

# AGENDA

## POLICY AND RESOURCES COMMITTEE MEETING



Date: Wednesday 28 September 2016

Time: 6.30 pm

Venue: Town Hall, High Street,  
Maidstone

Membership:

Councillors Mrs Blackmore (Vice-Chairman),  
Boughton, Brice, Cox, Fermor,  
Garland, Mrs Gooch, Harper, Harvey,  
Harwood, McLoughlin, Pickett, Powell,  
Round and Mrs Wilson (Chairman)

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Page No.

1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members

**Continued Over/:**

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**Issued on Tuesday 20 September 2016**

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

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

|     |  |         |
|-----|--|---------|
| 5.  | Disclosures by Members and Officers  |         |
| 6.  | Disclosures of Lobbying  |         |
| 7.  | To consider whether any items should be taken in private because of the possible disclosure of exempt information. |         |
| 8.  | Minutes of the Meeting Held on 7 September 2016  | 1 - 7   |
| 9.  | Presentation of Petitions (if any)   |         |
| 10. | Questions and answer session for members of the public (if any)  |         |
| 11. | Committee Work Programme   | 8 - 14  |
| 12. | Report of the Chief Executive - Enhanced Inter-Tier Working and Devolution   | 15 - 29 |
| 13. | Report of the Director of Finance and Business Improvement - First Quarter Budget Monitoring                       | 30 - 43 |
| 14. | Report of the Head of Policy and Communications - Corporate Planning Timetable                                     | 44 - 48 |
| 15. | Report of the Head of Policy and Communications - Information Management Strategy                                  | 49 - 67 |
| 16. | Report of the Deputy Head of Legal Partnership - Petition on Council Tax Enforcement                               | 68 - 73 |
| 17. | Report of the Head of Commercial and Economic Development - Enterprise Zone Memorandum of Understanding            | 74 - 97 |

### **PUBLIC SPEAKING**

In order to book a slot to speak at this meeting of the Policy and Resources Committee, please contact Caroline Matthews on 01622 602743 or by email on [carolinematthews@maidstone.gov.uk](mailto:carolinematthews@maidstone.gov.uk) by 5 pm one clear working day before the meeting. If asking a question, you will need to provide the full text in writing. If making a statement, you will need to tell us which agenda item you wish to speak on. Please note that slots will be allocated on a first come, first served basis.

### **WEBCASTING**

Please note that due to a changeover in service provider this meeting will not be broadcast live or recorded for playback on the Maidstone Borough Council website.

## **MAIDSTONE BOROUGH COUNCIL**

### **Policy and Resources Committee**

#### **MINUTES OF THE MEETING HELD ON WEDNESDAY 7 SEPTEMBER 2016**

**Present:** Councillor Mrs Wilson (Chairman), and  
Councillors Mrs Blackmore, Brice, D Burton, Cox,  
Fermor, Garland, Garten, Mrs Gooch, Harper, Harvey,  
Harwood, Pickett, Mrs Ring and Mrs Wilson

**Also Present:** Councillor Hastie

59. **APOLOGIES FOR ABSENCE**

It was noted that apologies for absence had been received from Councillors Boughton, McLoughlin, Powell and Round.

60. **NOTIFICATION OF SUBSTITUTE MEMBERS**

The following Substitute Members were noted:

Councillor Burton for Councillor McLoughlin;  
Councillor Ells for Councillor Powell;  
Councillor Garten for Councillor Boughton;  
Councillor Ring for Councillor Round.

Councillor Brice entered the meeting at 6.33 p.m.

61. **URGENT ITEMS**

The Chairman agreed to take the revised version of the report of the Director of Finance and Business Improvement relating to the Business Rates Retention Consultation as an urgent item, as the version that was published was not the final version and it was necessary to agree the response to the consultation to meet the deadline.

62. **NOTIFICATION OF VISITING MEMBERS**

It was noted that Councillor Hastie was in attendance as an observer.

63. **DISCLOSURES BY MEMBERS AND OFFICERS**

Councillor Harwood disclosed an interest in item 12 – Medway, Teise and Beult Flood Alleviation due to a conflict of interest with his professional role.

64. **DISCLOSURES OF LOBBYING**

It was noted that all but one Member had been lobbied on item 12 – Medway, Teise and Beult Flood Alleviation.

65. EXEMPT ITEMS

The Chairman moved that the Minutes (Part II) of the meeting held on 26 July 2016 be taken in public, but the information contained therein should remain private. This was agreed.

66. MINUTES (PART I) OF THE MEETING HELD ON 26 JULY 2016

**RESOLVED:** That the Minutes (Part I) of the meeting held on 26 July 2016 be approved as a correct record and signed.

67. MINUTES (PART II) OF THE MEETING HELD ON 26 JULY 2016

**RESOLVED:** That the Minutes (Part II) of the meeting held on 26 July 2016 be approved as a correct record and signed.

68. MATTERS ARISING FROM THE MINUTES

52. Report of the Head of Policy and Communications – Annual Governance Statement 2015-16 and Local Code of Corporate Governance

It had been recorded in the minutes that the Members Handbook would be circulated to all Members. The Chairman advised Councillors to contact Democratic Services if they had not yet received this.

53. Report of the Head of Policy and Communications – Strategic Plan Performance Update Quarter 1

The minutes stated that the last sentence of the Performance Comment for the key performance indicator relating to the processing of major planning applications in 13 weeks had been recommended for amendment to the Service Manager. The Chief Executive confirmed that the Service Manager had been notified of this recommendation.

69. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

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

There were no questions from members of the public.

Mr Stephen Day and Councillor Geraldine Brown had notified that they wished to address the Committee regarding item 12 – Medway, Teise and Beult Flood Alleviation. It was noted that the public speakers would be invited to address the Committee at that agenda item, and that the item be brought forward.

71. REPORT OF THE DIRECTOR OF FINANCE & BUSINESS IMPROVEMENT - MEDWAY, TEISE AND BEULT FLOOD ALLEVIATION

Councillor Harwood disclosed an interest and left the meeting before the officers introduction.

The Property and Procurement Manager introduced the report updating the Committee on developments in relation to flood alleviation.

It was explained that:

- Broad findings had indicated that constructing flood storage in the Beult and Teise areas would not make a meaningful difference to flooding.
- The Environment Agency had recommended property level funding as the best form of community resilience.

Mr Stephen Day was invited to address the Committee. Mr Day stated that property level interventions only provided protection up to one metre in depth, and that this was unsuitable in areas such as Yalding where flood levels had surpassed one metre. Alternative measures were being investigated at a local level.

Councillor Geraldine Brown was invited to address the Committee. Councillor Brown informed Members that a joint parish flooding group had been set up to consider a combination of options put forward by specialists. Property level protection was not considered beneficial for listed, timber framed buildings, and the proposed funding for property level protection would not be made available to businesses.

During discussion the following points were made:

- Consultation and discussion with Parish Councils was a priority. Communication with Parish Councils had been in progress but not with all affected Parishes and not with the newly formed joint parish flooding group.
- Defra had requested the Environment Agency to pursue alternate options to flood storage at Teise and Beult. As Defra would be the main funder of any scheme, this would suggest that there would be no benefit in pursuing the flood storage options.
- Rural areas had been the focus of previous discussions. However, urban and town centre areas had also been adversely affected by flooding. The work on the town centre bridges gyratory included flood alleviation interventions.
- Reports produced by the Environment Agency had been scrutinised by a specialist contractor on behalf of the Council. They did not contradict any of the Environment Agency's modelling. The

consultants would be able to provide technical advice on any options that are put forward for consideration.

- Options such as tree planting alongside waterways and part dredging of rivers had been investigated by the Environment Agency but had found this would make little improvement in the areas under consideration.
- The cost of interventions would be beyond the budget of the Council alone. The Council could lobby funding organisations to support the objectives of Parish Councils.

**RESOLVED:**

1. That work be continued with the Environment Agency and Kent County Council as part of the Executive Group, and local communities, to develop flood mitigation measures including property level resilience across the Medway, Teise and Beult catchment area and the affected urban area.

For – 14      Against – 0      Abstain - 0

2. That engagement with affected Parish Councils and the Medway, Teise and Beult Flood Group be undertaken.

For – 14      Against – 0      Abstain – 0

72. POLICY AND RESOURCES COMMITTEE WORK PROGRAMME 2016-17

Councillor Harwood re-entered the meeting.

It was noted that the September meeting of the Committee would not be webcast as the webcasting system would be replaced during that week.

**RESOLVED:** That the Policy and Resources Committee Work Programme 2016-17 be noted.

73. REPORT OF THE DIRECTOR OF FINANCE & BUSINESS IMPROVEMENT - BUSINESS RATES RETENTION CONSULTATION

The Director of Finance and Business Improvement introduced the report and outlined the government's announcement that local authorities would be allowed to retain 100% of business rates incomes by 2020. A consultation was being undertaken and the Council's proposed response was presented to the Committee for agreement and attached at appendix 2 to the report.

It was clarified that:

- Although local authorities currently kept 50% of business rates income, in reality only 7% of this was retained by Maidstone Borough Council.
- Retention of 100% business rates would be on the basis of providing additional services and accepting greater responsibility.

Members considered the draft response to the consultation and raised the following points:

- Demand led service areas were not appropriate for funding by a local authority as sustainability and continuity of service was of importance.
- The draft response was congruent with the draft responses of neighbouring and similar sized district authorities.
- If local authorities were able to vary the charge, businesses may put authorities under pressure to reduce business rates. Consultation with businesses would be required to ascertain potential consequences. However it was accepted that should the authority have the power to vary charges, it was under no obligation to use this power.

With specific reference to the draft response at appendix 2 to the report the following comments were made:

- The response to Question 2 named national agencies whose expenditure should be channelled through local authorities. It was put forward that those organisations had extensive technical knowledge and utilised a wealth of data, and that a local authority would be unable to finance the same level of resources. It was put to the Committee that the sentence should omit reference to specific national agencies, and should read 'expenditure from national agencies, where appropriate, should be channelled through local authorities.'
- The response to Question 7 stated that the Council was strongly in favour of rewarding growth. It was put to the Committee that this should read 'rewarding sustainable growth'.

The recommendations on the paper were moved and seconded.

An amendment was moved to include the proposed changes to Question 2 and Question 7 in the motion.

For – 12      Against – 0      Abstain – 3

The substantive motion including the proposed changes to Question 2 and 7 was voted on.

For – 14      Against – 0      Abstain - 1

**RESOLVED:**

1. That the commitment to greater devolution implicit in 100% business rates retention be welcomed, and that it be ensured that additional responsibilities are properly funded and are linked to local authorities' role in driving sustainable economic growth.
2. That the draft response to the consultation document 'Self-Sufficient local government: 100% Business Rates Retention' as set out in appendix 2 to the report of the Director of Finance and Business Improvement be agreed subject to the following amendments:
  - a. That the first sentence of the draft response to Question 2 of the consultation be amended to read: 'Expenditure from national agencies, where appropriate, should be channelled through local authorities, which are best placed to ensure that it is invested effectively to meet local needs.'
  - b. That the draft response to Question 7 of the consultation be amended to read: 'We are strongly in favour of rewarding sustainable growth.'

For – 15      Against – 0      Abstain – 0

74. REPORT OF THE DIRECTOR OF FINANCE & BUSINESS IMPROVEMENT - MEDIUM TERM FINANCIAL STRATEGY AND EFFICIENCY PLAN

The Director of Finance and Business Improvement presented the report which set out a combined Medium Term Financial Strategy for the five years 2017/18 to 2021/22 and Efficiency Plan in response to the government's four year local government finance settlement from 2016/17 to 2019/20.

It was explained that:

- The officer proposal was for the Committee to accept the funding offer to provide security over the four year period. The budget gap at the end of the Medium Term Financial Strategy planning period was expected to reach £4.2M. The potential savings set out in the Efficiency Plan would help to reduce the gap.
- Consultation would be undertaken with residents using electronic surveys and face to face meetings. The process would culminate with the budget setting in March 2017.

During discussion the following points were raised:

- Focus should be placed on the Commercialisation Strategy and developing new income streams founded upon current Council assets and services.

- The majority of local authorities were choosing to proceed with the government's finance settlement although concerns had been expressed by many regarding whether the settlement was more beneficial long term. If there were further cuts to funding, then the four year settlement would provide stability. If the financial outlook improved then there was a risk that an authority would be locked into the four year agreement and be unable to benefit from the change in circumstances.
- A base contingency of £200,000 would be put back into the budget for stability.

In reference to the Efficiency Plan it was stated that:

- The MOSCOW (Must, Should, Could, Won't) ratings were illustrative of how the ratings could work, and did not represent formal decisions.
- The consultation would be partly delivered through a Councillor led road show. The consultation would need to centre upon residents priorities and be communicated clearly and concisely.

**RESOLVED:**

1. That the draft Medium Term Financial Strategy and Efficiency Plan set out at Appendix A to the report of the Director of Finance and Business Improvement be agreed.

For – 13      Against – 1      Abstain – 1

2. That it be recommended to Council that the Government's offer of a four year funding settlement be accepted, subject to recommendation 3.
3. That it be recommended to Council that authority be delegated to the Chief Executive and the Section 151 Officer, in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee, to make any amendments to the Efficiency Plan, within the parameters of the agreed Medium Term Financial Strategy, that may be required based on emerging new information between now and the submission deadline.

For – 12      Against – 1      Abstain – 2

75. DURATION OF MEETING

6.31 p.m. to 8.50 p.m.

**Committee Work Programme**



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# Committee Work Programme

Democratic Services Team  
E: [democraticservices@maidstone.gov.uk](mailto:democraticservices@maidstone.gov.uk)

Publication Date: 20 September 2016

## **INTRODUCTION**

This document sets out the decisions to be taken by the various Committees of Maidstone Borough Council on a rolling basis. This document will be published as updated with new decisions required to be made.

## **DECISIONS WHICH COMMITTEES INTEND TO MAKE IN PRIVATE**

Committees hereby give notice that they intend to meet in private after its public meeting to consider reports and/or appendices which contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended). The private meeting of any Committee is open only to Members of the Committee, other Councillors and Council officers.

Reports and/or appendices to decisions which Committees will take at their private meetings are indicated in the list below, with the reasons for the decision being made in private.

## **ACCESS TO COMMITTEE REPORTS**

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Reports to be considered at any of the Committees' public meeting will be available on the Council's website ([www.maidstone.gov.uk](http://www.maidstone.gov.uk)) a minimum of 5 working days before the meeting.

## **HOW CAN I CONTRIBUTE TO THE DECISION-MAKING PROCESS?**

The Council actively encourages people to express their views on decisions it plans to make. This can be done by writing directly to the appropriate Officer or to the relevant Chairman of a Committee (details of whom are shown in the list below).

Alternatively, you can submit a question to the relevant Committee, details are on our website ([www.maidstone.gov.uk](http://www.maidstone.gov.uk)).

| <b>Decision Maker and Date of When Decision is Due to be Made:</b>                     | <b>Title of Report and Brief Summary:</b>  | <b>Contact Officer:</b>  | <b>Public or Private (if Private the reason why)</b> | <b>Documents to be submitted (other relevant documents may be submitted)</b> |
|--|--|--|--|--|
| <b>Policy and Resources Committee</b><br><br>Due Date: Wednesday 28 Sep 2016           | First Quarter Budget Monitoring<br><br>This report will provide an update to the Medium Term Financial Strategy  | Mark Green<br>markgreen@maidstone.gov.uk   | Public   | First Quarter Budget Monitoring  |
| <b>Policy and Resources Committee</b><br><br>Due Date: Wednesday 28 Sep 2016<br><br>10 | Petition on Council Tax Enforcement<br><br>A report about a petition brought by Mr Jon Hicks which requests that the Council changes its procedures for enforcing unpaid Council Tax | Estelle Culligan<br>estelle.culligan@midkent.gov.uk  | Public   | Petition on Council Tax Enforcement  |
| <b>Policy and Resources Committee</b><br><br>Due Date: Wednesday 28 Sep 2016           | Corporate Planning Timetable<br><br>sets out the process for agreeing the MTFS and Strategic Plan  | Angela Woodhouse,<br>Head of Policy and Communications<br>angelawoodhouse@maidstone.gov.uk | Public   | Corporate Planning Timetable   |

|   |   |   |               |   |
|---|---|---|---------------|---|
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 28 Sep 2016</p>       | <p>Enhanced Inter-Tier Working and Devolution</p> <p>To consider partnership working with local partners in Kent</p>  | <p>Alison Broom<br/>alisonbroom@maidstone.gov.uk</p>  | <p>Public</p> | <p>Enhanced Inter-Tier Working and Devolution</p>                 |
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 28 Sep 2016</p>       | <p>Information Strategy</p> <p>Information strategy</p>   | <p>Angela Woodhouse,<br/>Head of Policy and Communications<br/>angelawoodhouse@maidstone.gov.uk</p> | <p>Public</p> | <p>Information Strategy</p>                                       |
| <p><b>Policy and Resources Committee</b></p> <p>→<br/>Due Date: Wednesday 26 Oct 2016</p> | <p>Communication and Engagement Strategy, Action Plan 2016-17</p> <p>action plan based on the residents survey</p>    | <p>Angela Woodhouse,<br/>Head of Policy and Communications<br/>angelawoodhouse@maidstone.gov.uk</p> | <p>Public</p> | <p>Communication and Engagement Strategy, Action Plan 2016-17</p> |
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 26 Oct 2016</p>       | <p>Disposal of land at Unicumes Lane, Fant</p> <p>To dispose of the leasehold interest to the Fant Wildlife Group</p> | <p>Lucy Stroud<br/>lucystroud@maidstone.gov.uk</p>  | <p>Public</p> | <p>Disposal of land at Unicumes Lane, Fant</p>                    |

|  |   |  |               |   |
|--|---|--|---------------|---|
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 26 Oct 2016</p>                | <p>Second Quarter Budget Monitoring 2016/17</p> <p>This report will provide an update to the Medium Term Financial Strategy agreed by Council in September 2016</p> | <p>Mark Green<br/>markgreen@maidstone.gov.uk</p>     | <p>Public</p> | <p>Second Quarter Budget Monitoring 2016/17</p> |
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 23 Nov 2016</p> <p>1<br/>2</p> | <p>Strategic Plan Performance Updater Q2</p> <p>A quarter 2 update of the strategic plan performance indicators and actions. To go via Wider Leadership Team</p>    | <p>Anna Collier<br/>annacollier@maidstone.gov.uk</p> | <p>Public</p> | <p>Strategic Plan Performance Updater Q2</p>    |
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 23 Nov 2016</p>                | <p>Council Tax Tax Base 2017/18</p> <p>To advise members of the information currently available on the Tax Base for 2017/18 for Council Tax purposes</p>            | <p>Ellie Dunnet<br/>elliedunnet@maidstone.gov.uk</p> | <p>Public</p> | <p>Council Tax Tax Base 2017/18</p>             |

|   |  |  |               |  |
|---|--|--|---------------|--|
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 23 Nov 2016</p>           | <p>Council Tax 2017/18 - Collection Fund Adjustments</p> <p>To agree the levels of Collection Fund adjustments</p>   | <p>Ellie Dunnet<br/>elliedunnet@maidstone.gov.uk</p> | <p>Public</p> | <p>Council Tax 2017/18 - Collection Fund Adjustments</p>           |
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 14 Dec 2016</p> <p>13</p> | <p>Medium Term Financial Strategy and Budget Proposals 2017/18</p> <p>This report will provide an update to the Medium Term Financial Strategy agreed by Council in September 2016</p> | <p>Mark Green<br/>markgreen@maidstone.gov.uk</p>     | <p>Public</p> | <p>Medium Term Financial Strategy and Budget Proposals 2017/18</p> |
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 14 Dec 2016</p>           | <p>The Business Terrace</p> <p>Progress and next steps report</p>  | <p>Karen Franek<br/>karenfranek@maidstone.gov.uk</p> |               | <p>The Business Terrace</p>  |

|   |  |  |               |  |
|---|--|--|---------------|--|
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 18 Jan 2017</p> | <p>Medium Term Financial Strategy Update</p> <p>This report updates the Medium Term Financial Strategy as appropriate and sets out initial revenue and capital budget proposals for 2017/18 for consultation, prior to submission of final proposals to Council on 1st March 2017.</p> | <p>Mark Green<br/>markgreen@maidstone.gov.uk</p> | <p>public</p> | <p>Medium Term Financial Strategy Update</p> |
| <p><b>Policy and Resources Committee</b></p> <p>Due Date: Wednesday 15 Feb 2017</p> | <p>Third Quarter Budget Monitoring</p> <p>This report will provide an update to the Medium Term Financial Strategy</p>   | <p>Mark Green<br/>markgreen@maidstone.gov.uk</p> | <p>public</p> | <p>Third Quarter Budget Monitoring</p>       |

|   |                          |
|---|--------------------------|
| <b>POLICY &amp; RESOURCES COMMITTEE</b>   | <b>28 September 2016</b> |
| Is the final decision on the recommendations in this report to be made at this meeting? | <b>Yes</b>               |

