

You are hereby summoned to attend a meeting of the

MAIDSTONE BOROUGH COUNCIL



Date: Wednesday 2 March 2016

Time: 6.30 p.m.

Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Ash, Mrs Blackmore, Boughton, Brice, Burton, Butler, Chittenden, Clark, Cox, Cuming, Daley, Ells, English, Fissenden, Fort, Garland, Mrs Gooch, Greer, Mrs Grigg, Harper, Harwood, Hemsley, Mrs Hinder, Mrs Joy, McKay, McLoughlin, Moriarty (Mayor), B Mortimer, D Mortimer, Munford, Naghi, Newton, Paine, Mrs Parvin, Paterson, Perry, Pickett, Mrs Ring, Mrs Robertson, Ross, Round, J Sams, T Sams, Sargeant, Springett, Mrs Stockell, Thick, Vizzard, Watson, Webb, Webster, de Wiggondene, Willis, J.A. Wilson and Mrs Wilson

Continued Over/:

Issued on 23 February 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 DEBBIE SNOOK on 01622 602030**. To find out more about the work of the Council, please visit www.maidstone.gov.uk

Alison Broom

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

AGENDA

Page No.

1. Prayers
2. Apologies for Absence
3. Dispensations (if any)
4. Disclosures by Members and Officers
5. Disclosures of Lobbying
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
7. Minutes of the Extraordinary Meeting of the Borough Council held on 25 January 2016 1 - 9
8. Mayor's Announcements
9. Petitions
10. Question and Answer Session for Members of the Public
11. Questions from Members of the Council to the Chairmen of Committees
12. Current Issues - Report of the Leader of the Council, Response of the Group Leaders and Questions from Council Members
13. Report of the Policy and Resources Committee held on 17 February 2016 - Maidstone Housing Strategy 2016-2020 10 - 54
14. Report of the Policy and Resources Committee held on 17 February 2016 - Strategic Plan 2015-2020 (2016-17 Refresh) 55 - 82
15. Report of the Policy and Resources Committee held on 17 February 2016 - Medium Term Financial Strategy 2016/17 Onwards 83 - 100
16. Report of the Audit, Governance and Standards Committee held on 18 January 2016 - Treasury Management Strategy 2016/17 101 - 122
17. Report of the Employment Committee held on 29 January 2016 - Pay Policy Statement 2016 123 - 155
18. Report of the Democracy Committee held on 28 January 2016 - Mayoralty and Civic Ceremony Review 156 - 161
19. Oral Report of the Heritage, Culture and Leisure Committee to be held on 1 March 2016 (if any)

20. Notice of Motion

Notice of the following motion has been given by Councillor Harper, seconded by Councillor McKay:

Housing Crisis – Where Are the Young Going to Live

In the Borough of Maidstone as elsewhere in the UK we face a housing crisis. We are doing the first part to identify sites through the Local Plan suitable for housing development (the 18,560 housing units). Current Council Affordable Housing policy relating to new housing developments, adopted in December 2006, is for sites of 15 units or more to have 40% affordable housing.

However our looming housing crisis is disproportionately affecting the young and vulnerable. Whilst there are people sleeping on the streets in Maidstone, they only represent the easily identified need. Most homelessness is hidden as people are forced to remain at home with their parents, move around people's houses to find a bed, or live in unfit and overcrowded accommodation.

Whilst recognising that the Council has been trying to tackle people sleeping on the streets, and has set up a number of emergency hostel type facilities, as the statutory housing authority for the Borough of Maidstone, this Council has a responsibility to address this.

This Council therefore resolves to do the following during the next few months:

1. Actively work with private landlords to identify empty housing units and work with them to provide bed spaces for the homeless.
2. Engage with young people in the Borough about their housing needs, via a public consultation exercise.
3. Identify over occupied property and develop procedures to work with the relevant occupiers/landlords to address the problem.
4. Organise a Housing Conference around the topic of "Where Are the Young Going to Live" of statutory authorities, local active housing associations and the voluntary sector to propose a multi-sector approach to tackling these issues in the Borough of Maidstone.
5. Request a report back to the next Council meeting on the implementation of measures 1 - 3 above and progress towards the Housing Conference in 4 above.

21. Appointment of Mayor Select 2016/17

22. Appointment of Deputy Mayor Select 2016/17

PLEASE NOTE:

MEMBERS ARE REQUESTED TO BRING WITH THEM TO THE MEETING THE FOLLOWING DOCUMENT WHICH HAS BEEN CIRCULATED SEPARATELY:

APPENDIX A TO THE REPORT OF THE POLICY AND RESOURCES COMMITTEE RELATING TO THE MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS.

MAIDSTONE BOROUGH COUNCIL

MINUTES OF THE EXTRAORDINARY MEETING OF MAIDSTONE BOROUGH COUNCIL HELD AT THE TOWN HALL, HIGH STREET, MAIDSTONE ON 25 JANUARY 2016

Present: Councillor Moriarty (the Mayor) and Councillors Ash, Mrs Blackmore, Boughton, Brice, Burton, Butler, Chittenden, Clark, Cox, Cuming, Daley, Ells, English, Fissenden, Fort, Garland, Mrs Gooch, Greer, Mrs Grigg, Harper, Hemsley, Mrs Hinder, Mrs Joy, McKay, McLoughlin, B Mortimer, D Mortimer, Naghi, Newton, Paine, Mrs Parvin, Perry, Pickett, Mrs Ring, Mrs Robertson, Ross, Round, J Sams, Sargeant, Springett, Mrs Stockell, Thick, Vizzard, Watson, Webb, Webster, de Wiggondene, Willis, J A Wilson and Mrs Wilson

89. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors Harwood, Munford, Paterson and T Sams.

90. DISPENSATIONS

There were no applications for dispensations.

91. DISCLOSURES BY MEMBERS AND OFFICERS

The Head of Legal Partnership advised Members that at this meeting they would be making a decision on the progress of the Local Plan as a whole. For that reason, any site- or issue-specific Other Significant Interests that had been previously declared were not relevant as there were no decisions to be made at this meeting on individual sites, areas or broad locations; the decision related to the Maidstone Borough Local Plan.

There were no disclosures by Members or Officers.

92. DISCLOSURES OF LOBBYING

All Members stated that they had been lobbied on the report of the Strategic Planning, Sustainability and Transportation Committee relating to the Maidstone Borough Local Plan – Publication (Regulation 19).

Most Members stated that they had been lobbied on the report of the Strategic Planning, Sustainability and Transportation Committee relating to the North Loose Neighbourhood Development Plan.

93. EXEMPT ITEMS

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

94. MINUTES OF THE MEETING OF THE BOROUGH COUNCIL HELD ON 9 DECEMBER 2015

RESOLVED: That the Minutes of the meeting of the Borough Council held on 9 December 2015 be approved as a correct record and signed.

95. MAYOR'S ANNOUNCEMENTS

Having reminded Members that, at the last meeting, he had mentioned that, at his request, letters had been sent to the Mayors of Paris and Beauvais expressing sympathy and solidarity following the tragic events which took place in Paris on 13 November 2015, the Mayor read out the reply that he had received from the Mayor of Paris.

The Mayor welcomed Councillor McLoughlin back to the Council Chamber following an operation.

The Mayor then updated Members on recent/forthcoming events, and thanked them for their support.

Councillor Harper entered the meeting during the Mayor's announcements (6.40 p.m.).

96. PETITIONS

There were no petitions.

97. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

Questions to the Chairman of the Strategic Planning, Sustainability and Transportation Committee

Mr Peter Titchener asked the following question of the Chairman of the Strategic Planning, Sustainability and Transportation Committee:

Seasonal agricultural tasks are now performed by hundreds of European Union workers who come into our area, not by local people. For Gypsy & Traveller sites, why do you therefore still hide behind "history" when advocating a huge increase in sites in our Borough, rather than using permissible flexibilities to bring our Borough back into line with other parts of Kent for the 21st century?

The Chairman of the Strategic Planning, Sustainability and Transportation Committee replied that:

There are two very different parts to your question, and I do not think that we should bring the two together. The issue of European Union

workers is quite disconnected from that of the Gypsy and Traveller population in the Borough, and will ultimately be a subject of the national referendum later in the year, indirectly. The fact of the matter is that because in times past, this Borough relied heavily upon the traveller community to provide seasonal labour, we do have that legacy, and that is why in the Salford report and other research, we do need to make accommodation available to the level that we do. I would also further note that in the draft Local Plan we do fail to meet the number of sites that the report tells us that we need to and this is because of the lack of available and suitable sites.

Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Sargeant, the Leader of the UKIP Group, and Councillor McKay, the Leader of the Labour Group, then responded to the question.

Mr Titchener asked the following supplementary question of the Chairman of the Strategic Planning, Sustainability and Transportation Committee:

The Salford University analysis was not as objectively assessed as it might have been. The University analysis failed to consult the settled community as required by the Government. Will you now require genuine sustainability of new sites, tests for genuine future nomadic intentions and consult the settled community with a view to arriving at a lower planned figure and rebalancing the over representation of sites in Maidstone which is about one third of all of them in Kent when compared with other parts of Kent?

The Chairman of the Strategic Planning, Sustainability and Transportation Committee replied that:

The question seems to be in two parts. The first part relates to consultation, and the one thing that we have done more thoroughly than perhaps any other local authority in developing this Local Plan is to consult. The conclusions drawn from the consultation responses may not always directly correspond to the wishes of the consultees, but consultation has happened. With regard to the second part relating to the recent guidance about nomadic travel being required evidentially, I have asked questions about this, and I am reassured that within the Salford University report that consideration was already in our calculations.

Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Newton, on behalf of the Leader of the Independent Group, Councillor Sargeant, the Leader of the UKIP Group, and Councillor McKay, the Leader of the Labour Group, then responded to the question.

Mr Peter Coulling asked the following question of the Chairman of the Strategic Planning, Sustainability and Transportation Committee:

You are planning 18,560 new homes, a 30% increase by 2031. How do you reconcile that with the needs of current residents of our Borough and their children, with the much lower level of potential additional employment growth, with the state of our infrastructure and the general government requirement to ensure sustainable development?

The Chairman of the Strategic Planning, Sustainability and Transportation Committee replied that:

The Council has an economic development strategy that has five strands. It is a bold strategy, but I would like to see it go further and deliver more jobs. The essence of the question begins to suggest that if we cannot create enough employment within the Borough in proportion to the housing, then we may perhaps have a constraint.

When I first took the role as Cabinet Member a few years ago, that was my thought precisely, and I investigated the possibility of that, but the Planning Advisory Service was quite clear in saying that the employment growth for the Borough would not be a constraint because of our close proximity to the largest employment market in the country (London) and we also have other employment opportunities not that far away, including Kingshill.

My personal ambition is that we should have a higher employment delivery within the Borough, but the NPPF is quite clear that this is not a constraint to housing numbers.

Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Sargeant, the Leader of the UKIP Group, and Councillor Harper, on behalf of the Leader of the Labour Group, then responded to the question.

Mr Coulling asked the following supplementary question of the Chairman of the Strategic Planning, Sustainability and Transportation Committee:

More homes resulting in more commuters will exacerbate the impact on infrastructure so will you continue to ignore the flaws in G L Hearn's assessment of need and will you now make every effort to follow Chichester's example and apply constraints to get a lower target than the Objectively Assessed Housing Need?

The Chairman of the Strategic Planning, Sustainability and Transportation Committee replied that:

We have checked, checked and checked again the Hearn Report and others have made their own studies and drawn similar conclusions. The next stage, if we have a Local Plan going forward, is to work hard to ensure that the infrastructure is delivered.

I am interested that you mention the Chichester Local Plan as I have looked at that. It is interesting to note that the Inspector actually said

that I will give you five years because it falls short, and they are already one year into that. It is interesting to note that Chichester has a significantly smaller population than Maidstone so it is difficult to compare numbers like for like. It is interesting to note that in terms of transport and the road infrastructure, Chichester was told that further thought was required due to the potential offered through proposed government funding for the upgrading of the A27. It is interesting to note the constraints that Chichester has due to Sites of Special Scientific Interest and that a big part of the area actually has its own Local Plan within the Local Plan. I cannot see that there is anything directly in the example of Chichester that we could apply to our own scenario to get a better outcome than the one on the papers this evening.

Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Sargeant, the Leader of the UKIP Group, and Councillor Harper, on behalf of the Leader of the Labour Group, then responded to the question.

Ms Geraldine Brown asked the following question of the Chairman of the Strategic Planning, Sustainability and Transportation Committee:

Why have you not stood up for the current residents of our Borough and sought every permissible opportunity to avoid becoming the housing growth capital of Kent at the expense of our quality of life?

The Chairman of the Strategic Planning, Sustainability and Transportation Committee replied that:

I do not believe that any one Councillor here, irrespective of political colour, has the slightest ambition for us to be the housing growth capital of Kent. We do not. I do believe that we share the ambition to meet the need of our residents, and I do believe that the way for us to protect their quality of life is to have a Local Plan in place, with the smallest target for housing that meets that need, that will be found sound at examination. In having that Plan, we will take back control of the planning system, we will be able to say where development is most acceptable, and, more importantly, we will be able to categorically refuse it where it is inappropriate. Through that protection and through that strategic planning we will deliver the best quality of life that is possible for our residents.

Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Sargeant, the Leader of the UKIP Group, and Councillor Harper, on behalf of the Leader of the Labour Group, then responded to the question.

Ms Brown asked the following supplementary question of the Chairman of the Strategic Planning, Sustainability and Transportation Committee:

I represent 51% of this Borough and many of our residents are already suffering from unsustainable development in parts of this Borough, when will you start to focus on the needs and wishes of those who elected you and apply the very real constraints that exist and are covered by the NPPF?

The Chairman of the Strategic Planning, Sustainability and Transportation Committee replied that:

I am just going to reiterate that the Plan starts with the Objectively Assessed Housing Need of our Borough; that is where we start, that is where we focus. It is about the need of the residents of this Borough now and in the future; and that is what we are doing.

Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Sargeant, the Leader of the UKIP Group, and Councillor Harper, on behalf of the Leader of the Labour Group, then responded to the question.

Mrs Cheryl Taylor-Maggio asked the following question of the Chairman of the Strategic Planning, Sustainability and Transportation Committee:

Why has it taken so long for Maidstone Borough Council to make any allowance for windfalls and why are you still failing to make a proper allowance for past windfall delivery throughout the Plan period?

The Chairman of the Strategic Planning, Sustainability and Transportation Committee replied that:

I have had a tally up of how often you have asked me this question in different versions; the most recent being at the last full Council meeting, and details are set out in the Minutes. I think that we have been thorough in considering the windfall allowance, for example at meetings of the full Council in 2013, and I believe that we have the maximum windfall allowance. It is a generous windfall allowance in the Plan, and I believe that this Council has done well to evidence that.

Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Sargeant, the Leader of the UKIP Group, and Councillor McKay, the Leader of the Labour Group, then responded to the question.

Mrs Taylor-Maggio asked the following supplementary question of the Chairman of the Strategic Planning, Sustainability and Transportation Committee:

As you have at last recognised that windfalls are a valid consideration, why have you not followed Government guidelines and assumed a windfall allowance of almost 200 per annum throughout the Plan period that fully

reflects past experience and would contribute to some 1,000 houses or 20% or more towards early delivery of a 5 year housing supply?

The Chairman of the Strategic Planning, Sustainability and Transportation Committee replied that:

I would refer you to my response to the question asked at the last full Council meeting when I said that the following numbers of windfall homes have come forward since 2013/14:

2013/14	197
2014/15	170
2015/16 (so far)	135

The number is falling, so to take an arbitrary figure of 200 or so and roll it forward, the evidence does not support it; that is why I am afraid.

Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Sargeant, the Leader of the UKIP Group, and Councillor Harper, on behalf of the Leader of the Labour Group, then responded to the question.

Note: Councillor Naghi entered the meeting prior to the response of the Group Leaders (or their representatives) to Mr Coulling's original question (6.55 p.m.).

To listen to the responses to these questions, please follow this link:

<http://live.webcasts.unique-media.tv/mbc390/interface>

98. QUESTIONS FROM MEMBERS OF THE COUNCIL TO THE CHAIRMEN OF COMMITTEES

There were no questions from Members of the Council to the Chairmen of Committees.

99. ORAL REPORT OF THE STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORTATION COMMITTEE HELD ON 19 JANUARY 2016 - NORTH LOOSE NEIGHBOURHOOD DEVELOPMENT PLAN

It was moved by Councillor Burton, seconded by Councillor Clark, that the Council approves the North Loose Neighbourhood Development Plan, attached as Appendix A to the report of the Head of Planning and Development to the meeting of the Strategic Planning, Sustainability and Transportation Committee held on 19 January 2016, to proceed to referendum.

RESOLVED: That the North Loose Neighbourhood Development Plan, attached as Appendix A to the report of the Head of Planning and Development to the meeting of the Strategic Planning, Sustainability and

Transportation Committee held on 19 January 2016, be approved to proceed to referendum.

100. REPORT OF THE STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORTATION COMMITTEE HELD ON 13 JANUARY 2016 - MAIDSTONE BOROUGH LOCAL PLAN - PUBLICATION (REGULATION 19)

It was moved by Councillor Burton, seconded by Councillor Mrs Grigg, that the recommendations of the Strategic Planning, Sustainability and Transportation Committee relating to the Maidstone Borough Local Plan – Publication (Regulation 19) be agreed subject to the amendment of the first recommendation as follows:

That subject to the reclassification of Coxheath as a Larger Village and the insertion of the Indicative Housing Trajectory, the Council approves the Maidstone Borough Local Plan 2016 (attached as Appendix A to the report to the Strategic Planning, Sustainability and Transportation Committee dated 13 January 2016, revised to reflect (i) insertion of the words ‘community and’ at line 1 of Policy H1 paragraph 2 on page 78, before the word ‘strategic’; and (ii) any previously agreed site-specific infrastructure criterion not covered by (i) which were agreed by the Strategic Planning, Sustainability and Transportation Committee or its decision-making predecessor, and (iii), except where decisions and resolutions of the Planning Committee and/or the Planning Referrals Committee already supersede (i) and (ii)) for Publication (Regulation 19) and Submission to the Secretary of State for Communities and Local Government (Regulation 22) for examination under section 20 of the Planning and Compulsory Purchase Act 2004.

Councillor Burton explained that the amendment to the first recommendation was agreed by the Strategic Planning, Sustainability and Transportation Committee at its meeting held on 19 January 2016 having regard to the fact that several sites had secured a planning consent or a resolution to grant subject to the signing of a S106 agreement, resulting in previously agreed site specific policy criteria being superseded.

Five Members of the Council requested that a named vote be taken. The voting was as follows:

For (38)

Councillors Mrs Blackmore, Boughton, Burton, Butler, Chittenden, Clark, Cox, Daley, Ells, English, Fissenden, Garland, Mrs Gooch, Greer, Mrs Grigg, Harper, Hemsley, Mrs Hinder, Mrs Joy, McKay, McLoughlin, Moriarty, B Mortimer, D Mortimer, Naghi, Paine, Mrs Parvin, Pickett, Mrs Ring, Mrs Robertson, Ross, J Sams, Vizzard, Mrs Watson, Webster, Webb, Willis, Mrs Wilson

Against (13)

Councillors Ash, Brice, Cuming, Fort, Newton, Perry, Round, Sargeant, Springett, Mrs Stockell, Thick, de Wiggondene and J A Wilson

RESOLVED:

1. That subject to the reclassification of Coxheath as a Larger Village and the insertion of the Indicative Housing Trajectory, the Council approves the Maidstone Borough Local Plan 2016 (attached as Appendix A to the report to the Strategic Planning, Sustainability and Transportation Committee dated 13 January 2016, revised to reflect (i) insertion of the words 'community and' at line 1 of Policy H1 paragraph 2 on page 78, before the word 'strategic'; and (ii) any previously agreed site-specific infrastructure criterion not covered by (i) which were agreed by the Strategic Planning, Sustainability and Transportation Committee or its decision-making predecessor, and (iii), except where decisions and resolutions of the Planning Committee and/or the Planning Referrals Committee already supersede (i) and (ii)) for Publication (Regulation 19) and Submission to the Secretary of State for Communities and Local Government (Regulation 22) for examination under section 20 of the Planning and Compulsory Purchase Act 2004.
2. That delegated powers be granted to the Strategic Planning, Sustainability and Transportation Committee to submit a schedule of proposed changes/main modifications to the pre-submission Publication version of the Maidstone Borough Local Plan 2016, arising from representations made (Regulation 20), to the Secretary of State.
3. That the Borough's full objectively assessed housing need of 18,560 dwellings be confirmed as the Council's Local Plan housing target.

101. DURATION OF MEETING

6.30 p.m. to 8.45 p.m.

Agenda Item 13

MAIDSTONE BOROUGH COUNCIL

COUNCIL

2 MARCH 2016

REPORT OF THE POLICY AND RESOURCES COMMITTEE HELD ON

17 FEBRUARY 2016

MAIDSTONE HOUSING STRATEGY 2016-2020

1. Issue for Decision

- 1.1 The current Housing Strategy 2011-2015 expires this March, so the Council needs to put in place a new Housing Strategy for the period 2016-2020. The Maidstone Housing Strategy is a fundamental and critical piece of work which helps to identify the main housing issues and key challenges for the local area that the Council and its partners need to address over the next five years.
- 1.2 The Maidstone Housing Strategy is an overarching plan that guides the Council and its partners in tackling the major housing challenges facing the Borough. It sets out the priorities and outcomes that the Council wishes to achieve and provides a clear strategic vision and leadership in an uncertain economic climate. The Strategy contributes towards the Council's corporate priorities for Maidstone, 'to keep the Borough an attractive place for all and to secure a successful economy'. The Housing Strategy is also intrinsically linked with other plans and strategies of the Council shown within the Maidstone Housing Strategy at **Appendix A**.
- 1.3 It is proposed that the new Strategy looks ahead for five years, covering 2016-2020. The Chancellor's Autumn Statement in 2014 included measures to extend capital investment to the current Affordable Homes Programme 2015-2018, for a further two years, up to 2019-2020. It is unclear, however, as to what will be in place after 2019-2020. The Council's Strategic Plan also runs from 2015-2020, so it is not considered appropriate to set a longer term than five years for the new Maidstone Housing Strategy, so that future direction of travel, both nationally and locally, can be responded to.
- 1.4 The ambition behind this Strategy is to ensure that all people in the Borough have access to good quality homes that are affordable for them and meet their needs. Every Council has a responsibility to understand what matters most to its local communities and to respond to this through investment, service planning and delivery. It must also take into account national and regional aspirations and sometimes this requires a balance with local priorities.

2. Recommendation Made

- 2.1 That the Maidstone Housing Strategy 2016-2020 be adopted by full Council.

3. Reason for Recommendation

- 3.1 It is considered that the best course of action to take is for the Council to adopt a new Housing Strategy for Maidstone for the next five years (2016-2020). The Maidstone Housing Strategy is a fundamental and critical piece of work which helps to identify the main housing issues and key challenges for the local area the Council and its partners need to address over the next five years.
- 3.2 The adoption of a new Maidstone Housing Strategy will clearly set out the Council's priorities in tackling the housing challenges in the Borough, and provides strategic vision and leadership in an uncertain economic climate. It will help to improve clarity and certainty for investors and strengthen public/private sector partnerships in order to support its delivery.
- 3.2 The Council's Strategic Plan also runs from 2015-2020, so it is not considered appropriate to set a longer term than five years for the new Maidstone Housing Strategy, so that future directions of travel both nationally and locally can be responded to.
- 3.3 Following local elections, together with the development of many national and regional policy initiatives, it is considered appropriate to review the Maidstone Housing Strategy during 2018 to ensure that it remains fit for purpose.
- 3.4 The Maidstone Housing Strategy 2016-2020 will launch in April 2016, and thus this review would take place half-way through the life of the Strategy. The review will focus on the Action Plan to ensure that it can respond to future directions of travel both nationally and locally.

4. Alternatives Considered and Why Not Recommended

- 4.1 The Committee could have chosen not to adopt a new Housing Strategy for Maidstone and instead continue to refresh the 2011-2015 Strategy, or not have one at all post 2015-2016. However, to not agree a new Housing Strategy would mean a diminution of the Council's community leadership and strategic housing roles and would make effective engagement with partners much more difficult. It would also mean that the Homes and Communities Agency and other potential investors would be much more likely to direct funds away from Maidstone if they could not clearly see an up to date and coherent vision for the area.

5. Appendices

- 5.1 Maidstone Housing Strategy 2016-2020 – **Appendix A.**

Maidstone Housing Strategy 2016 - 2020



CONTENTS

1	Introduction to the Strategy	Page 3
2	Our Achievements 2011–2015	Page 4
3	Maidstone Councils Strategic Priorities and Values	Page 5
4	How the Housing Strategy links in with other plans	Page 6
5	National context	Page 7
6	Local context	Page 13
7	Emerging challenges	Page 23
8	Key Priority Themes	Page 25
9	Delivery in Partnership	Page 32
10	Implementation and Monitoring	Page 34
	Appendix A: Housing Strategy 2011 – 2015 Action Plan	Page 35

1. Introduction to the Strategy

The Maidstone Housing Strategy is an overarching plan that guides the council and its partners in tackling the major housing challenges facing the borough. It sets out the priorities and outcomes that we wish to achieve and provides a clear strategic vision and leadership in an uncertain economic climate. The Strategy contributes to the council's corporate priorities for Maidstone **'to keep the Borough an attractive place for all and to secure a successful economy'**. The Housing Strategy is also intrinsically linked with other plans and strategies of the council, most notably the Strategic and Local Plan.

Maidstone has great opportunities for growth driven by our bold housing and regeneration ambitions. The ambition behind this strategy is to ensure that all people in the Borough have access to good quality homes that are affordable for them and meet their needs. Every council has a responsibility to understand what matters most to its local communities and to respond to this through investment, service planning and delivery. The council also has to take into account both national and regional aspirations and sometimes balance these against local priorities.

We have identified the following three Key Priority Themes that the council and its partners need to address for the next five years:

- **Priority 1: Enable and support the delivery of quality homes across the housing market to develop sustainable communities**
- **Priority 2: Ensure that existing housing in the Maidstone Borough is safe, desirable and promotes good health and well-being.**
- **Priority 3: Prevent homelessness, secure provision of appropriate accommodation for homeless households and supporting vulnerable people**

The priorities contained in this strategy cannot be achieved without working in partnership with other areas of the Council along with statutory and voluntary organisations.

Whilst the primary focus of this strategy is housing, the scope reaches far beyond. Poor housing or lack of a home can have a detrimental impact on many areas including employment, crime, education, homelessness and health. Housing and support services provides valuable help to enable people to achieve increased independence at times of difficulty and can prevent difficulties becoming a crisis.

This strategy gives the council an excellent opportunity to make a real difference for the residents of the borough. This includes working with partners to facilitate housing development, maximising investment opportunities, raising housing quality standards, promoting ways for residents to improve their health and well-being and preventative measures and services for homeless persons.

2. Our Achievements 2011 - 2015

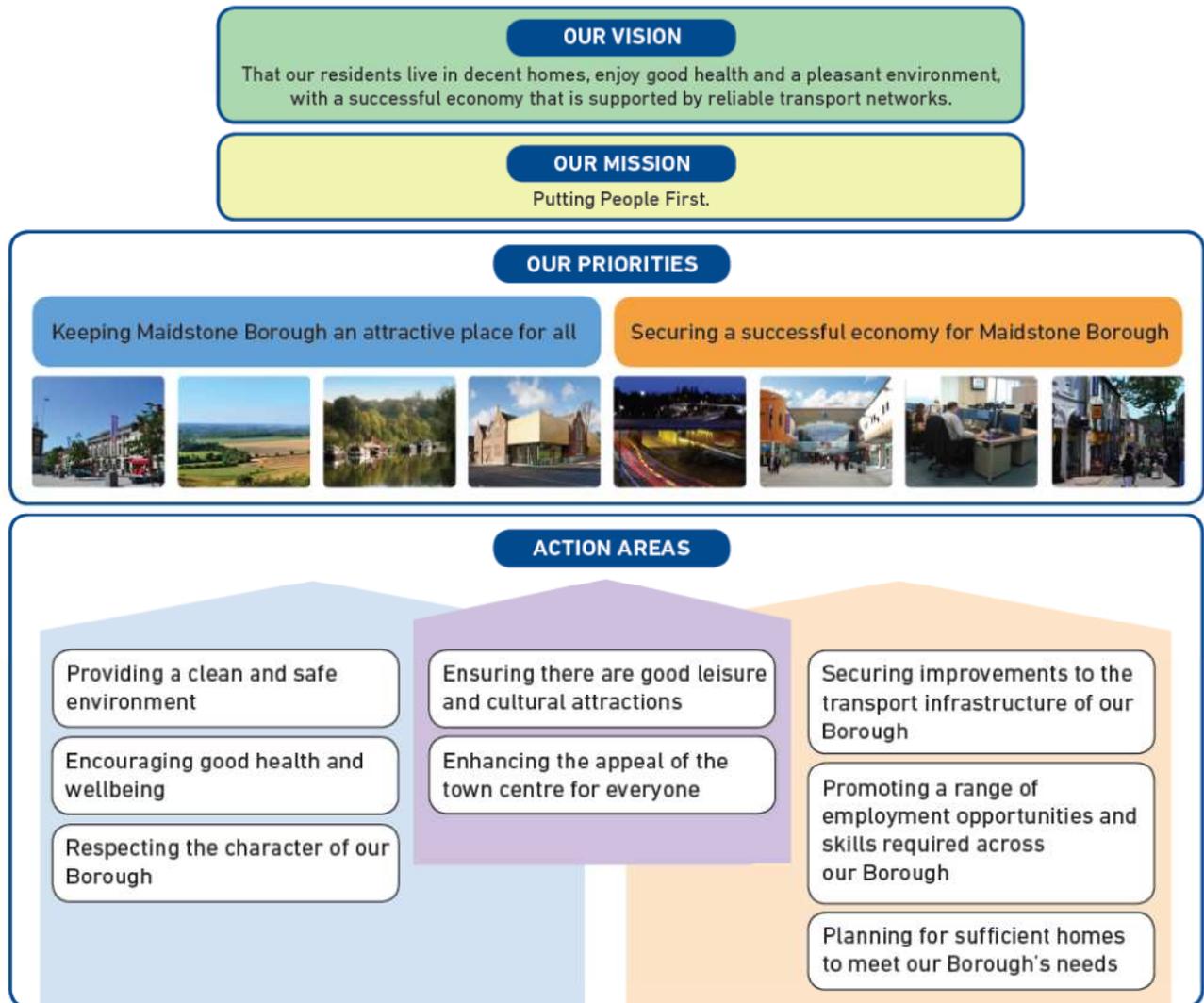
During the life of the previous Housing Strategy much was achieved which made a real difference to peoples' lives, including:

- Delivering 871 new affordable homes, of which 63 were delivered on rural exception sites for local needs housing.
- In excess of £6,930,000 of funding from the Homes & Communities Agency to help provide 553 affordable homes.
- Purchased and refurbished Aylesbury House and Magnolia House to provide 20 bed spaces as temporary accommodation for homeless households.
- Obtaining Investment and Registered Provider status with the Homes & Communities Agency.
- Receiving a grant allocation of £210,000 from the Homes & Communities Agency to bring 12 long-term empty properties back in to use as affordable housing.
- Completing the following policy and strategy reviews: Homelessness Strategy, Strategic Housing Market Assessment, Tenancy Strategy and Domestic Abuse Strategy, Empty Homes Strategy.
- Increased engagement with the private sector by hosting bi-annual Landlord forums and offering a new Homefinder incentive scheme to gain access to privately rented properties.
- Allocations policy implemented along with new eligibility criteria and 'banding' introduced to offer a fairer distribution of social housing properties to households on the housing register.

