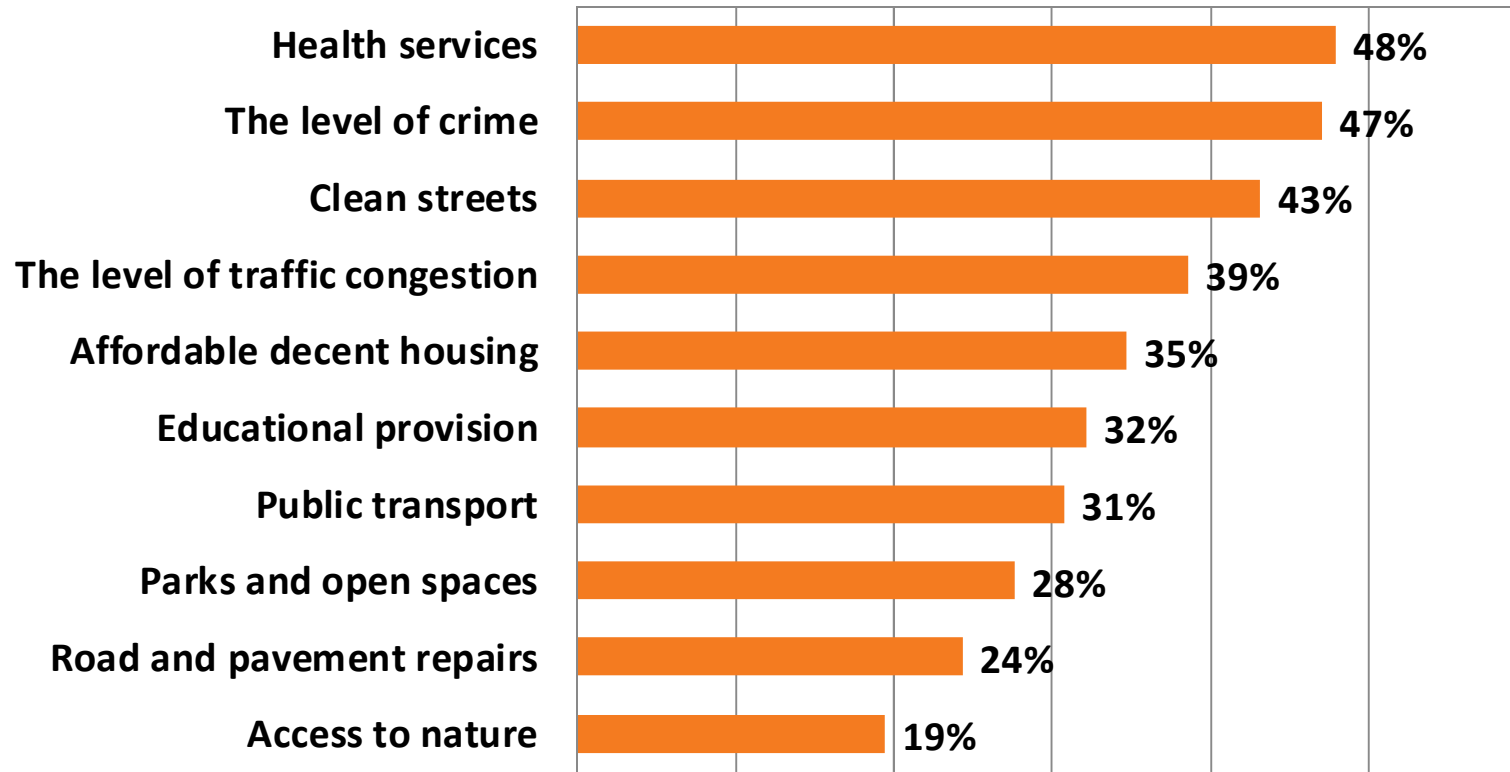
How it all fits together - Our Strategies and Plans



- Priority 1:** Keeping Maidstone an attractive place for all
- Priority 2:** Securing a successful economy
- Supports both priorities**

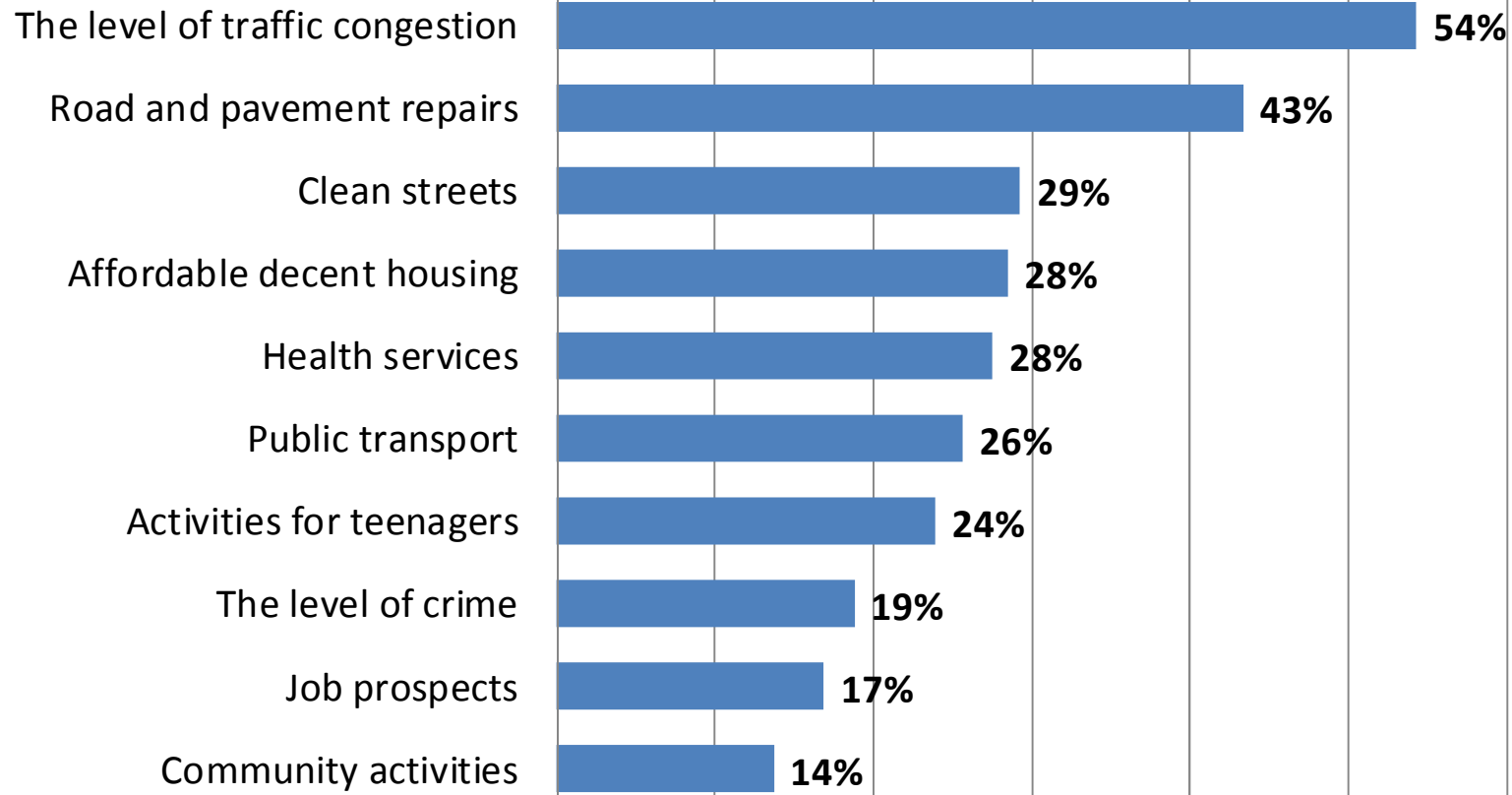
Top 10 things that are most important in making somewhere a good place to live

0% 10% 20% 30% 40% 50% 60%



Top ten things that most need improving

0% 10% 20% 30% 40% 50% 60%



Agenda Item 12

POLICY & RESOURCES COMMITTEE

27 JANUARY 2016

Is the final decision on the recommendations in this report to be made at this meeting?