**Enhanced Inter-Tier Working and Devolution**

|                                       |                              |
|---------------------------------------|------------------------------|
| <b>Final Decision-Maker</b>           | Policy & Resources Committee |
| <b>Lead Head of Service</b>           |                              |
| <b>Lead Officer and Report Author</b> | Chief Executive              |
| <b>Classification</b>                 | Public                       |
| <b>Wards affected</b>                 | Borough-wide                 |

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

1. That Maidstone Borough Council should continue to engage with other Kent local authorities with the objective of strengthening service delivery resilience, improving cost effectiveness and securing investment in services and community infrastructures.
2. That Maidstone Borough Council should seek enhanced inter tier working on the basis of the strategic priorities and services summarised at paragraph 2.14 and that any amendments to this list be delegated to the Chief Executive in consultation with the Chairman and Vice Chairman of Policy and Resources Committee until such time that local governance arrangements have been considered and established
3. That if recommendation 2 is agreed, then Maidstone Borough Council should work with district councils across Kent, Medway and Kent County Councils to achieve this and in particular with Dartford, Gravesham, Medway, Swale and Kent County Councils
4. That delegated authority be given to the Chief Executive, in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee, to agree the detail of principles for enhanced inter tier working
5. Maidstone borough council should, when the opportunity arises, participate in discussions across the whole of Kent and Medway with the objective of developing a devolution proposition and that the Leader and Chief Executive will participate fully in these
6. Maidstone Borough Council should participate in further development of devolution propositions alongside the North Kent authorities of Gravesham, Dartford, Medway and Swale and KCC for the reasons set out in paragraph 2.33

**This report relates to the following corporate priorities**

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

| <b>Timetable</b>             |                    |
|------------------------------|--------------------|
| <b><i>Meeting</i></b>        | <b><i>Date</i></b> |
| Policy & Resources Committee | 28 September 2016  |

### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to consider the merits, or otherwise, of further collaboration and partnership working with local government partners in Kent. The local context is the need to create the most effective way of securing resources and transforming the way we work to deliver the ambitions and actions in the Maidstone Borough Strategic Plan. The Kent context is a positive desire and increased momentum over the last few months from all district councils, the county council and Medway unitary council to work more closely together to achieve better service delivery outcomes and reduce costs. The national context is encouragement by government to consider devolution options as a means of securing better economic and financial outcomes with the latter linked to the desire to both devolve responsibilities and funding and reduce national debt levels.

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### 2. INTRODUCTION AND BACKGROUND

- 2.1 Our strategic plan objectives and priorities

Our Strategic Plan reflects our ambitions for the whole borough and was last considered by Full Council in March 2016 where the refinements to the plan and actions needed to achieve it were agreed.

The Council has agreed two priorities for 2015-2020:

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

These priorities are underpinned by eight areas of action

- Providing a Clean and Safe Environment
- Encouraging Good Health and Wellbeing
- Respecting the Character and Heritage of our Borough
- Ensuring there are good Leisure and Cultural Attractions
- Enhancing the Appeal of the Town Centre for Everyone
- Securing Improvements to the Transport Infrastructure for our Borough
- Promoting a range of employment skills and opportunities across the Borough
- Planning for Sufficient Homes to meet our Borough's Needs

Key priorities for the current year are

- 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
- 2.2 Full Council agreed the refreshed Strategic Plan in March 2016 including the statement that “to ensure that we can deliver a successful economy for Maidstone Borough and maintain the borough as an attractive place to live we will work with other councils in Kent on devolution to secure appropriate powers and funding from Central Government”. It was acknowledged that this work will be focussed on improving our local economy in particular transport, skills and support for businesses and that as the picture becomes clearer about what our offers to and asks from government are the Strategic Plan action plan will be updated.
- 2.3 Our Medium Term Financial Strategy recognises the challenging financial position that the council is experiencing. In order to achieve our objectives and ambitions, including a sustainable financial future, it is important that serious consideration is given to the opportunities for leveraging capital investment into the borough and address revenue pressures.

### **Existing place based partnerships**

- 2.4 Maidstone has a long track record of working productively with a range of partners to achieve what matters for Maidstone borough residents and businesses. Some of these are statutory including the Safer Maidstone Partnership (required by the Crime and Disorder Act 1998) while others are non-statutory including the Maidstone Economic Business Partnership and the Maidstone Health and Well-Being Group. The terms of reference are linked to the objectives and actions in our Strategic Plan.

### **Existing partnerships with wider geography**

- 2.5 There are three key partnerships which are with other Kent district council’s and which are underpinned by collaboration agreements including specific governance arrangements. These are
- Mid Kent Services
  - The Licensing Partnership
  - The Waste Collection partnership
- 2.6 Originally known as the Mid Kent Improvement Partnership (MKIP), Mid-Kent Services (MKS) is a partnership formed in 2008 involving three main local authorities, Maidstone Borough Council (MBC), Swale Borough Council (SBC) and Tunbridge Wells Borough Council (TWBC), working together to

improve service delivery (through resilience and quality) and reduce service costs for residents across Mid-Kent. It delivers initiatives ranging from shared procurement exercises and contract monitoring arrangements, to fully shared service delivery models. The shared services in place are Internal Audit, Revenues and Benefits, Human Resources, ICT, Legal Services, Environmental Health, Planning Support and Parking.

- 2.7 The partnership is flexible to meet the needs of each authority with the result that some shared services and projects have involved only two authorities, some have involved all three authorities, and some all three plus an additional partner (Ashford Borough Council). Each authority alternately acts as lead for a period of one year from September. For 2015/16 this was Tunbridge Wells/Maidstone and for 2016/17 this is Maidstone/Swale. The Governance arrangements have recently been reviewed with changes agreed on 4<sup>th</sup> July 2016. The current strategic priorities are to identify income opportunities, secure improvement in cross organisational working and digital transformation.
- 2.8 Maidstone also has shared arrangements through other partnerships. These include:
- (i) licensing in a partnership led by Sevenoaks council which also includes Tunbridge Wells (established in January 2010) and which has recently started working with LB Bexley.
  - (ii) the Mid Kent Joint Waste Partnership, which became operational in 2013, which oversees the delivery of the waste collection contract and elements of street cleansing for Ashford, Maidstone and Swale Borough Councils. It has enabled the implementation of service improvements including boosting recycling rates in all three boroughs as well as generating substantial savings, for Maidstone this was over £1 million per year. The Partnership also enables the collective management of waste disposal arrangements to ensure maximum benefit can be achieved. The Partnership has provided greater efficiencies in service delivery through cross boundary working and has identified innovative solutions across the partnership area including the recycling of street arisings.
  - (iii) the countrywide Kent Homechoice Partnership, which is the largest choice based Lettings Partnership in the Country comprising the 13 local housing authorities (including Medway) and nearly 30 housing associations.

### **Enhanced Inter tier working**

- 2.9 The two tier system of local government has been controversial ever since its inception. Critics say that it is cumbersome and inefficient. Three major waves of reorganisation have seen the original 46 counties created in 1972 almost halved so that now there are only 27 two tier areas remaining. At a time when both counties and districts are facing deep budget cuts it is

important to find more cost effective ways of delivering services for the public.

- 2.10 For the foreseeable future, if we in Maidstone want to improve outcomes and cost effectiveness for services provided across the local government tiers in Kent we need to focus on reforming them through collaboration with our local government counterparts and with the wider public sector. This is unless the main alternative strategy of pursuing local government reorganisation, for example to create unitary authorities, becomes practicable. Currently there does not appear to be a political appetite nationally to require this to happen or in Kent to do so voluntarily. It is suggested that two types of collaboration need to be considered - transactional and transformational.
- 2.11 Transactional collaboration aims primarily to make savings through sharing back office functions. The act of managing the function as a single entity can cut management overhead, service processes can be transformed to improve efficiency and IT systems shared to produce savings too. Experience has demonstrated that these savings are best delivered through horizontal integration between districts (for example through the MKIP/MKS arrangements that are already in place), and separately between counties (for example Kent County Council work with the South East 7 (SE7) group and for other large organisations such as police forces with their counterparts (for example Kent Police work with Essex Police and have a number of shared services including for serious crime and forensics). Consideration of further shared services of this nature will be made through the MKS governance structure with decision making by the three authorities separately (although this usually happens simultaneously).
- 2.12 Transformational collaboration involves a fundamental redesign of the way services are delivered in order to deliver better outcomes. In so doing, it is also highly likely to deliver savings by, for instance reducing duplication. Transformational approaches include programmes such as the government's 'Troubled Families' initiative which brings together services from districts, counties and other public service partners. These opportunities are best grasped by vertical collaboration between the two tiers and wider public sector partners.
- 2.13 Key questions for Maidstone Borough Council are
- Is there a need in principle to consider further transformational two tier collaboration between Maidstone and other local authority partners
  - If there is a need which areas of service delivery should be considered
  - What would be the optimum geography for this collaboration
  - What principles should the council apply to the consideration of collaboration opportunities
- 2.14 It is suggested that there remains considerable scope for further transformational collaboration between local government and the wider public sector in Kent. As a starting point informal discussions have taken place between officers and Kent council leaders concerning potential areas

of collaboration for local government in Kent. From a Maidstone perspective, taking into account the objectives and priorities in our Strategic Plan, the following have been identified.

- Providing a Clean and Safe Environment
  - Highways, street scene and landscaping
  - Community Safety
- Encouraging Good Health and Wellbeing
  - Public health
- Respecting the Character and Heritage of our Borough/Ensuring there are good Leisure and Cultural Attractions
  - Tourism
  - Heritage and Culture
- Enhancing the Appeal of the Town Centre for Everyone
  - One Public Estate (a Kent Estates Partnership Board is currently being established)
- Securing Improvements to the Transport Infrastructure for our Borough
  - Highways projects
- Promoting a range of employment skills and opportunities across the Borough
  - Economic Development
  - Business support services
- Planning for sufficient homes to meet our borough's needs
  - Housing related support including disabled facilities grants

2.15 Work on transformational collaboration on a similar menu of services is well progressed in West Kent (Sevenoaks, Tunbridge Wells and Tonbridge and Malling). This was reported to the KCC Full Council in July 2016 as part of a devolution position statement. The report highlighted the keenness of West Kent leaders and KCC to improve outcomes and use of resources while maintaining the sovereignty of the individual councils. The work streams are highways and street scene including soft landscaping, housing related support and supporting independence, public health preventative services, economic development, community safety, sports development and property and assets.

2.16 East Kent districts (Thanet, Shepway, Canterbury, Ashford and Dover) have publically stated that, among other things, they are seeking to specifically consider what powers and functions currently held by either KCC or the district councils could benefit from being redistributed or co-commissioned should a single East Kent district be deemed viable. Feasibility work on this has commenced including discussions with the

Department for Communities and Local Government. Preliminary discussions between East Kent and KCC have identified a list of services and functions that are now being investigated as part of the business case for the single East Kent district. These are – health and social care, waste collection and disposal, environmental health and trading standards, housing, community and leisure facilities including libraries, transport policy (particularly as it connects to local planning) and operational highways (including environmental and road maintenance eg potholes, verges and roundabouts etc).

- 2.17 If there is consensus from a political perspective in Maidstone concerning the principle and the “menu” of services to be improved through enhanced two tier working (or inter tier working including Medway unitary authority) then Maidstone council needs to consider whether to pursue this alone with KCC or in collaboration with other districts in a cluster – as is the model in east and west Kent.
- 2.18 KCC already organises some elements of service delivery on a single district footprint and the management of these services and other elements of service delivery on the basis of two or more districts. For example highways managers operate across three clusters (Gravesham/Dartford/Sevenoaks/Tunbridge Wells, Maidstone/Tonbridge & Malling/Swale and Canterbury and Thanet/Ashford/Dover/Shepway). None of these match the district clusters that are operating in west and east Kent. There are also indications that KCC would positively consider area based commissioning of contracts for highways works and, depending on district council views, collaboration to enable integration of commissioning for services which are the responsibility of KCC and districts. Informally there seems to be a willingness to adjust the components of the clusters used by KCC to match what would suit districts but a view that atomising some services and contracts to an individual district level cannot be achieved for a variety of reasons including economies of scale. Other KCC services are also organised on individual district and “cluster” footprints for day to day operational service delivery and more strategic issues respectively.
- 2.19 Taking the information above into account it is recommended that, subject to the view about the principle of more collaboration across local government tiers, Maidstone should pursue enhanced inter tier working as part of a cluster and not attempt to pursue this working alone. From a pragmatic perspective there is the opportunity to work with KCC alongside the district councils of Swale, Gravesham and Dartford and the unitary council of Medway in order to improve resilience and integration of services (hence getting the best outcome possible for our resources) and reduce cost. If this is acceptable then it is proposed that the council should seek to agree a set of principles for engaging in collaboration and negotiation with the other local authorities involved – including that

wherever practicable service delivery teams will be organised on a district council footprint. The decision on participation would remain with the council once proposals have come forward. There would also be a need to bring forward governance arrangements for leadership and management of transformed service delivery arrangements.

## **The Devolution agenda**

- 2.20 Devolution is the transfer of power, responsibility and money from central government to local areas. The government's key aim through this agenda is to "support local places to identify and achieve their own objectives, by engaging them in pragmatic and positive discussions". Since 2010 the Government has devolved powers, funding and responsibility to local areas through a variety of means. The last six years have seen the creation of 39 Local Enterprise Partnerships and the agreement of 28 City Deals, 39 Growth Deals and ten devolution deals.
- 2.21 Following the abolition of Regional Development Agencies in 2010, 39 Local Enterprise Partnerships (LEPs) were established as strategic partnerships to bring together the public and private sector to identify economic priorities in their local areas. Each LEP is designed to represent a functional economic area. Maidstone is located within the South East Local Enterprise Partnership area (SELEP). This is a large area comprising Kent, Essex and East Sussex including the unitary authorities in the area. It operates on a federated structure; Maidstone is part of the Kent and Medway Economic Partnership (KMEP). This is the route for allocation of growth deal funding for example through the Local Growth Fund.
- 2.22 Applications for devolution deals have also been invited and ten have been agreed so far. They are characterised by
- A menu of powers, responsibilities and funding transferred from central government to local government
  - Different governance
  - Large areas based on functional economic geography
  - Significant transfer of funding
- 2.23 The Government has stated on a number of occasions that it has had no preconceived ideas about which powers should be devolved. However, there are a number of evident similarities between the devolution deals agreed to date; powers over further education and adults skills funding, business support services, the Work Programme, integrated transport systems (transport budgets and bus franchising), land management and fiscal powers feature in almost all of the deals. By contrast, involvement in health services and policing, for instance, has been offered in only a small number of areas. The negotiations have been conducted in secret, leading to much speculation about the intentions underlying central government's approach.
- 2.24 Government is looking for private sector involvement, good governance (which has typically comprised the creation of a Combined Authority and

an elected Mayor) and effective outcomes. It is also looking for devolution deals which cover functional economic market areas. Single district deals have not been considered and it is apparent that some proposals from local government have been expanded in terms of the area covered following the original submission. The ten deals to date are for Cornwall, East Anglia, Greater Lincolnshire, Greater Manchester, Liverpool City Region, North East England, Sheffield City Region, Tees Valley, West Midlands and West Yorkshire – with populations ranging from just over 550,000 (Cornwall) to over 2.8 million (West Midlands).

- 2.25 As part of all of the devolution deals agreed so far, except that with Cornwall, HM Treasury has provided new funding for investment in economic growth. In each case, the Treasury has committed to a 30-year funding stream, commonly for £30 million a year, which will be subject to an initial assurance framework being put in place by local areas and five-yearly assessments to confirm whether the spending has contributed to national economic growth. This is in addition to the devolution of funding based on the menu of responsibilities transferred. However, according to the Public Accounts Committee, the sums agreed within the deals have not been based on any robust assessment of each area's local needs. HM Treasury has acknowledged that many of these totals for additional investment funding were arrived at through local areas wanting equivalent funding to those deals previously agreed. As a result the per capita funding ranges from £11 a year in the Greater Manchester deal to £27 a year in the West of England deal.
- 2.26 If Maidstone considers that its ability to deliver its strategic objectives and priorities would be enhanced through the capital investment and local control made possible through a devolution deal, given experience in England to date, it is not a practicable proposition to pursue this alone.