The Action Plan showing achievements against the stated outcomes from the previous Housing Strategy 2011 – 2015 can be found at Appendix A.

3. Maidstone Councils Strategic Priorities and Values

The Council has identified within the Strategic Plan the following two priorities and action areas to deliver the vision for Maidstone Borough over the next four years.



The Maidstone Housing Strategy is linked with the Strategic Plan and actively seeks to address the action areas of Encouraging good health and wellbeing and Planning for sufficient homes to meet our Borough's needs.

4. How the Maidstone Housing Strategy links in with other plans



5. National Context

Housing Strategy for England:

In November 2011, the Government published 'Laying the Foundations: A Housing Strategy for England'. It presents the Government's intended direction of travel for housing; its role in the wider economy and its contribution to social mobility. It sets out ideas on the shape of housing provision that the Government wants to see which involve the primacy of home ownership; social housing as welfare; and an increasing role for the private rented sector.

The strategy introduced new approaches and initiatives including:

- A mortgage indemnity scheme for purchase of new build property.
- Support for locally led large-scale development.
- Further efforts on public sector land release.
- Provision of development finance for stalled sites.
- Further support for custom build (self-build) housing.
- The next steps for council housing finance reform.
- Intentions on reinvigorating 'Right to Buy'.
- Clarity on guidance on allocation of social housing.
- Support for investment in new private rented sector homes.
- Additional financial support for tackling empty homes.
- Consideration of ways to improve housing options for older people.

Local Authorities Role in Housing Supply:

The Autumn Statement 2013 announced that the Government would launch a review into the role that local authorities can play in housing supply. The aim of the review was to explore the role councils, both stock and non-stock holding, could play going forward in increasing supply of housing to help meet the housing needs of their local population.

Natalie Elphicke and Keith House were appointed as the reviewers in January 2014. Their final report, published in January 2015, highlighted that councils could achieve much more by taking a more central role in providing new homes. The key recommendation is that councils change from being statutory providers to being Housing Delivery Enablers.

In January 2016 the Local Government Association announced the launch of a Housing Commission to explore new routes to housebuilding so councils can enable the building of more desperately-needed homes. The LGA said this is vital to building the 230,000 new homes the country needs each year as private developers have not built more than 150,000 homes a year for more than three decades.

The Housing Commission will focus on four themes:

- **Housebuilding** - new ways that councils can enable investment in new homes;
- **Place making, community and infrastructure** - the role of councils in shaping homes within prosperous places and communities;
- **Employment, welfare reform and social mobility** - the role of housing in supporting tenants to find and progress in sustained employment;
- **Health and quality of life for an ageing population** - the role of housing in adapting to an ageing population and preventing onward costs onto social care and health services.

Evidence will be sought from councils, partners, organisations and individuals on the key issues and on good practice that has successfully addressed those issues and what is needed to build on those successes.

Findings will be brought together in a report in Spring 2016 and presented at the LGA Annual Conference in June 2016.

Housing and Planning:

In October 2015, the Government published the Housing and Planning Bill, which sets out measures to boost house building and makes a number of changes to the planning system.

On publication of the Housing and Planning Bill the Government said it would kick-start a "national crusade to get 1 million homes built by 2020" and transform "generation rent into generation buy." The supply-side measures in the Bill are primarily focused on speeding up the planning system with the aim of delivering more housing. There is also a clear focus on home ownership, with measures to facilitate the building of Starter Homes; Self/Custom Housebuilding; and the extension of the Right to Buy to housing association tenants following a voluntary agreement with the National Housing Federation.

Starter Homes: The Bill puts into legislation the Government's commitment to provide a number of Starter Homes for first-time buyers under the age of 40. Starter Homes would be sold at a discount of at least 20% of the market value. Specifically, the Bill puts a general duty on all planning authorities to promote the supply of Starter Homes, and provides a specific duty, which will be fleshed out in later regulations, to require a certain number or proportion of Starter Homes on site.

In addition, the Homes and Communities Agency have recently announced that Affordable Rent will not be grant funded post March 2018. The Government's approach to the delivery of affordable rented accommodation is now very different from previous grant funded programmes. The Government will now only be promoting Starter Homes and Shared Ownership products. The greatest demand for affordable housing identified by the Council's Strategic Housing Market Assessment is for affordable rented accommodation.

Self-Build and Custom Housebuilding: The Bill adds to and amends the Self-build and Custom Housebuilding Act 2015, which requires local authorities to keep a register of people seeking to acquire land to build or commission their own home. The Bill specifically requires local authorities to grant "sufficient suitable development permission" of serviced plots of land to meet the demand based on this register.

Rogue landlords and letting agents: The Bill will give local authorities additional powers to tackle rogue landlords in the private rented sector. They will gain the ability to apply for banning orders against private landlords. A database of rogue landlords and agents will assist authorities in England in carrying out their enforcement work. Landlords will benefit from a clear process to secure repossession of properties abandoned by tenants.

Voluntary Right to Buy: The Queens Speech 2015 confirmed the Governments' intention to take forward the extension of the Right to Buy for Housing Association Tenants. The Bill will not, as originally expected, introduce a statutory Right to Buy (RTB) for housing association tenants. Following the Government's acceptance of the National Housing Federation's offer to implement the RTB on a voluntary basis, the Bill provides for grants to be paid to associations to compensate them for selling homes at a discount.

Reforms to the Planning System: The Bill contains a number of different reforms to the planning system, with the aim of speeding it up and allowing it to deliver more housing. Powers are given to the Secretary of State to intervene in the local and neighbourhood plan making process. A new duty to keep a register of brownfield land within a local authority's area will tie in with a new system of allowing the Secretary of State to grant planning permission in principle for housing on sites identified in these registers.

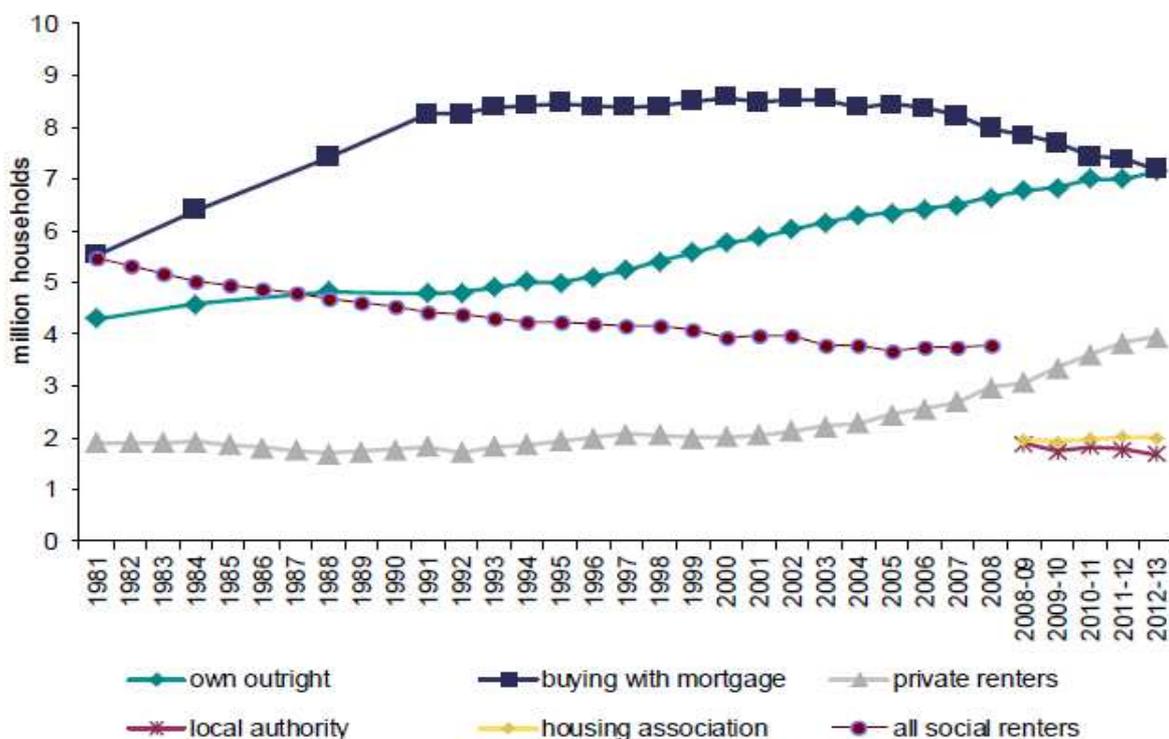
The Department for Communities and Local Government (DCLG) launched a review of the building regulations framework and voluntary housing standards in October 2012. The review aimed to consolidate and simplify codes, standards, rules, regulations and guidance in order to reduce unnecessary costs and complexities in the house building process.

On 27th March 2015, the Government launched the new approach and published a new set of streamlined national technical standards. With appropriate evidence, local authorities can use the new space standards which make up the new national technical standards.

Private Rented Sector:

The private rented sector is England's second largest housing tenure. The private rented sector has grown on average by 5.4% per annum since 1999 and now accounts for 19.4% (4.4 million) of households. In 1999 the private rented sector accounted for 9.9% (2.0 million) households. In 2012-13 the number of English households renting privately overtook households living within social housing for the first time since the mid-1960s.

Figure 1.1: Trends in tenure, 1981 to 2012-13



In November 2014, the property consultancy Savills forecast that the private rented sector would grow by another 1.2 million households by 2019. The Government is keen to see the establishment of a professional private rented sector which will be able to give tenants the quality and choice they are looking for.

The Government published the guide: 'Accelerating Housing Supply and Increasing Tenant Choice in the Private Rented Sector: A Build to Rent Guide for Local Authorities' in March 2015 which outlines a series of practical options as to how local authorities can support the development of private rented sector homes and the benefits it can offer to local authorities.

Welfare reform:

The Welfare Reform Act introduces restrictions on how much Housing Benefit working-age households in social rented properties can claim from April 2013, based on the size of the household. The policy change is focused on reducing the Government's benefit bill, increasing mobility in the social rented sector and making better use of the existing social housing stock.

The Local Housing Allowance has undergone many changes in the past 5 years - the reduction from 50th percentile of market rents to 30th percentile of market rents; an overall cap of £400 per week; increases linked to the Consumer Price Index (CPI) rather than the Retail Price Index (RPI) and single households under 35 years old restricted to the single room rate.

The spare room subsidy was introduced in April 2013. Working age social housing tenants in receipt of Housing Benefit with one spare room had their housing benefit cut by 14% and those with two or more spare bedrooms have seen a reduction by 25%.

An overall benefit cap was also introduced in July 2013, limiting total working age benefits to £26,000 per year. This is further being reduced to £23,000 in April 2016. This puts particular pressure on larger families who have much higher housing costs.

The introduction of universal credit, which is currently being rolled out across the country, will see all working age benefits, (excluding Disability Living Allowance and Carer's Allowance) made in one single monthly payment, paid directly to the tenant. Tenants will be responsible for paying their rent to their landlord themselves, with exceptions made for some vulnerable tenants on a case by case basis.

The government spending review in November 2015 proposed to cap the amount of rent that Housing Benefit will cover in the social sector to the relevant Local Housing Allowance, which is the rate paid to private renters on Housing Benefit. This will include the Shared Accommodation Rate for single claimants under 35 who do not have dependent children. This will apply to tenancies signed after 1 April 2016, with Housing Benefit entitlement changing from 1 April 2018 onwards.

The above benefit cap and the planned 1% reduction to social housing rent will potentially have issues for supported accommodation tenants along with the future viability of such schemes. It was announced in January 2016 that these proposals will be deferred for 12 months to consider the impact they would have on the supported accommodation sector. The National Housing Federation has expressed concern that the cap could force the closure of specialist homes, which cater for people such as the elderly, homeless, disabled and domestic violence victims.

Health & Homelessness:

Preventing homelessness has obvious benefits for people's housing outcomes, but a recent review, 'Preventing Homelessness to Improve Health and Well-Being' conducted on behalf of Public Health England by Homeless Link provides further evidence about how acting early also reduces health inequalities.

The review identifies prevention activity developed in response to health and wellbeing needs, delivered by or in partnership with the wider health workforce.

The review highlighted that for people experiencing homelessness or prolonged periods of rough sleeping, the rate at which health problems occur increases rapidly. People experiencing 'single homelessness' are particularly affected by poor physical and mental health.

The final report published in July 2015 recommended development in the following three key areas to help put homelessness prevention at the heart of our efforts to reduce health inequalities.

- Stronger leadership and joint strategic working.
- Access to advice and early intervention.
- Improved data collection and evaluation.

The 'Unhealthy state of homelessness: health audit results 2014' highlights the extent to which people who are homeless experience some of the worst health problems in society. The report uncovers the barriers many individuals face when it comes to getting treatment, as well as the impact of ill health on NHS A&E, hospital, mental health and substance misuse services.

The data also reconfirms the strong links between health and somebody's housing situation. The report makes a number of recommendations under the following themes of Better care; Better commissioning; Better policy and Stronger inspection and accountability to improve the commissioning and delivery of services that prevent and treat the poor health experienced by homeless people.

Homelessness decisions:

Nationally the overall numbers of those approaching local authorities as homeless has seen a small increase from 108,720 in 2011/12 to 111,019 in 2014/15.

In Kent, the increase has been significantly higher from 2,522 in 2011/12 to 3,723 in 2014/15.

6. Local Context

Maidstone the Place:

The Borough of Maidstone covers some 40,000 hectares, and is home to some 61,460 households. Located in the heart of Kent, Maidstone Town is the County Town, and is an administrative, retail and leisure hub, with a large night time economy. The Borough enjoys good transport links to the coast and to London, and has a high rate of employment. It has a very mixed business sector with a large number of small to medium sized employers, with particular strengths in law, accountancy and the media.

In the 2011 Census, it was estimated that there were 63,682 households living in the Maidstone Borough with 13.7% of households living in affordable housing and 86.3% being in the market sector.

Population and Household change:

The table below shows projected population growth from 2011 to 2031 in Maidstone compared to the South East and England. The data shows that the population of Maidstone is expected to grow more strongly than seen across the region and nationally.

	Population 2011	Population 2031	Change in population	% Change
Maidstone	155,764	189,575	33,811	21.7
South East	8,652,800	9,979,900	1,327,100	15.3
England	53,107,200	60,418,800	7,311,600	13.8

Source: Office National Statistics (ONS)

With the overall change in the population will come changes to the age profile. A greater proportion of the population is expected to be in the age groups aged 60 and over (and even more so for older age groups) - in particular the oldest age group (85+) shows an increase of 142%.

Affordable Housing:

The delivery of affordable Housing supports the council's corporate priorities for Maidstone to keep the Borough an attractive place for all and to secure a successful economy.

The Maidstone Strategic Housing Market Assessment (2014) identifies the Council has a net affordable housing need of 5,800 households from 2013 to 2031 equivalent to 322 affordable homes each year (which is 35% of the council's objectively assessed need of 928 dwellings p.a.).

Across the Borough as a whole, it is estimated that some 67% of need is for social or affordable rent tenures, whilst around 33% is for intermediate housing. Smaller (one and two bedroom) dwellings account for between 60% and 70% of the need with larger (three and above) dwellings accounting for between 30% and 40%.

Local Needs Housing

Maidstone has a total of 41 Parishes in the Borough. Property within the villages and small towns of Maidstone are expensive; a reflection on the attractiveness of the Borough. This means that many local people are priced out of the housing market and unable to afford to live locally. The result is that many young couples and families have been forced to move away elsewhere in search of more affordable accommodation. This can have a detrimental effect on the balance and sustainability of the local community. Through the provision of affordable housing in rural locations we can help local people to remain in the village or town where they have strong family or employment ties.

Entry Level Access to the Markets:

When assessing housing need, an important consideration is to establish the entry-level costs of housing to buy and rent.

The estimated average lower quartile property prices for purchases in 2013 were between £85,000 for a 1 bed dwelling in Maidstone Town Centre to £322,000 for a 4 bed dwelling in Maidstone Rural North.

The entry-level cost for private rented accommodation indicates that rents range from about £520-£575 per month for a one bedroom home up to around £1,250 per month for a four bedroom property depending on location.

As well as assessing the price of purchasing a property and renting, it is important to look at local income levels. This determines levels of affordability and also provides an indication of the potential for affordable housing to meet needs.

The Maidstone Strategic Housing Market Assessment (January 2014) showed that over a quarter of households have an income below £20,000 with a further third in the range of £20,000 to £40,000. The overall average income of all households in the Borough was estimated to be around £31,600 with a mean income of £42,000.

The table below shows across the Borough that it is estimated that around **43%** of households are unable to access market housing on the basis of income levels.

Area	Number unable to afford	Estimated households (2013)	% of households unable to afford
Maidstone Town	17,254	38,904	44.3%
Rural North	1,941	5,460	35.5%
Rural East	1,898	4,379	43.3%
Rural South	6,087	14,938	40.7%
Borough	27,181	63,681	42.7%

Source: Maidstone Strategic Housing Market Assessment (January 2014)

There is also a gap between what the Local Housing Allowance (LHA) rate is and what the rent is for private rented properties. LHA rates in Maidstone (the amount housing benefit will pay for a property per week) are shown below.

Size	LHA	Private rent *
Shared accommodation	£68.28	
1 bed	£123.58	£155
2 bed	£157.56	£200
3 bed	£180.45	£254
4 bed	£235.41	£316

*Home.co.uk Maidstone market rent summary

Single people under 35 are only entitled to the shared accommodation rate, regardless of whether they live in something larger.

Housing Register Need:

The table below shows the number of applicants and those housed on the Housing Register during 2011 to 2015.

Housing Need & Lets		
	On Housing Register	Housed
2011 to 2012	3674	607
2012 to 2013	3187	703
2013 to 2014	1339	618
2014 to 2015	1461	624

Source: Locata / Housing Register

There was an increase in the number of people on the housing register between 2010 and 2012. This started to decrease in 2012/2013 and then dropped drastically in 2013/2014.

The reason for the large drop was the introduction of the new housing allocations policy in April 2013. This new policy made it harder for applicants to be on the housing register, with applicants having to prove a housing need and a local connection.

The new Allocations Scheme replaced the previous points system with the introduction of a banding system as follows:

- Band A – Community Contribution
- Band B – Assistance
- Band C – Reasonable Preference
- Band D – Homeless Duty

A greater number of properties per applicant are allocated to Band A to support the aims and priorities of the Councils allocation scheme, which includes giving priority to applicants in work or who assist their local community in other ways, such as serving in the Armed Forces or undertaking voluntary work.

Shared Ownership Need:

Demand for shared ownership within Maidstone remains relatively strong. The table below shows the number of applicants registered with the Help to Buy Agent who wish to live in Maidstone, broken down by bedroom entitlement and existing household status.

Existing Household Status								
Beds	Council Tenant	Private Tenant	Housing Association Tenant	With Family or Friends	Owner Occupier	Other	Total Applicants	%
1/2	3	181	19	269	5	2	479	57
2/3	2	101	14	70	6	4	197	23
3/4	5	71	16	23	5	2	122	15
4+	2	29	3	7	0	0	41	5
Total	12	382	52	369	16	8	839	100

Source: Help to Buy Agent (Nominations Data)

Housing Stock:

A detailed profile of tenure mix for Maidstone can be gleaned from the 2011 Census. Around 70% of households live in owner occupied accommodation, with around 13% social rented and 15% private rented. Like much of the country, the shared ownership sector is limited at only 1% of stock.

There are around 9,300 existing social homes within the Borough of Maidstone, of which roughly 93% are rented accommodation, with the remaining 7% low cost home ownership accommodation.

The table below shows the total social housing stock recorded for the Maidstone Borough, broken down by tenure and client group as at March 2015:

Tenure	Units	% of stock social housing stock
General Needs Self Contained	7,272	78%
Supported Housing	222	2%
Housing for Older People	1,147	12%
Low Cost Home Ownership	663	7%
Total	9,304	100%

Source: Statistical Data Release 2014-15

Emerging Local Plan:

Maidstone Borough's Local Plan, which is due to run until 2031, is currently being drafted after an initial public consultation period in 2014. There are four emerging policies within the plan that directly affect Housing:

- Housing mix.
- Affordable housing.
- Local needs housing.
- Gypsy, Traveller and Travelling Showpeople accommodation.

A further round of public consultation is to be undertaken before the final local plan is adopted, which is currently scheduled for February 2017.

An Affordable Housing Supplementary Planning Document is to be produced once the Local Plan has been adopted. This document will go into greater detail about the Council's affordable housing policy and requirements from developers.

Self/Custom Build Housing

The council are required under the National Planning Policy Framework to assess demand for self and custom build housing within Maidstone. The Self-Build and Custom Housebuilding Act 2015 and the Housing and Planning Bill requires local planning authorities to operate a register of people interested in self build and to grant sufficient development permission for serviced plots of land to meet this demand.

Maidstone Councils Role in Housing Supply:

The Council has developed a Local Plan with an objectively assessed need. The total figure can be broken down into sites already being built out, developments that have been granted planning permission but not yet commenced, and sites that are identified in the Local Plan for future development. The Housing Service will play a key role in ensuring that sites which have been granted permissions contribute to meeting housing demand at the earliest opportunity.

Starter homes are being promoted by the Government as an alternative to other affordable housing tenures. Maidstone Council is keen to support and promote home ownership including starter homes and will engage with developers about the supply and building of them within the borough.

However, there is a potential impact that the introduction of Starter Homes may have on the supply of traditional affordable housing. Wherever possible, they should be in addition to, not at the expense of much needed homes for affordable rent and shared ownership.

The Council will look to build new affordable and private homes to meet commercial and housing objectives. The Elphicke-House report commissioned by the Government which reviewed local authority's role in housing supply evidenced that Councils are most successful when working in partnership with others and where they actively use their own assets to promote housing development opportunities.

The Brunswick Street Car Park is viewed as an underperforming asset by the Council and its potential use is now under review for complete or partial redevelopment. The main objectives for the proposed development of this site is to maximise revenue income for the Council, regenerate the surrounding area and delivering affordable housing. This could be achieved by entering into a joint venture partnership with an existing Registered Provider partner.

Maidstone Town Centre Strategic Development Plan:

This 5-year plan seeks to set out a vision, plan and programme of projects to develop and improve Maidstone town centre including enhancing the retail, leisure and business offer, stimulating enterprise growth along with encouraging more visitors to the town.

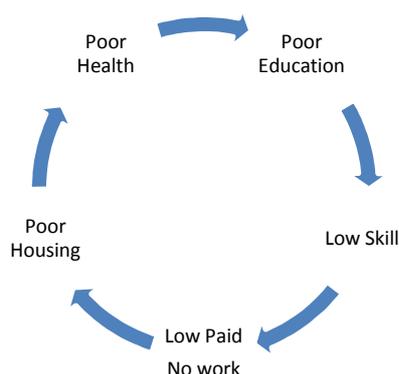
One of its aims is to 'Build and where appropriate convert offices to create more homes.' The introduction of permitted development rights to convert office use to residential without seeking full planning permission has seen over 50 such notifications received by Maidstone Council across the Borough.

The plan also identifies major development sites such as the Maidstone East / Royal Mail Sorting Office site which has been identified in the draft Local Plan for mixed use redevelopment including housing.

Health and Well-being:

The right home environment is critical to our health and wellbeing; good housing helps people stay healthy, and provides a base from which to sustain a job, contribute to the community, and achieve a decent quality of life. Safe and suitable housing also aids recovery from periods of ill-health, and enables people to better manage their health and care needs.

Without good housing, we know health and wellbeing are affected: poor conditions and precarious housing impact on people's physical and mental health. Ill health also puts some households at a greater risk of housing need and can be a trigger of homelessness – for example, poor physical and mental health can make it harder to access and keep their home. The diagram below highlights the links between poor housing and wellbeing.



Levels of health and wellbeing in Maidstone are generally good, being largely above national and regional averages. This position, however, hides some pockets of deprivation and ill health. The difference in life expectancy at birth of our most affluent wards compared to our most deprived is 8.9 years.

Deprivation in the Borough is lower than average, however around 15% 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.

Research has also shown that the stability of an affordable home can have profound effects on childhood development and school performance and can improve health outcomes for families and individuals.

Housing costs and affordability have been shown to be associated with increased levels of anxiety and depression.

Maidstone Council chairs the Maidstone Health & Wellbeing Board which meets quarterly. The group is made up of relevant local stakeholders and look at issues such as employability and skills, health issues and social justice.

Fuel Poverty:

A household lives in fuel poverty when they cannot afford to heat their home to a comfortable level. Living in a cold home has a negative impact on the health of occupants of all ages. It may also reduce educational attainment in children and increase the number of absences from school and work.

Approximately 8% of households in the borough suffer from fuel poverty, similar to the average for Kent. However, fuel poverty is not evenly distributed through the Borough with some areas having just 2.2% of households in fuel poverty and others with 15.2% of households living in fuel poverty. Nationally fuel poverty is more prevalent in the private rented sector, followed by owner occupiers and lowest in the socially rented sector. The drivers of fuel poverty are;

- The energy efficiency of the home;
- The cost of the heating fuel; and
- The household income.

Think Housing First:

The Kent Joint Policy and Planning Board (Housing) published 'Think Housing First' in 2013. It sets out the role of the housing sector; the relationship between health inequalities and housing; and what can be done in Kent in addition to current housing interventions.

The vision is to raise the profile of 'thinking about housing first' in addressing health inequalities in Kent. In doing so the aims are:

- To take advantage of the new opportunities, driven by the recent health reforms, for housing to strengthen collaboration and engagement with health.
- To maximise the contribution of housing in improving people's health and wellbeing.
- To raise awareness to health colleagues of the role of the housing sector.
- To reliably inform commissioning priorities and decisions, by demonstrating how investing in housing can save in health bills.

Maidstone Health Inequalities Action Plan:

The Maidstone Health and Wellbeing Group has developed this plan that runs from 2014 – 2020. A series of priorities and action points have been devised that look at reducing health inequalities within the borough. These are based on the following:

- Continuing to develop a whole-system approach to health improvement by tackling the underlying causes of ill-health, through improving educational attainment, housing, getting local people into jobs and creating a safe and healthy, sustainable environment;
- Delivering of short, medium and long-term actions to create sustainable improvements in health. These are based on the evidence of what works to support lifestyle changes and improve the impact of health and social care services on reducing health inequalities; and

- Targeting areas / priority groups and empowering communities to improve their wellbeing.

Empty Homes:

Maidstone Borough Council works with owners of empty properties to help bring them back into use. The council offers advice on how an owner could sell/ and or rent their property and can refer these owners on to other relevant agencies. The council also works closely with Kent County Council and their 'No Use Empty Scheme', which provides an interest free loan to owners of empty properties to carry out renovation works. Once the works are completed the property can either be rented or sold.