No

MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS – UPDATE

Final Decision-Maker	Council
Lead Head of Service	Head Of Finance & Resources
Lead Officer and Report Author	Head Of Finance & Resources
Classification	Public Report
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the Committee notes the impact of the provisional local government finance settlement on the Council's medium term financial strategy.
2. That the Committee agrees the additional savings and efficiencies set out in Appendix B to this report.
3. That the Committee agrees the potential efficiency plan for the period to 2020/21 as set out in Appendix D for inclusion in the medium term financial strategy.

This report relates to the following corporate priorities:

The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.

Timetable	
Meeting	Date
Policy & Resources Committee	27 th January 2016
Policy & Resources Committee	17 th February 2016
Council	2 nd March 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS – FINAL REVIEW

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Committee will consider the final budget proposals for 2016/17 and the final medium term financial strategy at its meeting in February 2016. During January each year final consultation with service committees would occur and this process is ongoing.
 - 1.2 This year it has become necessary for the Committee to consider this additional report due to significant changes to the resources available to the Council that have come to light since the Committee met on 16 December 2015.
 - 1.3 This report informs the Committee of the impact of the provisional local government finance settlement announced by the Secretary of State for Communities and Local Government on 17 December 2015. This was the day after this Committee's December meeting.
 - 1.4 The provisional local government finance settlement results in a significant reduction in the Council's resources when compared to the assumptions made in the report considered by this Committee on 16 December 2016. The reduction creates an immediate gap in the Committee's plans for a balanced budget for 2016/17.
 - 1.5 This report sets out specific proposals from within the Committee's service areas to assist in resolving the immediate need to balance the budget for 2016/17. The report also provides the committee with the proposals from each of the three other service committees on resolving that same immediate need.
 - 1.6 The report also provides high level proposals for an approach to delivering the full level of savings now required by the Council's medium term financial strategy from 2017/18 to 2020/21.
-

2. INTRODUCTION AND BACKGROUND

Maintaining the Council's Current Priorities

- 2.1 It should be noted that whilst the Council's resources have been diminished as a result of the provisional local government finance settlement the ambition and aspiration to deliver our priorities remains. The Medium Term Financial Strategy remains aligned to the priorities and underpins their delivery.

Background

- 2.2 The work to date on the medium term financial strategy for revenue was reported to Policy and Resources Committee on 16th December 2015. At that meeting the Policy and Resources Committee confirmed the proposals put forward by each service committee for growth, savings and efficiencies.
- 2.3 At the time of this Committee's December 2015 meeting the provisional local government finance settlement had not been announced. The reported details, as endorsed, produced a balanced budget for 2016/17 based upon an earlier estimate of the revenue support grant and business rates values.

The Provisional Local Government Finance Settlement 2016/17

- 2.4 The provisional local government finance settlement was received on 17th December 2015 and provided significantly less resources than the earlier estimate. The variance between the estimated figures as reported to this Committee in December 2015 and the provisional local government finance settlement are set out in **Appendix A**. The Committee should note that the revised figures place an immediate pressure of £628,000 on the budget for 2016/17. Throughout the five year period of the medium term financial strategy the total additional pressure is £2,879,000.
- 2.5 Combined with savings already identified and pressures that existed at 16 December 2015 the Council has a need to find £7,373,000 in savings and efficiencies over the five years of the strategy. At its December meeting the Committee reviewed proposals that totalled £2,679,000 and is considering proposals totalling a further £628,000 in this report.
- 2.6 Because some of the proposed savings in the £628,000 considered in Appendix B are the result of changes to delivery timelines and not new proposals, the sum still to find is £4,177,000 and not the net difference of £4,066,000.
- 2.7 This additional impact on this Council arises from two major assumptions in the methodology applied by government to the allocation of resources.
- a) The first assumption directs resources towards those authorities that have direct responsibility for adult social care and away from other authorities;
 - b) The second assumption is the method of calculating each authorities "core spending power" (the combined value of business rates, council tax, new homes bonus and revenue support grant)
- 2.8 The first assumption does not fully consider the consequential impact of many district council services such as housing, recreation and cleaning on health and therefore adult social care. The second assumption calculates future increases in the level of council tax income for this authority that it could not deliver given current trends and the limit on council tax increases.
- 2.9 The result of this is that the government considers this Council able to contribute towards the redirection of resources at a higher level than the

total amount of revenue support grant it receives. Due to this fact the Council will see the complete removal of revenue support grant after 2016/17 and an adjustment to its business rates tariff (paid to central government) from 2017/18. By 2019/20 the Council will pay £1,589,000 in additional business rates tariff to central government.

- 2.10 Only 15 authorities in the country are affected this significantly and this immediately. Three of these authorities are in Kent, this Council, Tonbridge and Malling Borough Council and Sevenoaks District Council. Together with 11 of the remaining 12 hardest hit authorities these three Kent Councils have been included in a joint submission in response to the Government's consultation on the provisional local government finance settlement for 2016/17.
- 2.11 In addition the Council has submitted its own direct response to the consultation.
- 2.12 The Council must agree a balanced budget at the budget settling meeting on 2 March 2016. Each of the three other service committees have, at their meetings this month, considered proposals to support the additional efficiencies required. The proposals for this committee to consider in relation to its service areas are set out in **Appendix B**.
- 2.13 The proposals are:
- a) A pay and inflation adjustment that amends the previous assumptions made about increases in rent, fuel and business rates along with an adjustment to the value of the employers national insurance contribution. All of these are possible because the final rates of increase are lower than predicted last year.
 - b) The maximum use of the contingency budget, which means that no contingency will exist over that afforded by the level of balances maintained by the Council.
 - c) The maximum use of the available business rates growth achieved by the Council outside of the business rates pool.
 - d) A change to the funding and timing of the pay policy review. This budget pressure remains subject to consideration by Employment Committee and any necessary amendment to the proposal will be provided by a verbal update to the Committee.
 - e) Within three areas of the Committee's services further reductions can be made that will enable early deliver of some plans. In addition a proposal to delete a long term vacancy has been made.
 - f) A reduction in the training budgets across the Council to reflect current staffing levels is proposed to deliver a £10,000 saving.
- 2.14 The proposals agreed by all four committees, including the proposals for this committee set out in Appendix B above, are set out in full in **Appendix C**. At the time of producing this report two of the three service committees had not met to consider the proposals and, if amendments to the

information set out in Appendix C are necessary, an update will be provided at the meeting.