### **How does the current position in Kent impact on Maidstone**

- 2.27 Maidstone has benefitted from the SELEP Growth Deal. SELEP submitted its Strategic Economic Plan (SEP) in March 2014. This is the mechanism by which LEPs bid for a share of the Local Growth Fund – a £12 billion fund devolved from government departments. The SEP identified the housing transport, economic development and skills priorities of the area and reflected the Kent priorities set out in "Unlocking the Potential: Going for Growth". The first wave of growth deals were announced on 7<sup>th</sup> July 2014 and SELEP was awarded £442.1 million, with £64.6 million of new funding confirmed for 2015/16 and £143.6 million for 2016/17 to 2021.
- 2.28 To date the benefits of Maidstone's active participation in the SELEP have included funding to support transport infrastructure ie addressing the council's priority "Securing Improvements to the Transport Infrastructure for our Borough" the funding allocated for Maidstone from the Local Growth Fund is -
- Maidstone gyratory by-pass £4.56 million
  - Maidstone Integrated Transport package £ 8.9 million
  - Sustainable access to Maidstone Employment areas £2 million

- West Kent Sustainable Transport Fund - £1 million
- 2.29 SELEP was the vehicle for the successful bid to create the North Kent Enterprise Zone which includes the Kent Medical Campus. It is a multi-site Enterprise Zone spanning four local authorities – Dartford, Gravesham, Medway and Maidstone which encompasses three elements namely Ebbsfleet Garden City, Kent Medical Campus and Rochester Airport Technology Park. It exploits the combination of Thames Gateway, Kent’s role in supporting London’s growth as a global city, the growing significance of life-science and advanced technology companies along the Kent Innovation Corridor, and Maidstone’s strategic location as Kent’s county town and strong travel-to-work and travel-to-learn relationship with North Kent, particularly Medway. In terms of travel to work over 10,000 people commute each day between Maidstone and the Medway towns. Its focus on innovation as the driver for high growth and high value jobs supports the South East LEP’s strategic objectives to improve the productivity of the South East’s economy and Maidstone’s objectives to raise earnings, both attract and develop a more highly-skilled workforce and support housing delivery and growth.
- 2.30 It made sense for Maidstone to participate in this initiative because it enables the borough to achieve more than if we had acted alone specifically to accelerate delivery of the Kent Medical Campus which is key to delivery of our Economic Development Strategy. Enterprise Zone status will help incentivise start-up companies and small & medium sized enterprises operating in specialist fields and disciplines, and mobilise inward investment needed to support required infrastructure and at-risk investment in buildings. The expectation is that the campus will create up to 48 new businesses, up to 2,300 new jobs by 2022 and up to 3,300 by 2027, adding £147m annual GVA to the Kent & Medway economy by 2027 and raising the market value of land by 50% / £178,000/ha, and land value uplift (business rates growth) of £97m over 25 years.
- 2.31 A Strategic Board will have oversight of the whole Zone. For each site, a delivery board will be established comprising representatives from the local authority, landowners, developers, Locate in Kent, higher & further education establishments and co-opted experts to provide strategic oversight and direction to the delivery team(s). For the Kent Medical Campus – Maidstone Borough Council leads the delivery arrangements working with the landowner, agents and developers. Decision making on the development will remain with Maidstone Borough Council. The strategic board will report on progress and performance to KMEP and the SELEP Board ie these are informal partnership arrangements within the framework of the LEP.
- 2.32 There have to date not been any devolution deals for Kent or Medway. Some consideration has been given through the Kent Leaders’ meetings to developing and submitting a Kent and Medway prospectus for devolution. A devolution position statement was presented to KCC’s Full Council in July 2016 which described the context, legislative provisions and concerns with the government’s current approach; it also set out a summary of the devolution discussions which have occurred with Kent Leaders. Subsequently the work on a Kent and Medway prospectus has been put

into suspension and previously planned further discussions amongst Kent Leaders have been postponed. Some consideration has also been given informally to the offers and asks that could be included in a devolution prospectus from a north Kent perspective. A document has been produced which summarises the initial thinking; this work has also been placed in suspension. A copy of the document produced can be made available to any member on request. Maidstone participated in these discussions alongside the district councils of Dartford, Gravesham and Swale and Medway council and with the occasional involvement of KCC.

2.33 These informal discussions were of interest to Maidstone because

- there are similar aspirations for sustainable housing and employment growth in the authorities across north Kent
- Maidstone has functional economic employment and transport synergies with north Kent (especially Swale and Medway which fall into the same travel to work area as Maidstone defined by analysis of 2011 census data)
- there are travel to learn synergies arising from the fact that Mid Kent College has campuses in Maidstone and Medway
- the designation of the North Kent Enterprise Zone (which stretches from Ebbsfleet (in Dartford/Gravesham) to Rochester airport and then to the area around KIMS) recognised the economic links and creates an additional connection in terms of delivery of Maidstone's objectives especially creating higher paid employment
- the risk that a choice not to engage with the conversation in north Kent could lead to being peripheral and marginalised in the competition for scarce resources for investment in infrastructure and other services – whether through devolution or other contemporary initiatives including the Ebbsfleet Garden City and Thames Estuary Commission
- the options of collaborating with East Kent districts and West Kent districts were not open

2.34 While the consideration of potential devolution deals is currently in suspension this may not remain the case and so consideration of the merits or otherwise of working across Kent and Medway as a whole and sub-regionally with a cluster of other authorities bears further consideration. While it is evident that working alone to create a devolution prospectus is not going to be successful in the current climate, and assuming that at some point the council feels that there would be merit in being part of a deal (eg to secure investment and better achieve its objectives) there is not a single right answer to the geography that would best suit such an application.

2.35 The devolving decision making agenda has sought to get decisions made at the "right" spatial level (ie the "right" size and shaped geographical area) by devolving powers and responsibilities in line with outcomes in

specific functional areas. For example transport in functional labour market areas or economic growth in functional economic market areas. The idea is that an “optimum” scale exists for different spatial policy interventions and once identified, responsibilities can be allocated to institutions including local government in line with economic impacts. But the question of which kind of policy at which spatial scale is complex and difficult to answer because of the heterogeneity of local geography and spatial interdependencies. This is further complicated in terms of implementation by the legacy of previous decisions about local government arrangements, the partnerships in existence now and in the past which impact on the effectiveness of joint working and trust plus the environment in England of competition for resources illustrated by the regular need to bid for funding.

- 2.36 It is recommended that Maidstone should actively participate in future consideration of a devolution deal for Kent and Medway as a whole and that assessment of any proposals should start with evaluation of the potential impact for achieving our strategic priorities and the cost effectiveness ie the investment needed to secure a deal in comparison with the size of the financial reward. Careful consideration would also need to be given to acceptable governance arrangements.
- 2.37 It is recommended that if cluster working arises as part of this work then Maidstone should continue to participate in the north Kent cluster for the reasons set out in 2.34 above. This would not preclude the continuation of collaboration with MKS on the existing predominantly transactional shared services. Participation does not mean making a formal agreement but discussion is a pre-requisite to the development of formal proposals. The usual processes of reporting and seeking decisions before any firm proposals are progressed would need to be undertaken formally through the appropriate committee or Full Council.

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### **3. AVAILABLE OPTIONS**

- 3.1 Maidstone Borough Council could decline to participate at all in the consideration of enhanced inter-tier working and/or future consideration of devolution. This is not recommended for the reasons set out in the body of the report. The progression and potential implementation of any new arrangements would be subject to the normal governance arrangements of the Council.
- 3.2 Maidstone Borough Council could pursue enhanced inter-tier working and/or any consideration as a single authority. This is not recommended for the reasons set out in the body of the report. The progression and potential implementation of any new arrangements would be subject to the normal governance arrangements of the Council.

- 3.3 Further alternatives would be to consider enhanced inter tier or devolution collaboration based on other geographies for example strategic housing market areas (SHMA) or health economy areas. As indicated above there is not a single “right” answer to devolution geography. However, there are some significant practical impediments to collaboration based on SHMA or health economy areas. Maidstone falls in two SHMA areas sharing one with Tonbridge and Malling and the other with Ashford; both these authorities are inextricably embedded in the west and east Kent clusters respectively and do not wish to change this. The East Kent cluster has worked together for many years on economic growth and regeneration and is advancing a “super district” proposition and it is not practicable for Maidstone to join this. Maidstone shares a health economy with Tonbridge and Malling, Tunbridge Wells and Sevenoaks. The organisation of health services regularly experiences flux. The West Kent authorities have a long standing local strategic and economic partnership and prefer to maintain that geography for the purposes of devolution and enhanced inter-tier working.
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#### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 This is covered in section 2 above.
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#### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 The views of Group Leaders have been sought informally. The issues raised are reflected in the information and discussion within the body of the report.
- 5.2 The views of Members of the Policy & Resources Committee are being sought through the presentation of this report.
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#### **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 Development of proposals and governance arrangements for enhanced inter tier working will be progressed.
- 

#### **7. CROSS-CUTTING ISSUES AND IMPLICATIONS**

- 7.1 In line with the decisions of the Policy & Resources Committee.
- Future participation in the development of a draft prospectus for devolution in Kent will be progressed in accordance with the decision of the Policy & Resources Committee.

| <b>Issue</b>                                 | <b>Implications</b>  | <b>Sign-off</b>                                       |
|--|--|---|
| <b>Impact on Corporate Priorities</b>        | These are set out in paragraph 2.15 of the report.   | Alison Broom  |
| <b>Risk Management</b>                       | Covered in the body of the report.   | Alison Broom  |
| <b>Financial</b>                             | No direct implications   |   |
| <b>Staffing</b>                              | No direct implications   |   |
| <b>Legal</b>                                 | There may be implications concerning governance depending on the future development of the inter tier service delivery proposals which would be reported at a future committee date. | Estelle Culligan,<br>Deputy Head of Legal Partnership |
| <b>Equality Impact Needs Assessment</b>      | Not applicable at this point in time.  | Alison Broom  |
| <b>Environmental/Sustainable Development</b> | No direct implications   | Alison Broom  |
| <b>Community Safety</b>                      | This is dependent on future development of inter tier service delivery proposals and will be reported for decision to the CHE Committee at a future date, if required.               | John Littlemore                                       |
| <b>Human Rights Act</b>                      | None   |   |
| <b>Procurement</b>                           | This is dependent on future development of service commissioning and will be reported for decision if required at a future date.   | Alison Broom & Section 151 Officer                    |
| <b>Asset Management</b>                      | None   | Alison Broom  |

**8. REPORT APPENDICES**

None

**9. BACKGROUND PAPERS**

None.

# Agenda Item 13

## **POLICY AND RESOURCES COMMITTEE**

**28 SEPTEMBER  
2016**

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

**Yes**

### **First Quarter Budget Monitoring 2016/17**

|                                       |  |
|---------------------------------------|--|
| <b>Final Decision-Maker</b>           | Policy and Resources Committee               |
| <b>Lead Head of Service</b>           | Director of Finance and Business Improvement |
| <b>Lead Officer and Report Author</b> | Ellie Dunnet<br>Chief Accountant             |
| <b>Classification</b>                 | Public                                       |
| <b>Wards affected</b>                 | All  |

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

That the committee:

1. Notes the revenue position at the end of the first quarter and the actions being taken or proposed to improve the position where significant variances have been identified, as set out in table 1, paragraph 2.8;
2. Approves the proposed slippage in the capital programme of £4,526,591 into 2017/18 as detailed in paragraph 2.13;
3. Notes the performance of the collection fund and the estimated level of balances at the year end; and
4. Notes the performance in relation to the treasury management strategy for the first quarter of 2016/17.

#### **This report relates to the following corporate priorities:**

The budget is a statement, in financial terms, of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan. The issues raised in this report identify areas where financial performance is at variance with priority outcomes.

#### **Timetable**

| <b>Meeting</b>                 | <b>Date</b>       |
|--------------------------------|-------------------|
| Policy and Resources Committee | 28 September 2016 |

# First Quarter Budget Monitoring 2016/17

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides the committee with an overview of the capital and revenue budget and outturn for the first quarter of 2016/17, and highlights other financial matters which may have a material impact on the medium term financial strategy or the balance sheet.
  - 1.2 The first section of the report presents the revenue information specific to this committee's services, and the remainder of the report provides an update on strategic and cross-cutting issues since both aspects fall into the remit of this committee.
  - 1.3 Based on the information available to date, the year-end forecast for the revenue budget is an adverse variance of £250,000. Details of the specific variances for each committee are detailed later in the report.
  - 1.4 The capital spending for the quarter ending 30 June 2016 totals £597,471 from the annual budget of £21,219,940, which is a slippage from 2015/16.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.
- 2.2 The medium term financial strategy for 2016/17 onwards was agreed by full Council on 2 March 2016. This report advises and updates the committee on the current position with regards to both revenue and capital expenditure against the approved budgets, and also includes sections on Collection Fund performance and Treasury Management performance.

### First Quarter Results and 2016/17 Forecast – Revenue

- 2.3 Attached at **Appendix I** is a table detailing the current budget and expenditure position in relation to the first quarter of 2016/17, to June 2016. The appendix details net budget per cost centre for this Committee. Actual expenditure is shown to the end of June 2016 and includes accruals for goods and services received but not yet paid for.
- 2.4 The columns of the table in the Appendix show the following detail:
  - a) The cost centre description;
  - b) The value of the total budget for the year;
  - c) The amount of the budget expected to be spent by the end of June 2016;
  - d) The actual spend to that date;

- e) The variance between expected and actual spend;
- f) The forecast spend to year end; and
- g) The expected significant variances at 31 March 2017.

2.5 The figures are analysed in three ways and set out in three tables which show the following levels of detail:

- Table 1: by Committee;
- Table 2: by Priority;
- Table 3: by Expenditure Type.

2.6 **Appendix I** shows that of an annual budget of £7,716,975 there was an expectation that £2,216,136 would be spent in the first quarter of the year. At this point in time the budget is reporting an under spend of £263,778. No underspend is projected at present for the year as a whole. However, to the extent that underspends arise, they will be used in the first instance to offset overspends elsewhere.

2.7 Explanations for variances within individual cost centres which exceed or are expected to exceed £30,000 have been provided in accordance with the council's constitution.

2.8 Each Committee has considered the major adverse and positive variances reported within their service areas. In each case they have chosen to either: develop plans to act further in resolving the issue; or to continue to monitor the position and act if necessary at a later date. The variances identified to date and year end forecast variances are set out in summary below:

|  | <b>Positive<br/>Variance<br/>Q1<br/>£000</b> | <b>Adverse<br/>Variance<br/>Q1<br/>£000</b> | <b>Year<br/>end<br/>Forecast<br/>Variance<br/>£000</b> |
|--|--|---|--|
| <b>Heritage, Culture &amp; Leisure Committee</b>   |  |   |  |
| <b>Mote Park Café</b> – this variance has arisen due to higher than budgeted agency costs and lower than expected income. The staffing structure has now been finalised, which will see reduced reliance on agency staff for the remainder of the year. Arrangements for management and control of this service have recently changed, and finance staff are working closely with the budget holders to monitor income and expenditure for the remaining part of the year. |  | -36   |  |
| <b>Crematorium</b> – this service saw income above budget in the first quarter of 2016/17, however, reduced service due to maintenance works taking place over   | 63   |   | 0  |

|  |    |      |      |
|--|----|------|------|
| the summer, income for the second quarter is expected to be lower than budgeted.   |    |      |      |
| <b>Strategic Planning, Sustainability and Transport</b>  |    |      |      |
| <b>Pay &amp; Display Car Parks</b> –Lockmeadow and King Street car parks have significantly outperformed against their income targets, despite the increased income budgets which were set for 2016/17. This trend is expected to continue through to the end of 2016/17. It should be noted that the forecast incorporates a shortfall of £50,000 for Mote Park car park. This has been offset against the overall underspend in the forecast outturn.  | 66 |      | 250  |
| <b>Development Management</b> – there is an overspend on agency staff costs which is expected to continue through to year end. However, there is an expectation that the increased staff costs will be funded through increased income levels and the success of recent recruitment exercises will help to reduce the use of agency staff as the year progresses. Furthermore, a transformation review of the planning section due to commence in the autumn may produce further efficiencies in this area.  |    | -127 | 0    |
| <b>Communities, Housing and Environment</b>  |    |      |      |
| <b>Temporary Accommodation</b> – The level of demand for this service has continued to increase. A number of actions have been taken in recent years to reduce the cost of providing temporary accommodation. A report on this subject was considered by Communities, Housing and Environment Committee on 20 September. From August of this year, the council has increased the rental charges in order to maximise the amount of expenditure which can be recovered through occupation charges. Work to determine the extent to which this will alleviate the overspend in this area is ongoing. |    | -124 | -500 |

*Table 1: Summary of significant variances by committee*

- 2.9 Finance officers are working closely with budget managers in order to address the forecast overspend and return to a balanced position by the year end.
- 2.10 In addition to the issues considered by the other service committees, this committee is reporting a positive variance as detailed in paragraph 2.5 above.
- 2.11 In accordance with best practice, virements are reported to this committee as part of quarterly budget monitoring. A virement represents the transfer of a budget between objectives that occurs subsequent to the formal approval of the budget by Council. The following reportable virements were made during the first quarter of 2016/17:

| <b>Reason</b>   | <b>Value £</b> | <b>Temp/Perm*</b> |
|---|----------------|-------------------|
| Establishment of base budgets for debt recovery service further to the decision taken by Cabinet on 14 April 2015.                            | 290,900        | Permanent         |
| Reduction in parking budgets for to reflect the annual indexation increase.   | 12,410         | Permanent         |
| Budget transferred from balances to capital for crematorium development works, as agreed by Cabinet on 11 February 2015.                      | 35,000         | Temporary         |
| Business rates growth funding for economic development strategy (approved by Cabinet on 12 November 2014) transferred from earmarked reserve. | 30,000         | Temporary         |
| Budget transferred from balances to fund parks strategy, as agreed by Cabinet on 15 April 2015.   | 40,000         | Temporary         |

*Table 2: Reportable virements*

\* Temporary virements represent one-off budget transfers to fund a discrete project or purchase. Permanent virements reflect alterations to the base budget which will be carried forward into subsequent years.

#### Strategic Level Capital Programme 2016/17

- 2.12 The capital programme was approved by Council on 2 March 2016. Funding for the programme remains consistent with previous decisions of Council in that the majority of resources come from New Homes Bonus along with a small grants budget and a small number of capital receipts from asset sales. Previous decisions of Council, Cabinet and this committee have focused the use of New Homes Bonus on infrastructure projects where these are required by the infrastructure delivery plan that forms part of the Local Plan.
- 2.13 The current programme is set out in **Appendix II** and shows the approved budget and actual expenditure to date. The Appendix details the profile of expenditure that is forecast for the remainder of the year and identifies £3,926,591 that will require carry forward approval into 2017/18. The

major schemes that have incurred slippage relate to planned investment in property and housing.

- 2.14 The Council has the necessary resources to manage the programme in 2016/17 with the majority of funding arising from New Homes Bonus. There are a small number of minor asset sales and government grant in relation to disabled facilities grants also funding the programme.

#### Reserves and Balances

- 2.15 The total of reserves and balances as at 1st April 2016 was £14.3m. The current medium term financial strategy assumes balances of £8.5m by 31st March 2017.
- 2.16 The movement in balances during 2015/16 relates to the use of grants carried forward approved by Policy and Resources committee in July 2016.
- 2.17 The position set out above allows for the minimum level of general balances of £2.3m, as agreed by Council in March 2016, to be maintained.

#### Collection Fund

- 2.18 Due to the risks that surround the local council tax discount scheme and the pooling arrangements in place for business rates growth, the Council monitors the collection fund carefully. This will become increasingly important in the later years of the current medium term financial strategy as the council will become increasingly reliant on the income it raises through council tax and business rates.
- 2.19 The collection rates achieved during the first quarter, and the targets set, are reported below. The rates are given as a percentage of the debt targeted for collection in 2016/17:

|                | <b>Target %</b> | <b>Actual %</b> | <b>Amount collected</b> |
|----------------|-----------------|-----------------|-------------------------|
| Council Tax    | 29.62           | 29.30           | £ 27,919,589            |
| Business Rates | 32.54           | 30.45           | £ 18,656,469            |

*Table 3: Collection Rates for Council Tax and Business Rates to June 2016*

- 2.20 Council Tax has marginally missed the target. While the percentage variances are small, the gross value of Council Tax collected each year is significant. This sum equates to £305,000 out of the total collectible debt for the year.
- 2.21 A more significant variance has been observed in the collection of business rates for the first quarter. Part of the variance can be explained by the fact that billing for the business rates payable on properties owned by the council was later than usual and these amounts were therefore not paid until after the end of the first quarter. Payment of these amounts was transferred during July, which resulted in an improvement in collection rates. The July figures show this gap closing, with a collection rate of 40.38% against a target of 40.77%. It should be noted that the quarterly targets have been revised to reflect the reduced income each month due to

payments being spread over 12 months rather than 10. This is not anticipated to have any adverse impact on overall collection rates.