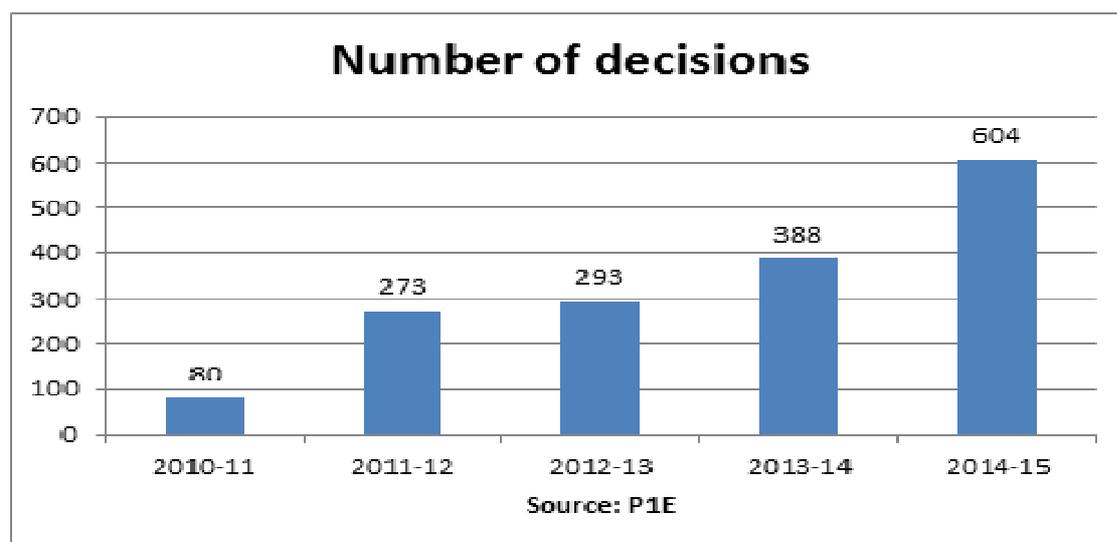
The Housing & Health Team will be exploring a new initiative to help people who have moved into care or nursing homes to achieve a regular income from their empty home. The initiative could help older people with meeting their ongoing care costs, which would otherwise be offset against the capital value of their home. This proposal brings empty homes back into use to help families without housing; and will help enable the homeowner to preserve the value of their home for whoever they bequeath it to.

Advice and guidance is often all that is needed to help owners bring their properties back into use; however where properties are empty for a long period of time and having a detrimental impact on the surrounding area enforcement powers can be used. During 2015, a combination of both approaches helped to bring back 70 long term (6 months+) empty properties across the Maidstone Borough back in to use.

Homelessness:

The recession and the ongoing economic climate has resulted in a surge of homelessness in Maidstone. Due to the high demand for social housing, this has led on occasions to some homeless households having a significant wait in temporary accommodation until they receive an offer of social housing or a suitable private let is identified.

The overall numbers of those approaching the Council as homeless between 2010/2011 and 2014/2015 can be seen in the table below:



Source: Government P1E statistical return

Maidstone is above the national level of homelessness in relation to population; whilst the Kent average is 0.49 per 1000, compared to an England average of 0.59, Maidstone stands at 0.98, the second highest in Kent.

Temporary Accommodation:

The number of people in temporary accommodation continues to rise. This is due mainly to the number of duty accepted households for whom the council has been unable to identify 'move on' accommodation.

Number of people in temporary accommodation on last night of each Quarter				
Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
11/12	34	44	46	49
12/13	38	27	37	36
13/14	39	47	31	42
14/15	49	40	43	52
15/16	63	87	109	

The use of temporary accommodation has resulted in a large increase in cost to the Council. The past five years have seen a near fivefold increase in the net cost of temporary accommodation.

Increasing the Supply of Accommodation for Homeless Households:

The Council in the last two years has purchased two properties (Magnolia House and Aylesbury House) to assist with reducing the rising cost of providing temporary accommodation for homeless households. The Council is keen to build upon the success of these schemes and will be looking to purchase further properties to increase the supply of accommodation for homeless households. In addition, we will also work with existing providers to negotiate access arrangements to properties to help maximise availability of suitable accommodation and reduce temporary accommodation costs.

Vulnerable People:

Kent County Council (KCC) published its 'Adult Accommodation Strategy' (Health and Housing Partnership) in July 2014, the purpose of which was to develop evidence to help shape the approach to the provision of housing and care homes within Kent.

The report estimates the need for, and availability of, accommodation for people with physical disabilities, sensory disabilities, learning difficulties, autism and people who use mental health services within Kent. The Adult Accommodation Strategy also demonstrates the need for accommodation for older people (aged 55/65 and over) in the County and the supply available.

The evidence in KCC's Adult Accommodation Strategy clearly demonstrates that:

- Whilst supply of specialist accommodation can target persons aged over 55/65, the majority of need arises from persons in older age groups: those 75-84 and particularly over 85;

- The needs of these groups include support needs which range from support in adapting properties to meet changing needs, provision of care in the home through to specialist accommodation and care/nursing home provision.

KCC's Supporting People programme has ended, although the services are very much still being provided and commissioned and KCC remains committed to providing housing-related support. A needs analysis was conducted in 2013 and the plan that arose from this suggests commissioning in a more holistic way, thinking about the pathways that service users need and simplifying the complex arrangements that service users have to navigate.

Specialist accommodation:

The council want to support people to work towards independent living, helping them to participate in mainstream society and make a contribution to the local economy. The council hope to achieve this by looking at a range of opportunities to help improve access to different types of housing and, where appropriate, developing purpose built specialist accommodation to meet needs.

The council will work closely with the KCC Accommodation Solutions Team and social care to ensure that a choice of specialist housing and support is available to meet the needs of the elderly, disabled and other vulnerable people. The Council will undertake further research into the housing needs of vulnerable client groups and use this evidence to help focus our work on assisting people to live independently.

Specialist housing advice:

First Stop is a free independent service funded by Government for older people and their families and carers which aims to help older people make informed decisions about their housing, care and support options for later life.

The service is provided by Elderly Accommodation Counsel (EAC) in partnership with a number of other national and local organisations, and brings together a wealth of expertise to help older people explore the options and choices open to them. They provide specialist help on any aspect of care, support or housing for elderly people, including financial issues as well as statutory rights and entitlements.

The council will explore opportunities of working with First Stop to further develop our local advocacy and support service within Maidstone in respect of housing issues for older persons.

7. Emerging Challenges

Following analysis of key data sources and a review of national, county and local policy, the key housing challenges in Maidstone are:

- The council has a net affordable housing need of 5,800 households from 2013 to 2031 equivalent to 322 affordable homes each year (which is 35% of the council's objectively assessed need of 928 dwellings p.a.).
- Across the borough as a whole, it is estimated that some 67% of affordable need is for social or affordable rent tenures, whilst around 33% is for intermediate housing.
- Across the Borough it is estimated that around 43% of households are unable to access market housing on the basis of income levels.
- The Government will reduce rents in social housing in England by 1% a year for four years from April 2016. This will apply to both social rent and affordable, and the Government indicates this will result in a 12% reduction in average rents by 2020/21, compared to current forecasts.
- The reduction in rents, along with the introduction of starter homes will potentially impact the number of affordable rented and shared ownership homes being developed.
- Access to alternative funding and delivery sources to help maintain supply due to reductions to capital subsidy is of high importance.
- Over 53% of applicants on the Council's housing register have a 1-bed need and around 24% have a 2-bed need. There is therefore a need to increase the delivery of new 1 and 2 bedroom affordable homes.
- The difference in life expectancy at birth in our most affluent wards compared to our most deprived is 8.9 years.
- Deprivation in the borough is lower than average, however around 15% 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.
- The number of homelessness decisions made by the council has increased significantly since April 2011 from 80 to 604, representing a 655% increase over the last 5 years.
- The use of temporary accommodation has resulted in a large increase in cost to the Council. The past five years have seen a near fivefold increase in the net cost of temporary accommodation.

- Projected population growth from 2011 to 2031 shows a greater proportion of the population expected to be in age groups aged 60 and over (and even more so for older age groups) - in particular the oldest age group (85+) shows an increase of 142%.
- Evidence in KCC's Adult Accommodation Strategy clearly demonstrates that the majority of need arises from persons in older age groups: those 75-84 and particularly over 85. The needs of these groups range from support in adapting properties to meet changing needs and provision of care in the home through to specialist accommodation.
- There is an estimated total need for 3,620 specialist accommodation units for older persons from 2011 to 2031.
- For those in receipt of Housing Benefit and therefore subject to the Shared Accommodation Room Rate, which limits how much housing benefit people under 35 can claim, access to shared accommodation in the private rented sector is proving very difficult. As the gap widens between market rents and shared accommodation room rates widens, people who are seeking rooms at housing benefit levels are finding themselves priced out of the rental market.

8. Key Priority Themes

Priority 1: Enable and support the delivery of quality homes across the housing market to develop sustainable communities

Outcomes – What we plan to achieve

- a)** Enable the delivery of homes as identified in the emerging Local Plan; and has an appropriate policy framework in place that delivers an appropriate mix, tenure and range of housing to meet identified need.
- b)** Deliver a mix of homes of different types, tenure and size, via direct provision and in partnership with private developers, housing associations and other key partners, which meet the needs of the local population.
- c)** Deliver new affordable homes that are designed to a high standard, energy efficient, accessible and respond to people’s changing needs.
- d)** Maximise housing investment opportunities by seeking innovative funding and delivery options to support housing delivery within Maidstone.

Actions – What we will do in order to achieve the stated outcomes

Outcomes	What we plan to do	Key Partners	Target
1b	Create a Local Housing Company to build/acquire new affordable and private homes to meet the commercial and housing objectives of the council.	MBC Housing & Enabling Team, MBC Property and Procurement, MBC Legal & Finance Consultants, Housing Developers, MBC Planning, Landowners, Homes & Communities Agency	April 2018
1a/b/c/d	Ensure the emerging Local Plan provides an appropriate policy framework for affordable housing, including the production of an Affordable Housing Supplementary Planning Document (SPD)	MBC Housing & Enabling Team, MBC Spatial Planning Policy, Housing Developers, Registered Providers, Homes & Communities Agency	April 2017
1a/b/c	Promote home ownership products e.g. Help to Buy, Starter Homes, and Shared Ownership in Maidstone.	MBC Housing & Enabling Team, Landowners, Housing Developers, MBC Planning	Review annually

1a/b/c	Establish a register to gather evidence of demand for self and custom build within Maidstone and work with planning to identify serviced plots of land to meet this demand.	MBC Housing & Enabling Team, Landowners, Housing Developers, MBC Planning	May 2016
1b	Monitor and respond to the changing social housing market, including: Impact of the 1% annual reduction in social rents over the next 4 years; Impact of the affordable rent regime on affordability; Impact of the Allocation Scheme to ensure social housing is being allocated effectively and fairly.	MBC Housing & Enabling Team, Housing Developers, Registered Providers, Homes & Communities Agency, MBC Benefits	Review annually
1a/b	Enable the delivery of new affordable housing, particularly 1 and 2 bedroom homes to meet the identified need.	MBC Housing & Enabling Team, MBC Planning, Housing Developers, Registered Providers	Review annually
1d	Explore opportunities for funding investment with a range of partners including the Local Enterprise Partnership, Homes & Communities Agency, institutional investors that will contribute towards the delivery of housing across the market.	MBC Housing & Enabling Team, Landowners, Housing Developers, Registered Providers, Homes & Communities Agency, DCLG, LGA, LEP	Review annually
1b/c	Consider on a site by site basis joint venture and partnership models to share expertise, income, resources and risk.	MBC Housing & Enabling Team, MBC Property and Procurement, MBC Legal, Registered Providers, Housing Developers, Landowners, External Contractors / Consultants, Kent Housing Group, DCLG, LEP, KCC	Review annually

1a/b	Work with planning, the local and Gypsy Traveller and travelling communities to identify potential housing sites to meet identified need.	MBC Housing & Enabling Team, MBC Planning, Gypsy and Traveller Community, Parish Councils, Kent County Council	Review annually
1b/c	Bring forward Brunswick Street car park to deliver a quality housing scheme to meet housing and commercial objectives	MBC Housing & Enabling Team, MBC Property and Procurement, MBC Legal, MBC Planning, Housing Developers, External contractors/consultants, Registered Providers, Landowners.	September 2018
1a/b/c	Continue to support Parish Councils in delivering local needs housing where this has been proven necessary.	MBC Housing & Enabling Team, Parish Councils, MBC Spatial Planning Policy, Action for Communities in Rural Kent	Review annually
1a/b/c/d	Contribute to the Local Government Associations Housing Commission on exploring new routes to housebuilding and seek good practice for delivery in Maidstone.	MBC Housing & Enabling Team, Housing Developers, MBC Planning, Landowners, Registered Providers, KCC, LGA	September 2016
1a/b/c	Promote the development of good quality homes that are energy efficient, meet the minimum guideline space standards and embrace the concept of Lifetime Homes	MBC Housing & Enabling Team, Housing Developers, MBC Planning, Registered Providers	Review annually.

Priority 2: Ensure that existing housing in the Maidstone Borough is safe, desirable and promotes good health and wellbeing

Outcomes – What we plan to achieve

- a) To raise housing quality and standards across all tenures and improve the condition of existing homes to maximise health and wellbeing outcomes for all.
- b) To improve health outcomes for residents by reducing health inequality to ensure a healthy standard of living for all.
- c) Promote ways for residents to improve their health and wellbeing by tackling fuel poverty, energy efficiency advice and managing domestic bills.
- d) Bring empty homes back into use in order to increase the housing options available for local residents.

Actions – What we will do in order to achieve the stated outcomes

Outcomes	What we plan to do	Key Partners	Target
2a	Improve the condition and supply of accommodation within the private rental sector by engaging with landlords to support good management and take appropriate enforcement action where necessary.	National Landlords Association, Maidstone Landlords Forum, Landlords, Homeowners, MBC Housing & Health Team	Review annually
2a/b/c	Assist with delivery of the Health Inequalities Action Plan	Maidstone Health and Well-Being Group, MBC, KCC Children's Centres, West Kent NHS Trust – Midwives and Health visitors, West Kent CCG – Commissioners and GPs KCHT Registered Providers, Schools, Age UK, Youth Providers.	Review annually
2a	Review key strategic documents to ensure they remain relevant to today's market, including: The Council's Tenancy Strategy; Council's Housing Assistance Policy; The Council's Housing Standards Enforcement Policy.	MBC Planning, MBC Housing, Registered Providers, Housing Developers, Private Landlords	September 2016 April 2016 March 2017
2a/b/c	Address the needs of the ageing population, in particular the 85+ age group, including support needs such as adapting properties, provision of care in the home, providing specialist accommodation and care/nursing home provision.	MBC Housing & Inclusion team, MBC Housing & Health team, MBC Housing & Enabling Team, Private Landlords, Registered Providers, KCC	Review annually

2a	Promote the review of the Disabled Facilities Grant to provide an efficient service that assists disabled residents to remain in their home.	KCC, MBC Housing and Health Team, Registered Providers, Private Sector Landlords, Homeowners	Review annually
2b/c	Initiate projects such as the Roseholme Healthy Homes Pilot, which will improve the health and well-being of residents within the Borough.	MBC Housing & Inclusion Team, MBC Housing & Health Team, Maidstone Health and well-being group, KCC, External businesses, Voluntary groups	March 2017
2b	Work with NHS Health trainers to support residents to achieve healthier lifestyle choices with issues such as Healthy eating, quitting smoking, exercise and emotional well-being.	Kent Community Health (NHS Health Trainers), MBC Housing & Health Team , GP's, Registered Providers, CAB	Review annually
2a/d	Work with owners of long term empty properties to bring them back in to use	National Landlords Association, Maidstone Landlords Forum, Landlords, Homeowners, MBC Housing & Health Team	14 every quarter. Review annually.
2c	Promoting and delivering the affordable warmth strategy	MBC Housing & Health Team, Registered Providers, Home Owners, Landlords, Landlords Forum	Review annually

Priority 3: Prevent Homelessness, Secure Provision of Appropriate Accommodation for Homeless Households and Supporting Vulnerable People

Outcomes – What we plan to achieve

- a)** Prevent and relieve homelessness amongst local residents who are at risk of homelessness by offering timely, expert advice that helps to prevent their homelessness.
- b)** Increase the availability of suitable accommodation for homeless households via direct provision and the use of the private rented sector, to reduce temporary accommodation costs, length of stay and reliance on bed and breakfast accommodation.
- c)** Support independent living and reduce risk of repeat homelessness for vulnerable residents by offering a range of housing options, advice and support to maintain or improve their health and well-being.

Actions – What we will do in order to achieve the stated outcomes

Outcomes	What we plan to do	Key Partners	Target
3a/b/c	Deliver our existing Homelessness Strategy Action Plan	MBC Housing & Inclusion team, MBC Housing & Enabling Team, Private Landlords, Registered Providers, Voluntary Groups, CAB, KCC Social Services, Schools, Supported Housing Providers	By March 2020
3b	To expand on the success of Aylesbury House by investing in the acquisition/purchase of additional temporary accommodation within Maidstone to house homeless and vulnerable households.	MBC Housing & Inclusion team, MBC Housing & Enabling Team, Homes & Communities Agency, DCLG, Land owners, Property owners, Private institutional investors, Agents	December 2016
3c	Strengthen partnership working at local, county and national level and understanding of assistance and options available to homeless and vulnerable households.	MBC Housing & Inclusion team, KCC, DCLG, KHOG, CAB, Voluntary groups, Registered Providers	Review annually
3a	Continue to support private sector landlords and tenants to maintain their tenancies by offering pre-tenancy training.	Private Sector Landlords, Registered Providers, Tenants, MBC Housing & Inclusion team	Ongoing monthly
3a/c	Provide specialist targeted information and advice that will enable people to improve their own housing and health circumstances, prevent homelessness and make best use of resources.	MBC Housing & Inclusion team, MBC Housing & Health team, MBC Housing & Enabling Team, CAB, KCC, NHS Health trainers	Ongoing. Review annually.
3a /c	Promote closer co-operation with the Revenues and Benefits and DHP Team to assist customers in difficulty that require further support to help solve their financial issues.	MBC Housing and Inclusion Team, Registered Providers MBC Benefits, CAB	December 2016

3a/c	Support affected households to manage welfare reform changes to the benefit system.	MBC Housing & Inclusion team, MBC Benefits, Registered Providers, CAB, Private Landlords	Ongoing. Review annually
3c	Ensure homeless households have access to volunteering, training and employment opportunities	Job Centre Plus, Voluntary groups, MBC Housing & Inclusion team, CAB	Ongoing. Review annually
3b	Secure shared housing for under-35s single homeless people.	MBC Housing & Inclusion team, MBC Housing & Enabling team, Private Sector Landlords, Agents	December 2016
3b	Expand the Homefinder incentive scheme to more landlords within Maidstone and neighbouring boroughs	MBC Housing & Inclusion team, Private Landlords, National Landlords Association, Maidstone Landlords Forum, Agents	December 2016
3c	Work with supported housing providers to understand the potential impact of the Housing Benefit cap to supported accommodation tenants and how best to address it.	MBC Housing & Enabling Team, MBC Housing & Inclusion Team, Supported Housing Providers, KCC Accommodation Solutions Team.	March 2017

9. Delivery in Partnership

Maidstone Borough Council is committed to working with key stakeholders to assist in meeting local housing needs. Partnership is the underlying principle of community planning and fundamental to the delivery of this strategy. Over the course of the strategy we will ensure that partnerships continue to be developed, that they focus on priorities and make effective use of resources.

The delivery of the actions set out in this strategy will rely upon the resources of the council and its partners. To maximise combined resources it will be important to work together, sharing expertise and good practice, avoiding duplication, identifying and meeting gaps in service provision, jointly funding or procuring projects and making joint bids for any available funding streams to secure additional resources. We are clear that it is only by moving forward together, as one partnership, that we will be able to deliver on these promises.

Key partners include Registered Providers, the Homes & Communities Agency (HCA) and Housing Developers and regular forums will be undertaken with these stakeholders during the duration of the Maidstone Housing Strategy.

Other key partners include:

- The **Kent Housing Group (KHG)** is a forum for social housing organisations in Kent. KHG has representation from all 12 Kent local authorities, Medway Council, over sixteen housing associations and Kent County Council. KHG also has affiliated representation from the Homes and Communities Agency and when required other partner agencies.
- The **Kent Housing Strategy and Enabling Group** is a sub group of Kent Housing Group and officers from each of the 12 Local Authorities and Medway Council are represented on this group. At this group the officers consider key strategic housing issues across Kent.
- The **Maidstone Health and Well-Being Group** will be used to discuss health and wellbeing issues, using existing engagement mechanisms where necessary and linking in to the county level engagement work where established. Our local approach seeks to enhance how partners help to tackle and reduce health inequalities in housing, by engaging with residents, local businesses and staff.

- The **Kent Joint Policy and Planning Board for Housing (JPPB)** is a strategic partnership between Health, Housing and Social Care. The Board incorporates representation from the East and West Kent Local Housing Authorities, Supporting People, East Kent Primary Care Trust, East and West Kent Social Services, Kent Children Families and Education, Kent Drug and Alcohol Action Team, Kent Probation, Youth Offending Services and Catch 22. The JPPB provides the forum where strategic issues requiring joint working between Health, Housing and Social Care can be raised and measures to address them developed.
- **Action with Communities in Rural Kent (ACRK)** – A voluntary organisation which exists to improve the quality of life for local rural communities.
- **Maidstone Citizens Advice Bureau** – A registered charity which provides advice on a wide range of issues affecting people in the community.
- **National Landlords Association (NLA) / Private Sector Landlords** – The NLA works with local government to support a thriving private-rented sector. Many of our local Landlords are members of this association.
- **Kent County Council (KCC)** – The County Council that governs the county of Kent. There are 12 district councils in Kent, Maidstone Borough Council being one of them.

10. Implementation and Monitoring

The Maidstone Housing Strategy sets a clear focus on the key priorities to address within the Maidstone Borough. We envisage Maidstone as a thriving borough that maximises all its strengths and tackles the root causes of the social, housing, health and economic challenges which hold some of the borough and its residents back.

This strategy will drive the changes we need to make within the borough by providing a clear direction of travel for Maidstone. In addition, we have ensured our long-term outcomes are underpinned by clear priority areas of focus and targets. The work to achieve this will be challenging and will require the public, private, voluntary and community sectors to work together even more closely than before.

The Maidstone Housing Strategy operates within a performance management system which is structured around effective political and managerial leadership, a clear vision, action centred service planning, regular performance reporting and constructive challenge. To ensure that the Strategy is delivered, the Council will review and monitor the Action Plan through the following various methods:

- The strategy's action plan has been developed by Maidstone Borough Council and its partners and the delivery of the action plan will be shared by the partners. Maidstone Borough Council will take responsibility for driving this work and for monitoring delivery. We will publish annual performance information - enabling members of the public to see the progress we are making throughout the year and year on year.
- We will present an annual report and commentary on progress to achieve the key priority areas and deliver the strategy's action plan, using this as an opportunity to challenge partners, to renew commitment to the plan and to update and increase the ambition of the plan when opportunities arise. The report will enable partner organisations, Councillors and members of the public to see the progress we have made and challenge organisations on the work they have undertaken.
- Clear and effective communication with wider audiences who would be the future partners and stakeholders for delivery will increase the strategy's prospects for success. The strategy is a bold statement of intent and the foundation of a cohesive, partnership approach towards housing development in the borough. The action plan links directly to the Borough Council's overarching Communications and Engagement Plan, providing common ground on which to build partnerships and will help all contributors to broker discussions with new partners.
- The strategy will be the Housing and Communities Service Plan and using the council's internal performance monitoring system, progress on the action plan and relevant performance indicators will be reported quarterly to Senior Management Team.
- This strategy will be updated in 2018 to ensure any relevant changes at national or local level are taken into account and that the action plan is updated accordingly.

Publishing this strategy is not an end in itself; rather it is the start of our new journey forward. Maidstone Borough Council is confident that the time we have taken to work with the public, partner organisations, Councillors and central government has ensured that the direction we are taking to make improvements in quality of life is the right one.

Appendix A

HOUSING STRATEGY 2011 – 2015 ACTION PLAN

PRIORITY 1 – DEVELOP SUSTAINABLE COMMUNITIES

Priority 1a) A local development framework is in place that delivers a range of market and affordable housing to meet a spectrum of need.

What we plan to do	Key partners	Target date	Update
Ensure LDF/Core Strategy provides an appropriate policy framework	Housing developers, land owners	2026. Reviewed on an annual basis to ensure progress is being made	Consultation with the Spatial Policy and Development Management teams and other stakeholders has resulted in the following policies being included in the Local Plan which is currently under consultation: DM23 – Housing Mix DM24 – Affordable Housing DM25 – Local needs housing DM26 – Gypsy, Traveller & Travelling Showpeople accommodation
Engage with the Spatial Policy and Development Management teams to bring forward the delivery of new housing	Housing developers, land owners	2026. Reviewed on an annual basis to ensure progress is being made	New email inbox set up to ensure that all relevant planning applications are notified from Development Management for Housing to make comments on. New affordable completions are: 2011/12 – 284 2012/13 – 244 2013/14 – 180 2014/15 – 163

Priority 1b) The long-term balance of the housing market in the borough is improved to reflect local need and demand including an increase in the supply of affordable rented and shared ownership homes.

What we plan to do	Key partners	Target date	Update
Draft a Tenancy Strategy for the Borough in full consultation with partner Registered Providers (RPs) and other	West Kent LIP Partnership, RPs, developers Action for Rural Commu	December 2011	The Council's tenancy strategy for 2011 - 2015 was published in December 2011 after consultation with stakeholders. The strategy is being updated to reflect the council's position on the granting of non-secure tenancies, now that the council have stock to accommodate homeless persons such as Magnolia House.

stakeholders	nities in Kent		
Bring forward LIP Phase 1 sites	HCA RPs West Kent LIP Partnership West Kent Development Forum	March 2015	The West Kent LIP was adopted in December 2010. A total of 7 of the 8 Phase 1 sites have been completed, delivering 128 affordable units, against an original target of 106.
Consider /research formation of housing delivery vehicle e.g. Local Housing Company link to Kent & Medway strategy	As above	December 2011	<p>Research has been undertaken into formation of such a vehicle and CLT have approved continued progress with respect to setting up a local housing company. Housing are working with colleagues in property, legal, economic development and finance on this.</p> <p>The Council now has Registered Provider and Investment Partner status with the Homes and Communities Agency and can apply for grant directly to enable the delivery of affordable housing.</p> <p>The council has already purchased property such as Aylesbury and Magnolia House. Further property land/purchases are being explored to help meet strategic housing objectives. as possible further purchases. Also the potential to tap in to institutional investment is being explored with the LGA.</p>
Review the Affordable Housing SPD through the emerging Core Strategy	As above	September 2013	Work on the new draft Affordable Housing SPD will start during 2015/16. Key issues have already been identified which need to be covered within the document. Once the new Local Plan is adopted, consultation with stakeholders will be undertaken before the revised SPD is adopted.

Priority 1c) The housing and related needs of people in rural areas are addressed.

What we plan to do	Key partners	Target date	Update
Ensure LDF/Core Strategy provides an appropriate policy framework for rural housing	Action for Rural Communities in Kent. Registered Providers. Parish Councils. HCA	10 affordable homes on rural exception sites by June 2013.	Schemes completed: 18 units – Ashford Drive, Kingswood – May 2011 12 units – North Street, Sutton Valence – Dec 2011 25 units – Grigg Lane, Headcorn – April 2013 8 units – South Street Road, Stockbury – Oct 2013
Ensure all rural parishes where a rural exception site is feasible and/or deliverable have had a rural housing needs survey completed.	As above	April 2015	Our service agreement with ACRK remains at 1 survey per year. A survey for Marden was completed in 2012/13 for Coxheath in 2013/14 and East Farleigh in 2014/15.

Priority 1d) The housing needs of the gypsy and traveller community are addressed.

What we plan to do	Key partners	Target date	Update
Ensure LDF/Core Strategy provides an appropriate policy framework to address the needs of the gypsy and traveller community	Spatial Policy, HCA, RP's	December 2011	Policy DM26 in the emerging Local Plan highlights the needs for this section of the community and is currently under consultation

Start development of a rural affordable housing scheme.	As above	December 2013	A total of 114 sites went through a planning assessment process to determine their suitability for a public gypsy site. A shortlist of 11 sites were identified for further work/consideration. The favoured site fell through at the last moment due to the withdrawal of the site by the landowner. An alternative site has been identified and survey/design work has been completed to enable the submission of a planning application, following appropriate consultation.
Bid to the HCA's Traveller Pitch Fund	RP, HCA, KCC	September 2011	Successful bid submitted for £1,365,000 to deliver 15 units by March 15. Due to aforementioned loss of previous site, and ecology issues with new identified site, delivery by March 2015 was not possible. Grant allocation has been handed back to HCA. Funding options paper will be produced for Cabinet to consider alternative funding options going forward which will include: <ul style="list-style-type: none"> a) Re-bid to the HCA b) MBC Capital c) Borrowing d) Institutional investment

PRIORITY 2 – INCREASE CHOICE AND IMPROVE THE QUALITY OF LIFE FOR VULNERABLE PEOPLE

Priority 2a) The elderly and disabled are able to live in their homes for longer rather than being admitted to hospital or nursing care.

What we plan to do	Key partners	Target date	Update
Review the role of the HIA in the delivery of Mandatory DFGs	HIA HCA Supporting People Team	October 2011	The HIA is procured by KCC supporting people. Maidstone Borough Council has no contractual obligation to provide the service.

Priority 2b) Homelessness in Maidstone is reduced.