- 2.15 The proposals have been developed and reviewed so as to provide a balanced budget for 2016/17. Given the late stage at which the Council has been presented with this need, the proposals are also those that offer least risk as there remains insufficient time to fully develop new ideas or mitigations for higher risk ideas. As a consequence some of the proposals relate to ideas already considered but now proposed for 2016/17 rather than later years.
- 2.16 The proposals therefore place a greater risk on delivery of the medium term savings and efficiencies from 2017/18 to 2020/21 and a formalised statement of actions planned to identify efficiencies over that period has been developed. Proposed areas of activity and preliminary efficiency gains are set out in **Appendix D** for consideration.
- 2.17 The Committee should note that the proposals do not create a balanced budget for each year of the medium term financial strategy and the response to the Government's consultation makes it clear that local government needs additional freedoms if it is to successfully provide essential services within the resource levels set out in the provisional local government finance settlement. These freedoms are issues such as:
- a) Removal of the referendum limit so local authorities can set council tax at a level that reflects the level of services expected by residents;
 - b) Removal of restrictions to the Local Council Tax Support schemes e.g. protection for pensioners;
 - c) Abolition of the single person discount;
 - d) Enabling full cost recovery on fees such as those for planning applications and licences which are set at statutory levels;
 - e) Changes to the requirements relating to the minimum revenue provision requirements (a revenue control over the Council's power to borrow appropriate to the risk).
- 2.18 A summary list of the 2016/17 budget for service areas that are the responsibility of this Committee, combining together all of the previously agreed plans, is set out at **Appendix E**. The budgets shown do not take account of the additional savings proposed in Appendix B.
- 2.19 Final approval of the budget is reserved for the Council's budget setting meeting on 2 March 2016. This Committee will consider the final details and agree a set of recommendations to Council at its meeting on 17 February 2016. By that time it is hoped that the government will have responded to the consultation and the Council will have received notification of its final settlement.

LONGER TERM IMPLICATIONS OF GOVERNMENT STRATEGY

- 2.20 The provisional local government finance settlement provides indicative figures for the four years from 2016/17 to 2019/20. It is from this information that the details of this report have been developed.
- 2.21 The four year settlement is an offer that the Council is required to accept if it wishes to fix the values for years after 2016/17. In order to accept this offer the Council must produce an efficiency statement that shows how the Council will achieve service provision within the resources provided by the settlement. The statement must be submitted to the Department for Communities and Local Government along with a formal acceptance of the settlement.
- 2.22 At this time the government has not provided detailed guidance on the efficiency statement or the process for accepting. In addition the government has not explained whether the four year settlement is a minimum settlement or an absolute settlement. The government has confirmed that additional details will be provided with the reply to the consultation responses.
- 2.23 It is hoped that the Committee can be updated on the position at its meeting on 17 February 2016 when it considers its final recommendations to Council on the budget for 2016/17.
- 2.24 Another longer term implication, that has unknown consequences at this time, is the review of the business rates system scheduled to take effect from 2020 with the retention of 100% of business rates by local government. It is clear that the Council should expect additional responsibilities and therefore additional cost from this proposal but it is not clear at this time that the Council would gain from additional business rates retained locally. Given the current proposals to redirect additional business rates away from this Council it is most likely that the net effect of the review will be a further net loss of resources to this Council.
- 2.25 The significance of the medium term impact cannot be understated and could lead to service diminution or loss. The status quo no longer creates a viable option for the Council's long term viability and there is a need to look to progress many initiatives that are developing nationally such as devolution, cross sector integration and a partnership approach to future service provision.

3. AVAILABLE OPTIONS

- 3.1 **Option 1:** The Committee could choose to confirm the proposed efficiencies as set out in Appendix B for inclusion in the Committee's budget plan, set out at Appendix E. This will enable the Committee's services to be funded at a level that is compatible with continued service provision while supporting the Council corporately to agree a balanced budget for 2016/17. In addition the Committee could note the preliminary efficiency plan set out at Appendix D as the outline proposal to achieve a balanced budget for the period of the medium term financial strategy.

- 3.2 **Option 2:** The Committee could propose alternative additional savings and efficiencies for 2016/17. Subject to a suitable level of savings and efficiencies, this option could provide a balanced budget. However any decision made at this late stage may not allow adequate time to evaluate and action any alternative proposals in time for 1st April 2016. The medium term plan does not at this time provide enough resources to
- 3.3 **Option 3:** The Committee could reject the proposed savings or propose further growth. The proposal would be refer to Policy & Resources Committee on 17th February 2016. Given the financial pressure on the organisation it is unlikely that Policy & Resources Committee would be able to accept a request of this type and may need to choose savings options without the Committee’s consent.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 1 is the preferred option as it provides the committee with revised and reduced resources and supports the Council’s medium term financial strategy in a managed and controlled way.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The three other service committees have previously considered and endorsed the revenue budget for their service areas and have considered and agreed the additional savings set out in Appendix C where these relate to their services.
- 5.2 Members should note that Appendix C is provided for endorsement only as the relevant service committee has considered and agreed the proposals included in the report.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The decision made at this time will be incorporated into the medium term financial strategy and the budget for 2016/17. The committee will consider its final proposals to Council at its meeting on 17 February 2016 and any update to the provisional local government finance settlement following the consultation period.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The medium term financial strategy and the budget are a re-statement in financial terms	Head of Finance &

	of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Resources
Risk Management	<p>Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk.</p> <p>The significance of the effect of the provisional finance settlement on the medium term financial strategy requires additional savings and efficiencies when the medium term financial strategy is in the final stage of development. Late developments such as these increase the risk of non-delivery. It will be necessary for the budget and specifically these proposals to be carefully monitored in 2016/17.</p>	Head of Finance & Resources
Financial	<p>The MTFS impacts upon all activities of the Council. The future availability of resources to address specific issues is planned through this process.</p> <p>It is important that the committee is aware of the additional budget pressure placed upon the medium term financial strategy by the provisional finance settlement. The settlement is for the four years 2019/20</p>	Head of Finance & Resources
Staffing	The report proposes funding to ensure that the Committee has resources to fund appropriate salaries.	Head of Finance & Resources
Legal	The Council has a statutory obligation to set a balanced budget and development of the savings proposals assists this obligation.	Head of Finance & Resources

Equality Impact Needs Assessment	<p>The objective of the MTFS is to match available resources to the priorities set out in the Strategic Plan. Delivery of those priorities should enable delivery in line with the impact assessment of the strategic plan.</p> <p>When the service committees and this committee have considered all of the proposals a new comprehensive EIQA will be produced that takes into account any additional service changes proposed. This will form part of the Committee's considerations in February 2016.</p>	Head of Finance & Resources
Environmental/Sustainable Development	None identified	Head of Finance & Resources
Community Safety	None identified	Head of Finance & Resources
Human Rights Act	None identified	Head of Finance & Resources
Procurement	None identified	Head of Finance & Resources
Asset Management	Resources for management and maintenance of the Committee's assets are included within the proposed budget.	Head of Finance & Resources

8. REPORT APPENDICES

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

- Appendix A: Comparison of the resources available from the estimated finance settlement and the provisional finance settlement.
- Appendix B: Additional Budget Savings and Efficiencies 2016/17 – Policy & Resources Committee.
- Appendix C: Additional Budget Savings and Efficiencies 2016/17 – All Committees.
- Appendix D: MTFS Preliminary Efficiency Plan 2016/17 to 2020/21
- Appendix E: Summary Budget 2016/17

9. BACKGROUND PAPERS

None

MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS

IMPACT OF PROVISIONAL FINANCE SETTLEMENT

TABLE 1: DATA FROM 16 DECEMBER 2015 REPORT TO P&R

2015/16 £,000		2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
2,267	REVENUE SUPPORT GRANT	1,463	922	420	0	0
2,959	RETAINED BUSINESS RATES	3,018	3,078	3,140	3,203	3,267
1,176	BUSINESS RATES GROWTH & POOL INCOME	1,186	1,196	1,206	1,216	1,226
302	COLLECTION FUND ADJUSTMENT	169				
13,429	COUNCIL TAX	14,069	14,456	14,855	15,264	15,685
20,133	BUDGET REQUIREMENT	19,905	19,652	19,621	19,683	20,178
14,214	OTHER INCOME	14,214	14,214	14,214	14,214	14,214
34,347	TOTAL RESOURCES AVAILABLE	34,119	33,866	33,835	33,897	34,392