2.22 The Head of the Revenues and Benefits Partnership follows a recovery timetable and action will be taken before year end to attempt to bring the collection rate back to target. Officers will continue to pursue payment of any developing arrears along with the arrears from prior years.

#### Treasury Management

2.23 The Council has adopted an incorporated into its Financial Regulations, the CIPFA Code of Practice on Treasury Management in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In March 2016, the Council approved a Treasury Management Strategy for 2016/17 that was based on this code. The strategy requires that Cabinet should formally be informed of Treasury Management activities quarterly as part of budget monitoring.

2.24 During the Quarter ended 30th June 2016:

- Data released in the April-June quarter showed UK GDP at 2% year/year to March 2016 and annual inflation at 0.3% in May.
- Between 23 June and 1 July the sterling exchange rate index fell by 9% and short-term volatility of sterling against the dollar increased significantly.
- Immediately prior to the EU referendum result, financial market sentiment shifted significantly in favour of a Remain outcome, a shift swiftly reversed as the results came in. The vote to leave the EU sent shockwaves through the domestic, European and global political spectrum, the most immediate impact being the resignation of Prime Minister David Cameron.
- A week on from the result the overall market reaction, although significant, was less severe than some had feared. The 5-year CDS for the UK (the cost of insuring against a sovereign default) rose from 33.5 basis points to 38.4 basis points.
- The Bank of England sought to reassure markets and investors. Governor Mark Carney's speeches on 24 and 30 June in response to the referendum result stressed that the Bank was ready to support money market liquidity and raised the likelihood of a cut in policy rates 'in the summer'. Base rates were subsequently reduced to 0.25% on 4 August 2016.

#### Current Investments as at 30 June 2016

2.25 The council held investments totalling £26.77m. A full list of investments held at this time is given in **Appendix III** £6.77m (25%) of investments are in accounts which can be called upon immediately or for a short notice period for daily cash flow purposes. The majority of investments have less than 6 months to mature due to the Council running down its investments to fund the current capital programme, which in turn helps reduce counterparty risk. Investment income for this period is £52k.

2.26 Average interest rate for this period is 0.83%. The benchmark for investments is 3 month LIBOR plus 20 basis points. 3 Month LIBOR at the end on June was 0.5584%, which means the benchmarked figure is 0.7584%. The Council is therefore 9.4% above target.

2.27 Given the recent reduction in the Bank of England base rate, it is possible that investment income will fall below budget by year end. In this event, any shortfall will be offset by surpluses elsewhere in the portfolio of this committee, for example, it is anticipated that there will be an underspend on the audit fee.

### Borrowing

2.28 There was no borrowing requirement within this quarter.

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## **3 AVAILABLE OPTIONS**

3.1 In considering the strategic position on the revenue budget at the end of June 2016 the committee has been provided with details of the actions each service committee plans to take on significant variances. The committee can chose to note those actions and reconsider the outcomes at the end of the second quarter or it could chose to take further action.

3.2 The capital programme is reporting slippage of £3,926,591 and expenditure of £597,471. Details of the programmes where major slippage occurs have been detailed at paragraph 2.13. The committee could agree the slippage as proposed or take an alternative action such as removal of the budget or transfer of the budget to other schemes. If such alternative action is taken the councillors should be aware that the medium term financial strategy sets a hierarchy of priorities for the capital programme and any alternative scheme should be the highest priority unfunded scheme currently proposed.

3.3 Details of the performance of the collection fund and the level of available balances are both as expected and the committee need only note this information at this time.

3.4 Treasury Management is for information only as the Audit, Governance & Standards Committee takes responsibility for considering changes that may be required, for reference on to Council. The committee could make reference to the Audit, Governance and Standards Committee of any issues that it may wish to be considered at a future meeting.

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

4.1 The committee is requested to note the content of the report and approve the proposed slippage in the capital programme to enable more accurate monitoring of the programme in future periods.

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## 5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The first quarter's budget monitoring report has been considered by each of the other three service committees the key issues and their consideration is set out in table 1 at paragraph 2.8.
- 5.2 This report will not lead to further consultation.
- 

## 6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The second quarter's budget monitoring report will be considered by the service committees in November 2016, culminating in a full report to this committee.
- 6.2 There are no significant issues arising from this report that require action from this committee. The success of actions by the other service committees to manage the pressures in their budgets will be regularly reported to this committee through later versions of this report.
- 

## 7 CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue                                 | Implications  | Sign-off                                   |
|---------------------------------------|---|--|
| <b>Impact on Corporate Priorities</b> | This report monitors actual activity against the revenue and capital budgets and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's medium term financial strategy which is linked to the strategic plan and corporate priorities.   | Director of Finance & Business Improvement |
| <b>Risk Management</b>                | The Council has produced a balanced budget for both capital and revenue expenditure and income for 2016/17 This budget is set against a backdrop of limited resources and an difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at | Director of Finance & Business Improvement |

|  |  |  |
|--|--|--|
|  | <p>financial risk. This gives this committee the best opportunity to take actions to mitigate such risks.</p> <p>The issues set out in this report do not exhibit the level of potential risk identified in previous years.</p>  |  |
| <b>Financial</b>                             | <p>Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p> | Director of Finance & Business Improvement |
| <b>Staffing</b>                              | <p>The budget for staffing represents approximately 50% of the direct spend of the council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p>  | Director of Finance & Business Improvement |
| <b>Legal</b>                                 | <p>The Council has a statutory obligation to maintain a balanced budget this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.</p>  | [Legal Team]                               |
| <b>Equality Impact Needs Assessment</b>      | <p>The budget ensures the focus of resources into areas of need as identified in the Council's strategic priorities. This monitoring report ensures that the budget is delivering services to meet those needs.</p>  | Director of Finance & Business Improvement |
| <b>Environmental/Sustainable Development</b> | <p>No specific issues arise.</p>   | Director of Finance & Business Improvement |
| <b>Community Safety</b>                      | <p>No specific issues arise.</p>   | Director of Finance & Business             |

|                         |   |  |
|-------------------------|---|--|
|                         |   | Improvement                                |
| <b>Human Rights Act</b> | No specific issues arise.   | Director of Finance & Business Improvement |
| <b>Procurement</b>      | No specific issues arise.   | Director of Finance & Business Improvement |
| <b>Asset Management</b> | Resources available for asset management are contained within both revenue and capital budgets and do not represent a significant problem at this time. | Director of Finance & Business Improvement |

**8 REPORT APPENDICES**

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

- Appendix I: First Quarter 2016/17 Revenue Monitoring – Strategic Level
- Appendix II: First Quarter 2016/17 Capital Monitoring
- Appendix III: List of investments as at 30 June 2016

**9 BACKGROUND PAPERS**

None

## Policy & Resources Committee First Quarter Budget Monitoring - Full Summary to June 2016

### ANALYSIS BY COMMITTEE

| Committee                                      | Full Year Budget  | To June 2016     | Actual           | Variance <sup>1</sup> | Year End Forecast | Year End Variance |
|--|-------------------|------------------|------------------|-----------------------|-------------------|-------------------|
| Policy & Resources                             | 7,716,975         | 2,216,136        | 1,952,358        | 263,778               | 7,716,975         | 0                 |
| Strategic Planning, Sustainability & Transport | -944,030          | -17,002          | -14,442          | -2,560                | -1,194,030        | 250,000           |
| Communities, Housing & Environment             | 10,440,515        | 2,432,880        | 2,505,562        | -72,682               | 10,940,515        | -500,000          |
| Heritage, Culture & Leisure                    | 2,214,950         | 542,185          | 444,820          | 97,365                | 2,214,950         | 0                 |
|  | <b>19,428,410</b> | <b>5,174,199</b> | <b>4,888,298</b> | <b>285,901</b>        | <b>19,678,410</b> | <b>-250,000</b>   |

Table 1

### ANALYSIS BY PRIORITY

| Priority             | Full Year Budget  | To June 2016     | Actual           | Variance <sup>1</sup> | Year End Forecast | Year End Variance |
|----------------------|-------------------|------------------|------------------|-----------------------|-------------------|-------------------|
| Character            | 850,670           | 323,605          | 325,695          | -2,090                | 850,670           | 0                 |
| Health & Wellbeing   | 3,122,765         | 812,499          | 864,617          | -52,118               | 3,622,765         | -500,000          |
| Clean & Safe         | 3,937,630         | 968,645          | 983,840          | -15,195               | 3,937,630         | 0                 |
| Leisure & Culture    | 2,469,050         | 519,729          | 457,625          | 62,104                | 2,469,050         | 0                 |
| Town Centre          | 136,790           | 82,122           | 89,893           | -7,771                | 136,790           | 0                 |
| Employment & Skills  | 278,040           | 66,433           | 65,669           | 763                   | 278,040           | 0                 |
| Homes                | 1,506,730         | 284,346          | 369,572          | -85,226               | 1,506,730         | 0                 |
| Infrastructure       | 335,790           | 125,482          | 112,794          | 12,688                | 335,790           | 0                 |
| Trading              | -3,746,360        | -709,243         | -803,652         | 94,409                | -3,996,360        | 250,000           |
| Central & Democratic | 10,537,305        | 2,700,582        | 2,422,245        | 278,337               | 10,537,305        | 0                 |
|                      | <b>19,428,410</b> | <b>5,174,199</b> | <b>4,888,298</b> | <b>285,901</b>        | <b>19,678,410</b> | <b>-250,000</b>   |

Table 2

### ANALYSIS BY SUBJECTIVE SPEND

| Subjective          | Full Year Budget  | To June 2016     | Actual           | Variance <sup>1</sup> | Year End Forecast | Year End Variance |
|---------------------|-------------------|------------------|------------------|-----------------------|-------------------|-------------------|
| Employees           | 19,907,685        | 4,972,574        | 4,959,572        | 13,002                | 19,907,685        | 0                 |
| Premises            | 4,142,450         | 1,933,475        | 1,952,351        | -18,876               | 4,142,450         | 0                 |
| Transport           | 1,118,840         | 276,043          | 238,203          | 37,840                | 1,118,840         | 0                 |
| Supplies & Services | 8,448,692         | 2,523,425        | 2,583,808        | -60,383               | 8,948,692         | -500,000          |
| Agency              | 4,328,350         | 1,106,286        | 1,112,184        | -5,897                | 4,328,350         | 0                 |
| Transfer Payments   | 50,090,490        | 11,377,793       | 10,910,994       | 466,799               | 50,090,490        | 0                 |
| Asset Rents         | 6,621,580         | 211,820          | 212,102          | -282                  | 6,621,580         | 0                 |
| Income              | -75,229,677       | -17,227,216      | -17,080,915      | -146,301              | -75,479,677       | 250,000           |
|                     | <b>19,428,410</b> | <b>5,174,199</b> | <b>4,888,298</b> | <b>285,901</b>        | <b>19,678,410</b> | <b>-250,000</b>   |

Table 3

<sup>1</sup>A positive figure represents a favourable variance. A negative figure (ie -EX,XXX) represents an adverse variance.

**MAIDSTONE BOROUGH COUNCIL  
POLICY & RESOURCES COMMITTEE  
BUDGET MONITORING - 1ST QUARTER 2016/17**

**Capital Programme 2016/17 by Service Committee to 30th June 2016**

| Capital Programme Heading                                 | Adjusted Estimate 2016/17 | Actual to June 2016 | Budget Remaining  | Q2 Profile       | Q3 Profile       | Q4 Profile       | Projected Total Expenditure | Slippage into 2017/18 | Budget not required |
|---|---------------------------|---------------------|-------------------|------------------|------------------|------------------|-----------------------------|-----------------------|---------------------|
| <b>COMMUNITIES, HOUSING &amp; ENVIRONMENT</b>             |                           |                     |                   |                  |                  |                  |                             |                       |                     |
| Housing Incentives  | 475,010                   | 20,073              | 454,937           | 28,630           | 100,000          | 100,000          | 248,703                     | 226,307               |                     |
| Housing - Disabled Facilities Grants Funding              | 450,000                   | 26,528              | 423,472           | 90,300           | 165,000          | 168,172          | 450,000                     | 0                     |                     |
| Housing Investments *                                     | 2,000,000                 | 41,750              | 1,958,250         | 387,780          | 400,000          | 400,000          | 1,229,530                   | 770,470               |                     |
| Stilebridge Lane Sewage Treatment Works                   | 50,350                    | 14,503              | 35,847            | 35,850           |                  |                  | 50,353                      | 0                     |                     |
| Gypsy Site Fencing Works                                  | 42,300                    | 0                   | 42,300            |                  | 42,300           |                  | 42,300                      | 0                     |                     |
| Gypsy Site Improvements                                   | 184,600                   | 0                   | 184,600           |                  | 95,000           | 89,600           | 184,600                     | 0                     |                     |
| Brunswick Street Housing Development **                   | 2,061,600                 | 0                   | 2,061,600         | 50,000           | 900,000          | 50,000           | 1,000,000                   | 1,061,600             |                     |
| Flood Defences  | 95,280                    | 1,385               | 93,895            | 32,000           | 32,000           | 29,895           | 95,280                      | 0                     |                     |
| <b>Total</b>  | <b>5,359,140</b>          | <b>104,239</b>      | <b>5,254,901</b>  | <b>624,560</b>   | <b>1,734,300</b> | <b>837,667</b>   | <b>3,300,766</b>            | <b>2,058,377</b>      | <b>0</b>            |
| <b>HERITAGE, CULTURE &amp; LEISURE</b>                    |                           |                     |                   |                  |                  |                  |                             |                       |                     |
| Continued Improvements to Play Areas                      | 1,280,740                 | 4,609               | 1,276,131         | 502,500          | 300,000          | 473,631          | 1,280,740                   | 0                     |                     |
| Green Space Strategy                                      | 9,600                     | 0                   | 9,600             | 9,600            |                  |                  | 9,600                       | 0                     |                     |
| Commercial Projects - Mote Park Parking                   | 31,800                    | 0                   | 31,800            | 31,800           |                  |                  | 31,800                      | 0                     |                     |
| Commercial Projects - Mote Park Café                      | 35,060                    | 36,067              | -1,007            |                  |                  |                  | 36,067                      | -                     |                     |
| Commercial Projects - Mote Park Adventure Zone            | 760,600                   | 29,405              | 731,195           | 13,160           | 100,000          | 18,035           | 160,600                     | 600,000               |                     |
| Commercial Projects - Crematorium Projects                | 650,000                   | 6,800               | 643,200           | 11,020           | 500,000          | 132,180          | 650,000                     | 0                     |                     |
| Mote Park Essential Improvements                          | 610,000                   | 12,979              | 597,021           | 50,000           | 150,000          | 150,000          | 362,979                     | 247,021               |                     |
| Museum Development Plan                                   | 93,000                    | 4,400               | 88,600            | 15,130           | 38,000           | 35,470           | 93,000                      | 0                     |                     |
| <b>Total</b>  | <b>3,470,800</b>          | <b>94,260</b>       | <b>3,376,540</b>  | <b>633,210</b>   | <b>1,088,000</b> | <b>809,316</b>   | <b>2,624,786</b>            | <b>847,021</b>        | <b>0</b>            |
| <b>POLICY &amp; RESOURCES</b>                             |                           |                     |                   |                  |                  |                  |                             |                       |                     |
| High Street Regeneration                                  | 315,160                   | 6,628               | 308,532           | 4,680            | 150,000          | 153,852          | 315,160                     | 0                     |                     |
| Bridges Gyrotory Scheme                                   | 1,140,000                 | 0                   | 1,140,000         | 570,000          | 570,000          |                  | 1,140,000                   | 0                     |                     |
| Enterprise Hub  | 5,900                     | 0                   | 5,900             | 5,900            |                  |                  | 5,900                       | 0                     |                     |
| Asset Management / Corporate Property                     | 287,400                   | 56,743              | 230,657           | 70,480           | 80,000           | 80,177           | 287,400                     | 0                     |                     |
| Software / PC Replacement                                 | 250,500                   | 40,191              | 210,309           | 26,000           | 92,000           | 92,309           | 250,500                     | 0                     |                     |
| Acquisition of Commercial Assets *                        | 1,473,890                 | 786                 | 1,473,104         | 0                | 450,000          | 450,000          | 900,786                     | 573,104               |                     |
| Maidstone East/Sessions Square **                         | 3,492,600                 | 35,951              | 3,456,649         | 2,735,850        | 150,000          | 400,000          | 3,321,801                   | 170,799               |                     |
| Union Street (Recommended Option) **                      | 1,007,400                 | 20,110              | 987,290           | 10,000           | 50,000           | 50,000           | 130,110                     | 877,290               |                     |
| Enabling Works - The Mall Regeneration **                 | 3,398,000                 | 6,813               | 3,391,187         | 335,000          | 3,000,000        | 56,187           | 3,398,000                   | 0                     |                     |
| Town Hall - Webcast & Speakers                            | 100,000                   | 0                   | 100,000           | 113,680          |                  |                  | 113,680                     | -                     |                     |
| <b>Total</b>  | <b>11,470,850</b>         | <b>167,222</b>      | <b>11,303,628</b> | <b>3,871,590</b> | <b>4,542,000</b> | <b>1,282,525</b> | <b>9,863,337</b>            | <b>1,621,193</b>      | <b>0</b>            |
| <b>STRATEGIC PLANNING, SUSTAINABILITY &amp; TRANSPORT</b> |                           |                     |                   |                  |                  |                  |                             |                       |                     |
| King Street Multi-storey Car Park                         | 20,310                    | 750                 | 19,560            |                  | 19,560           |                  | 20,310                      | 0                     |                     |
| Improvements to the Council's Car Parks                   | 8,840                     | 0                   | 8,840             | 8,840            |                  |                  | 8,840                       | 0                     |                     |
| Replacement Bus Shelters                                  | 350,000                   | 231,000             | 119,000           | 98,470           | 20,530           |                  | 350,000                     | 0                     |                     |
| Riverside Towpath   | 540,000                   | 0                   | 540,000           | 40,000           | 250,000          | 250,000          | 540,000                     | 0                     |                     |
| <b>Total</b>  | <b>919,150</b>            | <b>231,750</b>      | <b>687,400</b>    | <b>147,310</b>   | <b>290,090</b>   | <b>250,000</b>   | <b>919,150</b>              | <b>0</b>              | <b>0</b>            |
| <b>Grand Total</b>  | <b>21,219,940</b>         | <b>597,471</b>      | <b>20,622,469</b> | <b>5,276,670</b> | <b>7,654,390</b> | <b>3,179,508</b> | <b>16,708,039</b>           | <b>4,526,591</b>      | <b>0</b>            |

\* Any slippage may need to be reversed depending on when there are opportunities to purchase properties