What we plan to do	Key partners	Target date	Update
Work with Kent Social Services to jointly commission new forms of temporary accommodation and provide long-term solutions to youth homelessness	Joint Policy & Planning Board; KCC; housing providers	Review annually	<p>No joint working has achieved temporary accommodation for youth homelessness. Referrals made to Trinity Foyer or Lilysmith House are still the only available accommodation in Maidstone for this age group. Referrals also made for Infozone and Connexions to assist with applications for Job Centre, training opportunities and advice.</p> <p>Joint Assessments are carried out on every 16/17 year old that approaches as homeless, protocol is established with children's services to assist and advise and work with families where possible for them to return home but no wrap around service is available in Maidstone if a CIN is not established.</p> <p>Joint work with KCC had started; however, they are now undergoing a restructure so this work is on hold until later in the year. A meeting has now been set up later this month (Oct 15) with St Basils, who are funded by DCLG to reduce youth homelessness, KCC and us to look at renewing the joint protocol for care leavers</p>

Priority 2c) Housing solutions are implemented that help reduce incidences of offending and reoffending.

What we plan to do	Key partners	Target date	Update
Work with the Offender Management Unit to implement their action plan to reduce reoffending	JPPB sub group on offenders & housing; Kent Probation; Youth Offender	September 2012	<p>Ex offender funding available to allow access to the private sector market; deposit and 1 months' rent available. The funding is being utilised where appropriate.</p> <p>Referral to support services should there be a need with each case assessed individually.</p> <p>The Probation Service has just undergone significant changes recently and meetings</p>

	Service; outreach services		have been held with the two new area managers from the service to look at joint working.
--	----------------------------------	--	--

Priority 2d) The percentage of people suffering repeated incidents of domestic abuse is reduced.

What we plan to do	Key partners	Target date	Update
Assist the SMP in developing and delivering an action plan to support victims of domestic violence	Safer Maidstone Partnership	March 2012	The Domestic Abuse Strategy and Action Plan was introduced in April 2013 covering the period 2013 - 2018

PRIORITY 3 – IMPROVE OUR EXISTING HOMES

Priority 3a) Homeowners and private landlords are encouraged and supported to maintain and repair their homes; the grant programme is targeted to achieve community benefit e.g. nomination rights.

What we plan to do	Key partners	Target date	Update
Engage small landlords to work with the council to improve the condition and management of their property through the accreditation scheme	MBC Change & Improvement Team KCC OT Bureau	October 2011	Landlords in the Borough are encouraged to join the Kent Landlord accreditation scheme. Discounts are given to accredited Landlords for licensing HMO's. The scheme is advertised on the Council's website and verbally by officers
Start an annual Landlords Forum	National Landlords Association	March 2012	Landlord forums are now held bi-annually

Priority 3b) Use of existing stock is maximised by empty homes being brought back into use.

What we plan to do	Key partners	Target date	Update
Update the Empty homes strategy	No Use Empty initiative	March 2012	The Empty Homes strategy was updated in early 2013 for the period 2013 – 2015

PRIORITY 4 – IMPROVE ACCESS TO HOUSING ADVICE AND WORK TO PREVENT HOMELESSNESS AND ROUGH SLEEPING IN MAIDSTONE

Priority 4a) There is an improvement in the quality and range of information relating to advice services that result in more households being prevented from becoming homeless.

What we plan to do	Key partners	Target date	Update
Review our use of IT in the provision of housing advice.	Kent Home choice Housing DCLG stakeholder	September 2012	Changes to Locata Systems Homeless Module enable applications to be processed and advice given face to face, in writing, by text message or email. On line Housing Register applications through Kent Home Choice. Home exchange service through Kent Home Choice for those currently housed in social housing; exchanges can be made across counties. Website updated and Home Guide being implemented this year which will provide information online.
Review how we can improve the accessibility of our housing options services.	Porchlight, Shelter, Connexions, Day Centre, Social services	December 2011	Providing improved IT services making assistance and advice accessible to all. Joint working with our statutory and voluntary partners. Partners working within the Gateway alongside our housing team. Housing team available to attend meetings for family assessments with our partners. The triage system was implemented in October 2014, meaning advisors have been seeing those in greatest need. The volume of homeless applicants has impacted the ability to

			undertake preventions and outreach work.
--	--	--	--

Priority 4b) Work to prevent homelessness and end the need to sleep rough in Maidstone.

What we plan to do	Key partners	Target date	Update
Work with our partners to increase the effectiveness of the Rent Deposit Bond Scheme	Housing Benefit, CAB, National Landlords Association, Maidstone Landlords Forum	March 2012	Rent Deposit Bond scheme is now replaced by the Homefinder scheme which was launched in October 2013. This includes the Homefinder Bond and Homefinder incentive schemes.
Develop and promote a Private Homeowner Incentive Scheme	KCC, KHOG	December 2011	The Homefinder incentive offer was introduced in 2013 offering Landlords a payment of £2,500 in return for nomination rights for the property for a 3 year period. The offer is currently under review.

Priority 4c) Access to affordable housing is improved and the range of housing options available to applicants is increased.

What we plan to do	Key partners	Target date	Update
Review the housing allocation scheme	Kent Homechoice Housing stakeholders Service users	May 2012	New Housing Allocation scheme introduced in April 2013. Review of new scheme undertaken and updated in June 2014 and 2015.
Develop Maidstone's approach to the Kent-wide Single Assessment Scheme	As above	October 2011	This replaced the JARP that was previously used by West Kent Housing authorities. As the Council has moved to a banding system the use for this scheme is now rarely required. The Kent Agency Assessment document has now superseded this scheme and is used by all 12 housing authorities in Kent.
Review whether Choice Based Lettings is still the best way of people accessing	As above	October 2011	Undertaken as part of the introduction of the new housing allocations policy that was introduced in April 2013.

social housing			
----------------	--	--	--

MAIDSTONE BOROUGH COUNCIL

COUNCIL

2 MARCH 2016

REPORT OF THE POLICY AND RESOURCES COMMITTEE HELD ON

17 FEBRUARY 2016

STRATEGIC PLAN 2015-2020 (2016-17 REFRESH)

1. Issue for Decision

- 1.1 The Council is asked to approve the refreshed Strategic Plan and Action Plan.
- 1.2 The Council's Strategic Plan sets out the Council's priorities for the next four years. This is supported by and aligned to the Medium Term Financial Strategy.
- 1.3 The Action Plan sets out projects to achieve our priorities with actions and milestones to be delivered in 2016-17. Each Service Committee has considered the actions relevant to its terms of reference prior to submission of the whole Plan.

2. Recommendation Made

- 2.1 That the Strategic Plan 2015-2020, 2016-17 Refresh and Action Plan, be approved.

3. Reason for Recommendation

- 3.1 The Council's Strategic Plan 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
- 3.2 Underpinning the two priorities are eight 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 improvement 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

- 3.3 In September 2015 the Policy and Resources Committee agreed that the existing Strategic Plan would be refreshed to ensure that the actions align with changes to the Medium Term Financial Strategy.
- 3.3 The Council's Wider Leadership Team met with Service Committee Chairmen and Vice-Chairmen in December to consider which actions should be in the Plan. The Service Committees have all considered the actions that fall within their terms of reference prior to the full Action Plan being reported to Policy and Resources Committee.
- 3.4 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, and underpins, the delivery of the priorities.
- 3.5 The performance in relation to the Strategic Plan to date was reported to the Policy and Resources Committee in the quarter three performance report. The list of Key Performance Indicators that measure progress with the Plan is under review and updated indicators and targets will be reported to the Policy and Resources Committee before the end of this municipal year.

4. Alternatives Considered and Why Not Recommended

- 4.1 The Policy and Resources Committee could have decided not to review the Strategic Plan Refresh and Action Plan for 2016-17. If we do not update the Strategic Plan this will lead to out of date information being publicly available and make it difficult for officers to maintain the 'golden thread'. The Council also needs to be able to demonstrate how it is reacting to changes in the local and national context.
- 4.2 The Committee has already taken the decision to refresh the Plan and not to create a new Strategic Plan.

5. APPENDICES

- 5.1 The Strategic Plan 2015-2020 (2016-17 Refresh) is attached as **Appendix A**.

NEW

Foreword from the Leader (2015-16), Councillor Fran Wilson

Over the next four years Maidstone Borough Council faces an exceptionally challenging future as our funding from central government for the provision of local services is removed. Increasingly we have to rely on self-generated income and on our own tax base. Despite this we are confident we can produce a solid medium term financial strategy and continue to deliver the first class services which residents value.

Devolution is high on Central Government's agenda, as part of a long term strategy for economic growth and social reform. Devolution in its broadest sense means the transfer of power and/or resources from Central Government to Local Government. Our work with regard to devolution will be focused on achieving our strategic priorities; identifying asks from central government (i.e. what we would like devolved to us) and offers (i.e. the results that we will deliver in return). We will do this working with other councils in Kent."

At the heart of the borough is our county town. Emphasis will be placed on regeneration and transportation projects to underpin a vibrant economy and enhance its appeal to both residents and visitors.

The gap between income and house prices continues to grow. This, allied to an acute shortage of affordable housing, has made it increasingly difficult to get a foot on the housing ladder and has seen homelessness rise at an alarming rate. A key priority is to provide decent and affordable homes for our growing population.

Despite these challenges we are determined to remain ambitious in our aspirations for the Borough and its people and to emphasise its unique heritage, cultural and natural assets

Single Page with Vision Mission and Values Diagram Artwork

Introduction

Our Strategic Plan reflects our ambitions for the whole borough. We have created two priorities for 2015-2020:

- Keeping Maidstone an Attractive Place for All; and
- Securing a Successful Economy for Maidstone Borough

These priorities are underpinned by eight areas of actions as set out on page xx. An action plan for the Strategic Plan 2016-17 has been added at Appendix A to this plan to identify the action we will be taking over the next year to progress our priorities. Key areas of action include:

- Completing our local plan and associated documents such as the Integrated Transport Strategy to control development and secure improvements in infrastructure for our businesses and residents.
- Regenerating our Town Centre
- Improving Mote Park to provide improved leisure facilities and sustainable funding for our parks and open spaces across the Borough
- Delivering our Housing Strategy including new housing across the public and private sector markets, the improvement of existing housing and tackling key issues such as homelessness and assisting the most vulnerable members of our society

To ensure we can deliver a successful economy for Maidstone Borough and maintain the borough as an attractive place to live we will be working with other councils in Kent on devolution to secure appropriate powers and funding from Central Government. This work will be focussed on improving our local economy in particular transport, skills and support for businesses. As it becomes clearer what our offers to and asks from government the action plan will be updated. We will support the delivery of our priorities by ensuring we have a robust Medium Term Financial Strategy.

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. During the first year of the Strategic Plan the Council has introduced a street cleansing service designed to meet the current and future needs of the Borough

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~~ CO2 Emissions (per head of population)

Encouraging Good Health and Wellbeing

Levels of health and wellbeing are generally good in the borough with 83% of resident reporting that they are in very good or good health, However, this hides pockets of deprivation and ill-health. Seven out of 95 areas in Maidstone fall in to the top 20% most deprived areas in the country.

Deprivation in the borough is lower than average, however 14.15% (4,100/300) of children (under 16 years old) in Maidstone live in poverty. There is a larger difference in life expectancy of men and women; women are expected to live 3 years longer than men and there is a 13 year gap between the ward with the highest life expectancy and the one with the lowest life expectancy. 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 and Heritage of our Borough

Maidstone is the county town of Kent, ~~in~~ 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 rResilient uUrban and rRural cCommunities
- Listening to our communities
- Respecting our hHeritage and nNatural eEnvironment
- 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 pParishes and cCommunities 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 d~~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 ~~the~~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 ~~83,100~~ ~~76,300~~ ~~68,300~~ people employed in the Maidstone economy in 2014/15 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~~ ~~735~~ registered businesses in Maidstone in ~~2012~~ ~~2015~~, equivalent to 4 ~~23~~ 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:

- ~~Implement our~~ ~~Adopt a~~ Economic Development Strategy ~~and Deliver~~ with Partners.
- Work with businesses and support them to grow and develop
- ~~Build on the success of~~ ~~Support the principle of~~ ~~the 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. ~~163~~ ~~189~~ new affordable homes were built in the borough in ~~2014/15~~ ~~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

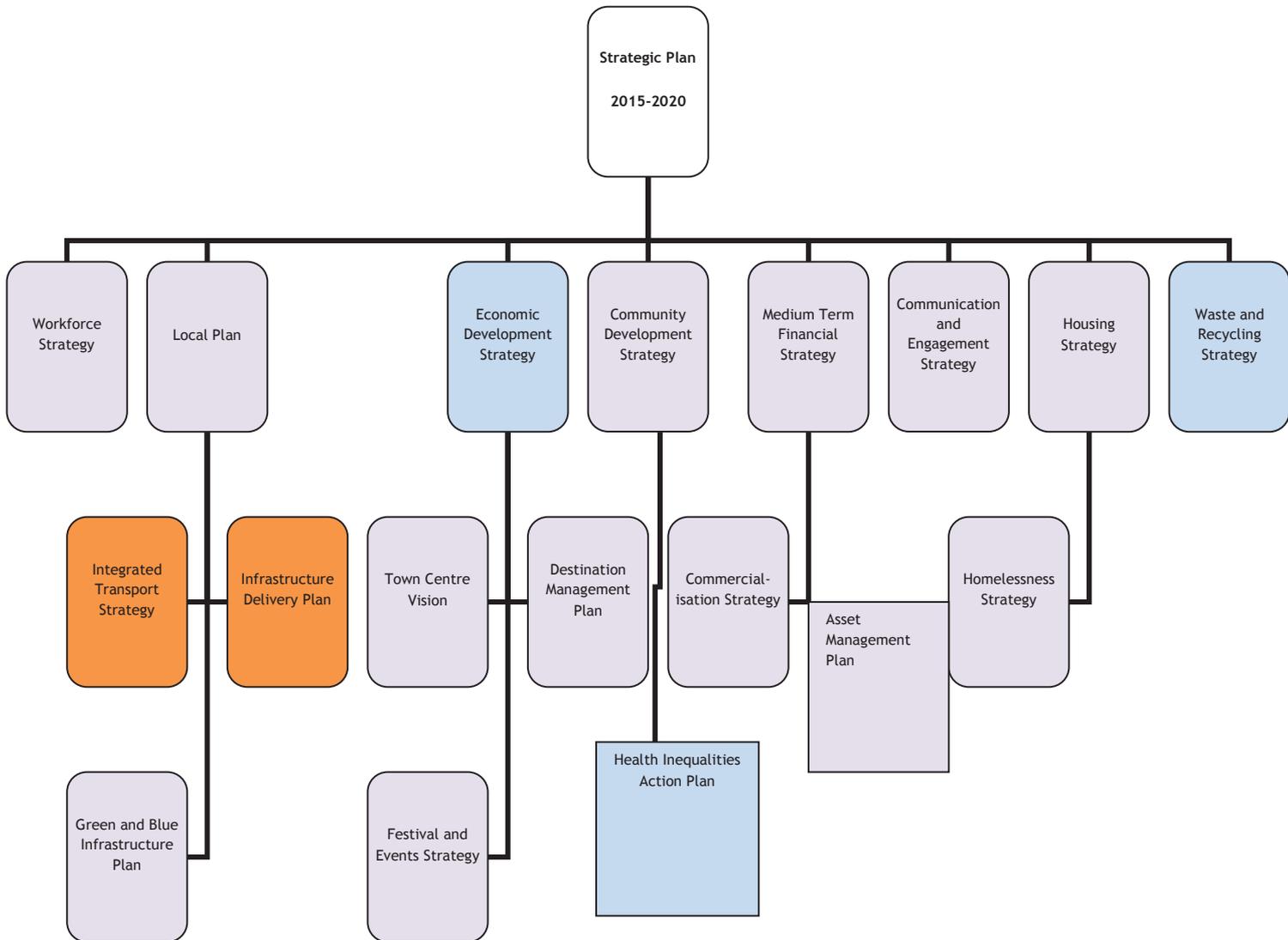
We will:

- 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

Providing a clean and safe environment

Project	Detail	Milestones	Outcome	Responsible Owner
Safer Maidstone Partnership Strategic Assessment	Working with a range of partners including Police and Probation services to reduce crime and Anti-Social Behaviour and support the Government's PREVENT programme and raise awareness of child safeguarding	Adoption of Safeguarding Policy – July 2016	Maidstone is a safer place to live and visit. Minimise child exploitation.	Head of Housing and Community Services
Review of Licensing Policies	Following implementation of taxi and private hire policy and licensing policy complete remaining reviews.	Review and implement Gambling Act Policy – November 2016	Maidstone has a set of procedures and practices that promote safe and good quality services around those trades.	Head of Housing and Community Services
Waste and Recycling Strategy	Implementing of the Waste and recycling strategy till 2019 to meet EU and local targets.	Complete review of uptake of food waste challenge – April 2016 Development of the Action Plan for the short and medium term – April 2016 Review household waste collection services including freighter and bulky service – April 16	A minimum of 50% recycling rate by 2019	Head of Environment and Public Realm

Project	Detail	Milestones	Outcome	Responsible Owner
		Implementation of action plan June 2016 – April 2017		
Depot Services Development Plan	Identifies various strands of new income-generating and cost-saving projects, from Depot based services.	Consider feasibility of all potential projects – April 2016 Identify viable projects – ongoing from May 2016	A more financially efficient and commercial service	Head of Environment and Public Realm
Low Emission Strategy	The Low Emission Strategy will set out actions that we as a district council can have most influence over in addressing poor air quality where it exists.	Adoption – June 2016 Implement Action plan	Maidstone contributes towards cleaner air.	Head of Housing and Community Services
Environmental enforcement Strategy	Developing new aspects to our current practices.	Increase in FPN littering and dog fouling charges – April 16 Draft new youth littering engagement programmes – May 16 Developing a coherent analysis of all environmental data – July 16	Greater awareness and reduction in incidences of environmental crime	Head of Environment and Public Realm
Street Cleansing Mobile Technology Development Plan	improving and expanding upon the existing software functionality and reach of current street cleansing technology	Undertake Bin Audit borough wide – March 16 Implementation of Bin Audit review action plan – July 16 Explore opportunities for dynamic tasking of street	More agile and efficient workforce	Head of Environment and Public Realm

Project	Detail	Milestones	Outcome	Responsible Owner
		cleansing operatives - July 16 Adoption of vehicle asset management systems- Sept16		
MBC Commercial Waste Service	Identifying a future growth strategy	Achieve 350 business customers – April 16 Glass feasibility collection study – Sept 16 Food waste collection feasibility study – Jan 2017	Growth in business the commercial waste service	Head of Environment and Public Realm
Crematorium Development Project	Maximising the current Vinters Park site potential and extending and improving the services offered to borough residents	Commence implementation of Phase One – January 2017 Commence implementation of Phase two – April 2017	Improve range of service to customers of Vinters Park	Head of Environment and Public Realm

Encouraging good health and wellbeing

Project	Detail	Milestones	Outcome	Responsible Owner
Affordable energy Strategy	Delivering actions to improve the energy efficiency of properties of the borough	Under development – To be Confirmed	Increased number of energy efficient homes in the borough. Residents' bills reduced for more cost effective living.	Head of Housing and Community Services
Health and Well Being Action Plan	Street level intervention to provide practical solutions to improve individual's well being	Under development – To be Confirmed	Areas prevented from worsening	Head of Housing and Community Services
Housing Assistance Policy	Guides the Council to use its resources to improve or tackle instances of poor housing on people's health and well-being.	Review and update housing assistance policy – October 2016. May 2016 – Complete stock condition survey To determine the number of properties for improvement following review of outcome from stock condition survey – October 2016	Reduction on the negative impact of poor housing on people's health and well-being.	Head of Housing and Community Services

Respecting the character of our Borough

Project	Detail	Milestones	Outcomes	Responsible Owner
Parish Charter	Undertake a review in 2016	Consultation with Parishes Undertake full review – October 2016	Maintain a valuable and constructive relationship between the Borough Council and Parish Councils	Head of Housing and Community Services
Culture and Heritage	Developing our information base and incorporating our rich culture and heritage into our strategies and plans.	Pilot project with Royal Society of Arts and Heritage England based on “what are the stories we tell each other, ourselves and others about who we are?” - April 2016 Public realm/public art guidelines produced for Maidstone Town Centre.	Ensuring that we make the most of our Culture and Heritage assets Embedding our history, culture and heritage into our street scene, interpretation, signage and public realm projects where appropriate.	Head of Economic and Commercial Development

Ensuring there are good leisure and cultural attractions

Project	Detail	Milestones	Outcomes	Responsible Owner
A Sustainable Future for Mote Park	Programme of projects will be delivered against the agreed spatial framework	Planning permission obtained for the Adventure Zone Procurement undertaken and contract awarded for the Adventure Zone	A range of outcomes have been identified including: Establishing Mote Park as a destination recognising its status as one of Britain’s best loved parks	Head of Economic and Commercial Development

Project	Detail	Milestones	Outcomes	Responsible Owner
		<p>Construction of Adventure Zone complete – March 17</p> <p>Adventure Zone open and operational – April 17</p> <p>Business case produced for a new Café/Visitor/Education Centre for Mote Park – April 16</p> <p>Funding bid submitted to Heritage Lottery Fund and/or other bodies – August 16</p>	<p>Protecting the long term sustainability and financial future of the parks and open spaces through income generation</p> <p>Providing improved leisure facilities to the residents and visitors to the Borough’s parks and open spaces.</p>	
<p>Play Area Improvements Programme</p>	<p>The £1.75m capital programme to replace strategic play areas will be delivered over 2016/17 and 2017/18.</p>	<p>Complete year one programme of works – July 16</p> <p>Assess performance of contractor on year one programme. – July 16</p> <p>Retender or Award phase 2 contract – August 16</p>	<p>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.</p>	<p>Head of Economic and Commercial Development</p>

Project	Detail	Milestones	Outcomes	Responsible Owner
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 them.	<p>Develop draft plan – June 16</p> <p>Consultation with key stakeholders – May 16</p> <p>Adoption of plan – Sep 16</p> <p>Consider the future operational models for parks and open spaces Jan 17</p> <p>Repair/renew roads and pathways as per capital programme.</p>	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 maintenance and investment requirements and their role in supporting health and well-being.	Head of Economic and Commercial Development
Destination Management Plan	Delivery has commenced on the three year Destination Management Plan Action plan with the Destination Management Programme Board overseeing its delivery via four working groups based on the themes River, Town, Countryside	<p>DMP Board and Project Working Groups set up – Nov 15</p> <p>Integration of 'Town' working group to town centre investment and development plan.</p> <p>Annual progress against 3 year action plan.</p>	<p>Increase the value of tourism by targeting higher-spend markets with growth potential.</p> <p>Use tourism to reinvent what a County Town means for the 21st century.</p> <p>Encourage more overnight visitors to the Borough to come into the town centre – including in the early evening – and to explore</p>	Head of Economic and Commercial Development

Project	Detail	Milestones	Outcomes	Responsible Owner
	and Events.		<p>Maidstone’s countryside and villages</p> <p>Connect the town with its surrounding countryside in tangible ways that encourage visitors to explore further and stay longer</p>	
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.	<p>Capital works completed in East Wing reception – April 16</p> <p>Capital programme board established to oversee further capital projects.</p> <p>Draft Museums 20 Year Development Plan produced with the Museums Strategic Development Board – Q2 16</p> <p>Consult with key stakeholders on the draft Museums 20 Year Development Plan Q3 16</p>	<p>Maidstone Museum will be a flagship museum service and a nationally recognised tourist destination</p> <p>A service that is well used by the local community and of which they are proud; but which also draws audiences from across the country forming the cornerstone of Maidstone’s tourist economy</p> <p>The capital and revenue invested in the museum will begin to see a return on its investment with increased retail sales, paid for exhibitions, children’s parties</p>	Head of Economic and Commercial Development

Enhancing the appeal of the town centre for everyone

Project	Details	Milestones	Outcomes	Responsible Owner
Town Centre Development Plan –	A programme of actions designed to deliver physical development and investment and better operational management of the town centre.	Establish Maidstone Town Centre Strategic Advisory Board 2nd February 2016 Agree 5 year programme of public and private investment July 2016	Coordinate private sector investment and guide programme of actions to maximise impact	Head of Economic and Commercial Development
		Work with Capital and Regional to deliver an improved retail and leisure offer in The Mall with a planning application submitted in 2016	Maidstone's retail rankings improve, strengthening the attractiveness of the town centre as a place to shop, visit and work	Director of Regeneration and Place
		Plan, Design and Implement Phase 1 Redevelopment of Maidstone East Station Nov 2016 Develop comprehensive scheme for Maidstone East with KCC November 2016	Gateway into the Town Centre is greatly enhanced, passenger access improved and improved facilities in time for Thameslink Services Maidstone's rankings improve	Director of Regeneration and Place
		Deliver Bridge Gyratory Widening Scheme by December 2016	Improve infrastructure and network capacity reducing congestion in the Town Centre	Head of Economic and Commercial Development

Project	Details	Milestones	Outcomes	Responsible Owner
		Deliver riverside Towpath from Allington to Tovil December 2016	Improve accessibility and make the town more attractive for leisure and tourism activities	Head of Economic and Commercial Development
		Plan, Design and Implement Phase 3 Public Realm improvement project Nov 2016	Maidstone's retail rankings improve, strengthening the attractiveness of the town centre as a place to shop, visit and work	Head of Economic and Commercial Development

Securing improvements to the transport infrastructure of our borough

Project	Detail	Milestones	Outcome	Responsible Owner
The Local Plan	Together with this are companion documents such as the Integrated Transport Strategy and Infrastructure Delivery Plan (the latter will form much of the basis for a Community Infrastructure Levy (charging schedule)	<p>Submission of the Maidstone Borough Local Plan to the Secretary of State for Independent Examination -May 2016</p> <p>Public consultation on the Draft Community Infrastructure Levy Charging Schedule - 13 May to 24 June 2016</p> <p>Adoption of the Integrated Transport Strategy by Strategic Planning Sustainability &</p>	<p>We will better control development in the borough and secure improvements in infrastructure for our businesses and residents</p> <p>We will plan future development effectively</p>	Head of Planning and Development

Project	Detail	Milestones	Outcome	Responsible Owner
		<p>Transport Committee (and Full Council) April 2016</p> <p>Submission of the Community Infrastructure Levy Charging Schedule to the Secretary of State for Independent Examination - August 2016</p> <p>Independent Examination into the Maidstone Borough Local Plan – September-November 2016</p> <p>Independent Examination into the Community Infrastructure Levy Charging Schedule - February 2017</p> <p>Adoption of the Maidstone Community Infrastructure Levy Charging Schedule – April 2017</p> <p>Adoption of the Maidstone Borough Local Plan by Full Council - April 2017</p>		

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

Project	Details	Milestones	Outcomes	Responsible Owner
Economic Development Strategy	The Council's adopted Economic Development Strategy set out how the Council and its partners will deliver economic growth and prosperity for the borough's residents and businesses over the period of the Local Plan	Agree roll-out 2016/17 of super-fast broadband with KCC across the Borough	Growth of small and medium sized businesses in rural areas	Head of Planning and Development
		North Kent Innovation Zone governance, marketing and commercial proposition agreed September 2016	Kent Medical Campus attracts investment, innovation and high skilled jobs. Job creation targets supported and shortage of commercial land addressed. A reduction in low wage, low skilled jobs	Head of Economic and Commercial Development
		Town Centre Improvement Programme delivered – as above	As above	Head of Economic and Commercial Development
		Business Terrace pilot deliver operational phase.	Town Centre 'office market stimulated and small business growth encouraged, improved business start-up rates	Head of Economic and Commercial Development
		Business Terrace extended to the whole of the first floor at		

		Maidstone House in partnership with Capital and Regional		
--	--	--	--	--

Planning for sufficient homes to meet our Borough’s needs

Project	Detail	Milestones	Outcome	Responsible Owner
The Local Plan	Together with this are companion documents such as the Integrated Transport Strategy and Infrastructure Delivery Plan (the latter will form much of the basis for a Community Infrastructure Levy (CIL) charging schedule)	<p>Submission of the Maidstone Borough Local Plan to the Secretary of State for Independent Examination -May 2016</p> <p>Public consultation on the Draft Community Infrastructure Levy Charging Schedule - 13 May to 24 June 2016</p> <p>Adoption of the Integrated Transport Strategy by Strategic Planning Sustainability & Transport Committee (and Full Council) April 2016</p> <p>Submission of the Community Infrastructure Levy Charging Schedule to the Secretary of State for Independent Examination - August 2016</p>	<p>We will better control development in the borough and secure improvements in infrastructure for our businesses and residents</p> <p>We will plan future development effectively</p>	Head of Planning and Development

Project	Detail	Milestones	Outcome	Responsible Owner
		<p>Independent Examination into the Maidstone Borough Local Plan – September-November 2016</p> <p>Independent Examination into the Community Infrastructure Levy Charging Schedule - February 2017</p> <p>Adoption of the Maidstone Community Infrastructure Levy Charging Schedule – April 2017</p> <p>Adoption of the Maidstone Borough Local Plan by Full Council - April 2017</p>		
<p>Treat large scale major planning applications cumulatively as a project</p>	<p>We want to establish and deliver a service that provides 'planning performance agreements' for large scale major developments</p> <p>This will include agreeing timescales at pre-app stage as well as other elements such as direct contact officers</p>	<p>Set a pricing structure. April 2016</p> <p>Set a template S106 agreement with standard heads of terms. April 2016</p> <p>Setting a standardised Planning Performance Agreement for future developments. April 2016</p>	<p>Improved decision making for major large scale developments, including stakeholder engagement</p> <p>To help provide the homes we need in the need in the borough, and to</p>	<p>Head of Planning and Development</p>

Project	Detail	Milestones	Outcome	Responsible Owner
	We will deal with these applications using a project management approach	Migration of all historic S106 data into a new system. July 2016	<p>deliver them in a timely manner</p> <p>This will also support employment in the borough through both large scale residential developments as well as commercial developments</p>	
Affordable Housing Programme	<p>We will continue to attract significant external investment to enable the delivery of over 160 new affordable homes including affordable rent, shared ownership and Starter Homes</p> <p>In addition the Council will through direct intervention embark on a programme of delivering its own housing</p>	<p>Deliver starter homes scheme – 2020</p> <p>March 2018 – delivery of more than 300 affordable homes</p> <p>April 2018 – Begin delivery of programme of affordable rented accommodation</p>	Different housing products available to meet the change of income levels	Head of Housing and Community Services
Housing strategy 2015-2020 Action Plan	Delivers the council's vision for the delivery of new housing across the public and private sector markets, the improvement of the existing housing in	<p>Milestones to be confirmed following agreement of the Housing Strategy April 2016-2020.</p> <p>Acquisition of property – March</p>	Everyone having access to affordable, decent housing	Head of Housing and Community Services

Project	Detail	Milestones	Outcome	Responsible Owner
	Maidstone Borough and tackling key issues such as homelessness and assisting the most vulnerable members of our community	2017		
Empty Homes strategic action plan	To address the issue of bringing empty homes back into use, giving consideration to the amendments proposed in the Housing & Planning Bill, as it goes through Parliament to become legislation in 2016, that will make it easier to use existing powers	Review Strategy – September 2016 Adopt new Strategy – March 2017 Care home (not yet named) initiative – July 2016	Empty properties brought back into use to provide homes for families in housing need	Head of Housing and Community Services
The delivery of the Homelessness Action Plan	To increase the number of homeless cases that are prevented, this will be a challenging but highly important aspect of the Services focus in 2016/17 in order	Under development - to be confirmed	Where possible prevent homelessness and where this unavoidable a reduction in the time spent by families temporary accommodation	Head of Housing and Community Services
Affordable Housing Programme	We will continue to attract significant external investment to enable the delivery of over 160 new affordable homes including affordable rent, shared	Deliver starter homes scheme – 2020 March 2018 – delivery of more than 300 affordable homes	Different housing products available to meet the change of income levels.	Head of Housing and Community Services

Project	Detail	Milestones	Outcome	Responsible Owner
	ownership and Starter Homes. In addition the Council will through direct intervention embark on a programme of delivering its own housing.	April 2018 – Begin delivery of programme of affordable rented accommodation.		
Housing Assistance Policy	Guides the Council to use its resources to improve or tackle instances of poor housing on people’s health and well-being.	<p>Review and update housing assistance policy – October 2016.</p> <p>May 2016 – Complete stock condition survey</p> <p>To determine the number of properties for improvement following review of outcome from stock condition survey – October 2016</p>	Reduction on the negative impact of poor housing on people’s health and well-being.	Head of Housing and Community Services

MAIDSTONE BOROUGH COUNCIL

REPORT OF POLICY & RESOURCES HELD ON 17th FEBRUARY 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS

Issue for Decision

To consider the proposed Revenue and Capital Estimates for 2016/17, including service savings and growth, in accordance with the agreed budget strategy and in the context of the Medium Term Financial Strategy and the Strategic Revenue Projection.