TABLE 2: DATA FROM PROVISIONAL FINANCE SETTLEMENT

2015/16 £,000		2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
2,267	REVENUE SUPPORT GRANT	870	0	0	0	0
2,959	RETAINED BUSINESS RATES	2,983	3,042	3,132	3,232	3,297
1,176	BUSINESS RATES GROWTH & POOL INCOME	1,186	1,196	1,206	1,216	1,226
	BUSINESS RATES ADJUSTMENT		-223	-868	-1,589	-2,909
302	COLLECTION FUND ADJUSTMENT	169				
13,429	COUNCIL TAX	14,069	14,456	14,855	15,264	15,685
20,133	BUDGET REQUIREMENT	19,277	18,471	18,325	18,123	17,299
14,214	OTHER INCOME	14,214	14,214	14,214	14,214	14,214
34,347	TOTAL RESOURCES AVAILABLE	33,491	32,685	32,539	32,337	31,513

TABLE 3: REVISED TARGET FIGURES

2015/16 £,000		2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
	DECEMBER P&R SAVINGS TARGET	1,753	1,198	910	572	61
	SAVINGS IDENTIFIED	1,753	459	418	49	0
	BALANCE REMAINING PER P&R REPORT	0	739	492	523	61
	REVISED SAVINGS TARGET FROM PFS	2,381	1,751	1,025	836	1,380
	SAVINGS IDENTIFIED	1,753	459	418	49	0
	BALANCE REMAINING PER P&R REPORT	628	1,292	607	787	1,380
	INCREASED IMPACT	628	553	115	264	1,319

**POLICY & RESOURCES COMMITTEE
ADDITIONAL SAVINGS PROPOSALS**

	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
ADDITIONAL SAVINGS PROPOSALS					
PAY AND INFLATION ADJUSTMENT	-71				
MAXIMISE CONTINGENCY	-100				
MAXIMISE BUSINESS RATES	-95				
PAY POLICY REVIEW	-100				
STAFFING CHANGES	-48				
TRAINING BUDGETS	-10				
	-424	0	0	0	0

**POLICY & RESOURCES COMMITTEE
ALL COMMITTEES' ADDITIONAL SAVINGS PROPOSALS**

	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
ADDITIONAL SAVINGS PROPOSALS					
PAY AND INFLATION ADJUSTMENT	-87				
FEES & CHARGES	-50				
MAXIMISE CONTINGENCY	-100				
MAXIMISE BUSINESS RATES	-95				
PAY POLICY REVIEW	-100				
STAFFING CHANGES	-48				
TRAINING BUDGETS	-10				
PLANNING FEES & CHARGES	-40				
ALTERNATIVE WEIGHBRIDGE PROVISION	-8				
CAFÉ INCOME	-30				
STREET NAMING & NUMBERING INCOME	-20				
FREIGHTER SERVICE	-40				
	-628	0	0	0	0

POLICY & RESOURCES COMMITTEE
PRELIMINARY EFFICIENCY PROPOSALS
2016/17 TO 2020/21

	£,000	£,000	Lead Officer:
ALREADY CONSIDERED AND AGREED		3,177	
PROPOSED STRATEGY			
CONTRACT REVIEWS	595		Head of Policy & Communications
STRUCTURE REVIEWS	170		Chief Executive
MAIDSTONE CULTURE & LEISURE	150		Head of Commercial & economic Development
MKIP AND OTHER PARTNERSHIPS	350		Director of Mid Kent Services
HOUSING - PROVISION / OPERATION	300		Head of Housing & Environment
NEW COMMERCIAL ACTIVITY	150		Head of Environment & Public Realm
SERVICE AND BUDGET REVIEW	480		Head of Finance & Resources
COMMERCIAL ACQUISITIONS	150		Head of Finance & Resources
MEMBER SERVICES	92	2,437	Head of Finance & Resources
REQUESTED FREEDOMS			
COUNCIL TAX	169		Head of Finance & Resources
FEES AND CHARGES	500	669	Head of Finance & Resources
TOTAL PROPOSED		6,283	
CURRENT ESTIMATED NEED FOR EFFICIENCIES		7,373	
BALANCE TO FIND		1,090	

**POLICY RESOURCES COMMITTEE
SUMMARY BUDGET 2016/17**

Cost Centre	Original Estimate	Revised Estimate	Original Estimate
	2015/16	2015/16	2016/17
	£	£	£
Economic Research	8,600.00	8,480.00	9,350.00
Business Support & Enterprise	19,100.00	19,100.00	19,100.00
Town Centre Management Sponsorship	15,000.00	18,000.00	15,000.00
Business Terrace	0.00	64,370.00	100,080.00
Economic Dev Government Initiatives	1,400.00	1,400.00	1,400.00
Economic Dev - Promotion & Marketing	25,900.00	181,040.00	25,900.00
Civic Occasions	37,400.00	43,520.00	37,510.00
Members Allowances	412,530.00	412,530.00	412,540.00
Members Facilities	67,760.00	67,760.00	67,790.00
Subscriptions	18,100.00	18,100.00	18,100.00
Overview & Scrutiny	9,350.00	9,350.00	9,350.00
Contingency	274,880.00	438,390.00	100,000.00
Performance & Development	14,800.00	64,800.00	14,800.00
Corporate Projects	42,840.00	315,740.00	49,610.00
Press & Public Relations	19,230.00	41,200.00	41,200.00
Corporate Management	140,880.00	153,780.00	140,880.00
Mid Kent Improvement Partnership	960.00	0.00	40,000.00
Unapportionable Central Overheads	1,636,375.00	1,636,375.00	1,686,380.00
Council Tax Collection	-285,200.00	-285,200.00	-285,200.00
Council Tax Benefits Administration	-160,200.00	-160,200.00	-160,200.00
NNDR Collection	-244,370.00	-244,370.00	-244,370.00
Registration Of Electors	77,500.00	117,740.00	78,310.00
Elections	114,340.00	110,370.00	115,690.00
Emergency Centre	33,980.00	33,980.00	33,980.00
Medway Conservancy	108,870.00	108,870.00	111,050.00
External Interest Payable	173,050.00	173,050.00	150,820.00
Interest & Investment Income	-270,000.00	-270,000.00	-270,000.00
Palace Gatehouse	-9,420.00	-4,110.00	-4,130.00
Archbishops Palace	-98,360.00	-98,930.00	-98,280.00
Parkwood Industrial Estate	-340,730.00	-307,540.00	-301,540.00
Industrial Starter Units	-19,070.00	-24,510.00	-22,300.00
Parkwood Equilibrium Units	-45,125.00	-34,725.00	-34,620.00
Sundry Corporate Properties	-103,640.00	-103,170.00	-147,450.00
Parks Dwellings	-13,160.00	-20,930.00	-26,090.00
Chillington House	-41,130.00	-34,130.00	-41,130.00
Phoenix Park Units	0.00	-217,400.00	-217,240.00
Non Service Related Government Grants	-4,251,850.00	-4,256,640.00	-5,098,410.00
Rent Allowances	-344,090.00	-344,090.00	-344,090.00
Non HRA Rent Rebates	3,320.00	3,320.00	3,320.00
Discretionary Housing Payments	2,300.00	2,300.00	2,300.00
Housing Benefits Administration	-439,660.00	-439,660.00	-339,660.00
Economic Development Section	196,620.00	216,440.00	215,850.00
Head of Economic and Commercial Development	92,870.00	92,860.00	99,110.00
Commercial Projects Manager	52,110.00	52,090.00	54,750.00
Democratic Services Section	102,540.00	136,030.00	106,460.00
Mayoral & Civic Services Section	99,090.00	97,750.00	101,600.00
Overview and Scrutiny Section	43,540.00	23,150.00	0.00
Chief Executive	156,900.00	154,940.00	161,430.00
Communications Section	165,510.00	166,870.00	171,110.00
Policy & Information	116,280.00	184,980.00	204,240.00
Head of Policy and Communications	95,230.00	96,590.00	100,130.00
Revenues Section	343,260.00	434,840.00	391,870.00
Registration Services Section	100,420.00	123,000.00	103,570.00
Benefits Section	430,250.00	396,040.00	434,150.00
Fraud & Visiting Partnership Section	158,560.00	122,710.00	128,990.00
Head of Internal Audit & Risk Strategy	184,410.00	184,470.00	203,350.00
Head of Human Resources	85,800.00	114,370.00	86,520.00
Human Resources	165,810.00	170,970.00	184,130.00
Pay & Information	112,260.00	112,020.00	117,840.00