\*\* To be funded by Prudential Borrowing

**MAIDSTONE BOROUGH COUNCIL  
POLICY & RESOURCES COMMITTEE  
BUDGET MONITORING - 1ST QUARTER 2016/17**

**Maidstone Borough Council Investments as at 30th June 2016**

| Counterparty                       | Type of Investment     | Principal   | Start Date | Maturity Date | Rate of Return | Arlingclose Credit Limits  |                 |
|------------------------------------|------------------------|-------------|------------|---------------|----------------|--|-----------------|
|                                    |                        |             |            |               |                | Suggested Term   | Maximum Deposit |
| SANTANDER UK PLC                   | CALL ACCOUNT           | £ 3,000,000 |            |               | 0.800%         | 6 months   | £3,000,000      |
| STANDARD LIFE LIQUIDITY FUNDS      | MONEY MARKET FUND      | £ 6,770,000 |            |               | 0.520%         | 2 years  | £8,000,000      |
| COMMONWEALTH BANK OF AUSTRALIA     | DEPOSIT - FIXED        | £ 1,000,000 | 15/09/2015 | 15/07/2016    | 0.710%         | 6 months   | £3,000,000      |
| LLOYDS BANK PLC                    | DEPOSIT - FIXED        | £ 2,000,000 | 03/08/2015 | 01/08/2016    | 1.000%         | 13 months  | £3,000,000      |
| NATIONWIDE BUILDING SOCIETY        | DEPOSIT - FIXED        | £ 1,000,000 | 10/02/2016 | 10/08/2016    | 0.710%         | 6 months   | £3,000,000      |
| NATIONWIDE BUILDING SOCIETY        | DEPOSIT - FIXED        | £ 2,000,000 | 01/04/2016 | 03/10/2016    | 0.710%         | 6 months   | £3,000,000      |
| NATIONAL COUNTIES BUILDING SOCIETY | DEPOSIT - FIXED        | £ 1,000,000 | 01/04/2016 | 03/10/2016    | 0.800%         | 6 months   | £1,000,000      |
| LLOYDS BANK PLC                    | DEPOSIT - FIXED        | £ 2,000,000 | 14/10/2015 | 12/10/2016    | 1.050%         | 13 months  | £3,000,000      |
| UNITED OVERSEAS BANK LTD           | DEPOSIT - FIXED        | £ 2,000,000 | 28/01/2016 | 28/10/2016    | 0.750%         | 13 months  | £3,000,000      |
| LLOYDS BANK PLC                    | DEPOSIT - FIXED        | £ 3,000,000 | 22/07/2014 | 22/07/2016    | 1.300%         | 13 months  | £3,000,000      |
| ROYAL BANK OF SCOTLAND PLC/T       | DEPOSIT - FIXED        | £ 2,000,000 | 11/03/2016 | 11/03/2017    | 1.440%         | 35 days  | £3,000,000      |
| STANDARD CHARTERED BANK            | CERTIFICATE OF DEPOSIT | £ 1,000,000 | 23/10/2015 | 21/10/2016    | 0.970%         | Removed from lending list. Current advice: investment does not need to be recalled |                 |

**£26,770,000**

# Agenda Item 14

## Policy and Resources Committee

28 September 2016

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

Yes

### Corporate Planning Timetable

|                                       |                                   |
|---------------------------------------|-----------------------------------|
| <b>Final Decision-Maker</b>           | Policy and Resources Committee    |
| <b>Lead Head of Service</b>           | Head of Policy and Communications |
| <b>Lead Officer and Report Author</b> | Angela Woodhouse                  |
| <b>Classification</b>                 | Public                            |
| <b>Wards affected</b>                 |                                   |

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

1. Review and agree the timetable for refreshing the Strategic Plan and creating the Medium Term Financial Strategy and Service Planning.

#### **This report relates to the following corporate priorities:**

The corporate planning process is centred on achieving the Council's corporate priorities:

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

#### **Timetable**

| <b>Meeting</b>                 | <b>Date</b>       |
|--------------------------------|-------------------|
| Policy and Resources Committee | 28 September 2016 |
|                                |                   |

# Corporate Planning Timetable

## **1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 This report sets out a proposed approach to refreshing the current Strategic Plan and undertaking budget consultation as part of a corporate planning timetable.
- 

## **2. INTRODUCTION AND BACKGROUND**

- 2.1 The Strategic Plan and Medium Term Financial Strategy are core elements of the corporate planning timetable. The priorities and outcomes in the Strategic Plan are developed alongside the Medium Term Financial Strategy (MTFS) to ensure consistency between service delivery and budgets. Service Planning allows the Council to convert high level priorities from the Strategic Plan into actions for each directorate, service or team across the Council, which then feeds into individual staff appraisals.
- 2.2 Each year Councillors are asked to agree whether to update the existing strategic plan or create a new one a timetable of activity is then planned around this process.
- 2.3 The timetable includes a period of public consultation and reports to service committee meetings.
- 

## **3. AVAILABLE OPTIONS**

- 3.1 The Committee could either choose to create a new strategic plan, refresh the current plan or that there is no reason to produce either an update or a new plan.
- 3.2 A timetable for corporate planning is outlined at section 4, the Committee can review and amend this timetable as appropriate.
- 

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

- 4.1 It is recommended that as the current Strategic Plan has a five year span, the present plan is updated for 2017-18. Not updating the plan is not recommended as the local and national context is constantly changing and the Council needs to demonstrate how it is planning and managing change.
- 4.2 The update will include refreshing the action areas against progress and changes to the Medium Term Financial strategy as a result of the budget and priorities consultation.

- 4.3 An update to the Strategic Plan for 2017-18 would include:
- A review of the 8 action areas
  - An update of what has been achieved in 2016/17; and
  - An updated foreword and performance measures
- 4.4 Outlined below is a proposed timetable for updating the Strategic Plan and development of the Medium term Financial Strategy. Each Committee will be formally consulted prior to Policy and Resources Committee recommending both documents to Council.

Timetable

| <b>Date</b>                      | <b>Action</b>  |
|----------------------------------|--|
| 4 July 2016                      | All Member briefing on the budget  |
| 4 August 2016                    | Budget Prioritisation Workshop   |
| 1 September 2016 – March 2017    | Service planning with Heads of Service and Unit Managers   |
| 28 September 2016                | Policy and Resources Committee consider the corporate planning timetable   |
| October                          | Training and Briefing Session for Councillors - TBC  |
| October 2016                     | Budget and Priorities Public Roadshow  |
| October 2016 - Mid November 2016 | Budget and Priorities On-line Survey   |
| 14 December 2016                 | Policy and Resources consider outcomes of consultation and agree documents for consultation with Service Committees? |
| January 2017                     | Consultation with Service Committees   |
| 15 February 2017                 | Policy and Resources consider Strategic Plan and Medium Term Financial Strategy                                      |
| 1 March 2017                     | Strategic Plan and Medium Term Financial Strategy considered at full Council   |

---

**5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 As outlined in the table above there will be a roadshow and resident survey which will inform the refresh of the Plan and the Medium term Financial Strategy.
- 5.2 The roadshow will run throughout October in locations across the Borough, residents will be asked to prioritise those services that matter to them. This information will be used to inform our budget and priorities going forward.

---

**6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 The timetable at section 4 sets out the next steps

## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

| <b>Issue</b>                                 | <b>Implications</b>   | <b>Sign-off</b>                   |
|--|---|-----------------------------------|
| <b>Impact on Corporate Priorities</b>        | The corporate planning process is centred on reviewing and identifying the council's priorities and the resources needed to deliver them.   | Head of Policy and Communications |
| <b>Risk Management</b>                       | Risks associated with the delivery of the Strategic Plan will be set out in the Strategic Risk Register   | Head of Policy and Communications |
| <b>Financial</b>                             | The timetable includes budget consultation and development of the Medium term Financial Strategy which will set the council's budget including growth and savings required.   | Section 151 Officer               |
| <b>Staffing</b>                              | Creating a new strategic plan will have significant staffing implications in terms of input into the process and embedding the priorities recently agreed. Staff resources have been allocated for updating the present plan. | Head of Policy and Communications |
| <b>Legal</b>                                 |   |                                   |
| <b>Equality Impact Needs Assessment</b>      | Equalities will need to be taken into account when we plan the consultation and any service changes resulting from the budget   | Head of Policy and Communications |
| <b>Environmental/Sustainable Development</b> | N/A   | Head of Policy and Communications |
| <b>Community Safety</b>                      | N/A   | Head of Policy and Communications |
| <b>Human Rights Act</b>                      | N/A   | Head of Policy and Communications |
| <b>Procurement</b>                           | N/A   | Head of Policy and Communications |

|                         |     |                                   |
|-------------------------|-----|-----------------------------------|
| <b>Asset Management</b> | N/A | Head of Policy and Communications |
|-------------------------|-----|-----------------------------------|

**8. REPORT APPENDICES**

None

**9. BACKGROUND PAPERS**

None

|   |                          |
|---|--------------------------|
| <b>Policy and Resources Committee</b>   | <b>28 September 2016</b> |
| Is the final decision on the recommendations in this report to be made at this meeting? | <b>Yes</b>               |

## Information Management Strategy

|                                       |   |
|---------------------------------------|---|
| <b>Final Decision-Maker</b>           | Policy and Resources Committee                      |
| <b>Lead Director</b>                  | Director of Finance and Business Improvement        |
| <b>Lead Officer and Report Author</b> | Angela Woodhouse, Head of Policy and Communications |
| <b>Classification</b>                 | Public  |
| <b>Wards affected</b>                 |   |

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

1. To review and approve the Information Management Strategy attached at Appendix A.
2. To identify a lead member for Information Management.

**This report relates to the following corporate priorities:**

Effective information management will improve decision making and impacts on both the council objectives.

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

| <b>Timetable</b>               |                   |
|--------------------------------|-------------------|
| <b>Meeting</b>                 | <b>Date</b>       |
| Policy and Resources Committee | 28 September 2016 |
|                                |                   |

# Information Management Strategy

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The strategy sets out our approach to information governance and assurance and actions we will be taking in regard to information management.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 All information needs to be managed across its lifecycle. How well this is done will significantly impact how any organisation meets both its legal compliance obligations and how efficient and effective it is. An action plan has been in place since 2014 to address the quality of the Council's document and record management arrangements. The Audit, Governance and Standards Committee have been updated on the action plan as part of the review of the council's annual governance statement.
- 2.2 The Strategy sets out the Council's vision for information management and cornerstones for ensuring we have information that is accessible, fit for purpose and open and transparent.
- 2.3 A significant number of actions have been completed to date including:
- New Freedom of Information and Data Protection Guidance
  - Information Asset Register
  - New data protection and information management module on the e-learning system
  - Public Disclosure Log for FOIs
  - Information Sharing Policy
  - Guidance for staff on information Sharing
  - Information Risks included as part of corporate risk register
  - Senior Information Risk Owner in place
  - Information Management Group established
  - Training delivered on data protection at information management at a unit manager level and with key teams
- 2.4 The strategy at Appendix A includes an action plan setting out the action we will take to ensure there are effective information management and governance arrangements in place.
- 

## 3. AVAILABLE OPTIONS

- 3.1 The Committee could choose not to agree the Strategy and Action Plan. This will increase the risk in regard to information management as there is currently no Information Management Strategy

- 3.2 The Committee could amend the strategy and action plan or approve the strategy and action plan as per appendix A.
- 3.3 The Committee could decide not to appoint a lead member for information management. The lead member should have a good understanding of this strategy and promote the vision for information management alongside the Council's Senior Information Risk Owner. Councillors use information to reach decisions about priorities and the allocation of resources. It is important they have confidence in the information and data they are given and have an adequate understanding of the importance of data quality and information management
- 

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

- 4.1 The Information Management Strategy and Action Plan sets out the Council's vision and approach to information management and governance. Information is an essential asset for Maidstone Borough Council. Without our information assets we simply cannot operate; an essential source of knowledge and learning, information helps to inform our decision making. The purpose of this strategy and supporting policies and procedures is to ensure that it is managed effectively and efficiently so we can find the information when we need it and to be confident that it is safeguarded appropriately. It is not easy to get information management right; however, the cost of getting it wrong can be high, resulting in poor decision making, increasingly punitive monetary penalties from the Information Commissioner's Office and reputational damage that can ensue from data protection breaches and ill-conceived decisions.
- 4.2 The benefits of the strategy tie directly into Maidstone's Values and include:
- Efficiency savings through more effective use of physical and electronic storage and staff productivity.
  - Better customer service through improved access to relevant information, making requests easier to handle in a shorter amount of time.
  - Environmental benefits by reducing reliance on paper files and physical storage.
  - Better working environment through removal of irrelevant information from the office environment, allowing staff easier access to the information required to perform their job.
  - Improved compliance with the MBC's legal requirements.
  - Provide a sound basis for transition to e-government and services.
- 4.3 The vision for Information Management is:

*"Maidstone Borough Council is committed to being a compliant organisation that consistently improves the way we manage our data and information. Information matters and we aim to build the Council's capability in managing it, enabling us to increase our knowledge and insight and ultimately ensuring well informed decision-making to meet our strategic priorities and deliver excellent services.*

*To deliver the IM vision our information will be managed in a way that is:*

- *Accessible;*
- *Fit for purpose; and,*
- *Open and Transparent"*

- 4.4 The strategy sets out the governance framework and responsibilities in the Council. The Council has an established Information Management Group whose role is to provide direction, support and manage information risk and security.
- 4.5 The strategy at Appendix A includes an action plan to improve information management at the Council. This includes reviewing how data is stored and disposed, training for all staff and updating and disseminating policies and procedures on information management.
- 4.6 The lead member will have a role in promoting the strategy and raising awareness and understanding of the importance of information management and governance. They will be invited to attend the Information Management Group at six monthly intervals and will work alongside the Council's Senior Information Risk Owner.

---

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

- 5.1 The Strategy has been through the Information Management Group and Corporate Leadership Team. The Policy and Resources Committee is asked to consider and approve the Strategy.

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

- 6.1 Once the Strategy has been approved it will be added to our internet and intranet and disseminated to unit managers. Further training on information management is planned to support the strategy.
-

## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

| <b>Issue</b>                                 | <b>Implications</b>   | <b>Sign-off</b>                   |
|--|---|-----------------------------------|
| <b>Impact on Corporate Priorities</b>        | Effective information management will improve decision making and impacts on both the council objectives.   | Head of Policy and Communications |
| <b>Risk Management</b>                       | The senior information Risk Owner will take ownership of Information Management and act as a champion for risk.   | Head of Policy and Communications |
| <b>Financial</b>                             | There are significant financial implications if we fail to govern and manage our information properly. The initiatives in the strategy will be delivered within existing resources                              | Head of Policy and Communications |
| <b>Staffing</b>                              | All staff have responsibilities in relation to information management, training will continue to be delivered to ensure staff are aware of these.   | Head of Policy and Communications |
| <b>Legal</b>                                 | The Council has an obligation to comply with the legislation relating to information held or created by the Council, these are set out in the strategy  |                                   |
| <b>Equality Impact Needs Assessment</b>      | Some data we store may be sensitive and/or personal data and we have a duty to look after and manage this information correctly. We also have a duty to ensure information is accessible to all and transparent | Head of Policy and Communications |
| <b>Environmental/Sustainable Development</b> | N/A   | Head of Policy and Communications |
| <b>Community Safety</b>                      | Failure to manage information correctly could increase risks to individuals/communities   | Head of Policy and Communications |
| <b>Human Rights Act</b>                      | See legal section above   | Head of Policy and                |

|                         |   |                                   |
|-------------------------|---|-----------------------------------|
|                         |   | Communications                    |
| <b>Procurement</b>      | N/A   | Head of Policy and Communications |
| <b>Asset Management</b> | Information is one of the council's biggest assets, the strategy sets out how this information will be managed. | Head of Policy and Communications |

**8. REPORT APPENDICES**

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

- Appendix A - Information Management Strategy

**9. BACKGROUND PAPERS**

None

**Information Management Strategy  
2016-2019**



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## 1. Executive Summary

This strategy sets out the framework for Information Management in Maidstone Borough Council (MBC). Information is an essential asset for MBC. Without our information assets we simply cannot operate; an essential source of knowledge and learning, information helps to inform our decision making. It is not easy to get information management right; however, the cost of getting it wrong can be high resulting in poor decision making, increasingly punitive monetary penalties from the Information Commissioner's Office and reputational damage that can ensue from data protection breaches and ill-conceived decisions.

The purpose of this strategy and supporting policies and procedures is to ensure that information is managed effectively and efficiently so we can find it when we need it and to be confident that it is safeguarded appropriately. It provides:

- a comprehensive and corporate approach to all aspects of information management;
- ensures legislative and regulatory compliance;
- quality of information and decision making;
- reduction in operating costs;
- safeguarding vital information;
- protection the rights of employees, customers and other stakeholders;
- Agile working efficiency and productivity.

The strategy applies to all recorded information, irrespective of content, format or source. The strategy defines information management as the means by which the Council looks after its information from its creation, through to storage, use and its disposal. It should not be viewed as a static document but as one that will evolve as legislation, best practice standards and the Council's information needs change.

## 2. Vision

At the heart of the strategy is our vision for Information Management:

*Maidstone Borough Council is committed to being a compliant organisation that consistently improves the way we manage our data and information. Information matters and we aim to build the Council's capability in managing it, enabling us to increase our knowledge and insight and ultimately ensuring well informed decision-making to meet our strategic priorities and deliver excellent services.*

*To deliver the information management vision our information will be managed in a way that is:*

- *Accessible;*
- *Fit for purpose; and*
- *Open and Transparent*

### **3. Definition of Information Management**

Information Management is a term used to describe how an organisation plans, collects, organises, uses, controls, disseminates, shares, preserves and disposes of its information. The primary objective of information management is to ensure that the right information is available to the right people, in the right format and at the right time. Organisations that manage information effectively ensure that the value of the information is identified and exploited to the fullest extent.