To calculate and approve the Council Tax requirement for 2016/17.

Recommendations Made

1. That the revised revenue estimates for 2015/16 be agreed as set out in Appendix A.
2. That the minimum level of General Fund Balances be set at £2m for 2016/17.
3. That the proposed Council Tax of £240.66 at Band D for 2016/17 be agreed.
4. That the revenue estimates for 2016/17 incorporating the growth and savings items set out in Appendix A be agreed.
5. That the Statement of Earmarked Reserves and General Fund Balances as set out in Appendix A be agreed.
6. That the Capital Programme, as set out in Appendix A be agreed.
7. That the funding of the Capital Programme as set out in Appendix A be agreed.
8. That the Medium Term Financial Strategy statements for revenue and capital as set out in Appendix A be agreed.
9. That the Strategic Revenue Projection, as set out in Appendix A as the basis for future financial planning be endorsed.
10. That it be noted that the Council's Council Tax base for the year 2016/17 has been calculated as 58525.4 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) regulations 1992.

11. That it be noted that in accordance with Government guidance the yield from business rates has been calculated as £60,146,945.
12. That it be noted that the individual parish area tax bases set out in Appendix B are calculated in accordance with regulation 6 of the Regulations and are the amounts of the Council Tax Base for the year for dwellings in those parts of the Council's area to which a special item relates.
13. That the distribution of Local Council Tax Support funding to parish councils, as set out in Appendix C, be approved.
14. That the Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish precepts) is £14,084,722.
15. That the following amounts now be calculated by the Council for the year 2016/17 in accordance with Section 31A, 31B and 34-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:-
 - (a) £83,623,728 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £68,041,790 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £15,581,938 being the amount by which the aggregate at 15(a) above exceeds the aggregate at 15(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
 - (d) £266.24 being the amount at 15(c) above (Item R), all divided by the figure stated at 10 above (Item T in the formula in section 31A(4) of the Act), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including parish precepts).
 - (e) £1,497,216 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B).
 - (f) £240.66 being the amount at 15(d) above less the result given by dividing the amount at 15(e) above by the tax base given in 10 above, calculated by the

Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

16. That it be noted that for the year 2016/17 Kent County Council, the Kent Police & Crime Commissioner and the Kent & Medway Fire & Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	<u>KCC PRECEPT</u> <u>£</u>	<u>KCC ADULT SOCIAL CARE</u> <u>£</u>	<u>KPCC</u> <u>£</u>	<u>KMFRA</u> <u>£</u>
A	741.18	13.82	101.43	48.04
B	864.71	16.12	118.34	56.04
C	988.24	18.43	135.24	64.05
D	1,111.77	20.73	152.15	72.06
E	1,358.83	25.34	185.96	88.07
F	1,605.89	29.94	219.77	104.08
G	1,852.95	34.55	253.58	120.09
H	2,223.54	41.46	304.30	144.11

17. That, having calculated the aggregate in each case of the amounts at 15 (d), and 16 above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets out in Appendix D, the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown.

Reasons for Recommendation

This report sets out the final considerations of Policy & Resources Committee in relation to the revenue and capital estimates for 2016/17 and the medium term financial strategy through to 2020/21. The formal recommendations arising from the Committee's decision are set out for decision by Council in accordance with the Local Government Finance Act 1992 and the Localism Act 2011.

The medium term financial strategy has been developed by Policy & Resources Committee in collaboration with the other service committees and alongside the annual refresh of the Strategic Plan.

Detailed considerations of Policy & Resources Committee are set out below.

CURRENT YEAR 2015/16

The third quarterly budget monitoring report, to Policy & Resources Committee, identifies a growing level of employee underspend after an allowance is made for temporary staff and consultants. In addition income from both parking and planning are above target.

One major area where expenditure is in excess of budget, Housing Temporary Accommodation, has been reported for the last four years and supportive actions have been taken each year. To date a complete resolution to the continually growing problem has not been identified. This year additional resources of £160,000 have been added to the budget and a series of initiatives to support alternative rental options have been put into operation. Further increases are proposed in the revenues estimate for 2016/17.

Other areas of variance have occurred and will be considered by service committees.

The outturn at 31st March 2016 is predicted to be a minor positive variance. While this is a reassuring situation, the Committee noted that the variance is significantly lower than in previous years. This is indicative of a tighter budget provision for all service areas as government policy continues to reduce resources.

THE STRATEGIC PLAN AND OTHER STRATEGIES

During this year work has been completed on a refresh of the strategic plan 2015 - 2020. The refresh is reported elsewhere on this agenda. Alongside this work the medium term financial strategy for 2016/17 to 2020/21 has been developed to maintain the links between the resources available and the priorities of the council.

The medium term financial strategy also incorporates consideration of other strategies and plans such as the following:

- a) The workforce strategy and pay policy – provision is included in the budget for expected growth and savings in employee costs.
- b) The asset management strategy – provision has been made from both capital and revenue resources for the repair and maintenance of assets. In addition there are resources within the capital programme for the acquisition of further commercial property.
- c) The ICT strategy – ICT is provided to the council by a shared service in partnership with Swale and Tunbridge Wells Borough Councils. The ICT strategy is therefore a three way strategy. The medium term financial strategy incorporates contributions to improvements that enhance the partnership and resources for the needs of this council.
- d) The Local Plan, (especially the links to the infrastructure delivery plan) – delivery of sustainable growth requires resources to improve all forms of infrastructure.

- e) Risk register – the funding needs of actions plans developed for mitigation of identified risks are, where appropriate, incorporated into the budget strategy.
- f) Treasury Management – the 2016/17 strategy has been recommended by Audit, Standards and Governance Committee to Council. The strategy incorporates the previously agreed plans of this Committee to utilise prudential borrowing where appropriate and where the medium term financial strategy allows.
- g) Commercialisation Strategy – the financial plan set out in the commercialisation strategy is reflected in the medium term financial strategy in terms of both revenue benefits and capital implementation costs for known schemes.
- h) Housing Strategy & Homeless Strategy – in recognition of the pressure on the temporary accommodation budget the Committee has incorporated further permanent resources in the service budget from 2016/17. The Communities Housing and Environment Committee are currently developing a new Housing Strategy which will identify future actions and direct resources appropriately.

THE STRATEGIC REVENUE PROJECTION

The Policy & Resources Committee considered and agreed a strategic revenue projection at its meeting in July 2015 and has considered updates at its meetings in December 2015 and January 2016.

Set out below is the latest information about the key elements of the updated projection. The strategic revenue projection itself is set out in Appendix A.

THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2016/17

The provisional local government finance settlement was announced on 17 December 2015, the day after the Committee considered a report on the draft budget for 2016/17. As the settlement had a significant adverse impact on the proposals agreed by this Committee in December 2015 the further report considered in January 2016 recommended actions to resolve the immediate impact of the provisional settlement.

The Department for Communities and Local Government allowed a period of consultation on the provisional settlement until 15 January 2016. In February each year the final settlement figures are then announced. Late on the evening of 8th February 2016 the government announced the final settlement figures.

The final settlement for Maidstone is a change from the provisional settlement and will delay, but not reverse, the impact of the proposed reduction in business rates. The Committee should note that the final settlement will not change the eventual level of savings required. The strategic revenue projection set out in Appendix A reports the final figures announced on 8th February 2016.

In addition the government has responded to local authority requests for a transitional period. The final figures include an additional one-off grant over two years of £221,641 in year one and £171,971 in year two. A total of £393,612. While this is welcomed it is only a short term stay of the budget pressure and the same level of savings will be required by the end of the medium term financial strategy period. For this reason Policy & Resources Committee agreed that this resource be held in an earmarked reserve to mitigate the risks to delivery of the higher risk savings proposals and support their delivery.

Along with the consultation, the provisional settlement made an offer of a four year settlement which is subject to each authority's acceptance. Details of the process and conditions attached to acceptance are not clear at this time but the government has confirmed that the Council will be able to accept the offer any time before October 2016.

PARISH FUNDING

At its meeting on 16th December 2015 the Committee considered the amount and distribution of the local council tax support grant that the Council has agreed to passport to parish councils. The grant is distributed to parishes proportionate to the level of council tax lost due to council tax support discount being granted.

The calculation as agreed at that meeting was passed to individual parish councils so that the information could aid their decisions on potential precepts.

The calculation of the overall amount of grant to distribute is based upon the change in the Council's resources from the finance settlement each year. When Committee considered the distribution of the grant at its December meeting the assumed settlement figures were the only projection available. The grant was reduced by 14.26% to a total sum of £70,327. If the calculation is repeated using the final settlement figures the result is a 26.3% reduction which would be a total sum of £60,451.

The parish funding for local council tax support was expected to cease in 2020 when the Council's strategy assumed no further receipts of revenue support grant. As this will now occur in 2017/18 the parish funding would cease after next year.

At this time the parish councils have used the figures approved by this Committee in December 2015 to calculate their precept requirements for 2016/17 and the Policy & Resources Committee agreed that the allocations would not be amended for next year. The Policy & Resources Committee also agreed that the payment to parish councils ceases from 1st April 2017.

BUSINESS RATES POOL AND NNDR1 ESTIMATE

The business rates estimate for 2016/17 is based on the recently calculated NNDR1 return provided to the Department for Communities & Local Government on 29th January 2016. The return predicts growth above the baseline business rates level set out in the finance settlement. The table below sets out the distribution of the business rates calculated for the NNDR1 return and compares this to the assumed values from the government's finance settlement announced on 17th December 2015 which, for 2016/17, matches the final settlement figures.

The significant differences in the table occur due to four factors:

- a) The finance settlement figures are the product of inflationary increases in the original baseline figures set at the commencement of the system on 1 April 2013. The figures do not reflect growth or changes in exemptions and allowances.
- b) There are a number of allowances that have been introduced by central government such as retail relief and the extension of the 100% small business rates relief and the effect of these were unknown in 2013/14 and were built into the system at a value that allowed a high level of take up which has not materialised yet.
- c) In the initial year of the system, 2013/14, the Council was required to set aside a significant provision against the cost of backdated and current appeals by businesses against their rateable value assessments. This provision will require an annual adjustment each year.
- d) A small amount of real growth in the rateable businesses premises in the borough.

The table below shows that the Council technically retains 40% of the income collected but there is a tariff payable to central government. The tariff is set as part of the finance settlement in each year and the Council must pay a tariff of £19,653,700 from its share in 2016/17. The balance equates to the business rates baseline given in the finance settlement and any growth attributable to the Council.

Authority & Share	Provisional Settlement Figures	NNDR1 Return Figures	Shares Of Estimated Growth
Business Rates Collectable	56,367,600	60,146,945	3,779,345
Central Government – 50%	28,183,800	30,073,473	1,889,673
Kent County Council – 9%	5,073,084	5,413,225	340,141
Kent & Medway Fire & Rescue – 1%	563,676	601,469	37,793
Maidstone Borough Council – 40%	22,547,040	24,058,778	1,511,738
Government Tariff on Maidstone	19,653,700	19,653,700	0
Maidstone Baseline Need	2,983,340	2,983,340	0
Levy on Growth 9.3%			140,591
Maidstone Estimated Growth	0	1,511,738	1,371,147

In normal circumstances this growth would be subject to a 50% levy which is payable to central government to support the payment of safety net grant to other local authorities that saw business rates decline in their area. Due to the fact that the Council is a member of the Kent Business Rates Pool the levy will not be due in full. The levy on members of the pool is 9.3% rather than 50%. The shares of the growth that are retained locally are set out in the table below:

Action or Beneficiary	Formula	Amount £
MBC Retains first 50%	£1,511,738 * 50%	755,869
Central Government receive Levy	£1,511,738 * 9.3%	140,591
The Balance is shared within Pool:		0
Retained by Maidstone	£615,278 * 30%	184,583
Growth Fund contribution	£615,278 * 30%	184,583
Passed to Kent County Council	£615,278 * 30%	184,583
Held as provision against losses	£615,278 * 10%	61,529
		1,511,738

The sum retained by the Council is estimated to be £940,452. The Policy & Resources Committee has already considered the use of the growth identified in this estimate and agreed that it should be utilised in two ways. The initial 50% share retained by the Council should be drawn into the budget strategy as a saving (£600,000). The funding retained from the pool must be utilised in accordance with the memorandum of understanding which suggests two purposes:

- To enhance financial resilience for each of the pool members; and
- To promote further economic growth within the district based pool area.

The current monitoring of the business rates system for the Kent Business Rates Pool is considering the consequences of a developing appeal across the Country where some NHS Foundation Trusts have made a claim for charitable exemption from business rates. For this Council the annual impact is likely to be approximately £100,000. For some other members of the Kent Business Rates Pool, where major hospitals are NHS Foundation Trust properties, the impact is in excess of £3 million each. Three such authorities exist in Kent.

The strategic revenue projection set out in Appendix A includes the revised business rates growth figure from the NNDR1 return. At this time it is proposed that the previous decision to delay the use of the additional business rates until the following year be continued in order to mitigate the risk of in year changes.

FEES & CHARGES

At each service committee meeting in January 2016 the level of fees and charges made by each committee's service areas was considered and set for 2016/17.

The combined considerations of all fees and charges have increased the income budget by £173,000 and this has been incorporated into the revenue estimate for 2016/17 set out in **Appendix A**.

In addition to this specific income proposals have been set out in the savings and efficiencies arising from increased demand or new commercial services. These add a further £238,000 to the level of income.

In considering future years of the strategy an assumption of approximately a 1% increase in fees and charges income has been incorporated into the strategic revenue projection for the period 2017/18 to 2020/21.

COUNCIL TAX LEVELS

The methodology for the calculation of the local government finance settlement assumes a number of factors relating to council tax that are different to previous years:

- a) There will be no offer of council tax freeze grant available to local authorities;
- b) The methodology assumes that local authorities will increase their council tax charge by an average of 1.75% (excluding the additional increase permitted for authorities responsible for adult social care); and
- c) The methodology assumes that the tax base will increase nationally by almost 8% over the four year period to 2019/20. The Council's past record would suggest an increase nearer to 5%.

As reported in paragraph 2.14 the final local government settlement amended the pace of reduction in business rates that the provisional settlement had suggested for Maidstone. In addition the final settlement has changed the methodology for council tax increases. The referendum rules have been amended to allow a council tax increase of £5.00 per annum or "less than" 2%, whichever is greater. This amendment means that it is possible for the Council to consider an increase greater than the 1.99% used in the financial planning work completed during the year.

The additional income that a 1.99% increase generates for Maidstone Borough Council is £273,890. The additional income for Maidstone using the Government's methodology is £361,330. If the Council is to maintain resources at an adequate level to deliver services while responding to the effects of a further five years of controls on public sector expenditure it will be essential to maximise achievable increases in council tax compared to the results of the government's model.

If council tax was increased by £4.95 at Band D this would allow for the increase to be divisible by 9 for banding purpose and be just below the maximum £5.00 increase. A £4.95 increase in the council tax charge would generate £289,700. As set out in paragraph 2.45 below the Council has not yet balanced the medium term need for savings and allowing for an increase of £4.95 per annum savings of £3.5 million are still required.

The recommendation of this report is to propose a £4.95 increase to Council in order to maintain the resources close to the assumed level used by the government's core spending power assessment. This will ensure the Council is able to deliver on its priorities and maintain financial stability.

To aid the Policy & Resources Committee's decision making the following details were considered:

- a) For each 1% increase in the charge for this Council's element of the council tax, the income generated in 2016/17 is approximately £137,600.
- b) At the current Band D council tax charge, a 1.99% increase in council tax equates to an annual increase of £4.68. This is a monthly increase of 39 pence.
- c) A £4.95 increase in the Band D council tax charge equates to 41 pence per month and would be a 2.1% increase.
- d) Indications are that the major preceptors increase, at the current Band D council tax charge, will be:
 - Kent County Council: 3.99%, an annual increase of £43.50 (including 2% adult social care precept);
 - Kent Police: £5.00 maximum annual increase allowable to low precept police forces (equal to a 3.4% increase); and
 - Kent & Medway Fire & Rescue Authority: 1.99%, an annual increase of £1.40.
- e) The total increase if all these precept increases are agreed the Band D council tax charge would move from £1,543.50 for 2015/16 to £1,598.35 an increase of £54.85 or £4.57 per month.
- f) In rural areas tax payers may be required to pay a charge to cover a parish precept. A full list of precepts are set out in Appendix B.
- g) Under the Council's currently agreed council tax reduction scheme, tax payers who are assessed as in need can receive a discount of up to 87% of the charge. This is dependent on circumstances and is provided through a scheme agreed by Council in December 2015.

The revenue estimate for 2016/17 set out in Appendix A is based on a £4.95 increase in the council tax charge for 2016/17 with future years increasing by 1.99%. In addition, future years of the strategic revenue projection allow for an annual increase of 1% in the tax base.

GROWTH PLANS

Specific changes to growth proposals have all been considered and are incorporated in the revenue estimate 2016/17 as set out in Appendix A.

The employee costs set out in the revenue estimate 2016/17 as set out in Appendix A include the financial consequences of the pay policy decision of the Employment Committee.

SAVINGS PROPOSALS

Based upon the considerations of Policy & Resources Committee the Council will need to identify £6,520,000 over the period of the medium term financial strategy. In 2016/17 the requirement for savings is £2,178,000.

The revenue estimate 2016/17 incorporates all savings required to achieve a balanced budget based on a £4.95 increase in council tax at Band D.

For future years, 2017/18 to 2020/21, the Committee had already agreed savings of £812,000. The medium term financial strategy requires an additional £3,530,000 in savings and efficiencies over this value. These savings remain to be achieved to ensure plans exist for the continued future financial resilience of the Council.

REVENUE ESTIMATES

Set out in **Appendix A** is the revenue budget for 2016/17. This shows the Original Estimate 2015/16 as approved by Council in March 2015; the Revised Estimate 2015/16 calculated as part of the budget development work completed this year; and the Estimate for 2016/17 based upon the details set out in this report.

The revenue estimates are presented with the budget structured in line with the relevant services committees and separately structured in line with the strategic priorities set out in the Strategic.

Revised Estimate 2015/16

The revised estimate 2015/16 totals £16,205,460. This figure is net of all income with the exception of the use of balances, the finance settlement and the council tax requirement. This figure, compared to the original estimate approved by Council in February 2015 shows an increase of £1,477,750. The main variances are the value of the carry forward budgets approved by Cabinet in April 2015 and the use of balances to resource the costs of the Local Plan.

Original Estimate 2016/17

The revenue estimate 2016/17 set out in **Appendix A** totals £13,769,290. This incorporates an allowance for slippage. The figure is net of all income with the exception of the use of balances, the finance settlement and the council tax requirement. This figure excludes the value of all precepts but includes the government grant passed on to parishes to compensate for the local council tax support scheme.

CAPITAL ESTIMATES

The Capital Programme was considered by Policy & Resources Committee and is recommended following consideration by service committees earlier in January 2016. The programme covers the same period as the medium term financial strategy 2016/17 to 2020/21.

Funding – New Homes Bonus

The Council has previously made the decision that New Homes Bonus should not be used as a temporary resource to provide a balanced revenue budget. With the exception of Local Plan development and some small value revenue projects that were one-off in nature, resources gained from New Homes Bonus have been reserved for support to the capital programme. The Council's intention is to ensure that resources are available from New Homes Bonus and future Community Infrastructure Levy contributions to support the needs of the Infrastructure Delivery Plan.

For the financial year 2016/17 the Council will receive a grant of £5,098,410 which is an increase of £792,125 over the 2015/16 payment. This represents payment for new homes in the period October 2014 to October 2015.

The Government has commenced a consultation on the future of New Homes Bonus and an analysis of this consultation and a proposed response from this Council has been approved by Policy & Resources Committee.

At this time it would be prudent to assume that funding will reduce by a method similar to the proposal in the consultation document. The figures set out in the section of the report on the capital programme assume an annual reduction in the calculated value of New Homes Bonus each year from 2017/18 in line with the consultation proposals.

Funding – Other Capital Resources

Other resources available to the council are:

- 1) Disabled Facilities grant of up to £450,000 per annum;
- 2) Capital contributions of £2 million to support regeneration of the Maidstone East Railway Station;
- 3) Prudential borrowing in line with the funding need of other proposed regeneration schemes.

In addition the Council expects to obtain resources for infrastructure from developer contribution. This will be in support of the projects required by the Local Plan and set out in the Infrastructure Delivery Plan that is under development and a supporting document for the current Local Plan consultation. These resources and projects are not set out in the Capital Programme at this time.

The Programme

The programme was considered by the Committee at its meeting on 27th January 2016 and has only received minor modification to bring it into line with the proposed funding and slippage set out in the third quarter's budget monitoring report elsewhere on this agenda.

BALANCES/EARMARKED RESERVES

Set out in **Appendix A** is a statement of general fund balances and details of the earmarked reserves.

The earmarked reserves incorporate a capital reserve that includes all of the retained New Homes Bonus and other revenue support to the capital programme available from previous years.

The estimated level of resources available from business rates growth is identified. By a previous decision of Council the balance in this reserve is to create a smoothing of annual fluctuations in business rates income. The in year receipt will be held for use in the following year based on the principles set out in the memorandum of understanding to the Kent Business Rates Pool.

While funding from these earmarked reserves will be required in 2016/17, at this time only one scheme to utilise general fund balances exists for 2016/17. As part of a three year approval to support increases in pension backfunding the Council has previously agreed to contribute £50,000 per annum from balances for the three years of the current fund valuation and 2016/17 will be the final year of the current arrangement.

General fund balances are estimated to be £4,102,000 by 31 March 2016. In considering the level of reserves that should be maintained Policy & Resources Committee made two decisions:

- a. The first is an absolute minimum below which the Committee cannot approve the use of balances without agreement by the Council. Since 2009 this has been held stable at £2,000,000 despite the net revenue expenditure level decreasing from £22,295,330 to £17,798,000. It is recommended that Committee propose to Council that the minimum level of balances be maintained at £2,000,000.
- b. The second is an operational minimum set for daily use of balances by the Policy & Resources Committee. In the past this has been set £300,000 above the Council set minimum. This would be £2,300,000 and it is recommended that Committee approve the principle that the minimum level of balances for daily use should be £300,000 above the Council set minimum.

MEDIUM TERM FINANCIAL STRATEGY

The Council publishes two separate statements of its financial strategy, one for revenue and one for capital. These remain in draft until approval of the

medium term financial strategy by Council. These statements are set out in Appendix A.

CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

CONSULTATION WITH THE PUBLIC

This year the consultation with the public was carried out as part of the Residents survey. A series of questions on value for money, satisfaction with the Council and the impact of previous savings and efficiencies.

The survey was completed by three methods and 2008 responses were received. Both the number of responses and an analysis of respondents suggest that the information obtained is statistically significant and can be seen as a reasonable representation of residents' views.

The key feedback from the survey, in relation to the medium term financial strategy are given below:

- 1) 52% of respondents believe that the Council provides value for money;
- 2) 61% of respondents felt that previous savings and efficiencies had no or very little impact on their daily lives;
- 3) When asked how respondents would like the Council to protect services in the future the responses were:

Increase Council tax by more than 2%	17%
Introduce or increase charges for service that can be charged for	37%
Reduce the level of some services provided	26%
Stop providing some services	17%
Be more efficient in the way we provide services	18%
Other	20%

CONSULTATION WITH SERVICE COMMITTEES

The service committees were involved in the development of the medium term financial strategy and the budget for 2016/17 through regular reports. Savings, growth and all information has been considered and agreed by the committees at each stage of the process.

CONSULTATION WITH AUDIT COMMITTEE

It is normally the case that the Audit, Governance & Standards Committee would consider the medium term financial strategy at its meeting each January. The committee's remit is with reference to risk management and it would consider the operational risk assessment of the budget that is produced by the finance team as part of their service planning work each year.

This year, due to the late and significant change in the strategy brought about by the local government finance settlement, the operational risk assessment was not complete in time for the Audit Standards and Governance Committee to consider it. It has been agreed that the risk assessment will be reported to the March meeting of that Committee so that members of the Committee can take a view on the completeness of the assessment and the soundness of the proposed mitigations.

Members should note that the intention of the risk management statement provided to Audit, Governance & Standards Committee is to ensure that a suitable level of mitigation exists for such risks and that actions will be taken to monitor and react to signs of such events occurring.

CONSULTATION WITH OTHER COMMITTEES

The Employment Committee has considered the impact of the current pay policy on future employee costs and the decision has been incorporated into the revenue estimate 2016/17 set out in Appendix A.