**POLICY RESOURCES COMMITTEE
SUMMARY BUDGET 2016/17**

Cost Centre	Original Estimate	Revised Estimate	Original Estimate
	2015/16	2015/16	2016/17
	£	£	£
Learning & Development	108,400.00	108,680.00	112,910.00
Director of Regeneration & Communities	131,180.00	131,140.00	133,600.00
Head of Finance and Resources	94,060.00	97,880.00	101,760.00
Accountancy Section	517,400.00	585,430.00	604,810.00
Legal Services Section	419,610.00	418,200.00	518,650.00
Director of Environment & Shared Service	131,380.00	131,720.00	134,170.00
Property & Procurement Manager	79,480.00	79,450.00	80,630.00
Procurement Section	66,570.00	65,640.00	68,840.00
Property & Projects Section	249,560.00	248,830.00	255,500.00
Facilities & Corporate Support Section	492,110.00	468,560.00	452,330.00
Improvement Section	200,260.00	225,630.00	234,340.00
Executive Support	192,580.00	149,950.00	154,950.00
Customer Services Management	62,190.00	79,300.00	75,150.00
Gateway Reception Section	326,320.00	0.00	0.00
Contact Centre	383,190.00	0.00	0.00
Revenues & Benefits Manager	229,800.00	222,870.00	233,370.00
Revenues & Benefits Business Support	141,780.00	124,900.00	129,780.00
Mid Kent ICT Services	619,730.00	619,690.00	653,580.00
GIS Section	100,840.00	98,100.00	104,040.00
Customer Services Section	0.00	795,330.00	678,110.00
Town Hall	72,920.00	92,760.00	81,830.00
South Maidstone Depot	129,070.00	125,720.00	128,900.00
The Gateway King Street	151,380.00	145,050.00	83,750.00
Maidstone House	1,397,760.00	1,325,220.00	1,277,660.00
I.T. Operational Services	435,090.00	328,090.00	331,090.00
Central Telephones	65,200.00	60,200.00	60,200.00
Mid Kent ITC Software	30,270.00	141,270.00	141,270.00
Youth Development Programme	47,520.00	47,500.00	47,950.00
Internal Printing	-85,240.00	-85,240.00	-85,240.00
Debt Recovery Service	0.00	0.00	1,690.00
Appropriation Account	456,950.00	648,710.00	916,640.00
Policy & Resources	6,541,280.00	7,558,660.00	6,227,110.00

Agenda Item 13

POLICY & RESOURCES COMMITTEE

27 JANUARY 2016

Is the final decision on the recommendations in this report to be made at this meeting?

No

MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS – CAPITAL PROGRAMME

Final Decision-Maker	Council
Lead Head of Service	Head Of Finance & Resources
Lead Officer and Report Author	Head Of Finance & Resources
Classification	Public Report
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the committee agrees the strategy's principles as set out in paragraphs 2.7 to 2.12;
2. That the Committee agrees the capital funding projection set out in Appendix B to this report;
3. That the Committee agrees the capital programme 2016/17 onwards as set out in Appendix C to this report;
4. That the Committee notes that in agreeing recommendations 2 and 3 above the Committee will set a prudential borrowing limit of £38,475,000 over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2016/17 by the Audit, Governance & Standards Committee.

This report relates to the following corporate priorities:

The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.

The Capital Programme identifies key projects requiring long term funding to improve assets and regenerate the borough.

Timetable

Meeting	Date
Policy & Resources Committee	27 th January 2016
Policy & Resources Committee	17 th February 2016
Council	2 nd March 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS – CAPITAL PROGRAMME

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To determine the strategy for developing the future capital programme, for 2016/17 onwards, as part of the consideration of the medium term financial strategy.
 - 1.2 To consider and approve the amount and allocation of capital resources for the delivery of the objectives of the strategic plan and other key strategies.
-

2. INTRODUCTION AND BACKGROUND

INTRODUCTION

- 2.1 Attached at **Appendix A** is a summary of the current capital programme. The programme was originally approved by Council in March 2015. Subsequently, Policy & Resources Committee has approved amendments at its meetings that are reflected in Appendix A.
- 2.2 In regular spending reviews since 2010 the government has reduced the level of resources available for capital expenditure. The most direct effect for Maidstone to date has been seen in the area of support for affordable housing through the Homes and Communities Agency.
- 2.3 At the present time most of the balance of government funding is being directed through Local Enterprise Partnerships (LEP). Proposals must therefore be submitted as bids to the South East LEP if the resources are to be directed towards Maidstone initiatives. The Council has had some success in gaining funding for infrastructure schemes through bids to government by the SELEP and these are considered in the future programme.
- 2.4 As part of the Autumn Statement the Chancellor of the Exchequer confirmed a review of the New Homes Bonus system. The consultation has been announced to coincide with the ending of the first six year cycle of the grant. The major proposal is to make the award of new homes bonus more effectively linked to the incentive for growth in housing. Amongst the proposals are these key issues:
 - a) The reduction of the period of the cycle from six years to four, with immediate effect and backdated to cover six year payments currently being received;
 - b) An allowance for the natural growth in housing from normal levels of development for which new homes bonus will not be paid. Proposed currently at 0.25% annual increase;

- c) Restrictions on the award of New Homes Bonus where development is approved on appeal;
 - d) No New homes Bonus paid to authorities that do not have a current Local Plan.
- 2.5 It has been a principle of the Council's capital programme that New Homes Bonus receipts are used to support the capital programme and in particular the needs of the infrastructure delivery plan and commercialisation.
- 2.6 The principle of a 33% reduction in funding from New Homes Bonus has been the subject of previous debate when the government planned to implement a review in 2014/15 and the current capital programme assumed a 35% reduction in receipts from 2016/17. This assumption has been continued into the future planning of the programme.

MEDIUM TERM FINANCIAL STRATEGY PRINCIPLES

- 2.7 The medium term financial strategy for capital is approved annually by Council and includes the principles set by the Council for the development and control of the programme. These principles require amendment to reflect the current governance structure of the Council and are proposed as:

Appraisal of Schemes

- 2.8 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code and the following locally set principles:
- a) Where schemes fit within a specific strategy and resources are available within the capital programme for that strategy, such as the Asset Management Plan, the schemes would also be subject to appraisal and prioritisation against the objectives of that strategy. These schemes must be individually considered and approved by the relevant service committee following the approval of the full programme.
 - b) Where schemes can be demonstrated to be commercial in nature and require the use of prudential borrowing, a business case must first be presented to the relevant service committee. The relevant service committee will recommend approved proposals to the Policy and Resources Committee for final approval of the prudential borrowing.
- 2.9 Where schemes do not fit within the criteria above but an appropriate option appraisal has been completed, evaluation and prioritisation will remain as previously approved by Council and set out below:

1st For statutory reasons;

- 2nd Fully or partly self-funded schemes focused on strategic plan priority outcomes;
- 3rd Other schemes focused on strategic plan priority outcomes; and
- 4th Other priority schemes with a significant funding gearing

2.10 If, following all considerations, there are a number of approved schemes that cannot be accommodated within the current programme a prioritised list of schemes that can be added to the programme as future resources permit will be created and approved by Policy and Resources Committee thus allowing officers to focus funding efforts on delivering schemes that are next in priority order.