### **4. Legislation and Regulation**

The following legislative provisions and best practice guidelines inform the way we process information as a local authority:

- Freedom of Information Act 2000 – gives a general right of access to the information that we hold as a public authority.
- Data Protection Act 1998 and Data Protection Regulations – establishes 8 principles governing the way we process personal information.
- The Data Protection Regulations – which will likely be enacted, next year provide more stringent requirements than the Data Protection Act 1998 and will be directly applicable in all EU member states. All policies and guidelines will be required to be reviewed to ensure compliance when the regulations are enacted.
- European Convention on Human Rights
- Environmental Information Regulations 2004 – gives a right to access of information concerning the environment and elements.
- European Directive on the Re-use of Public Sector Information 2005 – public sector bodies are required to make their non-personal information available to a wider audience. Under the Directive, MBC is required to produce a information asset register showing the main categories of published and unpublished documents available.
- Transparency and Open Data Agenda
- INSPIRE law and codes of practice (spatial information)
- Local Government Records Retention and Disposal Schedule
- The Lord Chancellor's Code of Practice on the Management of Records issued under s.26 of the Freedom of Information Act 2000
- ISO 15489-1: 2001 Information and Documentation - Records Management

## **5. Information Management Policies**

The following policies apply in respect of information management to ensure we comply with legal requirements and meet our responsibilities effectively:

- Data Protection Policy
- Data Quality Policy
- Information Sharing Policy
- Information Security Policy (currently being updated)
- Protective Marking Policy
- Records Management Policy
- Clear Desk Policy
- Home and Mobile Working Policy
- Social Media Policy
- Computer Usage Policy

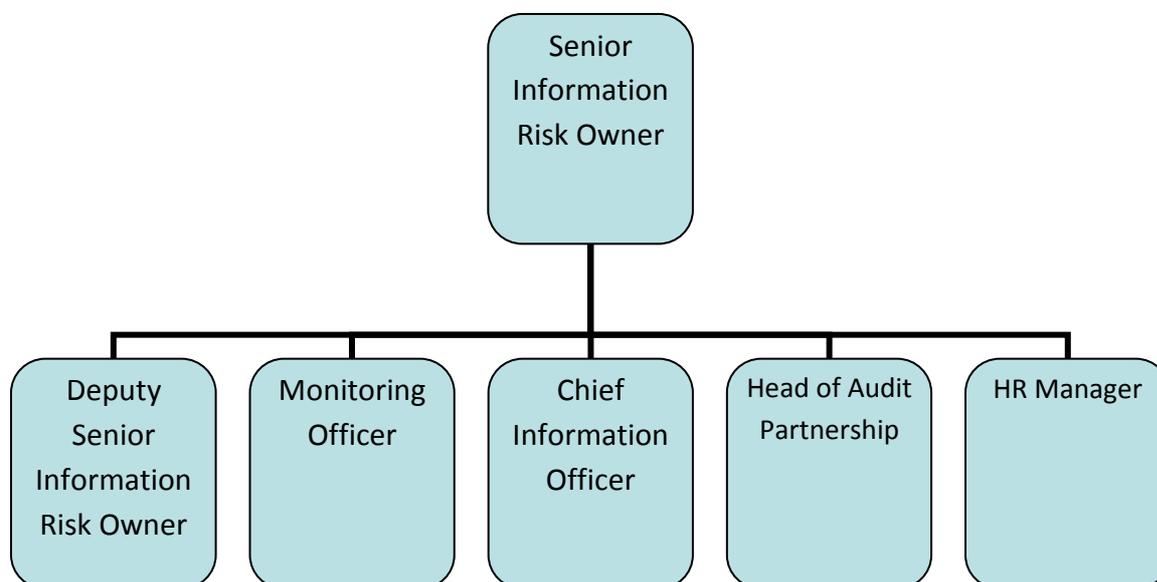
## **6. Governance Framework and Responsibilities**

The Information Management Group (IMG) will provide clear direction, support and consideration to the management of security initiatives and information risk management.

The broad principles are as follows:

- Information Security needs to be a key consideration in everything we do as a Council
- The responsibility for compliance with good practice is with each staff member. The IMG role is to make this responsibility clear.
- The IMG will be convened with subject matter representatives from key service areas of the Council

The structure of the Group can be seen below



| Senior Roles  | Responsibilities   |
|---|--|
| Senior Information Risk Owner (SIRO)/Director of Finance and Business Improvement | Take overall ownership for MBC's information management and act as champion for information risk.<br>Chairman of the information management group                            |
| Deputy Senior Information Risk Owner/Head of Policy and Communications            | carry out information management investigations on behalf of the SIRO and ensure any actions are delivered<br>report information management issues to the SIRO as identified |
| HR Manager  | Advise and report on staffing matters relating to information management   |
| Head of Audit   | Advises the group and siro on information management risks and governance issues.  |
| Head of Legal Partnership/ Monitoring Officer                                     | Provide Legal advice for information management including data breach investigations   |

|                                      |   |
|--------------------------------------|---|
| Chief Information Officer            | Identify and review all security incidents and determine if action is required that could affect the ISMS or the Information Security Policy;         |
| <b>Key Roles</b>                     |   |
| Deputy Head of the Legal Partnership | Responsible for ensuring that the Council is prepared for changes to legislation and provides legal advice on requests for information data breaches. |
| Policy and Information Manager       | Responsible for ensuring day to day data quality and data transparency  |
| Audit Manager                        | Ensures information risk is included in corporate risk management approach by services and ensures Audit reviews include information management.      |
| Information Asset Owners             | Ensures that specific information assets are handled and managed appropriately and their value to the organisation is fully exploited.                |

## 7. Objectives

Four overarching objectives are derived from the Council's vision. These will determine the overall plans for the continued development and improvement of information management.

- Strong Governance;
- Effective information management policies and guidance;
- Effective record management;
- Transparency and Availability

### Objective one: Strong Governance

The key foundation block in embedding information management across MBC and ensuring clear ownership and accountability for Information Assets is to establish a robust information management framework. Every department, service, team and member of staff creates recorded information. Therefore all are responsible for effective information management and this strategy relies on engagement from staff at all levels across the Council to succeed.

Overall organisational responsibility is with the Chief Executive and the Senior Information Risk Owner (SIRO). This responsibility is monitored and administered through the Information Management Group (IMG), who are responsible for ensuring the Council delivers on the objectives set out in this document, by regular monitoring, resource investment where required, championing culture change and ensuring adherence from departments across the organisation. Details on the membership of the IMG and other key roles can be seen at section six.

Information Security is achieved by ensuring that information is processed and stored securely. This is monitored by the IMG. Where incidents occur these are escalated and investigated swiftly, thoroughly and transparently and corrective action taken to ensure any incidences are minimised and prevented from reoccurring.

To embed the strategy successfully in all parts of the organisation requires understanding from staff of the value of information as an asset in the same way that they value staff or technology. In order to help this shift, there needs to be a comprehensive set of activities around learning, development, communication and monitoring.

Information management will be embedded as part of the induction process, both at corporate level and departmental level. Guidance around the key issues of information management should be easily accessible for all.

#### Objective two: Effective information management policies and guidance

Key policies which support this strategy have been identified at section five; these will be reviewed according to each individual policy or in light of any legislation changes.

Policies and guidance should be disseminated to managers to roll out and discuss with teams. Where significant change has taken place these will be changed and promoted to staff proactively.

In implementing each of the objectives, consideration must be given to our partnership arrangements. Protocols for sharing information with our public, voluntary and community sector partners must be established and partners must be encouraged and supported to implement their own information management practices.

#### Objective three: Effective record management

Achieving excellence in records management is a challenge. A suite of guidance and information on Records Management has been produced and will continue to be updated. Records should be stored according to a corporate file plan, which will be loosely based on the Information Record Management System best practice guidelines. Consistent file naming conventions will be followed to ensure

information is well organised and easy to find and use. It is also crucial that version control is used to ensure that information is published as the final record to ensure that staff know which information has been agreed and approved and which is in draft or an earlier version. This will ensure that information is accurate, authentic, up to date and reliable. It will increase staff confidence in the quality of the information they refer to.

#### Objective four: Transparency and Accessibility

We want to create a culture where we go beyond meeting Government requirements on what we must publish and proactively publish as much information as we can, in formats that are accessible and engaging.

We will seek to understand what information people want and need and make it available for them without having to request it.

Actions

| Action No.   | Description  | Complete by:             | Associated costs:  |
|--|--|--------------------------|--|
| Strong governance                                      |  |                          |  |
| 1.1  | Ensure appropriate training for all those with specific information management roles within MBC  | Ongoing                  | External training sessions and Officer Time to facilitate and attend training                        |
| 1.2  | Promoting and ensuring the programme of mandatory information management training for all staff is completed on E-learning   | 31 March 2017            | Staff time to complete training every 3 years and any additional training deemed necessary for role. |
| 1.3  | Raise awareness of information management issues throughout MBC  | Ongoing                  | Communication campaign costs – printing posters/ team meetings/ compliance sweeps.                   |
| Effective information management policies and guidance |  |                          |  |
| 2.1  | Provide guidance and procedure notes for all staff.  | 31 March 2017            | Policy and Information Officer Time  |
| 2.2  | Establish arrangements for monitoring compliance with information management policies and supporting standards, procedures and guidelines. As part of data quality checks. | Ongoing                  | Policy and Information, Audit and Transformation Officers Time                                       |
| 2.3  | Roll out and raise awareness and understanding of the information sharing log  | 31 March 2017<br>Ongoing | Information Management Officer time/ Unit Managers to disclose who they share information with.      |

65

| Effective record management |   |  |  |
|-----------------------------|---|--|--|
| 3.1                         | Review hardcopy records across MBC, with the aim of reducing reliance - creation and storage of paper records.  | Timetable of services to be agreed for 2016-2017 | Unit managers and officer time                                     |
| 3.2                         | Consider possible improvements to the security of hardcopy files and documents in Maidstone House   | 31 March 2017                                    | Officer time   |
| 3.3                         | Establish secure disposal arrangements for records including implementing the Government Protective Marking Schedule.   | 31 March 2017                                    | Policy and Information Management Officers Time                    |
| 3.4                         | Consider whether to implement a check-in, check-out system for files being taken out of the building for key services   | 31 March 2017                                    | Officer time   |
| 3.5                         | ICT to sweep files to remove/reduce duplication of electronic files   | 31 March 2017                                    | ICT Officers time  |
| 3.6                         | Staff to dispose of unnecessary electronic records in line with the retention schedule and procedures regarding the recording of the disposal of records as a matter of routine. Reviewing how effective this has been. | Ongoing  | Officer time (as a matter of routine)                              |
| 3.7                         | Clear out days for departments with the highest volume of unnecessary paper records   |  | Staff time/time away from day-job, disposal costs, archiving costs |
| 3.8                         | Improve the security of hardcopy files and documents enforcing a clear desk policy.   | Ongoing  | Officer time (conducting spot-checks)                              |

| Transparency and Accessibility |  |            |   |
|--------------------------------|--|------------|---|
| 4.1                            | Review information requests and identify common themes and information that can be published routinely   | Ongoing    | Policy and Information team time                  |
| 4.2                            | Improve online information request forms to ensure that they provide information without request   | March 2017 | Policy and Information Team and Digital Team time |
| 4.3                            | Work with Services to identify information that is routinely created and identify whether there is a public interest in making the information | Ongoing    | Policy and Information Team time                  |
| 4.4                            | Review the quality of published information and ensure that it is understandable and accessible  | Ongoing    | Policy and Information Team time                  |

# Agenda Item 16

## Policy and Resources Committee

28 September 2016

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

Yes

## Petition on Council Tax Enforcement

|                                       |  |
|---------------------------------------|--|
| <b>Final Decision-Maker</b>           | Policy and Resources Committee                         |
| <b>Lead Head of Service</b>           | Sheila Coburn, Interim Head of Revenues and Benefits   |
| <b>Lead Officer and Report Author</b> | Estelle Culligan, Deputy Head of the Legal Partnership |
| <b>Classification</b>                 | Public   |
| <b>Wards affected</b>                 | All  |

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

1. That the Committee notes the petition.
2. That the Committee notes the procedures in place currently to enforce unpaid council tax.
3. That the Committee takes no further action on the petition.

### This report relates to the following corporate priorities:

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

### Timetable

| <b>Meeting</b>                 | <b>Date</b>       |
|--------------------------------|-------------------|
| Policy and Resources Committee | 28 September 2016 |

# Petition on Council Tax Enforcement

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Mr Jon Hicks of 44 Plains Avenue, Maidstone, presented a petition to the Council dated 8 September 2016. The petition is headed "Councillor Scrutiny of Council Tax Enforcement". The petition is signed by 183 local residents.
  - 1.2 In summary, the petition requires the Council to amend its procedures for enforcing unpaid council tax. Further details are set out below.
  - 1.3 The Council's Constitution requires the relevant committee or – if appropriate – full Council, to consider any petition which contains more than 100 signatures of people resident in the Borough (part 3.1 section 12 of the Constitution). Policy and Resources has strategic oversight of the Council's policies on council tax, therefore it is appropriate for this committee to consider the petition.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The wording of the petition is as follows:
- 2.2 "We the undersigned petition the Council that any solicitors, currently or previously instructed to enforce council tax must be scrutinised by Councillors and to prohibit the use of external solicitors for the enforcement of council tax.

That only current up to date insolvency prescribed forms shall be submitted for bankruptcy proceedings. That no council tax sum of money submitted to the council's automated system can be re-allocated to a previous already secured amount without your customers express written consent. That a prior warning in plain view must placed onto the council's automated system.

That no council officer without written consent can instigate charging orders or insolvency bankruptcy proceedings on behalf of the council, when notified prior to or afterwards, that the sum paid is to reduce the amount to below either the charging order amount or bankruptcy threshold, because it is always assumed that the money applies to a unsecured not a securitised amount.

We demand that all previous orders obtained by the council without the above due process of law being followed including proper service of current insolvency documents by external solicitor's firms and their agents must be quashed or annulled with immediate effect."

## 2.3 Council Procedures

The Council follows the procedures set out in the Council Tax (Administration and Enforcement) Regulations 1992 in order to collect council tax and to deal with non payment. In summary, when a resident misses an instalment, the Council sends a reminder notice requiring payment within 7 days. Following a reminder, a 2<sup>nd</sup> reminder and/or a final notice will be issued if a resident does not bring his/her instalments up to date or fails to pay further instalments. Depending on the individual's circumstances (e.g. whether they are in genuine difficulty and are in contact with the Revenues team or are simply refusing to pay or to engage), the team may allow more time for an individual to set up an arrangement and to clear a debt. If there is genuine need and/or vulnerability, the team may correspond with the resident over a period of weeks or months before taking formal enforcement action.

- 2.4 Once the team decides to enforce the debt, it will issue a summons to the resident before applying for a liability order through the magistrates' court. Following issue of court proceedings, at any point up to and including making the liability order, the resident is able to pay the outstanding debt and the reasonable costs of the proceedings as shown on the summons. If the individual pays in full before the liability order is made, the court will not make the order. If paid in full, including all costs, after the order is made, the debt and the order are satisfied and the Council takes no further action.
- 2.5 Following receipt of a liability order, the Council may pursue a number of options to enforce the debt. These options include applying for an attachment of earnings order against the individual, a charging order (subject to the debt being £1,000 or more) or a bankruptcy order (subject to the debt being £5,000 or more). Regulation 49 of the regulations specifically allows for the use of bankruptcy proceedings to enforce the debt. Regulation 49(1) states "Where a liability order has been made and the debtor against whom it was made is an individual, the amount due shall be deemed to be a debt for the purposes of section 267 of the Insolvency Act 1986 (grounds of creditor's petition).
- 2.6 Regulation 50 of the regulations specifically allows the Council to apply for a charging order to enforce the debt. A charging order is an order against property which normally secures a debt. When the property is sold or re-mortgaged, the debt is normally paid off, as long as there are sufficient funds from the sale/re-mortgage. A charging order does not guarantee payment in circumstances such as repossession of the property or if there is insufficient equity Regulation 50 (1) allows an application to court where:
- "(b) the amount mentioned in regulation 34(7) (a) or 36A (5) (a) in respect of which the liability order was made, or, where more than one liability order was made, the aggregate of the amounts mentioned in regulation 34(7) (a) or 36A (5) (a) in respect of which each such liability order was made, is an amount the debtor is liable to pay under Part V; and
- (c) at the time that the application under this regulation is made at least £1000 of the amount in respect of which the liability order was made, or, where

more than one liability order was made, the aggregate of the amounts in respect of which those liability orders were made, remains outstanding.”

- 2.7 The Revenues team would usually pursue a charging order to secure the debt when they have considered all other avenues of obtaining payment, the debt has been outstanding for a period of time and it is more than £1,000. The team would usually only start bankruptcy proceedings against a resident after the charging order is made but further debts accrue or where the resident will not pay the council tax due. If the team suspects the resident is a vulnerable person, they will also speak to social services before pursuing the debt. Legislation states that a creditor cannot start bankruptcy proceedings for any debt less than £5,000. (this threshold was raised from £750 on 1 October 2015).
- 2.8 Although the Revenues team normally applies for a charging order before applying for a bankruptcy order against an individual, there are certain circumstances where the team might apply for bankruptcy as the only means of formal enforcement. This includes circumstances where there is a large and/or accruing debt which, despite the team’s best efforts, is not paid and the team feels there is refusal to pay or little likelihood of it being paid. Bankruptcy can only be used when the resident owns property. The team also has to consider that, although a charging order secures the debt, the debt remains unpaid until the property is sold or re-mortgaged and in certain circumstances, the debt may not be paid at all.
- 2.9 Use of Solicitors**
- 2.10 For all new charging orders, the Revenues team instructs the Council’s internal legal team. However, for bankruptcy proceedings, as there is no expertise in house – and proceedings can be time consuming – the team instructs external solicitors, J E Baring and Co. If the Council were to decide to prohibit the use of external solicitors, unless extra resource is put into employing extra legal staff with the appropriate expertise, it would be very difficult to deliver this work in house.
- 2.11 Application of payments to prior debts**
- 2.12 There can be cases where an individual has several outstanding council tax debts, going back over years, and comprising various amounts. If an individual pays an amount which matches a particular amount of arrears, or the current payment due, the software system automatically applies the payment against that particular debt to clear it. However, if an individual pays a random amount, the software system will automatically apply it to the longest standing arrears. In this way, the earliest debt for the Council is cleared or reduced.
- 2.13 The software system will apply payments to the earliest debt in time, even if this debt is secured by a charging order. This reduces the charge secured against the individual’s property. The Council has no obligation to apply amounts to a later unsecured debt simply to reduce the amount outstanding to below the threshold required to apply for a further charging order or for bankruptcy.

## **2.14 Court forms and appropriate venues for proceedings**

2.15 The Revenues team and the internal and external solicitors always use the most up to date court forms for any court proceedings. There was an argument raised recently in Maidstone County Court that the proceedings should have been heard in the High Court. However, the District Judge confirmed that the form was correct and that cases can be heard either in the High Court or County Court (according to particular circumstances) and that it was appropriate for the Council to have brought this case in the County Court.

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## **3 AVAILABLE OPTIONS**

- 3.1 Part 3.1 section 12 of the Constitution states that the committee will consider and debate the petition having received a report on the issues.
  - 3.2 The Committee may simply note the petition and the contents of this report, which explains the Council's procedures on the issues raised by the petition, and agree to take no further action.
  - 3.3 The Committee may decide to accept the recommendations in the petition. However, the proposals in the petition limit the Council's ability to enforce payment of council tax. This would result in an increase in arrears of council tax which the council has a statutory duty to collect not only for Maidstone Borough Council, but for Kent County Council, Kent Police and Kent Fire and Rescue.
- 

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

- 4.1 The recommendations in paragraph 3.2 and set out at the beginning of this report under "Recommendations" are the preferred option.
  - 4.2 This report aims to clarify and explain the legislative and procedural background to the action which the Council takes to enforce payment of council tax.
  - 4.3 Any changes to the current procedures would be both contrary to current legislation and would seriously limit the Council's ability to secure and/or collect council tax debts.
-

## 5 CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue                                 | Implications  | Sign-off                           |
|---------------------------------------|---|------------------------------------|
| <b>Impact on Corporate Priorities</b> | Payment of Council Tax is a statutory duty on all residents of the Borough. It is a fundamental part of the Council's income which enables the Council to continue to serve the local residents. All council tax debt increases the burden on those residents who do pay council tax.   | Deputy Head of Legal Partnership   |
| <b>Risk Management</b>                | If the proposals in the petition are accepted, there is a risk that the Council will be limited in its ability to enforce payment of council tax which it does on behalf of the precepting authorities mentioned in 3.3   | Head of Revenues and Benefits      |
| <b>Financial</b>                      | The Officer report describes the Council's processes for collection of council tax, which are efficient and comply with the relevant regulations. Introducing further processes, as set out in the petition, would risk a reduction in efficiency and a lower collection rate, with no corresponding benefit to council tax payers either individually or collectively. | Section 151 Officer & Finance Team |
| <b>Legal</b>                          | The legal implications are set out in the body of the report  | Deputy Head of Legal Partnership   |

## 6 REPORT APPENDICES

6.1 There are no appendices attached to this report.

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# Agenda Item 17

## **POLICY AND RESOURCES COMMITTEE**

**28<sup>th</sup> September 2016**

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

**Yes**

### **North Kent Enterprise Zone, Memorandum of Understanding**

|                                       |  |
|---------------------------------------|--|
| <b>Final Decision-Maker</b>           | Policy and Resources Committee                           |
| <b>Lead Head of Service</b>           | Head of Commercial and Economic Development              |
| <b>Lead Officer and Report Author</b> | John Foster, Regeneration & Economic Development Manager |
| <b>Classification</b>                 | Public   |
| <b>Wards affected</b>                 | Boxley   |

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

1. That the draft Memorandum of Understanding (MOU) set out in Appendix 1 is agreed and that authorisation is given to the Chief Executive to sign it and submit it to Government.
2. That delegated authority is given to the Director of Regeneration and Place in consultation with the Chairman of Policy and Resources Committee to agree the content of the final MOU.