COUNCIL TAX 2016/2017

Schedule of Council Tax Base and Additional Basic Amounts of

Council Tax in parts of the area with Parish Precepts

PARISH	TAX BASE	PRECEPT £	BAND 'D' TAX £
Parish	Tax Base	Precept	Band 'D' Tax
Barming	733.8	25,090	34.19
Bearsted	3,592.5	116,800	32.51
Boughton Malherbe	217.7	5,224	24.00
Boughton Monchelsea	1,288.6	54,625	42.39
Boxley	3,827.8	98,481	25.73
Bredhurst	177.1	9,671	54.61
Broomfield & Kingswood	702.1	56,610	80.63
Chart Sutton	411.3	20,500	49.84
Collier Street	355.8	13,163	37.00
Coxheath	1,508.6	64,050	42.46
Detling	368.5	22,583	61.28
Downswood	830.2	26,500	31.92
East Sutton	142.2	6,300	44.30
Farleigh East	659.6	39,166	59.38
Farleigh West	215.6	17,250	80.01
Harrietsham	1,020.2	56,111	55.00
Headcorn	1,487.8	133,857	89.97
Hollingbourne	442.8	22,600	51.04
Hunton	312.0	25,000	80.13
Langley	494.3	17,340	35.08
Leeds	333.7	30,293	90.78
Lenham	1,399.7	55,765	39.84
Linton	311.5	11,972	38.43
Loose	1,086.8	65,440	60.21
Marden	1,569.8	112,000	71.35
Nettlestead	320.9	14,940	46.56
Otham	243.3	10,466	43.02
Staplehurst	2,303.5	126,700	55.00
Stockbury	321.9	13,743	42.69
Sutton Valence	653.4	44,345	67.87
Teston	311.7	22,450	72.02
Thurnham	547.2	17,026	31.11
Tovil	1,310.0	64,000	48.85
Ulcombe	382.1	19,505	51.05
Yalding	960.8	57,648	60.00
		1,497,216	

**COUNCIL
2 MARCH 2016**

PARISH COUNCIL ALLOCATION OF LOCAL COUNCIL TAX SUPPORT FUNDING 2016/17

Parish	Local Council Tax Discount (Band D Equivalent)	Band D Charge	Local Council Tax Discount at Band D (=lost precept)	Apportioned Share Of Grant
		£p	£	£
Barming	24.8	23.58	585	400
Bearsted	148.5	27.1	4,024	2,752
Boughton Malherbe	12.1	24	290	198
Boughton Monchelsea	67.9	41.56	2,822	1,930
Boxley	117	25.77	3,015	2,062
Bredhurst	9.9	50.85	503	344
Broomsfield & Kingswood	36.5	79.63	2,906	1,987
Chart Sutton	26.7	50.09	1,337	914
Collier Street	14.4	38.02	547	374
Coxheath	139.4	40.78	5,685	3,887
Detling	33.6	56.14	1,886	1,290
Downswood	49	32.54	1,594	1,090
East Sutton	4.4	44.62	196	134
Farleigh East	49.9	48.75	2,433	1,664
Farleigh West	17.8	74.91	1,333	911
Harrietsham	74.1	55	4,076	2,787
Headcorn	134.1	80.89	10,847	7,417
Hollingbourne	26.8	52.33	1,402	959
Hunton	14	65.04	911	623
Langley	53.1	35.08	1,863	1,274
Leeds	34.3	90.61	3,108	2,125
Lenham	106.9	40.89	4,371	2,989
Linton	14	48	672	459
Loose	69.7	57.66	4,019	2,748
Marden	151.7	63	9,557	6,535
Nettlestead	47.6	45.93	2,186	1,495
Otham	17.8	43.02	766	524
Staplehurst	147.9	54.98	8,132	5,560
Stockbutry	29.8	42.61	1,270	868
Sutton Valence	43	66.41	2,856	1,953
Teston	19.4	68.76	1,334	912
Thurnham	8.8	30.89	272	186
Tovil	171.7	52.94	9,090	6,216
Ulcombe	22.7	51.35	1,166	797
Yalding	99.4	58.32	5,797	3,964
			102,851.0	70,328

COUNCIL TAX 2016/2017

Schedule of Council Tax Levels for all Bands

and all Parts of the Area including District Spending and all Precepts.

	Band A Total Rate £	Band B Total Rate £	Band C Total Rate £	Band D Total Rate £	Band E Total Rate £	Band F Total Rate £	Band G Total Rate £	Band H Total Rate £
Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Barming	1,087.66	1,268.94	1,450.22	1,631.50	1,994.06	2,356.61	2,719.17	3,263.00
Bearsted	1,086.54	1,267.64	1,448.73	1,629.82	1,992.01	2,354.18	2,716.37	3,259.64
Boughton Malherbe	1,080.87	1,261.02	1,441.16	1,621.31	1,981.60	2,341.88	2,702.18	3,242.62
Boughton Monchelsea	1,093.13	1,275.32	1,457.51	1,639.70	2,004.08	2,368.45	2,732.83	3,279.40
Boxley	1,082.02	1,262.36	1,442.70	1,623.04	1,983.72	2,344.38	2,705.06	3,246.08
Bredhurst	1,101.28	1,284.82	1,468.37	1,651.92	2,019.02	2,386.10	2,753.20	3,303.84
Broomfield & Kingswood	1,118.62	1,305.06	1,491.50	1,677.94	2,050.82	2,423.68	2,796.56	3,355.88
Chart Sutton	1,098.10	1,281.12	1,464.13	1,647.15	2,013.19	2,379.21	2,745.25	3,294.30
Collier Street	1,089.53	1,271.12	1,452.72	1,634.31	1,997.49	2,360.66	2,723.84	3,268.61
Coxheath	1,093.17	1,275.37	1,457.57	1,639.77	2,004.16	2,368.55	2,732.94	3,279.53
Detling	1,105.73	1,290.02	1,474.30	1,658.59	2,027.17	2,395.74	2,764.32	3,317.19
Downswood	1,086.15	1,267.18	1,448.20	1,629.23	1,991.28	2,353.33	2,715.38	3,258.46
East Sutton	1,094.41	1,276.81	1,459.21	1,641.61	2,006.42	2,371.21	2,736.02	3,283.23
Farleigh East	1,104.46	1,288.53	1,472.61	1,656.69	2,024.84	2,392.99	2,761.14	3,313.38
Farleigh West	1,118.21	1,304.58	1,490.95	1,677.32	2,050.06	2,422.79	2,795.53	3,354.64
Harrietsham	1,101.54	1,285.13	1,468.72	1,652.31	2,019.49	2,386.66	2,753.85	3,304.62
Headcorn	1,124.85	1,312.33	1,499.80	1,687.28	2,062.23	2,437.18	2,812.13	3,374.56
Hollingbourne	1,098.90	1,282.05	1,465.20	1,648.35	2,014.65	2,380.94	2,747.24	3,296.70
Hunton	1,118.29	1,304.67	1,491.06	1,677.44	2,050.20	2,422.96	2,795.73	3,354.88
Langley	1,088.26	1,269.63	1,451.01	1,632.39	1,995.15	2,357.89	2,720.65	3,264.78
Leeds	1,125.39	1,312.96	1,500.52	1,688.09	2,063.22	2,438.35	2,813.48	3,376.18
Lenham	1,091.43	1,273.34	1,455.24	1,637.15	2,000.96	2,364.77	2,728.58	3,274.30
Linton	1,090.49	1,272.24	1,453.99	1,635.74	1,999.24	2,362.73	2,726.24	3,271.49
Loose	1,105.01	1,289.18	1,473.35	1,657.52	2,025.86	2,394.20	2,762.54	3,315.05
Marden	1,112.43	1,297.84	1,483.25	1,668.66	2,039.47	2,410.28	2,781.09	3,337.31
Nettlestead	1,095.91	1,278.56	1,461.21	1,643.87	2,009.17	2,374.47	2,739.77	3,287.73
Otham	1,093.55	1,275.81	1,458.07	1,640.33	2,004.85	2,369.36	2,733.88	3,280.66
Staplehurst	1,101.54	1,285.13	1,468.72	1,652.31	2,019.50	2,386.67	2,753.85	3,304.63
Stockbury	1,093.33	1,275.56	1,457.78	1,640.00	2,004.45	2,368.89	2,733.34	3,280.01
Sutton Valence	1,110.12	1,295.14	1,480.16	1,665.18	2,035.22	2,405.25	2,775.29	3,330.36
Teston	1,112.89	1,298.37	1,483.85	1,669.33	2,040.30	2,411.26	2,782.22	3,338.67
Thurnham	1,085.61	1,266.55	1,447.49	1,628.42	1,990.30	2,352.16	2,714.04	3,256.85
Tovil	1,097.44	1,280.35	1,463.26	1,646.16	2,011.98	2,377.79	2,743.60	3,292.33
Ulcombe	1,098.90	1,282.05	1,465.21	1,648.36	2,014.66	2,380.96	2,747.26	3,296.72
Yalding	1,104.87	1,289.02	1,473.16	1,657.31	2,025.60	2,393.89	2,762.18	3,314.62
Basic Level of Tax	1,064.87	1,242.35	1,419.83	1,597.31	1,952.27	2,307.22	2,662.18	3,194.62

MAIDSTONE BOROUGH COUNCIL

COUNCIL

2 MARCH 2016

REPORT OF THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE HELD ON 18 JANUARY 2016

TREASURY MANAGEMENT STRATEGY 2016/17

Issue for Decision

In accordance with CIPFA's Code of Practice on Treasury Management, the Council is asked to adopt the Treasury Management Strategy for 2016/17, including the Treasury Management and Prudential Indicators.

Recommendation Made

That the Treasury Management Strategy 2016/17, including the Treasury Management and Prudential Indicators, attached at **Appendices A and B**, be adopted.

Reasons for Recommendation

The Council has adopted CIPFA's Code of Practice on Treasury Management which requires an annual report on the strategy and plan to be pursued within the coming year to be made to full Council.

The Council is required to operate a balanced budget which broadly means that cash raised during the year will meet cash expenditure. The Treasury Management Strategy assists the Council in achieving this objective while maintaining value for money.

The first function of the Council's Treasury Management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the Council's Treasury Management operation is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council and inform longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses.

CIPFA defines Treasury Management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

The Strategy for 2016/17 is set out at **Appendix A** to this report. It is consistent with the requirements of CIPFA and the Department for Communities and Local Government, and it has been developed in line with currently endorsed spending and financing proposals.

In 2012, the Council approved in principle expenditure of up to £6m through prudential borrowing for the acquisition of commercial property, the acquisition of property to alleviate homelessness and action to enable stalled development to progress.

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.

The Policy and Resources Committee, at its meeting held on 27 January 2016, endorsed a Capital Programme for the period 2016/17 to 2020/21. This Programme proposes a significant increase in prudential borrowing to support the regeneration and commercial objectives of the Council, and the prudential borrowing limits set out in the attached Strategy and the Prudential Indicators attached at **Appendix B** have been amended to reflect this.

The maximum prudential borrowing, set at £38,475,000, and other funding proposed in the Capital Programme is as follows:

	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£
Prudential Borrowing	11,950,000	15,525,000	11,000,000	0	0
Other Funding Streams	8,879,610	4,175,000	2,641,100	2,314,000	1,815,000
Total Programme	20,829,610	19,700,000	13,641,100	2,314,000	1,815,000

In considering the Treasury Management Strategy for 2016/17, the Audit, Governance and Standards Committee was made aware of the potential for this increased level of prudential borrowing. The Committee expressed concern about the risks associated with 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 would not be financed by the scheme at the time that it required payment; and
- c) The scheduling of the demand for prudential borrowing over the period of the Capital Programme as the indicative figures show a significant increase in the early years of the Programme.

Whilst these are significant risks, the Audit, Governance and Standards Committee, in endorsing the Treasury Management Strategy, was mindful that mitigation would be considered on a scheme by scheme basis and individual business cases should address these risks in line with the principles set out in the Medium Term Financial Strategy for capital.

The Committee also requested that the ratio of capital financing costs to the net revenue stream (revenue budget) be quantified, and this has been addressed in the attached Strategy and Indicators.

Alternatives Considered and Why Not Recommended

Option 1: The Audit, Governance and Standards Committee could have decided not to recommend the Treasury Management Strategy to the Council. However, the Council must adopt a Strategy for 2016/17, and the Strategy is in line with the necessary codes and practice guides and takes a low risk approach favouring liquidity over return and as such is considered suitable for this Council.

Option 2: Subject to any legal obligations placed upon the Council, the Audit, Governance and Standards Committee could have amended the Strategy prior to submission to the Council providing detailed reasons for the amendment and the risks and benefits that the proposed amendment provided in order for the Council to make a fully informed decision on the recommendation. Areas where amendments could have been made include the following, which are detailed along with reasons for not changing the Strategy:

Limits - The proposed Strategy allows maximum investments with certain institutions of £8m. The current limit could be retained, increased or reduced. Given the difficulty in identifying opportunities to lend at suitable rates within the counterparty list, it is considered appropriate to incorporate sufficient flexibility by retaining the current limit for investments with the most secure organisations.

Counterparties - The proposed Strategy allows non-specified investments with other local authorities and the top five building societies. The Strategy could propose to utilise additional counterparties from the non-specified investments group. However, due to the fact that this would involve an increased level of risk to the security of the Council's cash, this is not considered to represent a prudent course of action.

Alternative Use of Cash - The resources invested in expenditure could be used to deliver key priority outcomes. However, the core cash held by the Council is either set aside for future expenditure, such as the Capital Programme, or held as a form of risk mitigation, such as the minimum level of revenue balances. To use these resources for alternative projects could compromise liquidity and put the Council at future risk should an unforeseen event occur.

External Fund Managers - By appointing external managers local authorities may possibly benefit from security of investments, diversification of investment instruments, liquidity management and the potential of enhanced returns. Managers do operate within the parameters set by local authorities but this involves varying degrees of risk. This option has been discounted on the basis of the risk which would make it difficult to ascertain a suitable sum to assign to an external manager.

Background Papers

None

Treasury Management Strategy Statement
Minimum Revenue Provision Policy Statement and
Annual Investment Strategy

Maidstone Borough Council
2016/17

INDEX

1 INTRODUCTION	3
1.1 Background	3
1.2 Reporting requirements	3
1.3 Treasury Management Strategy for 2016/17	4
1.4 Treasury management consultants	4
1.5 Training	4
2 THE CAPITAL PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION	5
2.1 Capital expenditure	5
2.2 The Council’s borrowing need (the Capital Financing Requirement)	5
2.3 Affordability prudential indicators.....	5
2.4 Incremental impact of capital investment decisions on council tax	6
2.5 Minimum Revenue Provision	6
3 BORROWING	8
3.1 Treasury Indicators: limits to borrowing activity	8
3.2 Prospects for interest rates	9
3.3 Borrowing strategy.....	9
3.4 Policy on borrowing in advance of need	10
4 ANNUAL INVESTMENT STRATEGY	11
4.1 Investment policy	11
4.2 Investment strategy.....	14
4.3 End of year investment report.....	15
4.3 Other Items.....	15

1 INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management service is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Reporting requirements

The Council is required to receive and approve the Treasury Management Strategy, which incorporates a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

The following reports are not required to be approved by Council but are to be reported and scrutinised to the relevant Committee. The Council has delegated this function to the Audit, Governance and Standards Committee.

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

A quarterly update on the Council's treasury management position is also provided through budget monitoring reports presented to Policy & Resources Committee.

1.3 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- the investment strategy; and
- creditworthiness policy.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG Minimum Revenue Provision Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Treasury management consultants

The Council uses Arlingclose Limited as its external treasury management advisors.

Responsibility for treasury management decisions ultimately remains within the organisation and officers will not place undue reliance on the advice of external service providers.

The terms of appointment and value gained through use of treasury management consultants will be subject to regular review.

1.5 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. A treasury management training session was delivered by Capita, the Council's previous treasury management advisors in July 2015 and was open for all members to attend. Further training will be arranged as required.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study

professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

2 THE CAPITAL PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Capital expenditure forecasts are shown below:

2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
4,514	20,830	19,700	13,641	2,314

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes the liability for the arrangement with Serco Paisa for leisure centre improvements. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

CFR projections are shown in the table below:

2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
-5,054	10,020	23,272	33,743	33,637

2.3 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

2015/16	2016/17	2017/18	2018/19	2019/20
%	%	%	%	%
-1.3	0.6	3.2	4.4	4.8

2015/16	2016/17	2017/18	2018/19	2019/20
£000	£000	£000	£000	£000
-3.62	1.71	9.54	17.74	19.06

The estimates of financing costs include current commitments and the proposals in this budget report.

2.4 Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Incremental impact of capital investment decisions on the band D council tax

	2015/16	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£
Council tax - band D	-2.10	7.96	15.43	22.44	20.65

2.5 Minimum Revenue Provision

Where spend is financed through the creation of debt, the Council is required to pay off an element of the accumulated capital spend each year. The total debt is identified as the capital financing reserve and ensures that the Council includes external and internal borrowing along with other forms of financing considered to be equivalent to borrowing.

The payment is made through a revenue charge (the minimum revenue provision - MRP) made against the Council's expenditure.

Although the Council has maintained a capital financing reserve based upon the prudential borrowing limit previously set, the MRP was based upon the actual payments made under the Serco Paisa arrangements for

the capital works completed by Serco at Maidstone Leisure Centre. Debt repayment is made by annual installments over the 15 year life of the contract and it is therefore considered appropriate to base MRP payments on this value and no additional voluntary provision is deemed necessary.

With the real potential for the use of prudential borrowing it is felt appropriate that a policy statement is approved by Council in line with the requirements of the Code. The Code states that there is a choice between two options, or a combination of methods based on the nature of different arrangements:

Asset life method – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);

Depreciation method – MRP will follow standard depreciation accounting procedures.

Due to the requirement to split assets into component parts and depreciate different components at different rates, the asset life method of calculating MRP would provide a more stable and transparent method for the Council to use.

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Debt	0	11,950	27,475	38,475
Other long term liabilities	4,971	4,514	4,033	3,526
Total	4,971	16,464	31,508	42,001

The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Debt	4,000	15,950	31,475	42,475
Other long term liabilities	4,971	4,514	4,033	3,526
Total	8,971	20,464	35,508	46,001

3.2 Prospects for interest rates

The Council's advisors, Arlingclose Ltd, have provided the following interest rate forecast:

	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Average
Official Bank Rate														
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.31
Arlingclose Central Case	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.50	1.50	1.50	1.12
Downside risk			-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-0.73
3-month LIBID rate														
Upside risk	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.36
Arlingclose Central Case	0.60	0.70	0.80	0.95	1.05	1.15	1.30	1.40	1.50	1.60	1.65	1.70	1.75	1.24
Downside risk		-0.30	-0.45	-0.55	-0.65	-0.80	-0.90	-1.05	-1.10	-1.20	-1.20	-1.20	-1.20	-0.83
1-yr LIBID rate														
Upside risk	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.45	0.45	0.45	0.45	0.45	0.45	0.41
Arlingclose Central Case	1.20	1.35	1.45	1.55	1.70	1.80	1.95	2.00	2.10	2.15	2.15	2.15	2.15	1.82
Downside risk	-0.25	-0.35	-0.50	-0.60	-0.70	-0.85	-0.95	-1.10	-1.15	-1.25	-1.25	-1.25	-1.25	-0.88
5-yr gilt yield														
Upside risk	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.56
Arlingclose Central Case	1.30	1.38	1.45	1.53	1.60	1.68	1.75	1.83	1.90	1.98	2.05	2.13	2.20	1.75
Downside risk	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25	-1.25	-0.94
10-yr gilt yield														
Upside risk	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.56
Arlingclose Central Case	1.90	1.95	2.00	2.05	2.10	2.15	2.20	2.25	2.30	2.35	2.40	2.45	2.50	2.20
Downside risk	-0.45	-0.55	-0.60	-0.70	-0.80	-0.90	-1.00	-1.10	-1.15	-1.20	-1.25	-1.25	-1.25	-0.94
20-yr gilt yield														
Upside risk	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.56
Arlingclose Central Case	2.50	2.53	2.55	2.58	2.60	2.63	2.65	2.68	2.70	2.73	2.75	2.78	2.80	2.65
Downside risk	-0.40	-0.50	-0.55	-0.65	-0.75	-0.85	-0.95	-1.05	-1.10	-1.15	-1.20	-1.20	-1.20	-0.89
50-yr gilt yield														
Upside risk	0.50	0.50	0.50	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.56
Arlingclose Central Case	2.50	2.55	2.60	2.63	2.65	2.68	2.70	2.73	2.75	2.78	2.80	2.83	2.85	2.69
Downside risk	-0.35	-0.45	-0.50	-0.60	-0.70	-0.80	-0.90	-1.00	-1.05	-1.10	-1.15	-1.15	-1.15	-0.84

Forecast:

- Arlingclose forecasts the first rise in UK Bank Rate in Q3 2016. Further weakness in inflation, and the MPC's expectations for its path, suggest policy tightening will be pushed back into the second half of the year. Risks remain weighted to the downside. Arlingclose projects a slow rise in Bank Rate, the appropriate level of which will be lower than the previous norm and will be between 2 and 3%.
- The projection is for a shallow upward path for medium term gilt yields, with continuing concerns about the Eurozone, emerging markets and other geo-political events, weighing on risk appetite, while inflation expectations remain subdued.
- The uncertainties surrounding the timing of UK and US monetary policy tightening, and global growth weakness, are likely to prompt short term volatility in gilt yields.

3.3 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has been funded using cash supporting the Council's reserves, balances and cash flow as a temporary measure, rather than through loan debt. This strategy is prudent as currently investment returns are low and counterparty risk is relatively high.

The authority to borrow up to £6m for the financing of capital expenditure is included in the current capital programme and the current prudential indicators. The 2016/17 strategy includes the continuation of that authority within the calculation of the indicators. If the Council is to borrow then the affordability of the capital programme must include an assessment of the cost of borrowing along with the loss of investment income from the use of capital resources held in cash.

Should rates move quicker than the forecast predicts, the current and proposed strategies do allow the Head of Finance and Resources to take advantage of external borrowing. The Council's policy on borrowing in advance of need is set out at section 3.4 of this strategy.

Sources: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- UK public and private sector pension funds (except the Kent County Council Pension Fund)

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

3.4 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £20 and £45 million.

Objectives: Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Strategy: Given the increasing risk and continued low returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2016/17. This is especially the case for the estimated £8m that is available for longer-term investment. The majority of the Authorities surplus cash is currently invested in short-term unsecured bank deposits, certificates of deposit, money market funds and cash enhanced funds. This diversification will represent a continuation of the new strategy adopted in 2015/16.

Approved Counterparties: The Authority may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3m 5 years	£8m 20 years	£8m 50 years	£3m 20 years	£3m 20 years
AA+	£3m 5 years	£8m 10 years	£8m 25 years	£3m 10 years	£3m 10 years
AA	£3m 4 years	£8m 5 years	£8m 15 years	£3m 5 years	£3m 10 years
AA-	£3m 3 years	£8m 4 years	£8m 10 years	£3m 4 years	£3m 10 years
A+	£3m 2 years	£8m 3 years	£3m 5 years	£3m 3 years	£3m 5 years
A	£3m 13 months	£8m 2 years	£5m 5 years	£3m 2 years	£3m 5 years
A-	£3m 6 months	£8m 13 months	£5m 5 years	£3m 13 months	£3m 5 years
BBB+	£2m 100 days	3m 6 months	£2m 2 years	£2mm 6 months	£3m 2 years

BBB	£2m next day only	3m 100 days	n/a	n/a	n/a
None	£1m 6 months	n/a	£8m 25 years	£50,000 5 years	£3m 5 years
Pooled funds	£8m per fund				

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in the table below.

Non-Specified Investment Limits

	Cash limit
Total long-term investments	£8m
Total investments without credit ratings or rated below A-	£5m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£5m
Total non-specified investments	£18m

The council will maintain a counterparty list to identify institutions suitable for investment. The counterparty list will be maintained using the following principles:

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment Limits: In order that available reserves will not be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £8m million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

	Cash limit
Any single organisation, except the UK Central Government	£8m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£8m per group
Any group of pooled funds under the same management	£8m per manager
Negotiable instruments held in a broker's nominee account	£8m per broker
Foreign countries	£8m per country
Registered Providers	£8m in total
Unsecured investments with Building Societies	£5m each
Loans to unrated corporates	£5m each
Money Market Funds	£8m each fund or fund group

Liquidity Management: The Authority uses a cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

Accounting treatment of investments.

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

In-house funds. The majority of investments will be made with reference to the cash flow requirements so invested for short-term interest rates (i.e. rates for investments up to 12 months). However, there is a provision of funds that can be used for longer term investments (greater than 12 months) if it deemed to be prudent by the Head of Finance & Resources.

4.2 Investment strategy

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
	2016/17 £000	2016/17 £000	2017/18 £000
Principal sums invested > 364 days	8,000	8,000	8,000

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed will be:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	-£39m	-£39m	£-39m
Upper limit on variable interest rate exposure	-£40m	-£40m	-£40m

The upper limit on fixed interest rates incorporates expected borrowing of £6m within the strategy which reduced the negative investment limit. The upper limit on variable interest rate exposure is calculated as being 80% of the projected highest level of investments during 2016/17.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment

4.3 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report as previously stated within 1.2.

4.4 Other Items

It is a requirement of the Prudential Code of Practice for Treasury Management that Authorities have a policy on use of financial derivatives. Local authorities have previously made use of financial derivatives

embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

PRUDENTIAL INDICATORS

Ratio of Financing Costs to Net Revenue Stream

2015/16 %	2016/17 %	2017/18 %	2018/19 %	2019/20 %	2020/21 %
-1.3	0.6	3.2	4.4	4.8	5.0
£,000	£,000	£,000	£,000	£,000	£,000
-3.62	1.71	9.54	17.74	19.06	19.90

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure. Negative figures shows more investment interest than prudential borrowing interest, positive figures the opposite is true.

Incremental Impact of Capital Investment Decisions on the Council Tax

	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
i) Forecast of total budgetary requirement no changes to capital programme	20,058	11,224	5,528	5,310	5,086	5,086
ii) Forecast of total budgetary requirement after changes to capital programme	4,514	20,830	19,700	13,641	2,314	1,815
iii) Additional Council Tax Required	-2.10	7.96	15.43	22.44	20.65	20.37

This indicator identifies the revenue costs associated with proposed changes to the capital programme compared to the Council's existing approved commitments and current plans.

Current Financial Plan

2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
4,514	20,830	19,700	13,641	2,314	1,815

This prudential indicator is a summary of the Council's proposed capital expenditure plans.

Capital Financing Requirement

2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
-5,054	10,020	23,272	33,743	33,637	33,546

This is a measure of the capital expenditure incurred historically by the council that has yet to be financed. Its a measure of the Council's borrowing need to fund the proposed capital programme

TREASURY MANAGEMENT INDICATORS

Authorised Limit for External Debt

	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
Borrowing	4,000	15,950	31,475	42,475	42,475	42,475
Other Long Term Liabilities	4,971	4,514	4,033	3,526	3,005	2,483
Total	8,971	20,464	35,508	46,001	45,480	44,958

This limit is the main limit set as a maximum for external borrowing. It fulfils the requirements under section 3 of the Local Government Act 2003.

Operational Boundary

	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
Borrowing	0	11,950	27,475	38,475	38,475	38,475
Other Long Term Liabilities	4,971	4,514	4,033	3,526	3,005	2,483
Total	4,971	16,464	31,508	42,001	41,480	40,958

This limit should be the focus of day to day treasury management. It is similar to the Authorised Limit but excludes the allowance for temporary cash flow borrowing as perceived as not necessary on a day to day basis.

Upper Limit for Fixed Interest Rate Exposure

2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
-45,000	-33,050	-17,525	-6,525	-6,525	-6,525

This is the maximum amount of net borrowing and investment that can be at a fixed rate. The upper limit on fixed interest rates incorporates expected borrowing which reduced the negative investment limit.

Upper Limit for Variable Interest Rate Exposure

2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
-40,000	-40,000	-40,000	-40,000	-40,000	-40,000

This is the maximum amount of net borrowing and investment that can be at a variable rate. The upper limit on variable interest rate exposure is calculated as being 80% of the projected highest level of investments during 2016/17

Maturity Structure of New Fixed Rate Borrowing during 2014/15

	Upper Limit %	Lower Limit %
Under 12 months	0	0
12 months to under 24 months	0	0
24 months to under 5 years	0	0
5 years to under 10 years	0	0
10 years and within 20 years	0	0
20 years and within 30 years	0	0
30 years and within 40 years	0	0
40 years and within 50 years	100	15
50 years and within 60 years	100	50
70 years and within 80 years	100	100

This indicator is set to control the Authority's exposure to refinancing risk.

Principal Invested for more than 364 Days

2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
8,000	8,000	8,000	8,000	8,000	8,000

MAIDSTONE BOROUGH COUNCIL

COUNCIL

2 MARCH 2016

REPORT OF THE EMPLOYMENT COMMITTEE HELD ON 29 JANUARY 2016

1. PAY POLICY STATEMENT 2016

1.1 Issue for Decision

1.1.1 To approve the Pay Policy Statement (attached at Appendix B) for publication.

1.2 Recommendation Made

1.2.1 That Council agree the proposed Pay Policy Statement, as attached at Appendix B, for publication on the Council's website after 31 March 2016.

1.3 Reasons for Recommendation

1.3.1 On 29 January 2016 the Employment Committee considered the report of the Head of HR Shared Service (copy attached at Appendix A) regarding the Pay Policy Statement for 2016 and agreed to recommend the Pay Policy Statement to Council, as amended by the Head of HR Shared Service.

1.3.2 The Head of HR Shared Service responded to questions raised by Members with regard to, inter alia, market supplements and the redundancy policy.

1.4 Appendices

1.4.1 Appendix A – Report of the Head of HR Shared Service to Employment Committee on 29 January 2016

Appendix B – Amended Pay Policy Statement for 2016

Employment Committee**29 January 2016**

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

No**Pay Policy Statement 2016**

Final Decision-Maker	Employment Committee
Lead Head of Service	Dena Smart, Head of HR Shared Service
Lead Officer and Report Author	Dena Smart, Head of HR Shared Service
Classification	Public
Wards affected	

This report makes the following recommendations to this Committee:

1. That the Council be recommended to agree the proposed Pay Policy Statement set out at appendix 1 to this report prior to publication on the council's web site.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all – this is sets out the terms and conditions for all staff and as such it underpins all our priorities
- Securing a successful economy for Maidstone Borough - this is sets out the terms and conditions for all staff and as such it underpins all our priorities

Timetable

Meeting	Date
Employment Committee	29 January 2016
Council	2 March 2016

Pay Policy Statement 2016

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 A Pay Policy Statement must be agreed by full Council for publication by 31st March 2016. The Pay Policy Statement should set out the main aspects of the remuneration strategy of the council.
- 1.2 The Council met the target to publish a Pay Policy Statement in previous years and the attached document has been updated to reflect changes during the year.