2.11 The MTFS requires the Council to identify actual funding before commencement of schemes and that, while schemes may be prioritised for the programme, ultimately commencement of any individual scheme can only occur once all the necessary resources have been identified and secured.

Resources

2.12 The MTFS principles require that the Council will maximise the resources available to finance capital expenditure, in line with the requirements of the Prudential Code, through:

- a) The use of external grants and contributions, subject to maintaining a focus on the priority outcomes of its own strategies;
- b) Opportunities to obtain receipts from assets sales as identified in the asset management plan and approved for sale by the Cabinet Member for Corporate Services;
- c) The approval of prudential borrowing when the following criteria also apply to the schemes funding by this method:
 - i. they are commercial in nature;
 - ii. the outcome returns a financial benefit at least equal to the cost incurred by borrowing to fund the schemes;
 - iii. after covering the cost of funding, a further financial or non-financial benefit accrues to the Council that directly or indirectly supports the objectives of the strategic plan or the medium term financial strategy.
- d) The use of New Homes Bonus for capital purposes in line with the Council's strategic plan priorities.
- e) The implementation of a community infrastructure levy (CIL) and the management of its use, along with other developer contributions (S106), to deliver the objectives of the infrastructure delivery plan.

AVAILABLE RESOURCES

- 2.13 The funding assumptions made in the development of the future capital programme are essential to the development of the budget and specific detail in relation to each source is set out in the paragraphs below. Appendix C to this report sets out the projected funding levels over the five year period of the MTFS.

Capital Grants & Contributions

- 2.14 This funding source is the main focus of the Government's controls over the level of capital expenditure. In fact a number of the grants that were available to the council for funding capital projects no longer exist.
- 2.15 Recent projects that have received support through grants and contributions include the Museum, Mote Park, and the High Street. Some government grants are annual sums, such as the disabled facilities grant, but the majority of sums are one-off and scheme specific.
- 2.16 The estimated grant for disabled facilities grants is set in the programme at £0.45m per annum. This is the only grant assumed to be received in the future.
- 2.17 Contributions have been received from a number of sources previously and the programme assumes £2,000,000 in contributions from partners involved in some of the regeneration projects under consideration.

Capital Receipts

- 2.18 The Council occasionally sells assets that are surplus to requirements and the receipts from such sales must be treated as available only for capital purposes. The programme assumes only those receipts that have already been received, totalling £589,320.
- 2.19 No currently held assets are considered surplus to all requirements and no receipts are expected in the medium term.

Revenue Support (New Homes Bonus)

- 2.20 The New Homes Bonus grant is considered to be a revenue grant and its use for capital expenditure is a local decision by this Council. It is therefore properly accounted for as revenue support to the capital programme.
- 2.21 The resources available to the programme are tabulated by year in Appendix B and the estimates total £15,451,345 in receipts over the five year period from 2016/17 to 2020/21.

CIL & Developer Contributions

- 2.22 No estimates are provided for potential receipts from community infrastructure levy or developer contributions (s106). These resources form part of infrastructure delivery plan's resource base and as such are

central to the delivery of the objectives of the integrated transport strategy and the infrastructure delivery plan.

Prudential Borrowing

- 2.23 The Council has the power to borrow to finance capital expenditure subject to the guidance set out in the Prudential Code. This code of practice is published by the Chartered Institute of Public Finance and Accountancy and covers the full range of capital planning not just borrowing. Compliance with the code is a statutory requirement and the Council's MTFS has been developed to ensure compliance. In summary the key objectives of the code are:
- a) To ensure within a clear framework that capital expenditure plans are affordable, prudent and sustainable;
 - b) That treasury management decisions are taken in accordance with good professional practice;
 - c) That local strategic planning, asset management planning and proper option appraisal are supported; and
 - d) To provide a clear and transparent framework to ensure accountability.
- 2.24 In 2012 the Council approved in principle expenditure of up to £6m through prudential borrowing for acquisition of commercial property, acquisition of property to alleviate homelessness and action to enable stalled development to progress.
- 2.25 To date the Council has not borrowed to finance the capital programme as the value of borrowing was outweighed by the benefit of using the Council's own resources due to the variance between borrowing and lending rates of interest.
- 2.26 The proposals set out in this report suggest a need to consider up to £38,475,000 of prudential borrowing over the life of the programme. This level of borrowing would remain subject to the principles set out in paragraphs 2.7 to 2.12.
- 2.27 In considering the Treasury Management Strategy 2016/17, for recommendation to Council, the Audit Governance & Standards Committee has been made aware of the potential for an increased level of prudential borrowing that would arise from the approval of the recommendations in this report.
- 2.28 The Committee expressed concerns about the risks related to prudential borrowing of this magnitude. These include:
- a) The potential interest rates for long term borrowing in the future;

- b) The initial cost of borrowing during the period leading up to the receipt of a return on the scheme, as this will not be financed by the scheme at the time that it requires repayment;
- c) The levelling of the demand for prudential borrowing over the period of the programme as the indicative figures show a significant increase in the early years of the programme.

2.29 While these are significant risks the Committee should be aware that mitigation is more appropriately considered on a scheme by scheme basis and individual business cases should address these risks in line with the principles set out in paragraphs 2.7 to 2.12.

Overall Funding Level

2.30 The resource available for the capital programme, based on the detail above, is given in Appendix B. The appendix shows total resources expected in the period 2016/17 to 2020/21 as £19,701,345 plus prudential borrowing proposed at £38,475,000.

THE PROGRAMME

The Current programme

- 2.31 The currently approved programme is set out at Appendix A and has previously been approved at Council with minor amendments agreed at Policy and Resources Committee.
- 2.32 As a consequence of better information about the needs of the programme and some changes in emphasis such as the acquisition of housing property for temporary accommodation this programme has been slightly modified in developing the recommended programme for the period 2016/17 to 2020/21.

The Recommended Programme

- 2.33 **Appendix C** to this report sets out a recommended programme, based on proposals that have been developed to date, as set out below.
- 2.34 A number of schemes exist in the current programme that should be carried forward. At this time it is proposed to retain the current budgets for these schemes. These are:
 - a) Ongoing housing support: This covers private sector grants, support to registered providers and, after modification of the programme, acquisition of temporary accommodation. The total budget is in line with previous approvals. Part of the 2015/16 budget is being used for the acquisitions.
 - b) Flood Defence: This budget is intended to create a sum of money to contribute towards flood defence work. One objective is to support the work required to promote works to areas affected by the recent floods (2013).

- c) Play Areas: Funding for the completion of all the works has been set in 2016/17 and 2017/18 and a procurement exercise is in its final stages.
- d) Information and Communications Technology (ICT) & Asset Management: These budgets cover maintenance of the Council's own ICT and property assets and expenditure should reflect the two strategies. Funding for the ICT programme reflects the changes expected to occur as the shared service develops integrated software and hardware providing economies of scale.
- e) Commercialisation: Of the current schemes that form the commercialisation strategy two have ongoing funding set aside for them. Mote Park and the Crematorium.
- f) Acquisition of Commercial Assets: There remains a balance from the original funding for commercial acquisitions and this has been maintained in order for the Council to acquire further assets of this type as part of the strategy for revenue efficiency gains.
- g) Infrastructure Schemes: There are three schemes specifically listed in the programme for infrastructure: The work to the High Street and the balance of previous funding has been allocated to the next phase; The Council contribution to the bridges gyratory scheme; and the Riverside Towpath.