#### **This report relates to the following corporate priorities:**

- Promoting a range of employment opportunities: from the business and retail development on the site.

#### **Timetable**

| <b>Meeting</b>       | <b>Date</b>                     |
|----------------------|---------------------------------|
| Policy and Resources | 28 <sup>th</sup> September 2016 |

# North Kent Enterprise Zone, Memorandum of Understanding

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Government requires each local authority on which a new Enterprise Zone site is situated to sign a Memorandum of Understanding (MOU) with The Secretary of State for Communities and Local Government confirming their commitment to the Enterprise Zone and setting out the arrangements for its operation and development.
  - 1.2 A template form of words is provided by the Government which may be altered by agreement with all parties.
  - 1.3 This report recommends that the draft MOU attached as Appendix 1 is approved.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Enterprise Zones are part of the Government's long term plan to generate economic growth. A number have already been established around the country and in July 2015 a new opportunity to bid to have an Enterprise Zone was announced by the Government.
- 2.2 Benefits of Enterprise Zones relevant to Maidstone:
  - Up to 100% business rate discount worth up to £275,000 per business over a 5 year period.
  - All business rates growth generated by the Enterprise Zone is kept by the relevant local authorities in their areas for 25 years to reinvest in the Enterprise Zone and potentially in years to come, local economic growth.
  - In addition, the Government is committed to working actively with Enterprise Zones to help to unblock any barriers to delivery, such as Department for Transport support on transport infrastructure, Department for Environment Food and Rural Affairs support on addressing environmental issues and The Department for International Trade (formerly UKTI) advice on marketing Zones to international investors.
- 2.3 One of the key projects set out in the Council's adopted Economic Development Strategy is to work to support the Kent Medical Campus, due, in summary, to the number and quality of jobs it has the potential to provide. It is this site that was put forward initially for Enterprise Zone status but working with the Kent and Medway Economic Partnership it was agreed to submit a joint bid with North Kent. Multi-site bids were encouraged by the Government. The bid was made in July 2015 and the award of this status was announced in the Autumn Statement which was reported to the Policy and Resources Committee on the 27<sup>th</sup> January 2016 when Members considered the Strategic Plan 2015-20 Refresh. Members resolved that the Enterprise Zone was one of 5 transformational actions that should be progressed.

- 2.4 The North Kent Enterprise Zone (NKEZ) is a multi-site proposal spanning five local authorities – Dartford, Gravesham, Medway, Tonbridge and Malling and Maidstone – and encompassing three schemes, namely Ebbsfleet Garden City, Kent Medical Campus and Rochester Airport Technology Park.
- 2.5 In the Autumn Statement of 2015 the Government awarded Enterprise Zone (EZ) status to the NKEZ. The EZ commences in April 2017. The most successful EZ's across the Country are ones that establish operational and implementation plans early in their life and the MOU is designed to encourage their development.
- 2.6 As stated in paragraph 2.2 one of the benefits of Enterprise Zone status is that 100% of the business rates collected must be reinvested in the Enterprise Zone. The Council could choose to borrow against this business rates income and accelerate further development on Kent Medical Campus. The options will be identified and assessed as part of the work needed to formulate a working draft Implementation Plan; this will be submitted with the MOU. In future years the business rates income from the Enterprise Zone could be used to support job creation and growth more generally in the Borough.
- 2.7 The Government's timetable requires that this submission occurs by 30<sup>th</sup> September 2016. Without an MOU in place other Government support will not be available to the Enterprise Zone. The final Implementation Plan, which needs to be submitted by March 2017, will be presented to Policy and Resources Committee for approval.
- 

### **3. AVAILABLE OPTIONS**

- 3.1 It is a requirement of Government that an MOU is signed. The Council could:
- a. Ask for the content of the MOU to be amended. Any amendments would require the agreement of all Local Authorities and the Government. The NKEZ Strategic Board has discussed and reached consensus of the content of the MOU attached as Appendix 1.
  - b. Choose not to sign the MOU, however this would undermine the NKEZ partnership, potentially threaten the loss of the EZ designation and all the benefits that would flow from it.

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

- 4.1 That the draft MOU attached as Appendix 1 is agreed. This will ensure the MOU reaches Government by the deadline of the 30<sup>th</sup> September 2016 and that the benefits of the EZ are secured.
- 

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

5.1 Members received a presentation on the delivery of the Economic Development Strategy to date earlier this year which included information on the Enterprise Zone.

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

6.1 The MOU will be signed by all Local Authorities in the NKEZ area and submitted to Government along with a working draft Implementation Plan. A further report will be submitted to this Committee setting out the Council's Implementation Plan for the EZ.

## **7. CROSS-CUTTING ISSUES AND IMPLICATIONS**

| Issue                                 | Implications  | Sign-off                                    |
|---------------------------------------|---|---|
| Impact on Corporate Priorities        | The proposal impacts on the following corporate priority: Promoting employment. | Head of Finance & Resources                 |
| Risk Management                       | None arising from signing this MOU  | Head of Finance & Resources                 |
| Financial                             | None arising from signing this MOU  | Head of Finance & Resources                 |
| Staffing                              | None arising from signing this MOU  | Head of Commercial and Economic Development |
| Legal                                 | None arising from signing this MOU  | Head of Legal Partnership                   |
| Equality Impact Needs Assessment      | There is no specific impact arising from signing this MOU                       | Head of Commercial and Economic Development |
| Environmental/Sustainable Development | None arising from signing this MOU  | Head of Commercial and Economic Development |
| Community Safety                      | N/A   | N/A   |
| Human Rights Act                      | N/A   | N/A   |
| Procurement                           | None arising from signing this MOU  | Head of Finance &                           |

|                  |                                    |                             |
|------------------|------------------------------------|-----------------------------|
|                  |                                    | Resources                   |
| Asset Management | None arising from signing this MOU | Head of Finance & Resources |
| Issue            | Implications                       | Sign-off                    |

**8. REPORT APPENDICES**

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

- Appendix I: Draft Memorandum of Understanding

**9. BACKGROUND PAPERS**

None

## Enterprise Zone Memorandum of Understanding

THIS AGREEMENT is dated [30<sup>th</sup> September] 2016

### PARTIES

1. **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**);
2. Each of the local authorities for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 1 (together the **Relevant Local Authorities**);
3. The Local Enterprise Partnership for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 2 (where a local enterprise partnership does not have corporate status then the Accountable Body who acts as the representative is listed) (together with the **Local Enterprise Partnership**)

### BACKGROUND

- A. The Secretary of State has the power to declare an area to be an Enterprise Zone.
- B. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. Enterprise Zones are on sites which would ordinarily not be expected to generate significant business growth nor generate any business rates without incentives and /or dedicated local stakeholder support. Any increase from business rates income which arise from the development of an Enterprise Zone site will not be affected by business rates reform, reset or redistribution for a period of 25 years.
- C. A local enterprise partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. This includes arrangements for the establishment and operation of Enterprise Zones. As some local enterprise partnerships are not corporate bodies, a local authority may act as an accountable body on their behalf.
- D. In agreement with the Local Enterprise Partnership local authorities responsible for all or part or all of an Enterprise Zone use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and neighbouring areas.
- E. Taking account of the application included within the attached schedule and other representations made by the Local Enterprise Partnership, the Secretary of State with the agreement of the Chancellor of the Exchequer offers the Local Enterprise Partnership and Relevant Accountable Bodies the right to set up and establish arrangements for the operation of the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this Memorandum of Understanding. To allow all parties to review their interests, in the first instance this Memorandum of Understanding extends to 2020.

**IT IS AGREED THAT:**

**1 DEFINITIONS**

In this Memorandum of Understanding the following words and phrases shall have the following meanings:

**“Accountable Body”** means a local authority organisation(s) responsible for one or more aspects of the operation of the Enterprise Zone in line with plans agreed with the Local Enterprise Partnership.

**“Application”** means the application for enterprise zone status submitted to the Secretary of State by the Local Enterprise Partnership on [18<sup>th</sup> September 2015] (which may be amended from time to time after the date of this Memorandum of Understanding) and includes each of the representations at Schedule 3 of this Memorandum of Understanding (in the event of conflicting statements, Schedule 3 and then the latest validly made variation shall take priority).

**“Enterprise Zone”** means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.

**“Regulations”** means 'Capital Allowances (Designated Assisted Areas) Order 2016', 'Non-Domestic Rating (Designated Areas) Regulations 2016', and 'Non-Domestic Rating (Rates Retention) Regulations 2013'.

**“Relevant local authorities”** means a local authority on which all or part of an Enterprise Zone is situated and as a consequence collects business rates from businesses in operation on that site.

**“Term”** means the earlier of 31 March 2020 or the date of the Secretary of State, each of the Local Enterprise Partnership or each of the Relevant Local Authorities giving written notice to the other parties to this Memorandum of Understanding of its intention to terminate the Enterprise Zone status under clause 5.

**2 AGREEMENT TO SET UP AND OPERATE AN ENTERPRISE ZONE**

Having relied upon the representations made by the Local Enterprise Partnership in the Application, the Secretary of State offers the Local Enterprise Partnership and the Relevant Local Authorities the right to set up and operate the Enterprise Zone for the Term, subject to the terms of this Memorandum of Understanding, including the right to benefit from the following business incentives:

- Permitting the Relevant Local Authorities to retain 100% of any business rate increase which accrues for a period of 25 years from the commencement date (this being [1<sup>st</sup> April 2017]) of the Enterprise Zone, providing that such sums are directed towards the development of the Enterprise Zones and into infrastructure and services to support enterprise and growth with the relevant local authorities' areas;
- Central government will reimburse the cost incurred by Relevant Local Authorities in providing a 100% business rates discount for a period of up to five years, to any business which sets up operations within the Enterprise Zone site before 31 March

2022, and is able to receive the support within the State Aid De Minimis threshold (or other limitation applicable by law);

- As an alternative to the reimbursement of business rates, and up until 31<sup>st</sup> March 2020, Central Government will reimburse the Relevant Local Authorities the cost of allowing businesses occupying an Enterprise Zone sites within an Assisted Area to count 100% up to €125 million of their first years' expenditure on qualifying plant and machinery assets against taxable income as an Enhanced Capital Allowance (ECAs)
- The Local Enterprise Partnership and Relevant Local Authorities can together agree to other local authorities benefitting from the benefits of the Enterprise Zone during the Term provided they have entered into an inter-party agreement as set out in 3.2 (a) and meet the relevant requirements in the regulations. In this situation, notice shall be given to the Secretary of State of the arrangement.

### 3. TERMS AND CONDITIONS

**3.1** The Relevant Local Authorities and the Local Enterprise Partnership agree, having undertaken due investigation, that at the date of this Memorandum of Understanding:

- (a) The statements within the Application are accurate;
- (b) they are not aware of any information which is likely to materially undermine the ability of the Local Enterprise Partnership and the Relevant Local Authorities to deliver the Enterprise Zone in accordance with the Application and achieve the outputs; and
- (c) they are not aware of any information, which is likely to significantly delay the Local Enterprise Partnership in delivering the Enterprise Zone in accordance with the Application or achieving the outputs.

**3.2** The Relevant Local Authorities and Local Enterprise Partnership confirm, having undertaken due investigation, that:

- (a) they have obtained or shall use all reasonable endeavours to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the Enterprise Zone in accordance with the Application;
- (b) they have or will secure the expertise and capacity to set up and operate the Enterprise Zone in accordance with the Application;
- (c) they will undertake all the steps to set up and operate the Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid, planning law and all rules relating to the collection and distribution of business rates, discount, and use of business rates for investment); and
- (d) they will deliver the relevant incentives at Schedule 4 for the period set out in the Application and this Memorandum of Understanding.

**3.3** The Relevant Local Authorities and the Local Enterprise Partnership agree to:

- (a) organise and promote a governance group for the Enterprise Zone which is able to make strategic and operational decisions. This shall include representatives of each relevant local authority and shall meet at least quarterly (“**Governance Group**”); and
- (b) enter into Memorandum of Understandings with each other which set agreed objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Memorandum of Understanding (for example, provisions covering the use of business rates retained by local authorities and how local authorities will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data). Where during the Term, new local authorities become involved in the Enterprise Zone or the legal status of Local Enterprise Partnerships and local authorities involved in the Enterprise Zone changes, the Secretary of State requires that the Local Enterprise Partnership uses all reasonable endeavours to enter into new Memorandum of Understandings under this clause. Copies of these Memorandum of Understandings should be sent to the Secretary of State within 50 days of execution.
- (c) to use government subsidies provided for the Enterprise Zone (including the subsidy provided under this Memorandum of Understanding and the Regulations) for the objectives of the Enterprise Zone and in compliance with relevant laws.

### 3.4 Implementation Plan

The Local Enterprise Partnership in consultation with the Relevant Local Authorities shall design and submit to the Secretary of State a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31st March 2017.

### 3.5 The Cities and Local Growth Unit shall support:

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, which is [ ] (E-mail: Telephone: ) who shall advise on the procedures for establishing the zones and resolving issues, which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership and Relevant Local Authorities shall be informed if there is a change in the Cities and Local Growth Unit team contact.
- (b) Enterprise Zones by providing information on the Enterprise Zone to the market via press releases, its national Enterprise Zone website, Twitter account and other media; and
- (c) Collaboration, by inviting senior leaders from all England’s Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers

this support shall be provided up until 31 March 2020 and may be renewed or subject to alteration after that date.

### 3.6 The Relevant Local Authorities and Local Enterprise Partnership shall:

- (a) send the Cities and Local Growth Unit contact the details of the primary point of contact (“**Local Enterprise Zone Contact**”, a named representative agreed with the Local Enterprise Partnership) for the Enterprise Zone within 20 Working Days of entering into

this Memorandum of Understanding. The Cities and Local Growth Unit contact shall be informed if there is a change in the Local Enterprise contact.

- (b) authorise the Local Enterprise Contact to discuss progress of the Enterprise Zone with the Cities and Local Growth Unit contact either in face-to-face or telephone meetings at least once a quarter. Such meetings shall be two-way enabling both parties to understand progress of the Enterprise Zone. Share information about the wider Enterprise Zone network and any issues which might adversely affect the planned progress of the Enterprise Zone.
- (c) take all reasonable steps to allow the Cities and Local Growth Unit team contact (or another team member in their place) to attend the Governance Group meetings (as mentioned at clause 3.5(a) including providing information on the date and location of meetings and sending papers which will be discussed. The Cities and Local Growth Unit team contact shall be entitled to decide whether they attend in an observer capacity or as a participant at the Governance Group meeting.

### **3.7 Marketing**

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to

- (a) promote the Enterprise Zone;
- (b) share with the Secretary of State a marketing plan for the Enterprise Zone within six months of entering into this Memorandum of Understanding; and
- (c) use DCLG and Enterprise Zone logos within marketing communications and signage.

### **3.8 Monitoring**

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at Schedule 5 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

## **4. CHANGES**

All changes to the text of the application or this Memorandum of Understanding must be approved by the Secretary of State in writing prior to the relevant change being deemed to be effective. Until such time as a change is made in accordance with this clause, the parties shall, continue to perform this Memorandum of Understanding in compliance with its terms before such change.

## **5. TERMINATION**

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of any or all of the Local Enterprise Partnership and / or the Relevant Local Authorities to market an Enterprise Zone if, acting reasonably, the Secretary of State is of the view that a party has acted in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this Memorandum of Understanding.

- (b) The Relevant Local Authorities and Local Enterprise Partnership with the Memorandum of Understanding involved in delivering the Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

**6. GOOD FAITH AND COOPERATION**

Each party covenants with the others that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this Memorandum of Understanding.

**7. MISCELLANEOUS**

Nothing in this Memorandum of Understanding shall constitute a partnership or joint venture between any of the parties.

DRAFT VERSION 1

**ACCEPTANCE**

This Memorandum of Understanding has been entered into on the date stated at the beginning of it.

Signed for and behalf of

**SECRETARY OF STATE FOR** )

**COMMUNITIES** )

**AND LOCAL GOVERNMENT** )

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

1. Local Enterprise Partnership Accountable body signs here

Signed for and in agreement with

**LOCAL ENTERPRISE PARTNERSHIP BY THE ACCOUNTABLE BODY**

**[Essex County Council]**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

**(Add more as required)**

---

Signed for and in agreement with

**Name of Local Authority**

**[Dartford Borough Council]**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

.....

Signed for and in agreement with

**Name of Local Authority**

**[Gravesham Borough Council]**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

.....

Signed for and in agreement with

**Name of Local Authority**

**[Maidstone Borough Council]**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

.....

Signed for and in agreement with

**Name of Local Authority**

**[Medway Council]**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

.....

Signed for and in agreement with

**Name of Local Authority**

**[Tonbridge & Malling Borough Council]**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

.....

Signed for and in agreement with

**Name of Local Authority**

**[Ebbsfleet Development Corporation]**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

.....