2. INTRODUCTION AND BACKGROUND

- 2.1 Section 38 (1) of the Localism Act 2011 came into force on 15 January 2012 and required English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after that. The government recently consulted on a revised code and the draft pay policy statement reflects the requirements of the revised code.
- 2.2 The matters that must be included in the statutory pay policy statement and the revised code of practice are as follows:
 - a local authority's policy on the level and elements of remuneration for each chief officer;
 - a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
 - a local authority's policy on the relationship between the remuneration of its chief officers and other officers and in particular the pay multiple between the two;
 - a local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency;
 - an organisation chart or description of the number and grades of staff in the top three layers of the organisation, with information on the grades of all those with salaries in excess of £50,000;
 - details of trade union facility time including the number of trade union representatives for each of the recognised trade unions and the amount of time spent on trade union duties where it is more than 50% of their time.
- 2.3 The reference to 'chief officer' refers to the statutory posts of Head of Paid Service, Monitoring Officer and Section 151 Officer plus any Deputy Chief Officers, which in our organisation includes anyone at Head of Service or above.
- 2.4 With regard to the process for approval, the pay policy statement:
 - Must be approved formally by the council meeting
 - Must be approved by the end of March each year

- Can be amended in year
 - Must be published on the authority's website
 - Must be complied with when the authority sets the terms and conditions for a chief officer
- 2.5 The Act specifically mentions that the pay policy statement may set out the authority's policies relating to other terms and conditions for chief officers and in the interest of open government there are recommendations that the pay policy statement sets out as much information relating to employee terms and conditions as is practical.
- 2.6 Terms and conditions of employment for employees is a function for which the Employment Committee has delegated responsibility within the constitution.
- 2.7 The general approach of the Member and Employment and Development Panel has been to take the same approach to senior members of staff as that taken with all other employees in relation to the benefits available and the review processes followed. The council has a thorough approach that applies best practice in the areas of remuneration and equal pay.
-

3. AVAILABLE OPTIONS

- 3.1 The Council could choose to publicise a reduced version of the Pay Policy Statement that meets the minimum requirements of the Act but this is not recommended as it does not satisfy the need for transparency and means that the data is not seen in the context of the good work already undertaken by the council.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred option is the format of the Pay Policy Statement set out at Appendix I as it gives consistency from previous years and meets the requirements of the legislation.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 As this is a statement of what is already in place and does not make any changes to the current position there has been no consultation to date; the report to the Employment Committee forms the basis of consultation to ensure that this format is acceptable before going to full council.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Before the report goes to full council the tables and organisation structures in Appendix 1(H) will be updated to reflect the most up to date position as the current charts reflect the previous year's information.
- 6.2 Once the format is agreed by full council the information will be updated with the actual pay figures for the year ending March 2016 before it is uploaded to the council's web site. These figures cannot be calculated until March payroll is complete. The most up to date information will also be used for the pension contributions table and the election payments.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	This statement makes no changes to the current situations and there are no implications due to the content of the pay policy statement	[Head of Service or Manager]
Risk Management	The risks are reputational if the council fails to publish a Pay Policy Statement	[Head of Service or Manager]
Financial	This statement makes no changes to the current situations and there are no implications due to the content of the pay policy statement	[Section 151 Officer & Finance Team]
Staffing	This statement makes no changes to the current situations and there are no implications due to the content of the pay policy statement	[Head of Service]
Legal	Section 38 (1) of the Localism Act 2011	[Legal Team]
Equality Impact Needs Assessment	This statement makes no changes to the current situations and there are no implications due to the content of the pay policy statement	[Policy & Information Manager]
Environmental/Sustainable Development	None identified at this time	[Head of Service or Manager]

Community Safety	None identified at this time	[Head of Service or Manager]
Human Rights Act	None identified at this time	[Head of Service or Manager]
Procurement	None identified at this time	[Head of Service & Section 151 Officer]
Asset Management	None identified at this time	[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: Pay Policy Statement 2016

9. BACKGROUND PAPERS

None

Appendix B

Maidstone Borough Council

Pay Policy Statement March 2016

1. Introduction

The local government workforce strategy has five key themes, which are mirrored by our own local strategy:

- Organisational development
- Leadership development
- Skills development
- Recruitment and retention
- Pay and rewards

These strategic themes recognise the importance of pay and rewards as fundamental to our role as an employer. Our work on pay and rewards began in 2006 with an equal pay audit resulting in significant changes to the council's terms and conditions. The work continued through the implementation of the Work Force Strategy and the development of a Total Rewards approach to remuneration for council staff.

Maidstone Borough Council has its own terms and conditions and undertakes local pay bargaining with trade unions.

2. Terms and Conditions – Decision Making

Terms and conditions for employees are determined by the Employment Committee but where a decision has a budgetary implication beyond the agreed in year budget this will also require agreement from the Policy and Resources Committee.

3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff and Members and was agreed on 5th April 2006. This was a very thorough piece of work that ensured the Council managed the terms of employees at all levels in the same way and applied the principles of equal pay and performance management to the scheme that was developed. The strategy has been refined over time but the principles have remained in place.

The principles for the reward strategy are to:

1. Support a **performance** orientated organisation;
2. Provide an **attractive** employment package at all levels;
3. Be relevant to a **modern** local government authority;
4. Have a pay structure that is **transparent** and straightforward;
5. Reward people **fairly** and consistently;
6. Move toward a **Total Reward** approach; and
7. To be **affordable** within the Medium Term Financial Strategy.

The reward strategy takes a 'Total Reward' approach to the benefits package received by employees at the council to ensure that maximum benefit is gained from all aspects of what is on offer to employees. The key elements of this package are set out below.

3.1 Pay Scale and Pay Progression

Our policy for grades within the organisation is to apply an objective assessment of the relative 'size and value' of all our roles using a formal job evaluation process. Posts are graded through the HAY Job Evaluation Scheme and this process measures the requirements of the role against the key criteria of Know How, Problem Solving and Accountability when all the duties are being performed and the employee is fully effective in the role. Job evaluators are drawn from different parts of the organisation and trained to use the HAY scheme; every panel has one trade union representative as part of the panel. The **Lowest Paid** employees are defined as those whose posts have HAY points of 43 to 66 which place them into grade 2 of the pay scale, the same process is applied to Chief Officers whose roles are evaluated at the highest level of points. It is the policy of the organisation to refer to the HAY salary data for Local Government and to reflect the median salary for grades below Head of Service and upper quartile at Head of Service and above. Since 2011 the council has 'bottom loaded' the annual pay award so that the percentage increase for the lowest paid was greater than those on higher salaries; in 2013 the council moved the lowest pay band in line with the Living Wage giving a significant increase to the low paid, the council has continued to match the Living wage since this point.

The pay scale has up to seven increments which recognise that with development in a role over time an employee's skills are of more value to the organisation and therefore warrant a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy. The pay scale is at Appendix I(A).

Incremental progression is assessed against the agreed Competency Profile for the role and evidence of the necessary Performance Standards and agreed objectives. Assessment will be on an annual basis but will be linked to the clear and continuous performance at the level required at each incremental step. Standard progression for fully effective performance is not beyond scale point four; in grades 13 – 16 there are an additional three high performance increments which may be awarded for performance which is over that usually required in the post. The rules for pay progression are set out in Appendix I(B).

Incremental progression is assessed by an employee's line manager in consultation with the Head of Service and Director who has to approve the recommendations within their Directorate; this is monitored by Corporate Leadership Team. The process and timetable for appraisals and incremental progression for the Chief Executive and Directors is set out at Appendix I(C).

3.2 Market Supplements

Currently there are thirteen employees in receipt of Market Supplements within the council; this is an increase of eleven from the previous year; the policy is at Appendix I(D). There have been recruitment difficulties with senior planning staff during the year and it is anticipated that this will continue in several of the professional roles during 2016.

3.3 Pension

The council offers access to the Local Government Pension Scheme (LGPS) which is a significant benefit to employees and is one of the aspects of the Total Rewards package. The LGPS is a defined benefits scheme which requires contribution rates from employees of between 5.5% and 12.5% depending on earnings in accordance with the following table; in April 2014 there was an option to lower level contributions with the introduction of the 50/50 scheme.

Pensionable pay	Main Section	50/50 Section
Up to £13,600	5.50%	2.75%
£13,601 - £21,200	5.80%	2.90%
£21,201 - £34,400	6.50%	3.25%
£34,401 - £43,500	6.80%	3.40%
£43,501 - £60,700	8.50%	4.25%
£60,701 - £86,000	9.90%	4.95%
£86,001 - £101,200	10.50%	5.25%
£101,201 - £151,800	11.40%	5.70%
More than £151,801	12.50%	6.25%

The employer contribution rate is around 13.4 % although this does vary from year to year, this is the future service rate excluding past service deficit.

The pension scheme is standard between all local government employers and in broad terms offers a pension benefit equivalent to 1/49th of pensionable salary per year of service, where pensionable salary is calculated on a career average with benefits paid at state retirement age.

Although most of the rules associated with the scheme are set centrally there are a few areas where local employers must define their own policy; the discretionary policy is attached at Appendix I(E). In broad terms it is not the policy of the council to increase pension benefits to employees through any form of enhancement.

Kent County Council is the administering authority for the Maidstone Borough Council scheme.

3.4 Pay Protection and Redundancy Payments

The council has a Redundancy Policy which sets out the approach that must be followed if posts are going to be affected because of organisational change. The procedure sets out the approval process and the consultation timetable, it also sets out the terms for redundancy and the pay protection policy, the pay protection policy is set out at Appendix I(F).

Any payments paid to an employee in relation to redundancy shall be in accordance with the statutory redundancy payments scheme and any other regulations applicable except that the Council will calculate a week's pay on actual earnings where this is in excess of the statutory maximum figure. *(Local Govt. (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2000).*

The policy of the organisation regarding re-employment following redundancy is that if a redundant employee commences local government employment within one month of the redundancy then the redundancy payment must be returned. Any other re-employment will only be considered where all other council rules on recruitment or procurement have been followed. From April 2016 legislation will be introduced that requires the return of all compensation payments by senior staff (earning in excess of £80,000 per annum) returning to the public sector within twelve months, our policies will be amended to incorporate these requirements.

3.5 Other payments.

Honoraria

The council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; this is often as a cost saving measure when there is a vacancy, maternity leave etc. In 2015/16 there were fourteen people in receipt of Honoraria during the year and by the end of March this had reduced to six, this is half of the previous year.

Cash and Non-cash Awards

As part of the Total Rewards package the council has mechanisms for recognising exceptional contributions both from individuals and teams. In 2015/16 these were received by six employees and there was a total of £3391 paid in cash awards.

Stand-By payments

These are paid to a small number of employees (twenty eight in 2015/16) who are on an out of hours on-call rota for specialist duties such as collecting stray dogs or attending noise complaints. The level of remuneration is up to £147 for each week of being on-call.

Car Allowances

In 2010 the council removed the facility for lease cars but retained a lease car allowance; in 2012 it was agreed that there would be no further allocation of the Lease Car Allowance in the future and that the current allowance would be frozen. During the period since 2010 cars have been removed as the lease expired and the affected employees have moved onto the allowance and there are no remaining lease cars in the council. In 2010 there were in excess of ninety employees receiving either a lease car or cash alternative and this figure reduced to forty six by March 2015 and has since remained static.

Mileage rates for those receiving this allowance are currently up to 28 pence per mile.

A car allowance of up to £1239 is given to those employees that are required to have a vehicle for their role and in by March16 there were seventy five members of staff in receipt of this allowance. The majority of those staff in receipt of this payment are within the statutory services or shared services which require external visits e.g. planning, environmental health and housing. Mileage rates for those receiving this allowance are at the HMRC level (in 2014/15 this was 45 pence per mile)

Bonuses

The council does not make use of bonuses as part of its own remuneration package. However there are currently nine employees in receipt of regular bonuses as part of their TUPE (Transfer of Undertakings(Protection of Employment) Regulations 2006) transfer terms and conditions from a previous employer; this is ten fewer than in 2011/12. These employees are all employed in the grounds maintenance teams and the productivity bonus tops up a lower basic wage. The TUPE regulations give protection to employees when their employment transfers which may only be changed through consultation.

3.6 Special fees and arrangements

Special fees may be paid for certain additional duties. In general these are connected to election duties and the funding for the allowance will not come from the council's own budget. An additional fee is paid for the role of Returning Officer for the District elections, this statutory role may be allocated to the Chief Executive or other officer within the council. Additional fees may be paid when an employee undertakes the role of Returning Officer, Counting Officer or other similar role, on behalf of another authority or organisation.

The council has adopted the Kent schedule of fees which is attached at Appendix I(G).

3.7 Other employee benefits

The council provides access to an Employee Assistance Programme which gives both telephone and face-to-face counselling on a range of issues. The council has access to an Occupational Health Service which helps to ensure that employees are properly supported to avoid taking sick leave and to return to work as soon as possible.

The council supports employees in their role with a development plan and training opportunities to ensure they are fully qualified to give excellent service. The council has been recognised for its development-focussed culture through the achievement of the Investors in People Silver award.

On an annual basis the council has an Awards Ceremony which recognises the best achievements during the preceding year. The council also recognises long service and during 2014 this scheme was changed to recognise service

over a longer period with shopping vouchers – the first level of recognition is at ten years and every five years thereafter up to forty years.

Salary sacrifice schemes – the council offers a salary sacrifice scheme to employees for the purchase of bicycles and childcare vouchers.

Buying annual leave – subject to agreement with their manager, employees are allowed to sacrifice some of their salary to buy more annual leave. In 2015/16 there were twenty four members of staff that used this benefit, ten more than the previous year.

4. Monitoring

Salary budgets are monitored through the normal budget management processes by line managers. Members and senior officers regularly consider the Medium Term Financial Strategy and in particular to consider ways to reduce costs to the council.

As required by the Equality Act 2010 the council undertakes an equal pay audit of salaries annually which is published on the council's web site. This helps to identify whether there are significant differences in any employees that have the protected characteristics.

The Code of Recommended Practice for Local Authorities on Data Transparency 2011 required that salary data was published on the highest earning staff within the council; this was actioned by March 2011 as required by the code. There has now been further qualification of the salary threshold for publication which has been set at £50,000 and above. This information is at Appendix 1(H).

The Code of Recommended Practice for Local Authorities on Data Transparency September 2011 (updated 2015) also requires that there is a process established to monitor the rate of growth of senior earnings compared to all other employees in the organisation. The formula required is to calculate the pay multiple of the Chief Executive compared to the median earnings of all other employees and where there is any significant change year on year this should be explained. It is the council's policy to use this pay multiple to monitor the relationship between remuneration of chief officers and other employees.

The recommendation in the 'Hutton Review of Fair Pay' 2011 has been followed:

'the pay multiple should be calculated on the basis of all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind'

The calculation for earnings has changed this year from previous years following recent guidance from the Local Government Association (LGA). In previous years the calculations have included earnings subject to national insurance contributions but the advice is that this should just include the taxable earnings; the main difference between these two is the pension

contribution made by the employee. For the purpose of comparison with previous years the table below shows both calculations.

	Chief Executive earnings	Median	Pay Multiple
2011/12	123,657	19,158	6.45
2012/13	122,720	18,028	6.81
% change from previous year	-0.76 %	-5.90%	5.58%
2013/14	128,321	20,390	6.29
% change from previous year	4.56%	13.10%	-7.64%
2014/15	114,913	19,754	5.82
% change from previous year	-10.45%	- 0.31%	-7.47%
2015/16	129,717	19,925	6.51
% change from previous year	12.88%	0.86%	11.85%

Using Taxable Pay

	Chief Executive earnings	Median	Pay Multiple
2014/15	102,159	18,606	5.49
2015/16	116,008	19,039	6.09
% change from previous year	13.56%	2.33%	10.93%

The main difference in the Chief Executives pay during 2015/16 was the payment of £9,750 for her role as Returning Officer at the general election and the progression of one incremental point on the salary scales.

It is important to emphasise that the pay policy of the council is to pay at the market median and this is only reached at the top of the incremental pay points for each grade. This ensures that people are paid at a lower level than the council policy until they have fully matured into the role and, although these are contractual payments, they are withheld if performance is not satisfactory at the expected level.

5. Trade Union Facility time

The Council recognises three trade unions, UNISON; UNITE and the GMB. However there are only representatives for UNISON and UNITE.

The council has a history of co-operative employee relations and with a range of fair employment policies there is a low level of trade union activity. None of the trade union representatives spend more than 50% of their working time on trade union duties; the council allows reasonable time for trade union duties (attending management meetings, pay negotiation, etc.) but no time is given for trade union activities (canvassing for additional membership etc.). With this low level of required time the council has not previously required that the trade unions monitor time spent and the reported figure is therefore an estimate for 2014/15, monitoring will take place in the future for comparison purposes.

The number of trade union representatives is:

	Headcount	Full Time Equivalent (FTE)
UNISON	7	7
UNITE	1	1
GMB	0	0

6. Contact for further information

If you require any further information regarding the salary policy of the council you should contact Dena Smart, Head of HR Shared Services on 01622 602712 or by email on denasmart@maidstone.gov.uk

Appendix I(A)

Pay Scale 2015 - 16

Grade	Spine point 1	Spine point 2	Spine point 3	Spine point 4	Spine point 5	Spine point 6	Spine point 7
1	GRADE ONE IS NO LONGER IN USE						
2	£15,145	£15,372					
3	£15,545	£15,928	£16,320				
4	£16,641	£17,051	£17,470				
5	£17,801	£18,240	£18,690	£19,151			
6	£19,714	£20,201	£20,699	£21,210			
7	£21,713	£22,250	£22,800	£23,364			
8	£23,733	£24,438	£25,163	£25,912			
9	£26,929	£27,729	£28,553	£29,402			
10	£29,962	£30,853	£31,772	£32,717			
11	£33,016	£34,000	£35,012	£36,054			
12	£36,768	£38,229	£39,748	£41,328			
13	£43,125	£44,986	£46,846	£48,663	£50,861	£53,058	£55,255
14	£59,188	£61,861	£64,536	£67,210	£70,386	£73,655	£75,833
15	£78,461	£81,891	£85,323	£88,754	£92,185	£95,616	£99,430
16	£104,117	£107,076	£110,037	£112,997	£115,958	£118,917	£123,664

Appendix I(B)
Pay Progression

1. Annual Inflation Award

Annual pay consultation will consider the cost of living, the position of MBC pay in comparison to the market but affordability will be the foremost consideration. Consultation will commence annually in September with the aim to reach agreement within the budget cycle so that payment can be made in April salaries.

The Chief Executive and Head of HR are responsible for undertaking pay negotiation with trade unions but the Cabinet takes ultimate responsibility for agreeing the budget.

2. Pay progression within grade

The pay scale has up to four standard increments which recognise that with development in a role over time an employee is of more value to the organisation and therefore warrants a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy.

Progress through the grade will be assessed annually. This will not be an automatic progression but will require an assessment against the agreed Competency Profile and Performance Standards for the position. Where the employee has progressed towards the full competency profile they will be awarded an increment. Assessment for incremental progression will take place by October each year. This will therefore not be linked to the annual appraisal but will take place mid year. Increased increments will be paid with effect from 1st October.

Employees must have six months service in their role by the 1st October to be eligible for assessment, if they are more recently appointed they will receive a review after six months in the position, thereafter they will be reviewed annually for the October increment.

Individuals will need to consistently demonstrate the behaviours required by the Competency Profile and Performance Standards for their role in order to maintain their incremental position. One off performance will not be sufficient to merit or maintain an increment.

Where individuals do not sustain the level of performance or where they have been assimilated to the top of the grade but are assessed as not having the full range of competencies they will be given time to improve but their pay will be frozen until they drop to the pay level that matches their performance, this includes any rise in annual pay as a result of pay inflation. This is outside the normal Pay Protection policy as it does not represent an organisational

change. Where the individual is assessed as not meeting the requirements of the grade their performance will be treated as a capability issue.

3. High Performance Increments (HPI) – Grades 13-16

In addition to the standard incremental progression which is linked to fully acceptable performance there are an additional three incremental points in grades 13 to 16. These incremental points will be linked to sustained high performance and should not be awarded for one off projects for which either an ex-gratia payment or cash award may be more appropriate. These HPI's recognise the impact of senior managers on the high performance of the organisation and they should only be used where it is possible to demonstrate that the individual has added significant value over and above what might be seen by other fully effective performers in the same role.

High Performance Increments will be considered in line with the mid year review for effect in October. The HPI may be awarded on either a consolidated or non-consolidated basis. Recommendation for an HPI must be made by a Director to the Corporate Leadership Team for grades 13 and 14, by the Chief Executive to the Member and Employment and Development Panel (MEDP) appraisal sub-committee for Directors (grade 15) and by the Leader to the MEDP appraisal sub-committee for the Chief Executive.

Consideration of some or all of the following factors is appropriate when an award of an HPI is recommended:

- Flexibility to manage new services following structure changes
- Innovative ways of working to improve performance and reduce costs
- Management of services outside the council e.g. shared services
- Continued performance at a level above the current grade but where there are no suitable opportunities for promotion
- Increased income to the council from selling services

It is important to emphasise that the HPI will not be the norm for pay progression and movement onto these increments will be carefully monitored to ensure that there are no equal pay implications.

4. Career Grades and Incremental Progression

A Career Grade offers the opportunity of a long path of progression to a particular professional position. As such the nature of the role and the requisite competencies are likely to vary considerably between the entry point and final destination. This means that through Job Evaluation the Career Grade is likely to span several grades and have many steps. To enable this clear stepped progression there may be some need to have interim points between the normal incremental points e.g. in recognition of the achievement of some particular milestone. These half incremental steps will be allowed providing that there is prior agreement with the Head of HR and that they are applied equally to all those who meet the criteria and are set out as part of the agreed career grade structure. Progress through the career grade will need to be evidence based and the Head of HR will need to agree to the progression if it is between grades.

Appendix I(C)

Chief Executive and Director Appraisal Process

The appraisal panel for the Chief Executive will comprise of a sub-committee of the Employment Committee.

This committee will also take a ‘grandparent’ role to review and comment on the full annual appraisal and objectives for the Directors as set by the Chief Executive.

An indicative timetable and process for the Chief Executive is set out below:

Process	Dates	Papers Required
Chief Executive Appraisal and Director review	March	
Mid-Year Review – CEO with sub-committee	By mid September	Appraisal documents with agreed objectives and development plan – to be reviewed and up-dated
Mid-Year Review - Directors with CEO	September	Appraisal documents with agreed objectives and development plan – to be reviewed and up-dated
Chief Executive preparation Documents complete for circulation to sub- committee	January	Previous years appraisal & Mid Year Review Knowledge, Skills and Performance Standards Strategic Direction Competency Framework Appraisal Preparation document Briefing note on appraisal preparation
Chief Executives appraisal with sub committee	February	Appraisal produced from the meeting
Directors appraisals with CEO	February	Directors appraisals then CEO to write up and agreed by Directors
Sub-committee review of Directors appraisals	March	Previous years appraisal & Mid Year Review Knowledge, Skills and Performance Standards Strategic Direction Competency Framework Appraisal completed by Chief Executive & Director

MARKET SUPPLEMENTS FOR PAY

Introduction

The Council will utilise a Market Supplement to ensure that competitive salaries will attract and retain key workers in skill shortage areas without distorting the pay structures for all other employees. A Market Supplement for recruitment or retention purposes will only be used where there are clear business reasons that cannot be better addressed through the total benefits package, the work environment or department skill mix. It is recognised that pay is only one factor contributing to our attractiveness as an employer and other aspects of employment, particularly those relating to development, should be applied rather than using just a Market Supplement.

All jobs are graded using the HAY Job Evaluation system and the defined pay policy of the Council is to pay at Market Median where the market used is the HAY Local Government salary data. This is also checked against local Kent salary surveys to ensure that it is robust for the geographical region. This approach ensures that the employees of Maidstone Borough Council are paid at a fair level in comparison to other workers in similar employment groups.

However there is recognition that in certain professions there are either national or regional skill shortages and Maidstone needs to be responsive to the competition for these skills. In the longer term our aim will be to train employees to move into these specialist areas and to ensure that the specialists' skills are used properly within the organisation. In the short term Market Supplements may be used.

Identification of the Skill Shortage

Recruitment Campaigns

Where there is no anticipated shortage there will need to be a minimum of two appropriate external recruitment campaigns within a 12 month period to establish that it is not possible to fill a position before it is agreed there is a requirement for a market supplement.

Salary Survey

The salary survey is conducted on an annual basis and gives details of the comparative salaries for defined positions in the south east. This clearly identifies the median salaries and is particularly relevant for local government roles. This will enable the identification of positions which may be vulnerable and where there is more than a 10% salary difference from the median there should be consideration of the need for a market supplement. The existence of this difference alone is unlikely to be sufficient justification and further analysis will be required to identify whether this has had an adverse impact on the Council's ability to recruit and retain.

National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation. In 2015 these skills were listed as:

1. Children's social workers
2. Planning officers *
3. Building control officers *
4. Environmental health officers *
5. Educational psychologists
6. School crossing patrol
7. Adult social workers
8. Trading standards officers
9. Solicitors and lawyers *
10. Mental Health Social Workers

* category of worker employed by MBC

This national picture is the first indicator of a shortage. Where there is an identified shortage nationally the manager will still be required to demonstrate that this applies to the local area. This proof can be gained through the outcome of a relevant recruitment campaign during the previous 12 month period or through information from agencies about the availability of particular skill sets.

Market Supplement for Recruitment Purposes

The level of supplement will be agreed between the Director and the Head of HR in consultation with the Head of Finance. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary related enhancements eg overtime which will be paid at the normal salary rate.

The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in section 5.

The payment of a Market Supplement must be within the Director's agreed budget. Approval must be given by the relevant Director and the Head of Human Resources who will ensure that all alternative options have been explored.

Market Supplement for Retention Purposes

Whilst the Market Supplement is principally to enable the Council to be able to compete in a highly competitive market to attract new employees, there may be exceptional cases where a supplement should be considered for existing employees. This may occur in situations where a new recruit is offered a supplement which would then cause equally mobile colleagues to leave and seek a similar salary elsewhere. There may also be occasions where an

employee with a specialist skill needs to be retained to ensure business continuity.

The level of supplement will be agreed between the Director and the Head of HR in consultation with the Head of Finance. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary related enhancements eg overtime which will be paid at the normal salary rate. The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in section 5.

Agreement to the Market Supplement (or appointment above the bottom of the grade) will require the completion of the form at Appendix 1.

Payment of a Retention Supplement must only be considered in exceptional circumstances and particular attention must be paid to the Equal Pay issues.

Removal of the Supplement

The availability of skills varies over time. As professions are identified as skill shortage areas and salaries rise they can attract an increased number of trainees. Where this is the case the Council would not wish to incur unnecessary costs, i.e. paying more for a skill than the median rate if this would be sufficient to attract high quality applicants.

Management Team will review the posts attracting a supplement annually in January. When it is clear that a particular profession or skill area no longer necessitates a market supplement this will be withdrawn over a phased period of 2 years – with the withdrawal of 25% of the supplement every six months until the employee returns to the normal rate for the job. The assessment of the on-going need will relate to the national skills assessment combined with local salary reviews and the response to recruitment campaigns. When a market supplement is to be withdrawn the employee will be notified by the end of January and the phased withdrawal will commence in April of that year. In this way the annual pay award should help to offset any reduction.

Appendix I(E)

Maidstone Borough Council Policy and Procedural Issues Local Government Scheme Regulations Employer Discretions

This paper confirms the pension policy of Maidstone Borough Council as it relates to the exercise of discretions contained in the Local Government Pension Scheme Regulations 2013 and the LGPS (Transitional Provisions, Savings and amendments) Regulations 2014. Last updated June 2014.

The policy statement applies to all members of staff who are eligible to be members of the LGPS, as defined in the regulations i.e. employees with a contract of employment of over 3 month's duration and who are under 75 years of age and are contractually enrolled at the start of employment. Those with contracts of less than 3 months, including casuals, can join but need to elect to do so.

Employees who are members of the pension scheme are only entitled to receive pension benefits if they have 2 years or more service. Under LGPS 2014 Regulation 18, if an employee leaves within 2 years of the start of their employment their contributions can be repaid or transferred to another scheme, unless there is some fraudulent offence or misconduct in connection with the employment

Principles

The Authority will treat any individual retirement case and decisions on its merits.

Decisions relating to retirement will be made taking into account the business case and business implications, the financial implications, employment law consideration, the regulations and the legality of each case. It may also take into account long term savings, affordability, skills and skills retention and impact on service delivery.

The definition of business efficiency shall include, but not be limited to financial savings and/or quality improvements judged on a case by case basis.

Each decision will be made free from discrimination on the grounds of any protected characterising – age, disability, gender reassignment, marriage or civil partnership, pregnancy & maternity, race, religion and belief, sex, sexual orientation or any other personal criteria.

The Authority's decisions relating to retirement and the release of pension benefits will be in line with the current pension regulations. These regulations may be updated from time to time and the Authority will default to the regulations if the policy is not explicit on any current or future regulation.

Decisions relating to the release of deferred benefits to former employees will refer to the relevant pension policies applicable at the time of their employment. In such cases, the decision as to the release of deferred benefits will be on a case by case basis and will take into account the criteria detailed in these principles. Guidance may be sought from the pension administrators as required.

Regulation 9 (1) & (3) - Contributions

Maidstone Borough Council will apply the nationally determined employee contribution rates and bands. These are subject to change and may be varied.

Maidstone Borough Council will pay the rate of contributions determined in the regulations for employees whose pay is reduced through ill health or during authorised unpaid leave, including child related leave.

The calculation of pensionable pay will include basic annual salary plus any other pensionable salary items including – Market Supplement/ Premium, Overtime, Bonus, Honorarium, Salary Supplements. The pensionable pay will be reviewed monthly and based on earnings for that month to identify the appropriate band and contribution percentage

Maidstone Borough Council will notify employees of their individual contribution rates in their payslips or by letter at least annually.