2.35 In addition there are other schemes that require funding based on previous commitments.

- a) Brunswick Street: This scheme has been considered as one of the possible commercialisation projects and preliminary / viability work must commence this year. The proposal is to fund this scheme from prudential borrowing and as such it must be commercially viable before work commences.
- b) Mote Park Essential Maintenance: As a direct consequence of the Council's commitment to Mote Park following the commercial activity that has commenced, the proposed works will prepare the park for increased visitor numbers and provide improvements to some areas that are in need.
- c) Other Parks Essential Maintenance: In line with the works at Mote Park it is proposed to invest in some improvements to other parks.
- d) Mote Park Visitor Centre: This scheme forms part of the major investment in Mote Park. The development will be funded through prudential borrowing as part of the overall commercial activity in the Park.
- e) Museum Development Plan: Following the zero based budgeting exercise completed on the Museum's revenue budget this year and the medium term additional funding agreed as part of the revenue budget, this work forms part of the developing 20 year strategy for the Museum.

- f) Maidstone East / Sessions Square: In order to achieve the Council's town centre policies, the Council is working with other partners to secure the investment needed to unlock this redevelopment and to deliver the commercial return required to repay the borrowing needed to lever funding from partners.
- g) Union Street: This is a commercial proposal that officers are currently developing. At a future date a report will be brought to this Committee for approval to commence with the project. As this is a commercial project it is proposed that funding should be through prudential borrowing.
- h) Enabling Work for the Mall Redevelopment: In order to achieve the Council's town centre policies, the Council is working with other partners to secure the investment needed to unlock this redevelopment and to deliver the commercial return required to repay the borrowing needed to lever funding from partners.
- i) Town Hall Webcast & Speaker Replacement: The procurement work on this scheme has been delayed by the real potential of a reduction in cost through partnership working. The figure assumed in the programme is the highest indicative cost that has been provided.
- j) Infrastructure Delivery: This is not in the programme at Appendix C and is not a single identified scheme but the Committee should be aware that the Infrastructure Delivery Plan will support the Local Plan regulation 19 consultation. The Infrastructure Delivery Plan and related Integrated Transport Strategy will be funded mainly from other public sector organisations and developer contribution but will require recognition in the planning the capital programme.

3. AVAILABLE OPTIONS

- 3.1 Option 1: the Committee could chose to confirm the recommendations proposed in this report.
- 3.2 Option 2: the Committee could chose not to approve a capital programme at this time, leaving the decision to February's Committee meeting when the programme is included in the final decision on the 2016/17 budget recommendations to Council. This option is not advised as considering the programme at this time and revisiting that decision in February allows all Councillors adequate opportunity to raise concerns and questions to ensure they are prepared for the final decisions at this Committee's meeting in February 2016 and Council in March 2016.
- 3.3 Option 3: the Committee could amend the principles, programme or funding levels. The option is not recommended as the proposals set out in this report have been developed on the basis of fit to the Council's strategic priorities, overall delivery of the full programme and represents the best information available at this time.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 1 is the recommended option. The amendments to the principles of the medium term financial strategy regarding capital projects are essential as they reflect the governance changes already in place. The funding proposals are based upon best estimates given current knowledge about government's proposals. The programme has been developed by officers and approved by service committees as meeting the needs of their services in full awareness of the principles that must be met.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The three other service committees have considered their element of the capital programme at their meetings in January 2016 and the programme set out in Appendix C reflects their decisions.
- 5.2 The Strategic Planning, Sustainability and Transport Committee, in referring their proposals to the Policy and Resources Committee, have raised the issue of funding for the Infrastructure Delivery Plan.
- 5.3 In previous versions of the capital programme it has been recognised that resources held from New Homes Bonus receipts were available to support the future needs of the Infrastructure Delivery Plan. Over time the resources have been partly used to finance commercial acquisitions so that the full benefit of income from the assets can support the revenue account. The alternative is that this income would be required to finance the repayment of prudential borrowing.
- 5.4 The balance between resources and the full programme is set out at the bottom of Appendix C and shows net resources available of £6,300,000 which could still be directed towards infrastructure plans.
- 5.5 At this time the Infrastructure delivery Plan and the funding to become available from Community Infrastructure levy / Developer Contributions has not been matched. It is intended that further detail on the Infrastructure Delivery Plan's need for resources will have been produced in time for the Committee's meeting in February 2016.
- 5.6 Audit Committee consideration of the Treasury Management Strategy led them to raise concerns over the potential risks of the programme and its reliance on prudential borrowing. These concerns have been set out and responded to in paragraphs 2.27 to 2.29.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The decision of this Committee will form part of the final report on the medium term financial strategy and budget for 2016/17. This will be considered by this Committee at its meeting on 17 February 2016 and the

committee will formulate its recommendations to Council on the budget for 2016/17 and the level of Council Tax at that time.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.</p> <p>The Capital Programme identifies key projects requiring long term funding to improve assets and regenerate the borough.</p>	Head of Finance & Resources
Risk Management	<p>Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk.</p> <p>The proposed capital programme as set out in this report supports the council's strategic priorities and the medium term financial strategy. As recognised by the Audit Governance and Standards Committee the programme contains significant risks.</p> <p>Mitigation of this risks arises from the appropriate use of the principles set out in paragraphs 2.7 to 2.12 of this report.</p>	Head of Finance & Resources
Financial	<p>The MTFS impacts upon all activities of the Council. The future availability of resources to address specific issues is planned through this process.</p> <p>The prudential borrowing</p>	Head of Finance & Resources

	proposed in this report is governed by the Prudential Code for Capital Finance in Local Authorities and is governed by a number of principles that are set out in the Council's published medium term financial strategy.	
Staffing	No specific impact.	Head of Finance & Resources
Legal	<p>The Council has an obligation under Part 1 of the Local Government Act 2003 to have regard to the Prudential Code for Capital Finance in Local Authorities. Under the code the Council has an obligation to ensure that all borrowing is affordable and this is publically reported through the indicators that form part of the Council's Treasury Management Strategy.</p> <p>Subject to the decision of the Committee on this report the Treasury Management Strategy has been considered and approved by Audit Governance and Standards Committee for recommendation to Council. Their concerns relating to risk have been raised in this report.</p>	Head of Finance & Resources
Equality Impact Needs Assessment	The objective of the MTFs is to match available resources to the priorities set out in the Strategic Plan. Delivery of those priorities should enable delivery in line with the impact assessment of the strategic plan.	Head of Finance & Resources
Environmental/Sustainable Development	None identified	Head of Finance & Resources
Community Safety	None identified	Head of Finance & Resources
Human Rights Act	None identified	Head of Finance & Resources
Procurement	None identified	Head of

		Finance & Resources
Asset Management	Resources for management and maintenance of the Committee's assets are included within the proposed programme.	Head of Finance & Resources

8. REPORT APPENDICES

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

- Appendix A: Current Capital Programme 2015/16 to 2019/20
- Appendix B: Estimated Capital Resources 2016/17 to 2020/21
- Appendix C: Proposed Capital programme 2016/17 to 2020/21

9. BACKGROUND PAPERS

None

MEDIUM TERM FINANCIAL STRATEGY 2016/17
CURRENT APPROVED AS AMENDED CAPITAL PROGRAMME 2015/16 TO 2019/20

SUMMARY TOTALS BY COMMITTEE	Current Estimate 2015/16 £	Adjusted Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
Communities, Housing & Environment	2,469,820	2,330,420	1,400,000	1,400,000	1,400,000
Heritage, Culture & Leisure	120,510	1,309,240	590,000	0	0
Policy & Resources	864,850	16,845,900	350,000	350,000	350,000
Strategic Planning, Sustainability & Transport	784,320	6,557,570	1,880,360	2,181,550	1,541,300
TOTALS	4,239,500	27,043,130	4,220,360	3,931,550	3,291,300