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The following parties are aware of the requirements of this Memorandum of Understanding (including the Application) and shall support and assist development and delivery of the Enterprise Zone throughout the Term, but due to not having the required legal personality

**[SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP]**

Authorised Signatory: ADAM BRYAN

Print Name:

**[LOCAL ENTERPRISE PARTNERSHIP]**

Authorised Signatory:

Print Name:

DRAFT VERSION 1

**SCHEDULE 1 - RELEVANT LOCAL AUTHORITIES**

|  |   |
|--|---|
| <b>Dartford Borough Council</b>                | Civic Centre, Home Gardens, Dartford, Kent, DA1 1DR   |
| <b>Gravesham Borough Council</b>               | Civic Centre, Windmill Street, Gravesend, Kent, DA12 1AU  |
| <b>Maidstone Borough Council</b>               | Maidstone House, King Street, Maidstone, Kent, ME15 6JQ   |
| <b>Medway Council</b>                          | Gun Wharf, Dock Road, Chatham, Kent, ME4 4TR  |
| <b>Tonbridge &amp; Malling Borough Council</b> | Kings Hill (Head Office), Gibson Building, Gibson Drive, Kings Hill, West Malling, Kent, ME19 4LZ |

**SCHEDULE 2 – LOCAL ENTERPRISE PARTNERSHIP**

|  |   |
|--|---|
| <b>South East Local Enterprise Partnership</b> | South East LEP Secretariat, c/o Essex County Council, County Hall, Market Road, Chelmsford, CM1 1QH |
|--|---|

**SCHEDULE 3 KEY INFORMATION ON NORTH KENT ENTERPRISE ZONE<sup>1</sup>**

|   |   |
|---|---|
| General                                     |   |
| <b>Name of Enterprise Zone</b>              | North Kent Enterprise Zone  |
| <b>Name of Local Enterprise Partnership</b> | South East Local Enterprise Partnership (SELEP)   |
| <b>Relevant local authorities</b>           | Dartford Borough Council<br>Gravesham Borough Council<br>Maidstone Borough Council<br>Medway Council<br>Tonbridge & Malling Borough Council |

***Fill out information from the application form Q C.8 What is the Local Enterprise Partnership's agreed approach, with the relevant local authorities, about how the retained rates will be used to support development on the Enterprise Zone?***

***Briefly explain your financial or investment plan for how (for example, through borrowing or development of a recycling fund) and when the retained rates will be used.***

As a multi-site Enterprise Zone involving three schemes, the investment plan for the North Kent Enterprise Zone (NKEZ) will substantially comprise a composite of each area's investment plans for the individual schemes. The main responsibility for progressing investment plans will therefore rest with the individual schemes and local delivery arrangements. The NKEZ Strategic Board will aim to add value by considering any potential synergies or joint investment proposals that could assist local delivery.

The overall investment strategy will be developed and agreed by the NKEZ Strategic Board and formally endorsed by the SELEP Accountability Board and/or SELEP Strategic Board (as appropriate).

As a general principle, business rate income will be retained by the local authorities to support investment into the Enterprise Zone, thus providing a future income stream against which early investment can be secured, and into infrastructure and services to support enterprise and growth.

So far as possible, initial investment to deliver the individual NKEZ sites would be sought from the private sector or through joint venture arrangements with landowners/developers.

<sup>1</sup> NB In the bid document the given name was North Kent Innovation Zone. The Strategic Board resolved on 9<sup>th</sup> September 2016 that this should be renamed North Kent Enterprise Zone.

At the time of this MOU, the investment plan remains work in progress. The following paragraphs outline the initial thinking at scheme level

**Ebbsfleet.** Dartford and Gravesham borough councils will collaborate with the Ebbsfleet Development Corporation over how their investments, including borrowing against future retained business rate income and funding committed by Government to support delivery of infrastructure in the Garden City, will be used to support development of the Enterprise Zone sites.

In relation to **Northfleet Embankment West** and **Northfleet Rise**, more will be known about the arrangements for these sites in the autumn when, respectively, the s.106 agreement negotiations and the 'Lift and Shift' Strategy have made further progress. The investment plans for these sites will be developed in Q4 2016 and Q1 2017.

For **Northfleet Embankment East**, the EDC and Gravesham BC are collaborating on a proposal to purchase (from HCA) and develop the site through a joint venture arrangement. The EDC Board have approved £23m investment, subject to DCLG and HMT approval of the business case; subject to due diligence, Gravesham BC's Cabinet will be recommending full Council approval for the Joint Venture (JV). In broad terms, under the JV Gravesham would use investment funds and borrowing against retained NNDR income to finance their interest. In the longer term the retained NNDR income will be used to repay borrowing and acquire the EDC interest (this would also support EDC's exit strategy, as a time-limited body, and help fulfil its repayment obligations to HMT). The expectation is that NNDR income would be generated from Q3 2019 (possibly earlier subject to procurement and construction timetables).

**Kent Medical Campus (KMC).** This site is privately owned and investment to deliver the site is being led by the developers. Maidstone BC are in the exploratory stages to identify where they can add most value to KMC. In the first instance Cygnet, the private mental health hospital, will open in 2017/2018. KMC is attracting other interest but it would probably be around two years before other occupiers will be generating additional business rates income.

The Council and KMC are keen to progress construction of an innovation hub to enable smaller innovative businesses to benefit from the EZ in the medical and health services sectors or supporting sectors. This would provide a hub of activity alongside seminar and meeting rooms and possibly linked to a higher education presence. An outline proposition for this Innovation Hub is being worked up by JLL acting on behalf of KMC Ltd. Further work is needed to model the likely retained business rates income (from Cygnet and other occupiers) to enable the Council to take a view on potential borrowing required to finance this development (which is likely to cost in excess of £6m). Alternatively MBC may consider taking a lease on a design and build solution for facilities provided by KMC Ltd.

The current expectation is that NNDR income will be generated from Q1 2018.

Improvements around Junction 7 of the M20 are needed before KMC can be developed to its maximum potential: these are the subject of a £7.5m LGF proposal included in the SELEP Growth Deal submission to Government.

**Rochester Airport.** Medway Council's direct investment intentions towards the airport development site are still being considered. The landholding being made available is a major council investment in its own right. Decisions about potential council borrowing against future NNDR income will clearer once the planning decision for the airport operator's phase one works has been determined (expected early 2017) and a preferred land disposal option is selected. Medway Council has already been successful in securing £4.4m of LGF funding

towards the airport’s operational infrastructure; spend has been re-profiled in consultation with SELEP to take account of delays whilst EIA requirements are fulfilled. The business case for £3.7m LGF funding for the northern section of the enterprise zone site itself was ranked 4th in SELEP’s Growth Deal submission to Government.

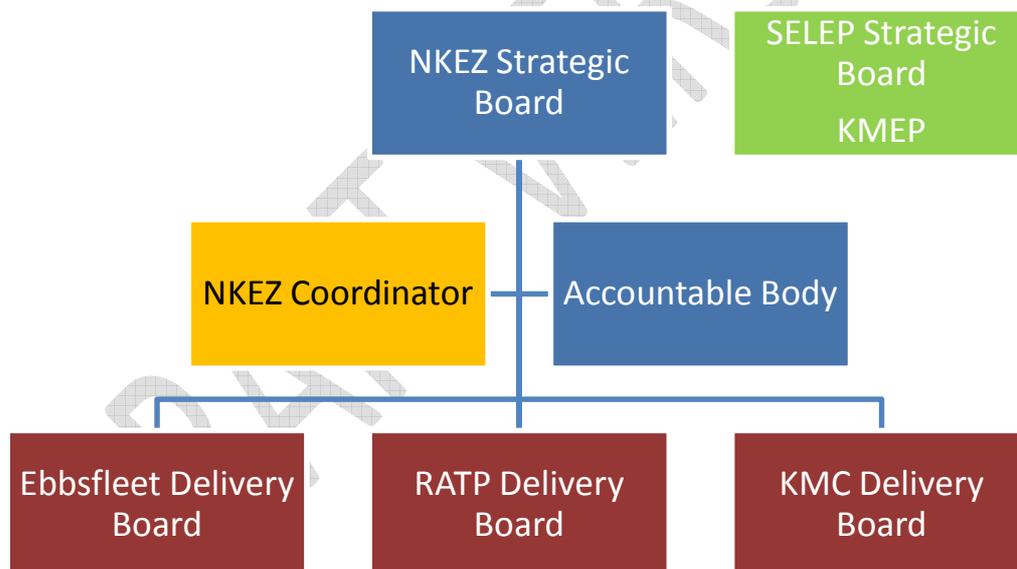
**Fill out information from the application form Q E 1. Please describe the governance arrangements for the proposed Enterprise Zone, clearly setting out the name and job title of the Senior Responsible Officer for delivery of the Zone, the governance structure and explain how progress will be owned by the Local Economic Partnership Board.**

**Name of Senior Responsible Owner:** Adam Bryan

**Job title:** Director, South East Local Enterprise Partnership

**Governance structure:**

There are two tiers of governance for the NKEZ. Each of the three schemes will have a local delivery board, outlined below. Above this there is a strategic board covering the whole enterprise zone. The NKEZ Strategic Board will report to and be accountable to the SELEP Accountability Board / Strategic Board, and regularly report progress to the Kent & Medway Economic Partnership Board under the federal structure of the SELEP.



The NKEZ Strategic Board comprises:

- Chair (private sector)
- Representatives from each of the constituent schemes (Medway Council, Maidstone Borough Council/KMC, Gravesham Borough Council, Ebbsfleet Development Corporation)
- Representative from Thames Gateway Kent Partnership
- Representative for the HEI Sector
- Chief Executive, Locate in Kent
- Representative from the Accountable Body (Maidstone BC, non-voting)
- Managing Director, SELEP

- Senior Officer, KCC
- NKEZ Coordinator (non-voting)

For the individual schemes, the local governance board arrangements are as follows:

#### Ebbsfleet

The Board comprises: the Chief Executive or appropriate Strategic Director from Dartford Borough Council, Gravesham Borough Council and Ebbsfleet Development Corporation; Directors for landowner interests (Land Securities, Tarmac, EIGP, HCA); EDC Programme Manager; co-opted industry/HEI experts.

#### Kent Medical Campus

The Board comprises: the Chief Executive of Kent Medical Campus Ltd; Director of Regeneration & Place, Maidstone Borough Council; Chief Executive of Kent Institute of Medicine & Surgery; [Chief Executive of European School for Osteopathy]; representatives for the landowner (e.g. Jones Lang LaSalle and DHA Planning); Maidstone BC Project Officer; and co-opted industry/HEI experts.

#### Rochester Airport Technology Park

The Board comprises: Leader, Medway Council (Chair); Senior Officer (Director/Assistant Director) from Medway Council and Tonbridge & Malling Borough Council; Director-level representatives of the other site owners or their agents and from Tonbridge & Malling District Council; other landowner representatives (BAE Systems, Sheppey Industries, Rochester Airport Limited); University of Greenwich; Medway Council Project Officer; and co-opted industry experts.

The membership of local boards may be varied from time to time, responding to the relevant expertise that needs to be assembled to drive delivery, for example where development partners are involved.

#### **How will the LEP Board own and drive progress:**

The SELEP board will own and drive progress through regular reporting to the Strategic Board (as is currently the case with the existing Zones) and the Accountability Board. Ownership will be provided through the Responsible Officer who, as Director of SELEP, sits on the NKEZ Strategic Board.

***Fill out information from the Application form from Q E.2 capacity and skills you will make available to deliver the Enterprise Zone on a day-to-day basis, including the job titles and names of each of the staff members in the Local Enterprise Partnership and the relevant local authorities and the total costs of this staff team.***

The precise arrangements for staff and other resources to deliver the NKIZ are being developed in consultation with the key stakeholders for each site. The level of resource will be determined in response to more detailed implementation planning carried out in Q4 2016 and Q1 2017.

Coordination of the NKEZ is led by the Head of Policy at Thames Gateway Kent Partnership. A project group involving Local Authority and Development Corporation officers, Locate in Kent and Kent County Council is working with the Coordinator on implementation planning.

It is not feasible to list and name all the Local Authority personnel involved with the

enterprise zone, e.g. providing professional or technical advice as part of their core function, such as on asset management or procurement. The table below indicates the key individuals with delivery responsibilities and summarises other roles and estimates the aggregate time commitment:

| Role  | Name, Title, Organisation  | FTE             |
|---|--|-----------------|
| <b>Overall Coordination</b>                                       |  |                 |
| SELEP   | tbc  | Tbc             |
| NKEZ Coordinator:   | Richard Longman, Head of Policy, Thames Gateway Kent Partnership   | 0.40            |
| Accountable Body  | Maidstone Borough Council  | tbc             |
| <b>Marketing</b>  |  |                 |
|   | Tbc, Locate in Kent  | Tbc             |
|   | Cathy Collins, Marketing Communications Manager, Medway Council  | Tbc             |
|   | Mark Templeton, Head of Communications, Ebbsfleet Development Corporation  | Tbc             |
| <b>Ebbsfleet</b>  |  |                 |
| Project Manager   | Jennifer Hunt, Project Manager, Enterprise & Environment, Ebbsfleet DC   | 0.30            |
|   | Chris Inwood, Principal Economic Development Officer, Gravesham BC   | 0.15            |
| Gravesham BC internal working group on Northfleet Embankment East | Director (Corporate Services), Legal, Property Services, Planning Policy and Economic Development representatives  | 0.25            |
| <b>Rochester Airport</b>  |  |                 |
| Project Manager   | Richard Kidd, Economic Development Officer, Medway Council   | 0.15            |
| Medway Council Internal Working Group                             | Assistant Director of Legal and Corporate Services, senior representatives from Finance, Valuation and Asset Management, Greenspaces, Planning Services, Regeneration, Economic Development and Communications | 0.30            |
| Tonbridge & Malling Borough Council                               | Economic Development and Planning officers   | 0.05            |
| <b>Kent Medical Campus</b>  |  |                 |
| Project Manager   | Dawn Hudd, Head of Commercial and Economic Development, Maidstone BC   | 0.10            |
| Internal Working Group, Maidstone Council                         | Economic development, regeneration and planning officers   | 0.10            |
| <b>Total FTE</b>  |  | <b>1.8+ FTE</b> |

The development of the proposed joint venture between Ebbsfleet DC and GBC will involve Legal, Finance and Property officers on both sides as well as more intensive contract management functions. Similar considerations could apply for Medway Council depending

on the preferred asset management / development option ultimately chosen for Rochester Airport.

Medway Council and Tonbridge & Malling BC are considering the planning options for Rochester Airport including Local Development Orders (LDO). If the LDO route is chosen, this will have cost implications for both councils and is estimated would require two full-time planning officers for 12 months (either in-house or contracted).

The time commitment of Economic Development Officers is likely to increase in the future as the marketing, enquiries and business support activities start in earnest. Planning functions will need to be geared up to ensure streamlined planning services.

More detailed discussions will be required on the optimal arrangements for both scheme-specific and overall marketing of the NKIZ, and the additional capacity and expertise that may be required. In the first instance, marketing strategy would be developed collaboratively by the scheme sponsors.

Substantial private sector resources are involved in EZ delivery, notably at Kent Medical Campus, led by the Landowner's Agent Jones Lang Lasalle (contact: Gary Watson) and Developer's Agent DHA Planning (contact: Alex Hitchen).

Revised and more detailed estimates of committed resources will be included in the final Implementation Plan by 31 March 2017.

***Q E3 How will you gather data that will allow the Local Enterprise Partnership and local authorities to monitor progress of the Enterprise Zone, for example this could include on delivering new jobs, business, and investment?***

Reporting and monitoring arrangements will be agreed between the NKEZ Strategic Board and the SELEP's Accountability Board, in collaboration with the Accountable Body.

Progress on delivery of the Enterprise Zone sites, occupation by businesses (entrances and exits) and non-commercially sensitive information on transactions (e.g. leases) will be reported to the local delivery boards and collated for reporting to the Strategic Board and to KMEP/SELEP.

More specific data will be collected and analysed using the *Evolutive* reporting mechanisms, which has been adopted across SELEP as the platform for Growth Hub services and data tracking, including the Kent & Medway Growth Hub. These data would include:

- GVA per capita within businesses locating to EZ sites
- Jobs created and safeguarded
- Delivery of Intensive business assistance

We will also be looking at what additional relevant data might be collected and/or shared, e.g. through other business support mechanisms (in-house or contracted out), business rate data from VOA and local authority business rates (NNDR) departments, and from external sources including Locate in Kent.

With reference to Schedule 5 (Management Information), we anticipate data will be provided as annotated in that Schedule.

***Q E5 Briefly set out your plan for marketing the sites to occupiers and/or investors, in the case of multiple site zones being clear if they will be marketed in clusters or in stages.***

There will be coordination of marketing and PR across the NKEZ as a whole, but the principal marketing and associated market research effort will be concentrated at individual scheme level, with bespoke marketing of the individual sites to target sectors. Marketing actors are expected to include landowners and their agents, the local authorities and Locate in Kent (particularly with regard to inward investment). The appointed marketing lead(s) will liaise with Locate in Kent and Department for International Trade on foreign direct investment and export promotion.

For the individual sites, the lead bodies are:

Ebbsfleet: [Ebbsfleet Development Corporation, with research input from Cushman & Wakefield and ??? Tbc]

Kent Medical Campus: Jones Lang Lasalle and DHA Planning, with research input from Springboard Marketing

Rochester Airport: Medway Council and ????? with research input from ????

Marketing will also involve conventional channels including:

- Dedicated NKEZ website (developed initially by Locate in Kent) coordinating with other landing points (e.g. the Kent & Medway Growth Hub, Ebbsfleet Development Corporation, local authority business support services and LiK's own website)
- Estates Gazette's EG Property Link online database
- Nationwide commercial property agents (e.g. JLL, Savills, DTZ), as well as local agents (e.g. Harrisons Surveyors, Watson Day)
- Targeted print media (e.g. Medway One, Ebbsfleet Magazine)
- Bespoke and third-party events (e.g. Kent 2020).

**SCHEDULE 4 – SITES AND INCENTIVES**

| <b>Proposed EZ Sites</b>               | <b>District / Local authority Ward</b>   | <b>ECA</b> | <b>BRD</b> | <b>BRR</b> |
|--|--|------------|------------|------------|
| Northfleet Embankment (Riverside) East | Gravesham BC / Northfleet North Ward   | X          |            |            |
| Northfleet Embankment (Riverside) West | Gravesham BC / Northfleet North Ward   | X          |            |            |
| Ebbsfleet Valley Northfleet Rise       | Gravesham BC / Northfleet South<br><br>Dartford BC / Swanscombe Ward   | X          |            |            |
| Rochester Airport Technology Park      | Medway Council / Rochester South and Horsted<br><br>Tonbridge & Malling Borough Council / Burham & Wouldham Ward | X          |            |            |
| Kent Medical Campus                    | Maidstone Borough Council / Boxley Ward  | X          |            |            |

**SCHEDULE 5 – MANAGEMENT INFORMATION**

|  | 2017/18 | 2018/19 | 2019/20 |
|--|---------|---------|---------|
| <b>Q1*</b> What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?  |         |         |         |
| <b>Q2*</b> What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year? |         |         |         |
| <b>Q3*</b> What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?                         |         |         |         |
| <b>Q4</b> What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?  |         |         |         |
| <b>Q5</b> What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?   |         |         |         |
| <b>Q6</b> What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?  |         |         |         |
| <b>Q7</b> Was a Local Development Order introduced on the zone or a part of the zone this quarter?   |         |         |         |
| <b>Q8</b> What was the change in the number of businesses that started trading on the zone this quarter?   |         |         |         |
| <b>Q9</b> What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.  |         |         |         |
| <b>Q10</b> What was the value of any new public sector revenue investment on the zone this quarter?  |         |         |         |
| <b>Q11</b> What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?   |         |         |         |
| <b>Q12</b> What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?   |         |         |         |
| <b>Q13</b> What area of land was reclaimed and made ready for development on the zone this quarter?  |         |         |         |
| <b>Q14</b> What commercial floorspace was constructed on the zone in this quarter?   |         |         |         |
| <b>Q15</b> What commercial floorspace was refurbished on the zone this quarter?  |         |         |         |
| <b>Q16*</b> “What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?”  |         |         |         |
| <b>Q17</b> What land sales were there on the zone this quarter?  |         |         |         |