Regulation 16 (2)e and 16 (4)d – Shared Cost Additional Pension Contributions (SCAPC)

It is not Maidstone Borough Council's general policy to operate a SCAPC where a scheme member wishes to purchase extra annual pension (up to the limit defined in the regulations).

Where a scheme member has a period of child related leave or authorised unpaid leave and elects, within 30 days of return to work, to pay a SCAPC to cover the amount of pension 'lost' during the period of absence, in these circumstances Maidstone Borough Council is required to contribute 2/3rds of the cost. If an election is made after the 30 day time limit the full costs will be met by the scheme member.

Employees who have the option to pay contributions in respect of a period of unpaid absence must elect to do so within 30 days of the date of the notice issued to them by the Human Resources Section stating the amount of contributions to be paid. This time limit may be extended by the Head of Human Resources if the employee can demonstrate exceptional circumstances so as to justify an extension of time.

TP Regulations 1(1)(c) of Schedule 2 – whether to allow the rule of 85 to be 'switched on' for members age 55-59.

It is not Maidstone Borough Council's general policy to make use of the discretion to 'switch back on' the 85 year rule protections unless there are clear financial or operational advantages to the council. Each case will be considered on its merits by Head of Human Resources, the Head of Finance and the relevant Director.

Regulation 17 (1) – Shared Cost Additional Voluntary Contributions (SCAVC)

It is not the current policy of the Borough Council to operate a shared cost Additional Voluntary Contribution Scheme for employees. However, this policy will be reviewed from time to time by the Head of Human Resources in conjunction with the Chief Finance Officer, subject to Member's approval.

Regulation 21 (5) – In determining Assumed Pensionable Pay whether a lump sum payment made in the previous 12 months is a 'regular lump sum'.

Maidstone Borough Council will maintain a list which details what Maidstone Borough Council considers being a regular lump sum payment made to our employees to be used in the calculation of the Assumed Pensionable Pay

Regulation 22 (7)(b) & 22 (8)(b) - Aggregation of Benefits

Employees who have previous LGPS pension benefits in England and Wales will automatically have these aggregated with their new LGPS employment unless they elect within 12 months of commencing membership of the LGPS in the new employment to retain separate benefits. Maidstone Borough Council has the discretion to extend this period beyond 12 months and each case will be considered on its own merits by the Head of Human Resources, the Head of Finance and the relevant Director.

Regulation 30(6) – Flexible Retirement

It is Maidstone Borough Council's policy to only provide consent for flexible retirement and the immediate payment of benefits where there are clear financial or operational benefits to the council. Any such consent requires the agreement of the Director of Human Resources and the relevant Director and each case would be considered on its merits.

If consent has been given under Regulation 30 (6) it is not Maidstone Borough Council's general policy to waive any actuarial reduction unless there are exceptional circumstances.

Regulation 30(8) Waiving of Actuarial Reductions

It is not the policy of the Borough Council to give consent to the immediate payment of benefits to employees under this regulation unless there is a demonstrable benefit to the organisation which would take full account of any extra costs to be borne by the Authority. In circumstances where a request is made for an early payment of a deferred benefit this is unlikely to be granted except in the most extreme cases of hardship; circumstances must be exceptional and would not reasonably be expected to prevail i.e. the occurrence of a disaster or accident etc. Financial hardship alone would not normally be deemed sufficient. Any such consent shall be agreed by the Head of Human Resources, Head of Finance and the relevant Director taking account of all the details involved in the case.

Where a scheme member has previously been awarded a preserved benefit, it is not generally the policy of Maidstone Borough Council to give consent under this regulation to the early payment of benefits, however each request will be considered and full account taken of any costs to be borne by the authority. Any consent shall be agreed by the Head of Human Resources, Head of Finance and the relevant Director taking account of all the details involved in the case. It is not the council's general policy to waive any actuarial reduction in these circumstances.

Regulation 31 – Award of Additional Pension

Maidstone Borough Council has the discretion to award additional pension (up to the additional pension limit defined in the regulations) to an active member or within 6 months of leaving the scheme to a scheme member who was dismissed on grounds of redundancy or business efficiency.

Maidstone Borough Council will only exercise this discretion in exceptional circumstances and where there is a proven total benefit to the organisation which includes any costs that might be borne by the authority. Any consent shall be agreed by the Head of Human Resources, Head of Finance and the relevant Director taking account of all the details involved in the case.

Regulation 100 (6) – Aggregation of Benefits

If a scheme member wishes to transfer any pension benefits they have built up in other schemes to the Local Government Pension Scheme, it is the policy of Maidstone Borough Council that the election must be made within 12 months of the Pension Section being notified that the employee has become an active member of the Kent Scheme.

If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Head of Finance and the relevant Director within Maidstone Borough Council and by the Pension Scheme Administrator, both organisations must agree to the late transfer.

Appendix I(F)

PAY PROTECTION POLICY

Introduction

The Council believes that an integral feature of any successful organisation is its ability to identify the need for change and to manage that change, taking into account management's aspirations as well as the aspirations and well being of its employees.

Whilst the Council is committed to providing security of employment and to minimising the personal impact of organisational change there will be occasions when it will be necessary to reorganise services and the way in which they are delivered. In these circumstances the provisions of this policy will apply.

Scope

This policy applies to any employee who, as a consequence of organisational change, is required by management to move to a new post or suffers a reduction in basic hours worked within the standard working week. The provisions of this policy do not apply where an employee moves to another position as a result of:

- action taken in accordance with the Council's disciplinary or capability procedures
- the need for re-deployment on health grounds
- unacceptable standards of work performance
- a request from the individual or by mutual agreement between the individual and the Council
- a voluntary application to another position within the Council

Protection Period

Protection of earnings will be given for a period of 36 months. The first twelve months will be protected at the full earnings of the role held by the employee prior to the change. The 13-24 month period will be with a 33% reduction of the difference between the new earnings and the earnings of the role held prior to the change. The 25-36 month period will be with a 66% reduction and after a period of 36 months the employee will move to the salary and earnings of the new post. The employee will be moved to the salary point of the pay scale for the grade of the new post that is closest to the salary of the previous post. In most cases this is likely to be the highest incremental point of the relevant grade.

In exceptional circumstances, and where there may be a cost advantage to the organisation (e.g. where redundancy costs would be very high) there may be agreement with the Chief Executive, the Head of Finance and Head of Human Resources to extend this period to a maximum of five years.

Calculation of Protection

Earnings protection will be calculated as an average of the earnings in the four months preceding the organisational change. This will include basic salary, essential car user allowance, lease car cash allowance, stand-by payments and an average of overtime and out of hour's payments.

Earnings in the new post will be off-set against protected earnings and if for any particular pay period the earnings in the new post exceed the protected earnings then the higher earnings will be paid for that pay period.

Where the period of protection spans the annual pay award the protected pay will be reduced by an amount equivalent to any increase in pay in the new substantive post.

Conditions of Protection

Protection of earnings is conditional upon the employee undertaking any shift work, standby or other duties which may be required in the new post. Where there are increased earnings as a result of these additional duties this will result in an equivalent decrease in pay protection. In circumstance where the employee is required to drive and the post is designated as an Essential Car User or the level of mileage is such that the employee qualifies for the Essential Car User Allowance this will be paid but the level of pay protection will be reduced by the equivalent amount.

Protection of earnings is also conditional upon the employee accepting any subsequent offer of a suitable alternative post which attracts a salary in excess of that of the new post.

Overtime will be paid at the new rate (i.e. the real rate attached to the post) not at the protected rate.

Pension Implication

It has been the Borough Council's policy to issue a certificate of protection of pension benefits to protect employees who suffer detriment by being required to take a cut in pay or who are prevented from having future pay increases by having their pay frozen. Any certificates issued may continue to apply to pension forecasts whilst they are still valid. Following the pension changes on 1 April 2008 there were no further certificates of protection issued but up to 31 March 2014 there are options for pension calculation to be based over a longer time period, affected employees should contact the pension administrator.

Terms and Conditions other than Pay

Annual Leave entitlements and length of notice period required from the employee will not be protected and those applicable to the new post will be effective from the date of transfer.

Appendix I(G)

KENT ASSOCIATION OF ELECTORAL REGISTRATION OFFICERS AND STAFF

September 2014

NOTES TO PROPOSED SCALE OF ELECTION FEES FOR 2015

1. Since 1998 the Kent scale of election fees mirrored the latest national scale, with local variations (for example, payment to the District/Borough for the use of Council staff). The Local Returning Officers' Charges Order 2009 for the European Parliamentary election of that year introduced a new approach by Government. The Order provided for an overall maximum of expenditure, based on various assumptions, and allowed flexibility across different heads of expenditure; this approach has continued at all national elections since. However, after full discussion of various options at the September 2010 meeting of the Association, it was unanimously agreed to retain the present structure for District/Borough elections in Kent.
2. The scale of fees is revised each year in accordance with the annual National Joint Council APT & C pay award; the current fees will be increased in line with the NJC local government pay award for 2014/15 which has yet to be determined (as at 11 September 2014).
3. Commencing September 2013 the following applied to item 11 (delivery of poll cards by hand). Historically, the fee has been set at Royal Mail's second class postage rate which at 11 September 2014 is £0.53, however the scale will say "second class post" as the rate is variable.
4. In the absence of the NJC APT&C pay award, it is proposed to agree to increase the scale of fees and charges in line with any pay award granted for 2014/15 with effect from 1 April 2015.

IMPORTANT NOTE

Kent AERO's approved the proposal to agree to the scale subject to adding the pay award once known. The National Pay Award has now been agreed at 2.2%. The increase has been applied to the attached scale of Fees and Charges.

**KENT ASSOCIATION OF ELECTORAL REGISTRATION
OFFICERS AND STAFF**
**Proposed scale of fees for District/Borough and
Parish Council elections held on or after 1st April 2015**

ITEM	Current 2014 £	Proposed 2015 £	% increase
1. For each Presiding Officer at a Polling Station – single election	199.22	203.60	2.2%
2. For each Presiding Officer at a Polling Station – combined election or difficult station due to local circumstances (at the discretion of the Returning Officer)	244.74	250.12	2.2%
3. For a Presiding Officer who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 9.66	(additional) 9.87	2.2%
4. Presiding Officer travel (see note 4 below)	13.66	13.96	2.2%
5. For each Poll Clerk at a Polling Station – single election	119.53	122.16	2.2%
6. For each Poll Clerk at a Polling Station – combined election (at the discretion of the Returning Officer)	147.99	151.25	2.2%
7. Poll Clerk travel (see note 4 below)	7.94	8.11	2.2%
8. Supervising Officer – for every 10 polling stations overseen	199.22	203.60	2.2%
9. For each Presiding Officer, Poll Clerk and Supervising Officer attending training	44.22	45.19	2.2%
10. For each training session provided by the Returning Officer to Presiding Officers and Poll Clerks	170.78	174.54	2.2%
11. For the delivery of official Poll Cards by hand	Second class post	Second class post	
12. For the employment of persons in connection with the counting of votes, clerical and other assistance required by the Returning Officer – for each 500 electors (or part) in a contested election	69.70	71.23	2.2%
13. For the employment of persons in connection with the preparation, issue and opening of postal ballot papers – for every 100 (or part) postal ballot papers issued. (Further resources may be needed to meet the effects of the Electoral Administration Act 2006)	68.31	69.81	2.2%

ITEM	Current 2014 £	Proposed 2015 £	% increase
14. For each recount of the votes – for each 500 electors (or part) (see note 3 below)	4.01	4.10	2.2%
15. Travel of staff in connection with the counting of votes (at the discretion of the Returning Officer – see note 4 below)	7.94	8.11	2.2%
16. For clerical and other assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)	18.96	19.38	2.2%
17. Payment to the District/Borough for the use of Council staff to support the Returning Officer in the conduct of elections as follows:			
(a) contested election – (i.e. without District/Borough) for each 500 electors (or part)	53.98	55.17	2.2%
(b) contested joint election (i.e. with District/Borough) – for each 500 electors (or part)	26.99	27.58	2.2%
18. Payment to the District/Borough for the use of Council staff at an uncontested election – per uncontested election (see note 5 below)	14.89	15.22	2.2%
19. Returning Officer's fee for the conduct of elections as follows:			
(a) contested District/Borough OR Parish election – for each 500 electors (or part)	30.17		
(b) contested joint District/Borough AND Parish election – for each 500 electors (or part)	41.67	30.83	2.2%
(c) uncontested District/Borough election – single fee	51.66	42.57	2.2%
(d) uncontested Parish election – single fee	17.70	52.80	2.2%
		18.09	2.2%

Notes

1. The fees are calculated on the number of local government electors on the register of electors and entitled to vote at the last day for publication of the notice of election.
2. At parish polls the fees relating to polling staff may be pro rata.
3. **Item 14** – in special circumstances, the Returning Officer may recover actual costs.
4. **Items 4, 7 and 15** – variable mileage rates may be applied where fixed travel is considered inappropriate.
5. **Item 18** - the payment referred to applies (in the case of a parish election) to each ward of a parish.

Appendix I(H)

Details of remuneration and job title of certain senior employees whose earnings are between £50,000 and £150,000.

Position	Department	Remuneration	No of staff	Budget	Other services/responsibilities
Chief Executive	Chief Executive	£115,000 - £119,999	584		Returning Officer responsible for all elections & Head of Paid Service
Director of Regeneration & Place	Regeneration and Place	to be appointed	322		
Director of Finance and Business Improvement	Finance and Business Improvement	to be appointed	114		
Head of Mid Kent HR	Mid Kent HR	£75,000 - £79,999	16		Head of shared service with Swale Council
Head of Mid Kent ICT	Mid Kent ICT	£75,000 - £79,999	37		Head of shared service with Swale and TWBC
Head of Policy & Communications	Policy and Communications	£75,000 - £79,999	64		
Head of Finance and Resources	Finance and Resources	£70,000 - £74,999	59		Section 151 Officer
Head of Planning & Dev	Planning & Development	£70,000 - £74,999	49		
Head of Housing and Community Services	Housing and Community Services	£70,000 - £74,999	62		
Head of Commercial and Economic Development	Commercial and Economic Development	£70,000 - £74,999	76		
Head of Mid Kent Revenues and Benefits	Mid Kent Revenues and Benefits	£65,000 - £69,999	41		Head of shared service with Tunbridge Wells Borough Council
Head of Mid Kent Audit	Mid Kent Audit	£65,000 - £69,999	12		Head of shared service with Ashford, Swale and Tunbridge Wells Borough Councils.
Head of Environment & Public Realm	Environment and Public Realm	£55,000 - £59,999	115		
Chief Technology Officer	Mid Kent ICT	£55,000 - £59,999	18		Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Chief Information Officer	Mid Kent ICT	£55,000 - £59,999	15		Manager within shared service with Swale & TWBC also includes Emergency Planning supplement.
Property and Procurement Manager	Property, Procurement & Facilities Management	£55,000 - £59,999	32		
Service Improvement Manager	Customer Services and Transformation	£55,000 - £59,999	43		

Economic Development & Regeneration Manager	Economic Development and Regeneration	£55,000 - £59,999	6		
HR Shared Service Manager	Mid Kent HR	£50,000 - £54,999	4		Manager within shared service with SBC
Parking Services Manager	Parking Services	£50,000 - £54,999	14		Manager within shared service with SBC
Building Surveying Manager	Building Surveying	£50,000 - £54,999	8		Remuneration includes Emergency Planning Officer supplement

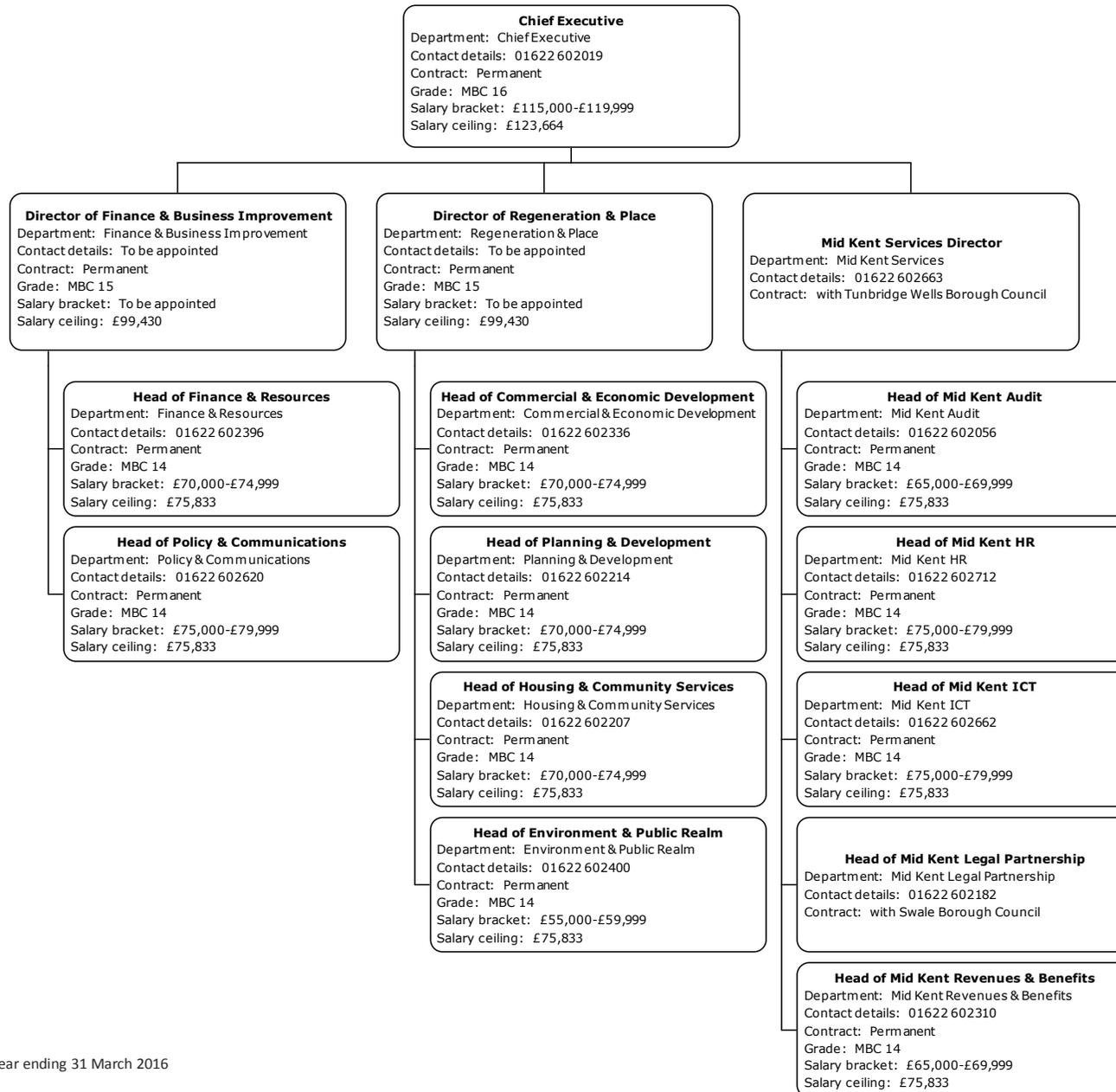
Number of employees whose remuneration in 2015/16 is at least £50,000 in brackets of £5,000

154

Remuneration band	Number of employees in band
£50,000 - £54,999	3
£55,000 - £59,999	6
£60,000 - £64,999	0
£65,000 - £69,999	2
£70,000 - £74,999	4
£75,000 - £79,999	3
£80,000 - £84,999	0
£85,000 - £89,999	0
£90,000 - £94,999	0
£95,000 - £99,999	0
£100,000 - £104,999	0
£105,000 - £109,999	0
£110,000 - £114,999	0
£115,000 - £119,999	1
Total	19

This information is published in accordance with the guidance associated with The Code of Recommended Practice for Local Authorities on Data Transparency (2014) which requires the publication of senior salaries within a £5000 range.

Data transparency: Maidstone Borough Council organisation chart



Agenda Item 18

MAIDSTONE BOROUGH COUNCIL

COUNCIL

2 MARCH 2016

REPORT OF THE DEMOCRACY COMMITTEE HELD ON 28 JANUARY 2016

MAYORALTY AND CIVIC CEREMONY REVIEW

1. Issue for Decision

1.1 On 28 January 2016 the Democracy Committee considered a report on the Mayoralty and Civic Ceremony Review which had taken place between September 2015 and January 2016.

1.2 The review looked at:

- The Mayoralty Budget;
- The selection process for the election and appointment of Mayor and Deputy Mayor;
- Expectations of the Mayoralty and in-role support/development; and,
- The ceremonial requirements of the Mayor making event.

This reference specifically focusses on the selection process for the election and appointment of the Mayor and Deputy Mayor.

1.3 An extract from the current process for the selection of Mayor and Deputy Mayor (**Appendix A**) came into effect during the municipal year 2006/07, which implemented selection by order of seniority. This system lists Councillors by the date at which they became a Member of the Council, and prioritises those who have served for the longest time. The longest serving – or most senior - Councillor is asked whether they would like to become the Deputy Mayor. If they refuse, the next most senior Councillor is asked, and if he/she refuses this continues until a Councillor is found who is prepared to stand.

1.4 At Maidstone Borough a Councillor serves as the Deputy Mayor for a year, and then is nominated to be Mayor the following year. An additional criteria applied to selection is that a Member cannot have previously served as Mayor, and therefore Members can only serve as Mayor once.

1.5 Prior to 2006/07 each political Group took its turn in appointing its nomination for Mayor. This was based on a four yearly cycle between four political groups.

1.6 Under this system each group had the same number of opportunities to nominate a Councillor. In practice this meant that Members of the larger party groups would have less opportunity to become Mayor than Members

of the smaller groups. This also led to the possibility that newly elected or inexperienced Members of smaller groups could become Mayor, over longer serving or more experienced Members of larger groups.

- 1.7 Members have expressed concern regarding less experienced Members becoming Mayor. This is because one of the main duties of the Mayor is to chair Council. Because of the procedural complexity of Council, informal feedback from Members has indicated that it is considered beneficial for the Mayor to have had previous experience of chairing a committee.
- 1.8 The Working Group considered several alternatives to the current method of selection, including advertising and seeking applications in order to appoint according to a person description for the role. However it was felt that any form of selection could introduce political considerations into a role which should be apolitical.
- 1.9 Members discussed the need for the process to be clear and straightforward, so that it could be used at short notice in the instance in which a Deputy Mayor loses his/her seat at election. Under these circumstances a new appointment would have to be made in the short time between the election and the Annual Meeting.

1.10 Summary comparing current selection process and past process

Selection by seniority (post 2006)	Selection via yearly circulation between Groups (pre 2006)
<p>Pros:</p> <p>Prioritises experience</p> <p>Non-partisan selection process</p>	<p>Pros:</p> <p>Allows group to put forward most suitable nominee</p> <p>Non-partisan selection process</p>
<p>Cons:</p> <p>Due to bar on having previously held the office of Mayor, less experienced Members can become Mayor</p>	<p>Cons:</p> <p>Due to difference between party sizes and equal circulation between groups, less experienced Members can become Mayor</p>

Summary of conclusions regarding the selection process

- 1.11 The Democracy Committee recommend that the order of seniority method of selection be retained with the following amendments:
 - That a Member becomes eligible for nomination once they have served as a Councillor for at least six years;
 - That a Member may serve as Mayor more than once in exceptional circumstances. These being that there are no other eligible Councillors,

or that no other eligible Councillors are prepared to stand for nomination. Where there is more than one Member who meets this criteria, priority will be given to the Councillor who has served as Mayor the least number of times previously in the first instance. Should this not resolve the situation lots will be drawn.

- The time at which a newly elected Councillor signs their declaration of office be recorded for the purposes of deciding a tie break between Councillors of equal seniority; and
- The method of drawing lots be used to decide between two Councillors of equal seniority until such time as all Councillors have signed a declaration of office and have a time recorded for this.

1.12 The proposed amendments have been made to the protocol to guide Councillors when electing the Mayor/appointing the Deputy Mayor and order of seniority of Councillors at **Appendix B**, marked with tracked changes and summarised below:

Paragraph	Proposed Amendment
3	A Councillor shall be considered eligible for nomination when he/she is the most Senior Councillor at the Council (as set out in the order of seniority by length of service of Councillors) who wishes to take up that office, has served for a minimum of six years and who has under normal circumstances not previously held that office. On becoming eligible he/she should be appointed to the position of Deputy Mayor (or Mayor and Deputy if there are exceptional circumstances).
4	A Councillor can serve as Mayor more than once in exceptional circumstances, these being that there are no other Councillors who meet the eligibility criteria, or no other eligible Councillors who are prepared to stand. Where there is more than one Councillor who is eligible under these exceptional circumstances, priority will be given to the Councillor who has held the post of Mayor the least number of times. Where there continues to be more than one eligible Councillor, lots will be drawn.

2. RECOMMENDATION MADE

2.1 That Council agree the amendments to the Protocol to guide Councillors when electing the Mayor and Appointing the Deputy Mayor and the Order of Seniority of Councillors as set out in 1.11 above and as shown in **Appendix B** to this reference.

3. REASON FOR RECOMMENDATION

- 3.1 The Democracy Committee recommend this course of action to Council as it retains the positive qualities of the order of seniority process, but also ensures that the nominee for Mayor has a reasonable amount of experience as a Councillor. Allowing Councillors to serve as Mayor more than once in the exceptional circumstances builds resilience into the process.
- 3.2 This recommendation is also made as it has been formulated using evidence gathered from a wide range of witnesses, including a number of former Mayors, and addresses concerns raised by current Councillors.

4. ALTERNATIVES CONSIDERED AND WHY NOT RECOMMENDED

- 4.1 Members considered not recommending the recommendations of the working group. This was not recommended as the review of the Mayoralty was requested by Members to address concerns and add value to the process and role.

5. APPENDICES

- 5.1 **Appendix A** – An extract from the current process for the selection of Mayor and Deputy Mayor.
- 5.2 **Appendix B** – An extract from the current process for the selection of Mayor and Deputy Mayor with recommended amendments shown as tracked changes.

4.7 PROTOCOL TO GUIDE COUNCILLORS WHEN ELECTING THE MAYOR/APPOINTING THE DEPUTY MAYOR AND ORDER OF SENIORITY OF COUNCILLORS

1. Other than in exceptional circumstances, the Mayor should have held the post of Deputy Mayor in the year preceding the Mayoral election.
2. Where there are exceptional circumstances (where the Mayor has not been the Deputy Mayor) the election of the Mayor should be made on the same basis as that for the appointment of Deputy Mayor.
3. The most Senior Councillor at the Council (as set out in the order of seniority by length of service of Councillors) who has not previously held the office of Mayor, and who wishes to take up that office, should be appointed to the position of Deputy Mayor (or Mayor and Deputy if there are exceptional circumstances).
4. At the penultimate ordinary meeting of the Council of the Municipal Year the proposed Mayor and Deputy Mayor should usually be chosen.
5. If, following discussions, there is more than one Councillor with the same seniority (ignoring ranking according to alphabetical order) wishing to be Deputy Mayor (or Mayor in exceptional circumstances), then the current Mayor shall draw lots and advise Councillors of the outcome to guide them when casting their votes.
6. Members of the Council will rank in the following order of seniority at Civic functions.
 - The Mayor;
 - The Deputy Mayor;
 - The Leader; and
 - Councillors, according to their date of election (those elected at the same time ranking according to alphabetical order)

If a person after ceasing to be a Councillor is subsequently re-elected within four years, his/her seniority will be determined by the total length of service as a Member of the Council.

4.7 PROTOCOL TO GUIDE COUNCILLORS WHEN ELECTING THE MAYOR/APPOINTING THE DEPUTY MAYOR AND ORDER OF SENIORITY OF COUNCILLORS

1. Other than in exceptional circumstances, the Mayor should have held the post of Deputy Mayor in the year preceding the Mayoral election.
2. Where there are exceptional circumstances (where the Mayor has not been the Deputy Mayor) the election of the Mayor should be made on the same basis as that for the appointment of Deputy Mayor.

3. A Councillor shall be considered eligible for nomination when he/she is the most Senior Councillor at the Council (as set out in the order of seniority by length of service of Councillors) who wishes to take up that office, has served for a minimum of six years and who under normal circumstances has not previously held that office. On becoming eligible he/she should be appointed to the position of Deputy Mayor (or Mayor and Deputy if there are exceptional circumstances).

3.4. A Councillor can serve as Mayor more than once in exceptional circumstances, these being that there are no other Councillors who meet the eligibility criteria, or no other eligible Councillors who are prepared to stand. Where there is more than one Councillor who is eligible under these exceptional circumstances, priority will be given to the Councillor who has held the post of Mayor the least number of times. Where there remains more than one eligible Councillor, lots will be drawn.

4.5. At the penultimate ordinary meeting of the Council of the Municipal Year the proposed Mayor and Deputy Mayor should usually be chosen.

5.6. If, following discussions, there is more than one Councillor with the same seniority (ignoring ranking according to the time at which the Councillor was elected) wishing to be Deputy Mayor (or Mayor in exceptional circumstances), then the current Mayor shall draw lots and advise Councillors of the outcome to guide them when casting their votes.

6.7. Members of the Council will rank in the following order of seniority at Civic functions.

- The Mayor;
- The Deputy Mayor;
- The Leader; and
- Councillors, according to their date and time of election (those elected at the same time ranking according to alphabetical order)

If a person after ceasing to be a Councillor is subsequently re-elected within four years, his/her seniority will be determined by the total length of service as a Member of the Council.

Formatted: Font: Verdana, 11 pt

Formatted: Indent: Left: 1.27 cm, No bullets or numbering, Tab stops: Not at 1.25 cm