MEDIUM TERM FINANCIAL STRATEGY 2016/17
CURRENT APPROVED AS AMENDED CAPITAL PROGRAMME 2015/16 TO 2019/20

COMMUNITIES, HOUSING & ENVIRONMENT	Current Estimate 2015/16 £	Adjusted Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
CCTV Control Room	1,100	0			
Housing Grants	776,880	1,630,420	750,000	750,000	750,000
Support for Social Housing	1,440,500	600,000	600,000	600,000	600,000
Stilebridge Lane Sewage Treatment Works	50,350	0			
Gypsy Site Improvements	185,400	0			
Land Drainage/Improvement to Ditches & Watercourses	4,990	0			
Crematorium Access	10,600	0			
Flood Defences	0	100,000	50,000	50,000	50,000
TOTALS	2,469,820	2,330,420	1,400,000	1,400,000	1,400,000

HERITAGE, CULTURE & LEISURE	Current Estimate 2015/16 £	Adjusted Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
Cobtree Golf Course	6,950	0			
Continued Improvements to Play Areas	100,560	1,309,240	590,000		
Green Space Strategy	9,600	0			
Museum Carbon Management Scheme	0	0			
HAC Contract Capital Works	0	0			
Small Scale Capital Works Programme	3,400	0			
Museum - Creation of Usable Office Space	0	0			
TOTALS	120,510	1,309,240	590,000	0	0

MEDIUM TERM FINANCIAL STRATEGY 2016/17
CURRENT APPROVED AS AMENDED CAPITAL PROGRAMME 2015/16 TO 2019/20

POLICY & RESOURCES	Current Estimate 2015/16 £	Adjusted Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
Vacant Property Acquisition	0	0			
Refurbishment of Chillington House	0	0			
Park Wood Industrial Estate Environmental Imps	37,530	0			
Asset Management / Corporate Property	184,800	175,000	175,000	175,000	175,000
Software / PC Replacement	243,050	175,000	175,000	175,000	175,000
Commercial Projects - RE Panels	0	65,000			
Commercial Projects - Pet Crematorium	0	680,000			
Commercial Projects - Brunswick Street Housing Development	0	8,100,000			
Commercial Projects - Mote Park Adventure Zone	0	790,000			
Acquisition of Commercial Assets	259,470	6,860,900			
South Maidstone Depot - Drainage Works	65,000	0			
Economic Development Website	75,000	0			
Fleet Vehicle Acquisition	0	0			
TOTALS	864,850	16,845,900	350,000	350,000	350,000

STRATEGIC PLANNING, SUSTAINABILITY & TRANSPORT	Current Estimate 2015/16 £	Adjusted Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
King Street Multi-storey Car Park	22,100	0			
High Street Regeneration	34,010	735,140	597,730	500,000	250,000
Enterprise Hub	204,110	483,390			
Improvements to the Council's Car Parks	14,800	0			
Planning Delivery	9,300	0			
Other Transport & Highways	0	3,439,040	1,032,630	1,401,550	1,016,890
Bridges Gyratory Scheme	500,000	900,000			
Sustainable Transport Scheme	0	1,000,000			
Green & Blue Infrastructure	0	0	250,000	280,000	274,410
TOTALS	784,320	6,557,570	1,880,360	2,181,550	1,541,300

MEDIUM TERM FINANCIAL STRATEGY - CAPITAL

ESTIMATED CAPITAL RESOURCES 2016/17 TO 2020/21

Estimate 2015/16 FUNDING SUMMARY £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £
9,811,720 Contribution from Earmarked Reserve	4,306,284	4,998,411	2,720,010	1,970,740	1,455,900
450,000 Capital Grants	450,000	450,000	450,000	450,000	450,000
Capital Contributions	1,000,000	1,000,000			
589,320 Capital Receipts					
Prudential Borrowing	11,950,000	15,525,000	11,000,000	0	0
Community Infrastructure Levy / Developer Contribution					
10,851,040 TOTAL	17,706,284	21,973,411	14,170,010	2,420,740	1,905,900

MEDIUM TERM FINANCIAL STRATEGY - CAPITAL

PROPOSED CAPITAL PROGRAMME 2016/17 TO 2020/21

Estimate 2015/16 £	COMMITTED SCHEME LIST	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £
1,100	CCTV Control Room					
4,900	Land Drainage/Improvement to Ditches & Watercourses					
326,880	Housing Grants					
264,500	Support for Social Housing					
	Housing Incentives	350,000	350,000	350,000	350,000	350,000
1,400,000	Housing Investments	600,000	600,000	600,000	600,000	600,000
450,000	Housing - Disabled Facilities Grant Funding.	450,000	450,000	450,000	450,000	450,000
50,000	Flood Defences	50,000	50,000	50,000	50,000	50,000
75,000	Brunswick Street	2,000,000	6,025,000			
2,572,380	COMMUNITIES HOUSING & ENVIRONMENT	3,450,000	7,475,000	1,450,000	1,450,000	1,450,000
	10,600 Crematorium Access					
100,560	Continued Improvements to Play Areas	1,309,240	590,000			
9,600	Green Space Strategy					
3,400	Small Scale Capital Works Programme					
345,000	Commercialisation - RE Panels					
70,000	Commercialisation - Mote Park Parking					
80,000	Commercialisation - Mote Park Café					
10,000	Commercialisation - Crematorium Projects			640,000		
20,000	Commercialisation - Mote Park AZ	770,000				
	Crematorium Strategy	50,000	300,000			
	Mote Park Essential Improvements	610,000	150,000		369,000	
	Other Parks Essential Improvements		225,000	50,000	25,000	
	Mote Park Visitor Centre		500,000	2,000,000		
	Museum Development Plan	93,000	110,000	176,100	170,000	90,000
649,160	HERITAGE CULTURE & LEISURE	2,832,240	1,875,000	2,866,100	564,000	90,000

MEDIUM TERM FINANCIAL STRATEGY - CAPITAL

PROPOSED CAPITAL PROGRAMME 2016/17 TO 2020/21

Estimate 2015/16 £	COMMITTED SCHEME LIST	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £
34,010	High Street Regeneration Ph 2					
	High Street Regeneration future phases	300,460				
500,000	Bridges Gyratory Scheme	900,000				
245,580	Acquisition of Commercial Assets (Balance)	1,230,890				
204,110	Enterprise Hub					
184,800	Asset Management / Corporate Property	175,000	175,000	175,000	175,000	175,000
188,900	Software / PC Replacement	175,000	175,000	150,000	125,000	100,000
	Maidstone East / Sessions Square	4,550,000	6,000,000	5,000,000		
	Union Street (Recommended Option)	3,000,000	4,000,000	4,000,000		
	Enabling Works - The Mall Regeneration	3,400,000				
	Town Hall webcast & speakers	80,000				
1,357,400	POLICY & RESOURCES	13,811,350	10,350,000	9,325,000	300,000	275,000
	Riverside Towpath	540,000				
22,100	King Street Multi-storey Car Park					
14,800	Improvements to the Council's Car Parks					
36,900	STRATEGIC PLANNING SUSTAINABILITY & TRANSPORT	540,000	0	0	0	0
6,950	Cobtree Golf Course					
6,950	COBTREE CHARITY	0	0	0	0	0
4,622,790	TOTAL OVERALL PROGRAMME	20,633,590	19,700,000	13,641,100	2,314,000	1,815,000
-10,851,040	RESOURCES AVAILABLE INCL. BORROWING	-17,706,284	-21,973,411	-14,170,010	-2,420,740	-1,905,900
-6,228,250	BALANCE OF RESOURCES CARRIED FWD	-3,300,944	-5,574,355	-6,103,265	-6,210,005	-6,300,905

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted