

# AGENDA

## POLICY AND RESOURCES COMMITTEE MEETING



Date: Wednesday 14 December 2016

Time: 7.15 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 6 December 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 23 November 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 - 9
12.	Report of the Head of Policy and Communications - Strategic Plan 2015-20, 2017-18 Refresh	10 - 25
13.	Report of the Director of Finance and Business Improvement - Medium Term Financial Strategy and Budget Proposals 2017/18	26 - 67
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16.	Report of the Director of Mid Kent Services - Irrecoverable Business Rates	83 - 93
17.	Report of the Head of Regeneration and Economic Development - Business Terrace Update	94 - 103

### **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.

## **MAIDSTONE BOROUGH COUNCIL**

### **POLICY AND RESOURCES COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON WEDNESDAY 23 NOVEMBER 2016**

**Present:** Councillor Mrs Wilson (Chairman), and  
Councillors Mrs Blackmore, Boughton, D Burton,  
English, Fermor, Garland, Mrs Gooch, Harper, Harvey,  
Harwood, McLoughlin, Pickett, Mrs Ring

111. APOLOGIES FOR ABSENCE

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

112. NOTIFICATION OF SUBSTITUTE MEMBERS

The following Substitute Members were noted:-

Councillor Mrs Ring for Councillor Brice  
Councillor English for Councillor Cox  
Councillor D Burton for Councillor Round

113. URGENT ITEMS

There were no urgent items.

114. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

115. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members and Officers.

116. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

117. EXEMPT ITEMS

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

118. MINUTES OF THE MEETING HELD ON 26 OCTOBER 2016

**RESOLVED:** That the Minutes of the meeting held on 26 October 2016 be approved as a correct record and signed subject to the following amendments:-

Under Minute 101 – Councillor Boughton be added to the list of Councillors recording dissent on page 7:-

Under Minute 107 – the following bullet point be added:

‘That the lease would provide for termination in the event that the Fant Wildlife Group failed to undertake their commitments and responsibilities’.

119. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

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

There were no questions from members of the public.

121. COMMITTEE WORK PROGRAMME

The Chairman stated that the two letters circulated to members of the Committee were related to the confirmation of the multi-year settlement offer and the other was a copy of a letter sent to the Environment Agency.

In response to a Members’ question the Director of Finance and Business Improvement indicated that although the flooding report was scheduled for January, should there be anything significant to report, he would bring an urgent item to the December meeting.

**RESOLVED:** That the Committee Work Programme be noted.

122. REPORT OF THE DIRECTOR OF FINANCE AND BUSINESS IMPROVEMENT - SECOND QUARTER BUDGET MONITORING 2016/17

The Committee considered the report of the Director of Finance and Business Improvement which provided an overview of the capital and revenue budget and outturn for the second quarter of 2016/17. It also highlighted variances within cost centres that exceeded or were expected to exceed £30,000.

It was noted that the main contributors to the overspend were temporary accommodation and development management. Members were advised that measures to address the situation would be reported to the respective Service Committees.

In addition, increased controls have been put in place in the following areas of spending which would be closely monitored by Corporate Leadership Team:-

1. Recruitment
2. Temporary Staff
3. Discretionary spending; and

#### 4. Contractual commitments

In response to Members questions, the Director of Finance and Business Improvement advised:

- The surplus from car parking income was ring fenced but could be used for improvements to the street scene.
- The Council's cash reserves were held in short term investments for ease of access.
- The Council is not faced with the situation it had had in previous years where it would be waiting on a letter from Central Government on a financial settlement. The current position gives a greater amount of certainty.
- The Council would not want to take monies from its reserves as this would create a shortfall that may not be able to be replaced.

**RESOLVED:** That

- 1) The revenue position at the end of the second quarter be noted 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 of the report of the Director of Finance and Business Improvement;
- 2) The proposed slippage in the capital programme of £1,417,894 into 2017/18 as detailed in paragraph 2.13 of the report of the Director of Finance and Business Improvement be agreed;

Voting: For: 13 Against: 0 Abstentions: 0

- 3) The performance of the collection fund and the estimated level of balances at the year end be noted; and
- 4) The performance in relation to the treasury management strategy for the second quarter of 2016/17 be noted.

#### 123. REPORT OF THE HEAD OF POLICY AND COMMUNICATIONS - STRATEGIC PLAN PERFORMANCE UPDATE QUARTER 2 2016/17

The Head of Policy and Communications presented a report on the Strategic Plan Performance Update Quarter 2 2016/17.

It was noted that 70% (12) of the Key performance indicators (KPIs) reported for quarter 2 achieved their target.

In response to queries raised by Members, the Head of Policy and Communications advised that:-

- The Head of Environment and Public Realm would be requested to circulate a briefing note to the Communities, Housing and Environment Committee which provided a cost analysis of the Saturday freighter service against the general pick up of flytipping.
- The annual survey of Parish Councils would in future include the Parish Meeting Chairmen.

During the discussion, Councillor D Burton proposed and Councillor English seconded that Recommendation 5 be deleted.

Voting: For: 13 Against: 0 Abstentions: 0

Councillor Mrs Blackmore arrived at 7.30 p.m. during the discussion but declined to vote as she had not been party to all the discussions.

**RESOLVED:** That

- 1) The summary of performance for Quarter 2 of 2016/17 for Key Performance Indicators (KPIs) and corporate strategies and plans be noted;
- 2) The progress of the strategic plan action plan at Appendix II be noted;
- 3) It be noted where complete data is not currently available; and
- 4) The performance of Key Performance Indicators from Quarter 1 of 2016/17 for which data was not available at Policy and Resources committee on 26 July 2016 be noted.

124. REPORT OF THE DIRECTOR OF FINANCE AND BUSINESS IMPROVEMENT - COUNCIL TAX AND BUSINESS RATES - PROJECTED COLLECTION FUND SURPLUS/DEFICIT FOR 2016/17

The Committee considered the report of the Director of Finance and Business Improvement on Council Tax and Business Rates – Projected Collection Fund Surplus/Deficit for 2016/17.

Members were reminded that the Council was required to maintain a collection fund which accounted for all local tax payments for council tax and business rates. The income was used to pay precepts to KCC, Kent Fire Authority, Kent Police (Council Tax only), Central Government (Business rates only) and the equivalent requirement of this Council which included the local Parish Precepts.

It was noted that there would be a projected surplus of £341,122 for the end of the financial year on the collection fund. In addition a deficit on the collection fund for business rates would be £5,716,816 which had been due to a significant number of appeals having been received.

In response to questions from Members, the Director of Finance and Business Improvement advised that:-

- The deficit would not affect the Council's reserves and would be accounted for in the closing of accounts.
- The new rating list for businesses would come into effect from 1<sup>st</sup> April 2017 and this may see more appeals being generated.

**RESOLVED:** That

- 1) The 2016/17 Council Tax projection detailed in Appendix I of this report be agreed and as a result the distribution of the surplus set out in paragraph 4.7 of the report of the Director of Finance and Business Improvement be agreed; and
- 2) The 2016/17 Business Rates projection detailed in Appendix II of the report be agreed and as a result the distribution of the deficit set out in paragraph 4.11 of the report of the Director of Finance and Business Improvement be noted.

125. REPORT OF THE DIRECTOR OF MID KENT SERVICES - COUNCIL TAX REDUCTION SCHEME 2017/2018

The Committee considered the report of the Director of Mid Kent Services on the Council Tax Reduction Scheme 2017/18.

Members were reminded that the decision on the Council Tax Reduction Scheme had been deferred from the meeting held in October to enable more detailed information to be provided in order that Members could consider the financial impact of the different options, the cumulative impact of changes, possible changes to the recommendations following further analysis of the impact and any unintended impact in relation to homelessness. Finally the report provided a comparison with other boroughs in Kent.

Councillor McLoughlin proposed and Councillor Harvey seconded that Option 12 – Limiting the number of dependent children within the calculation for Council Tax Reduction to a maximum of two be deferred for ten months. This would allow time for parents to be made aware of this change as it could have a significant impact if it was brought in with effect from 1<sup>st</sup> April 2017.

Voting: For: 6 Against: 7 Abstentions: 0

Motion Lost.

**RESOLVED:** That having noted the outcome of the public consultation and considered the potential impact of the proposed changes on working age claimants with the protected characteristics of disability, age and sex, under the Equalities Act (2010), the Council be recommended to approve the council tax reduction scheme as amended by the Policy and Resources

Committee at its meeting on 23 November 2016 as detailed below:-

**Option 1** – Reducing the maximum level of support for working age applicants from 87% to 80% - Recommendation to Implement

**Option 2** – Removing the Family Premium for all new working age applicants – Recommendation to Implement

**Option 3** – Reducing backdating to one month – Recommendation to Reject

**Option 4** – Using a minimum income (notional income) for self-employed earners after one year’s self-employment – Recommendation to Reject

**Option 5** – Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks – Recommendation to Implement

**Option 6** – Reducing the capital limit from the existing £16,000 to £6,000 – Recommendation to Reject

**Option 7** – Introducing a standard level of non-dependant deduction of £10 for all claimants who have non-dependants resident with them – Recommendation to Reject

**Option 8** – Taking any Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction – Recommendation to Reject

**Option 9** – Restricting the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge – Recommendation to Reject

**Option 10** – Removing Second Adult Reduction from the Scheme – Recommendation to Reject

**Option 11** – Removing the work related activity component in the calculation of Council Tax Reduction – Recommendation to Implement

**Option 12** – Limiting the number of dependent children within the calculation for Council Tax Reduction to a maximum of two – Recommendation to Implement

**Option 13** – Introducing a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship – Recommendation to Implement

Voting: For: 13 Against: 0 Abstentions: 1

126. REPORT OF THE DIRECTOR OF REGENERATION AND PLACE - REVIEW OF THE MAIDSTONE BOROUGH COUNCIL COMMERCIALISATION STRATEGY 2014/15 - 2018/19

Members considered the report of the Director of Regeneration and Place on the review of the Council's Commercialisation Strategy 2014/15 – 2018/19. The commercialisation strategy was half way through its five years and the report gave an update on the success of the strategy to date and how it could be refined and improved for the future.

The Director of Regeneration and Place advised that some of the smaller projects had been slow on delivery but they still had the potential to grow. However, it was evident that the Council should pursue housing development and regeneration as these would produce the biggest return on investment.

**RESOLVED:** That

- 1) The progress made since Maidstone Borough Council's first commercialisation initiatives were commenced in 2014, and the renaming of Commercial and Economic Development service area to Regeneration and Economic Development be noted; and
- 2) The strategy be refocussed on the following areas:-
  - \* Pursue a housing and regeneration agenda and receive a detailed strategy for this within 3 months
  - \* Continue business improvement reviews for existing services
  - \* Develop the shared services with partner local authorities
  - \* Expand the grounds maintenance and commercial and garden waste services
  - \* Utilise IT innovations to boost the cost effectiveness and user experience of the parking service

Voting: For: 14 Against: 0 Abstentions: 0

127. DURATION OF MEETING

6.30 p.m. to 9.10 p.m.

**POLICY AND RESOURCES COMMITTEE WORK PROGRAMME**

Report Title	Date
Disposal of Surrenden Field	14-Dec-16
Disposal of Gore Court Road	14-Dec-16
Medium Term Financial Strategy and Budget Proposals 2017/18	14-Dec-16
Strategic Plan 2015-2020 Refresh	14-Dec-16
Irrecoverable Business Rates	14-Dec-16
MTFS - Fees and Charges	18-Jan-17
Medium Term Financial Strategy Update	18-Jan-17
Medium Term Financial Strategy - Capital Programme	18-Jan-17
Town Centre Investment & Development Plan Policy	18-Jan-17
Flood Prevention Measures	18-Jan-17
Strategic Plan Performance Update Quarter 3	15-Feb-17
Third Quarter Budget Monitoring	15-Feb-17
Bi-Annual Risk Register	15-Feb-17
Review of the Fraud Investigation Team	29-Mar-17
Equality Objectives Annual Report	26-Apr-17
Workforce Strategy	Jun-17
Health and Safety Strategy	Jun-17
Council Tax Tax Base and Collection Fund Adjustments	Nov-17
Projected Collection Fund Adjustment Account	Dec-17
Business Terrace - operation and financial update	Dec-17
Property Acquisition - Commercial	TBC
Fourth Quarter Budget Monitoring	TBC
Strategic Plan Performance Update Quarter 4	TBC
Economic Development Strategy Update	TBC
Brunswick Street Redevelopment	TBC

Union Street Redevelopment	TBC
Maidstone East Redevelopment	TBC
Development of the Mall including Bus station	TBC

# Agenda Item 12

## **POLICY & RESOURCES COMMITTEE**

**14 December 2016**

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

**No**

### **Strategic Plan 2015-20, 2017-18 Refresh**

<b>Final Decision-Maker</b>	Council
<b>Lead Director</b>	Chief Executive
<b>Lead Officer and Report Author</b>	Angela Woodhouse, Head of Policy and Resources
<b>Classification</b>	Public
<b>Wards affected</b>	All

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

1. To approve the refreshed Strategic Plan for further development by the service committees, prior to approval in February before submission to full Council in March.
2. To focus performance reporting for 2017-18 on the three prioritised action areas described at paragraph 2.7. This will be supported by each Service Committee agreeing performance reports for their respective areas.

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

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

The Strategic Plan sets the council's priorities and how they will be delivered. The refresh is focused on shaping the plan to be fit for purpose in 2017-18.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Policy and Resources	14 December 2016
Strategic Planning Sustainability and Transportation	10 January 2017
Communities, Housing and Environment Committee	17 January 2017
Heritage Culture and Leisure	31 January 2017
Policy and Resources	15 February 2017
Council	2 March 2017

# Strategic Plan 2015-20, 2017-18 Refresh

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report sets out the refreshed strategic plan at Appendix A for consultation with the three service committees. Each committee will be asked to review the action areas relevant to its terms of reference to identify actions and measures for 2017-18 focused on the “we will” section under each action area.
  - 1.2 The changes made so far reflect the results of the budget consultation and follow up workshop with the leadership team including Chairs and Vice Chairs from all four principal committees.
  - 1.3 The Strategic Plan is aligned to and underpinned by the Medium Term Financial Strategy.
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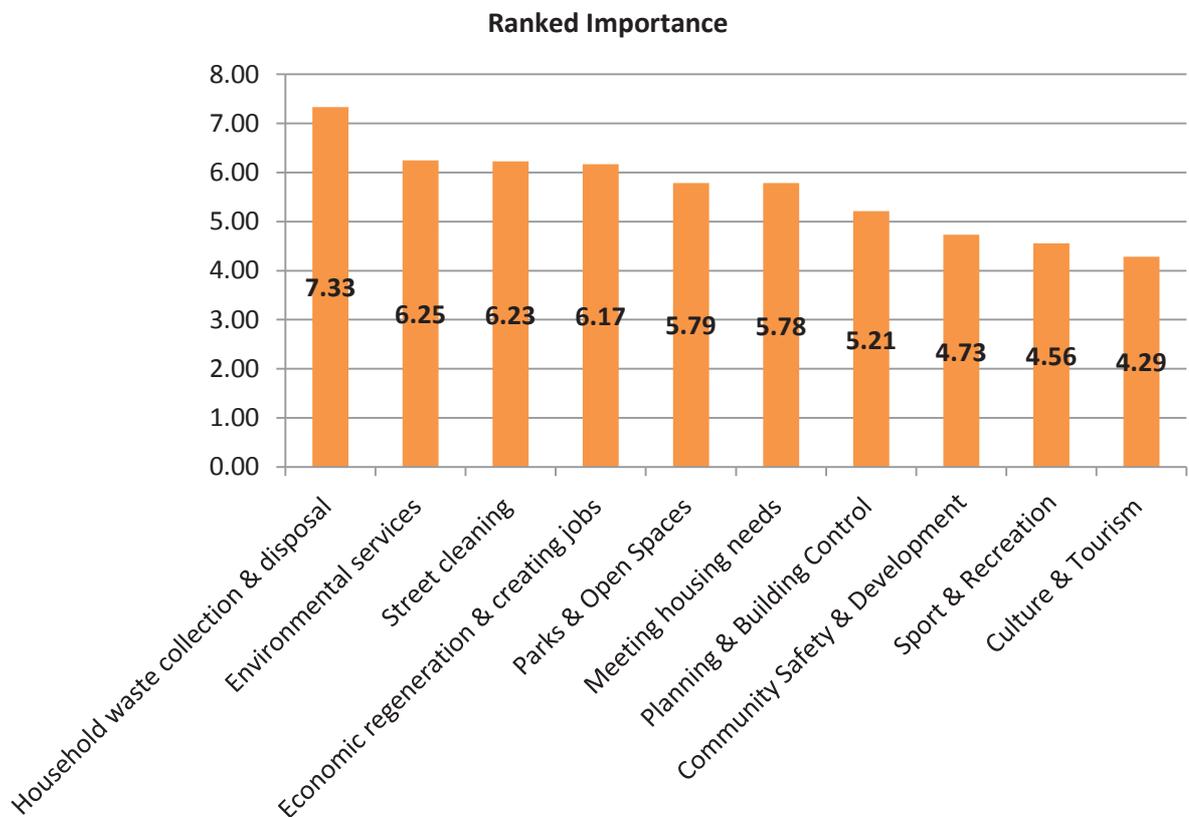
## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Committee agreed in September that the Strategic Plan be refreshed for 2017-18 rather than creating a new plan. To support the refresh of the plan and in-light of the budget savings required going forward a budget consultation was carried out.
- 2.2 The consultation was held between 7 October and 20 November 2016. Roadshows were held at a variety of locations around the borough and the survey was emailed to the Council’s consultation mailing list and promoted via social media and available online. Respondents were asked two questions in the survey attached at Appendix B:
  - to rank ten services in order of importance where 1 was most important and 10 least important.
  - for the same list of services, to say if they thought funding for that service should remain the same, be reduced or be cut altogether.

We received a total of 926 (786 online and 140 through the roadshow) responses.

- 2.3 The full budget report and results have been appended to the report on the Medium Term Financial Strategy (MTFS) on this agenda.

2.4 The bar chart below shows the ranked importance of the ten areas as prioritised by residents.



2.5 A workshop was held with the leadership team to consider the results of the survey, information from the residents survey 2015, performance data and proposed actions and measures for 2017-18.

2.6 As a result of the workshop and consultation two of the action areas have been reworded as follows:

- Enhancing the appeal of the town centre for everyone has been changed to: Regenerating the Town Centre
- Planning for sufficient homes to meet our Borough's needs to: A Home for Everyone

2.7 Three areas have been suggested for the council to focus on in 2017-18 out of the 8 action areas:

- Providing a clean and safe environment – a clean and tidy borough is consistently a high priority for our residents

- A Home for Everyone – housing was in the top 5 for residents and in light of the spend and needs in this area an area for focus in 2017-18
- Regenerating the Town Centre – focusing on delivery of our regeneration projects and working with partners

2.8 This gives the council clear priorities and focus for 2017-18. As such it is recommended a similar focussed approach is taken to performance management in 2017-18. Rather than reporting to the Committee on all performance measures this committee will only receive a report on the top three areas of focus. The service committees will be able to design and shape performance reports relevant to their areas of focus in 2017-18.

2.9 As is evident from the report of the Director of Finance and Business Improvement the Council faces significant financial challenges over the life of the plan with no revenue support grant in 2017/18 and a negative settlement by 2019/20. Despite the financial pressures the MTFS remains aligned to and underpins the delivery of the Strategic Plan priorities.

2.10 A report will go to each service committee in January to consider the actions that should be taken forward in 2017-18 and how these will be measured. Rather than creating an action plan as an appendix to the plan they will be reviewing the “we will” and “measured by” sections of the action areas.

2.11 Policy and Resources Committee will consider the final draft with changes as recommended by each committee for approval prior to submission to Council in March.

### **3. AVAILABLE OPTIONS**

3.1 The Committee could amend the strategic plan further prior to it going to the service committees, approve the changes or reject them.

3.2 The Committee has already agreed that it would refresh rather than write a new plan. This is the first step in that process.

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

4.1 Policy and Resources Committee is asked to approve the refreshed strategic plan for consideration and further development by the service committees. This is in-line with the process agreed by the committee when considering the corporate planning timetable in September.

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

- 5.1 Residents were asked to consider our priorities in the budget consultation carried out in Autumn 2016, referred to above and appended to the report on the medium term financial strategy on this agenda.

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

- 6.1 The next stage in the process is to consult with the service committees prior to reporting to this committee in February. The budget survey results will be reported alongside the refresh of the strategic plan for consideration by each committee.
- 6.2 Policy and Resources will then consider the changes put forward by each service committee prior to approving the refreshed plan for submission to Council on 2 March 2017.

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

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The Strategic Plan sets the Council's priorities	Head of Policy and Communications
<b>Risk Management</b>	The Strategic Plan sets out our priorities and how they will be delivered informing the councils risk register and risk appetite. The council has a risk register which will pick up any actions from the strategic plan.	Head of Policy and Communications
<b>Financial</b>	The Strategic Plan sets the Council's priorities. The Medium Term Financial Strategy aligns with the Strategic Plan and sets out the priorities in financial terms.	Section 151 Officer & Finance Team
<b>Staffing</b>	The plan informs service plans and individual appraisals	Head of Policy and Communications
<b>Legal</b>	No legal implications	Head of Policy and Communications
<b>Equality Impact Needs</b>	As decisions are made on	Head of Policy

<b>Assessment</b>	each of the projects and actions these will need to take equality into account	and Communications
<b>Environmental/Sustainable Development</b>	The Strategic Plan sets out the high level priorities for Environment and Sustainable Development	Head of Policy and Communications
<b>Community Safety</b>	The Strategic Plan sets out the high level priorities for Community Safety	Head of Policy and Communications
<b>Human Rights Act</b>	No implications	Head of Policy and Communications
<b>Procurement</b>	No implications	Head of Policy and Communications
<b>Asset Management</b>	No implications	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: Strategic Plan , 2015-2020 (2017-18, Refresh)
- Appendix B: Budget Survey

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## **9. BACKGROUND PAPERS**

None

# Strategic Plan 2015-2020



# Foreword from the Leader (2016-17), Councillor Fran Wilson



## New section to be drafted for Policy and Resources in February

~~Over the next five years Maidstone Borough Council faces an exceptionally challenging future as our funding from Central Government for the provision of local services is removed. Increasingly we have to rely on~~

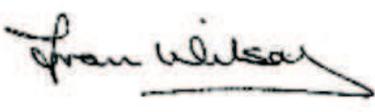
~~self generated income and on our own tax base. Despite this we are confident we can produce a solid medium term financial strategy and continue to deliver the first class services which residents value.~~

~~Devolution is now high on Central Government's Agenda. It is vital that we put time and effort into determining what this will mean for the people of this Borough and, working with the County Council and other district colleagues, into shaping the future for Kent.~~

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

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

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



# Our Vision, Mission and Values

## OUR VISION

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

## OUR MISSION

Putting People First.

## OUR PRIORITIES

Keeping Maidstone Borough an attractive place for

Securing a successful economy for Maidstone



## 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

Regenerating and enhancing the appeal of the town centre for everyone

Securing improvements to the transport infrastructure of our Borough

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

A home for everyone  
Planning for sufficient homes to meet our Borough's needs

## OUR

### Service



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

### Teamwork



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

### Responsibility



We work in an environment that encourages us to take ownership for our actions. Making the right choices and decisions that lead to a satisfactory customer experience.

### Integrity



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

### Value



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

### Equality



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

## Providing a Clean and Safe Environment

Maidstone Borough Council has demonstrated its commitment to deliver cost effective and sustainable waste and recycling services, as a result our recycling rate has improved significantly. Maidstone does not experience high levels of crime. We have with our Community Safety Partnership agreed that reducing anti-social behaviour, domestic abuse, reoffending and improving road safety are our priorities up until 2018. During the first year of the Strategic Plan the Council has introduced a street cleansing service designed to meet the current and future needs of the Borough.

### We mean:

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

### We will:

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

### Measured by:

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

## Encouraging Good Health and Wellbeing

Deprivation in the Borough is lower than average, however 14.1% (4,100) of children (under 16 years old) in Maidstone live in poverty. There is a difference in life expectancy of men and women; women are expected to live 3 years longer than men and there is a 13 year gap between the ward with the highest life expectancy and the one with the lowest life expectancy.

### We mean:

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

### We will:

- Deliver our Housing Strategy
- Deliver our Health Inequalities Action Plan
- Work with businesses to promote health and wellbeing

### Measured by:

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

## Respecting the Character and Heritage of our Borough

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

### We mean:

- Thriving and resilient urban and rural communities
- Listening to our communities
- Respecting our heritage and natural environment
- Devolving services where we can and working with Kent County Council to do the same

### We will:

- Deliver and honour our Parish Charter
- Deliver the Communication and Engagement Action Plan
- Work with our Parishes and Communities on the design of their communities

### Measured by:

- ~~Resident survey~~
- ~~Parish survey~~

## Ensuring there are good Leisure and Cultural Attractions

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

### We mean:

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

### We will:

- ~~Adopt and deliver~~ Deliver thea Destination Management Plan with a shared statement of intent to manage, develop and promote our borough
- Deliver the Festival and Events Strategy
- Adopt and deliver the Museum 20 year plan
- Maximise the benefits of our leisure and cultural assets through our commercialisation approach to maintain key services

### Measured by:

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

## Regenerating the Town Centre

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

### We mean:

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

### We will:

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

### Measured by:

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

## Securing Improvements to the Transport Infrastructure for our Borough

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

### We mean:

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

### We will:

- Deliver an Integrated Transport Strategy and work with our partners to seek improvements to the transport infrastructure

### Measured by:

- ~~Measures from Integrated Transport Strategy~~
- ~~Resident Survey~~

## Promoting a range of employment skills and opportunities across the borough

There were 83,100 people employed in the Maidstone economy in 2015 with a high proportion in the public sector, reflecting the town's status as Kent's County Town and administrative capital. There were 6,735 registered businesses in Maidstone in 2015, equivalent to 42 businesses per 1,000 population, compared to 39 for England and an above average rate of self-employment.

### We mean:

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

### We will:

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

### Measured by:

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

## A Home for Everyone

The supply of new affordable housing within the borough has been greater than in neighbouring authorities, although still less than historic levels. 163 new affordable homes were built in the borough in 2014/15. [New text to be added](#)

### We mean:

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

### We will:

- ~~Deliver the Adopt-a~~ Local Plan
- ~~Deliver the Housing Strategy~~
- ~~Deliver the Temporary Accommodation Strategy~~

### Measured by:

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

Design work to be added

# Your services you decide

October - November 2016

Help us decide which services we should spend our money on

Maidstone Borough Council wants you to help make tough choices as we plan ways to close a £4.2 million hole in our budget following changes to the way that local government is funded. The council's income is being cut by an increasing amount over the next four years, leading to a shortfall in the Council's 'revenue budget' which pays for services to residents.

Which services do you value the most?

Take part in our survey and let us know what front facing services are the most important to you and how they should all be funded in the future. It is inevitable that some services will have to be reduced over the next four years so now is the time to have your say.

## OUR SPENDING

£3 million	Housing
£1.5 million	Environmental Services
£3.5 million	Waste Collection & Disposal
£2 million	Street Cleaning
£1 million	Economic Development & Regeneration
£0.5 million	Sport & Recreation
£2 million	Culture & Tourism
£5 million	Planning & Development Control
£2.5 million	Parks & Open Spaces
£3.5 million	Community Safety & Development



# Survey

You can fill in this questionnaire now or do it online [www.maidstone.gov.uk](http://www.maidstone.gov.uk)  
 The closing date for all survey responses is **Friday 18 November**.

**Survey question 1** Rate the following front facing services which are important to you (1 being the most important, 10 being the least important)

**Survey question 2** Please state your funding preference for each service?

	1-10	Keep it the same	Reduce the funding	Cut the funding
Meeting housing needs (including affordable homes and helping homeless people)				
Environmental services (includes enforcement, noise and pollution control and food hygiene)				
Household waste collection & disposal (includes waste & recycling services)				
Street cleaning (providing a clean and safe environment)				
Economic Regeneration & creating jobs (including improvements to the town centre and support for businesses)				
Sport & Recreation (includes Maidstone leisure centre, Cobtree golf course and community halls)				
Culture & Tourism (includes Maidstone museum, events and attractions to encourage tourism)				
Planning & Development (includes the local building regulations, planning applications and conservation)				
Parks & Open Spaces (includes all council owned parks including Mote Park, Whatman Park and Clare Park)				
Community Safety & Development (includes encouraging good public health and social inclusion)				

# Agenda Item 13

## **POLICY AND RESOURCES COMMITTEE**

**14 DECEMBER  
2016**

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

**No**

## **Medium Term Financial Strategy and Budget Proposals 2017/18**

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

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

It is recommended that the Committee:

1. Agrees to plan on the basis of the updated Strategic Revenue Projections set out at Appendix A;
2. Agrees the budget proposals for services within the remit of this Committee as set out in Appendix B;
3. Notes the remaining budget proposals set out in Appendix B, which will be considered by the relevant Service Committees during the course of January 2017.

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

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

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	14 December 2016
Strategic Planning, Sustainability and Transportation Committee	10 January 2017
Communities, Housing and Environment Committee	17 January 2017
Heritage, Culture and Leisure Committee	31 January 2017
Policy and Resources Committee	15 February 2017
Council	1 March 2017

# Medium Term Financial Strategy and Budget Proposals 2017/18

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report forms part of the annual process of updating the Medium Term Financial Strategy and setting a budget for the coming financial year. It is normally timed to coincide with the Chancellor's Autumn Statement and the annual local government finance settlement.
- 1.2 Relevant details from the Chancellor's Autumn Statement are reported below. Local government funding is now based on a four year settlement covering the years 2016/17 to 2019/20, which was confirmed earlier in 2016. The relevant information relating to Maidstone is incorporated in this report. Any further announcements relating to local government funding will be reported to Members at the earliest opportunity.

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## 2. INTRODUCTION AND BACKGROUND

### Background

- 2.1 At its meeting on 21 September 2016, Council agreed a Medium Term Financial Strategy (MTFS) and Efficiency Plan for the next five years. This sought to deliver the Council's corporate objectives and key priorities within the relevant financial parameters:
- The government's four year funding settlement to local authorities
  - Assumptions about the economic context, capacity to generate income, and service pressures.
- 2.2 The MTFS identified a budget gap by the end of the five year period of £4.2 million. Accordingly, it set out a strategy for addressing this. Given the size of the budget gap, it was recognised that no single initiative could be expected to close it. A broader, cross-cutting approach was necessary.
- 2.3 Budget proposals were put forward, based on a blend of different approaches. These ideas have now been further developed and are set out in appendix B. The following table sets out the generic approaches taken and the amounts contributed by each over the five years of the MTFS.

**Table 1: Budget proposals by category**

	£000
Efficiency savings	902
Increased income	855
Transformation and business improvements	945
Service reductions	560
<b>Total</b>	<b>3,262</b>

- 2.4 These proposals allow the budget gap to be closed in the short term. However, they do not deliver the entire amount required. It was therefore recognised when developing the MTFS that choices would need to be made about the areas of focus when seeking further savings. This was expressed in the form of a choice between services:

MUST - essential to the Council  
SHOULD - important and its absence would weaken the Council  
COULD - useful but the Council is still viable without it  
WON'T - not essential and can wait for now

It was also recognised that the standard of service, both current and desired, would have a bearing on costs. The desired standard of service could be categorised as gold, silver or bronze.

This approach was used to inform a budget consultation, the results of which are set out below. Residents were asked to rank services in order of importance, and to say whether they wanted the same amount of money spent on them, less money, or none at all.

### **Chancellor's Autumn Statement**

- 2.5 Following the formation of a new government in the summer of 2016, details about its economic policy remained unclear at the time that Council considered the MTFS. The MTFS described the economic outlook as highly uncertain, making it vital that financial plans be developed that were robust and capable of withstanding shocks.
- 2.6 The Chancellor's Autumn Statement has now provided more information about the government's position. Faced with lower than expected tax receipts and more pessimistic projections about economic growth from the Office of Budget Responsibility, the Chancellor has moved away from his predecessor's commitment to achieve a balanced budget by 2020. Public debt is now expected to continue rising, peaking at 90% in 2017/18, before starting to fall.
- 2.7 Existing spending plans continue broadly the same as previously. The government says it remains committed to the departmental spending plans set out in Spending Review 2015. It has reaffirmed its commitment to identify a further £3.5 billion of savings from public spending in 2019/20 following an Efficiency Review. This equates to around 1% of departmental spending, but given that budgets for health, education, defence and overseas aid will continue to be protected, this places a large burden on remaining budgets. The Efficiency Review will report on progress in autumn 2017.
- 2.8 The Chancellor placed a high emphasis on plans for investing in infrastructure. A number of initiatives were grouped together under the banner of a £23 billion National Productivity Infrastructure Fund.
- 2.9 Of particular interest, given the Council's housing responsibilities, were the announcements about investment in housing. 100,000 new homes in high

demand areas are to be funded by £2.3bn housing infrastructure funding. This funding will be allocated to local government on a competitive basis. The funding amounts to £23,000 per home and the government says it will unlock new private house building in the areas where housing need is greatest. A forthcoming White Paper will set out the details. £1.4bn of funding was also announced for new affordable homes to deliver an additional 40,000 housing starts.

- 2.10 The government will award £1.8 billion to Local Enterprise Partnerships (LEPs) across England through a third round of Growth Deals. £556 million pounds of this will go to the north of England, £392 million to the Midlands, £151 million to the East of England, £492 million to London and the South East, and £191 million to the South West. This equates to £27.90 per head of population for London and the South East compared with £37.60 per head for the Midlands, which is the most generously funded region on the basis of population.
- 2.11 The Government will consult on lending local authorities up to £1 billion at a new local infrastructure rate of gilts plus 60 basis points for three years to support infrastructure projects that are high value for money. This represents an interest rate saving of 20 basis points (0.2 per cent) on the rate typically paid currently by local authorities when borrowing from the Public Works Loan Board.
- 2.12 The Chancellor announced investment of £170 million in flood defence and resilience measures. £20 million of this investment will be for new flood defence schemes, £50 million for rail resilience projects and £100 million to improve the resilience of roads to flooding. To put these sums into context, it is estimated that the proposed new Leigh flood barrier in Kent will cost £25 million alone.
- 2.13 The Chancellor announced that the government remains committed to devolving powers to support local areas and that it will continue to work towards a second devolution deal with the West Midlands Combined Authority and will begin talks on future transport funding with Greater Manchester. It will give mayoral combined authorities powers to borrow for their new functions, which is intended to allow them to invest in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury.
- 2.14 The government's commitment to existing spending plans echoes the commitment to a four year funding settlement to local authorities, covering the years 2016/17 to 2019/20. This continued the trend of reduced central government funding for local authorities, which dates back to 2010. This is supported by the formal confirmation that Maidstone Borough Council has now received from the government that we will receive the allocations published for the remaining three years of the four year settlement, 'barring exceptional circumstances'.
- 2.15 For Maidstone, this means that we will receive no Revenue Support Grant (RSG) in 2017/18 and 2018/19 and will be subject to a 'tariff adjustment', in other words negative RSG, of £1.6 million in 2019/20. The table below

sets out details of the funding settlement for Maidstone.

**Table 2: Settlement Funding Assessment**

	15/16	16/17	17/18	18/19	19/20
	£m	£m	£m	£m	£m
RSG	2.3	0.9	0.0	0.0	0.0
Baseline Funding Level (see note)	3.0	3.0	3.0	3.1	3.2
Tariff adjustment	0.0	0.0	0.0	0.0	-1.6
<b>Total Maidstone</b>	<b>5.2</b>	<b>3.9</b>	<b>3.0</b>	<b>3.1</b>	<b>1.6</b>
<b>Total England</b>	<b>21,249.9</b>	<b>18,601.5</b>	<b>16,621.6</b>	<b>15,536.0</b>	<b>14,499.7</b>

*Note: Baseline Funding Level represents the amount of funding assumed by government to be collected via retained business rates.*

- 2.16 The four year funding settlement runs to 2019/20. From 2020/21 the system will change, with local authorities nominally retaining 100% of business rates collected locally. As with the current regime, where 50% of business rates are retained locally, the new system will incorporate a mechanism for rates equalisation. This is likely to mean that only a fraction of the 100% will in practice be retained by the Council.
- 2.17 The additional income from 100% business rates retention will also be accompanied by devolution of further responsibilities to local government. The government has consulted about this but has not yet announced any decisions. There is a risk that the devolution of further responsibilities will have cost implications for the Council and this is recognised in the financial projections underlying the five year MTFS.

New Homes Bonus forms a significant source of income for the Council. The Government distributes over £1 billion of grant in this form, based on increases in the local housing stock. Maidstone is due to receive £5.1 million in New Homes Bonus in 2016/17. Council has agreed that this will be allocated to fund the capital programme. The future of New Homes Bonus remains uncertain. Consultation on future arrangements for the calculation of New Homes Bonus under the banner of "Sharpening the Incentive" was undertaken by Government between December 2015 and March 2016 but the outcome is still not known.

### **Updates to Strategic Revenue Projections**

The MTFS set out a number of assumptions underlying the financial projections. These can now be further refined.

### **Council Tax**

- 2.18 For planning purposes the MTFS assumes an annual increase £4.95 per annum in Maidstone's share of the Council Tax, reverting to 2% in 2020/21 when this becomes a greater figure than £4.95.
- 2.19 Total Council Tax is a product of the tax base and the level of tax set by Council. The tax base is a value derived from the number of chargeable

residential properties within the borough and their band, which is based on valuation ranges, adjusted by all discounts and exemptions. The tax base for 2016/17 was set at 58,525.40. The MTFs originally assumed an increase of 1% in the Council Tax Base in 2017/18. Given what we now know about the actual number of new dwellings, this increase has now been revised up to 1.3%.

- 2.20 The tax base for 2017/18 must be set by 31 January 2017, based on data extracted from the Council Tax records in mid-October 2016 and the decision of Council in December 2016 about arrangements for Council Tax Support in 2017/18. The projections set out in Appendix A are based on the recommendations made by Policy and Resources Committee to Council, which would result in a reduction in the cost of the Council Tax Support Scheme of approximately £60,000.
- 2.21 Finally, the amount to be contributed from the Collection Fund to the Council's General Fund each year in respect of Council Tax is subject to an adjustment, based on whether the previous year's projections were over- or under-stated. As reported to Policy and Resources Committee on 23 November 2016, there is an additional £53,000 to be taken into account in respect of the expected closing surplus for 2016/17.

### **Business rates**

- 2.22 The Government intends to introduce changes to business rates retention by 2020/21, following on from the end of the proposed four year settlement. Policy and Resources Committee considered the proposals put forward in the Government's consultation at its meeting on 7<sup>th</sup> September 2016 and the Council has submitted a response.
- 2.23 The proposals include 100% local retention of business rates along with a series of additional responsibilities and a realignment of the shares of business rates received by each tier of local government. As with the current 50% localisation of business rates, the proposal for 100% localisation will mean substantially less than that amount being made available to Maidstone Council with the vast majority of the resource being redistributed elsewhere within local government. The Council can also expect to lose other specific grants such as Housing Benefit Administration Grant and potentially receive additional responsibilities.
- 2.24 The strategic revenue projections for 2020/21 and 2021/22 assume that the impact of 100% retention and the adjusted redistribution by tier will mean that any change in the Council's baseline business rates would be offset by the cost of acquiring additional responsibilities, so no change is assumed in net business rates income.
- 2.25 There is a risk that the impact of additional responsibilities will create additional growth pressures on the budget, so an estimate of the likely financial impact is included in the financial projections.

## Business rates growth and the Kent Business Rates Pool

- 2.26 As a member of the Kent Business Rates Pool the council has the ability to retain more of the income from growth in business rates than it otherwise would. This is because the pool members who are charged a levy (district councils) are sheltered by the pool members who receive a top-up (major preceptors). Under a specific agreement made between Maidstone Borough Council and KCC in 2014/15 and across Kent in 2015/16, the additional benefit is shared with Kent County Council. The shares and their value for the two years the scheme has been in operation are set out below.

**Table 3: Distribution of the Kent Business Rates Pool**

		<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>Estimate 2016/17 £000</b>
Maidstone Borough Council	30%	144	31	350
Kent County Council	30%	144	31	350
Growth Fund	30%	144	31	350
Contingency	10%	48	10	120
<b>Total</b>	<b>100%</b>	<b>480</b>	<b>103</b>	<b>1,170</b>

- 2.27 It should be noted that the figure for 2015/16 was less than estimated. This is due to one of the high risk factors of locally retained business rates, which is that the Council saw a higher than expected level of appeals for which a provision was required in 2015/16. The high proportion of business rates assessments that are appealed makes business rates income highly volatile and means that a degree of caution must be applied when considering whether business rates income is sustainable and can therefore be treated as regular, recurring income for the purposes of setting a budget.
- 2.28 Previously the Council held the income from growth in reserve and committed it in the year following its receipt. This meant that the resources were not yet committed and the Council had an opportunity to modify its plans for using the resources depending on how much became available. In setting the 2016/17 budget the Council approved the use of £1.176 million, being the projected income from the 50% of business rates growth which is retained by the Council, regardless of whether or not it is a member of the pool, into its base budget. Given the volatility of business rates income, as outlined above, there was a degree of risk in doing this. However, to date, projections for business rates in 2016/17 indicate that this income will be realised.

## Local income from fees and charges

- 2.29 The Council has a policy that guides officers and councillors to set the appropriate level of fees and charges based on demand, affordability and external factors. The policy is not influenced directly by the MTFs with the exception that charges should be maximised within the limits of the policy.

- 2.30 In developing the Strategic Revenue Projections a broad assumption of a 1% increase in future fees and charges has been included in the MTFS. This is distinct from any income growth arising from significant changes in the volume of business or in the development of new income streams. These are accounted for as new budget proposals and included in Appendix B under the category of 'increased income'.

### Service Pressures

#### 2.31 Housing

Developments in the housing market have created very significant budget pressures for the Council. Homeless households in temporary accommodation have increased in number, with a corresponding increase in costs, leading to a projected £500,000 overspend against the temporary accommodation budget in 2016/17. The Council aims to reduce the cost of providing temporary accommodation through direct investment in property, which avoids the cost of expensive third party accommodation, and through ensuring a rapid turnaround of homelessness cases. Details are set out in a report to the Communities, Housing and Environment Committee at its meeting on 14<sup>th</sup> December 2016. There will nevertheless be a continued short term impact on budget from the Council meeting its homelessness obligations and this is reflected in the Strategic Revenue Projections.

#### 2.32 Planning

The Council submitted a draft Local Plan in May 2016. This involved significant one-off costs. Normal ongoing revenue costs in the Planning Service have also been running ahead of budget. The Local Plan has been subject to an Inspector's Hearing in Autumn 2016 and a review has been commissioned that will address how the service is structured in the future. It is hoped that this will allow the service to deliver savings in due course but realistically these are unlikely to materialise until 2018/19.

### Summary

- 2.33 As a result of the various updates to the Strategic Revenue Projections, the forecast budget gap, before taking into account any budget proposals, has now reduced slightly from £4.2 million to £4 million. This is shown in summary below and in more detail in Appendix A.

**Table 4: Updated Strategic Revenue Projections**

	17/18	18/19	19/20	20/21	21/22
	£m	£m	£m	£m	£m
RSG	0	0	-1.6	-1.6	-1.6
Council Tax	14.7	15.1	15.5	16.0	16.5
Business Rates	4.2	4.3	4.4	4.5	4.5
Other Income	16.8	16.9	17.0	17.0	17.1
<b>Total Income</b>	<b>35.7</b>	<b>36.3</b>	<b>35.3</b>	<b>35.9</b>	<b>36.5</b>
Total Expenditure	-37.2	-37.7	-38.1	-40.0	-40.5
<b>Budget Gap (Cumulative)</b>	<b>-1.5</b>	<b>-1.4</b>	<b>-2.8</b>	<b>-4.1</b>	<b>-4.0</b>

## Budget Proposals

2.34 Officers have developed the plans set out in the MTFs and Efficiency Plan, approved by Council in September 2016. As previously, the approach has been to manage the overall risk of non-delivery of savings by adopting a blended approach, incorporating:

- efficiency savings
- income generation
- transformation and business improvement.

'Transformation and business improvement' can be distinguished from efficiency savings because, rather than simply seeking to carry out the same activities at lower cost, it aims to achieve the same outcomes, but in a different way. Service reductions are included within the budget proposals but remain a last resort.

2.35 Details of all budget proposals are set out in Appendix B. Members have been briefed informally on these budget proposals.

The proposals may be summarised as follows.

**Table 5: Budget Proposals by Committee**

<b>Committee</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>Total</b>
	£m	£m	£m	£m	£m	£m
Communities, Housing & Environment	0.3	0.4	0.2	0.1	0.0	1.0
Heritage, Culture & Leisure	0.1	0.2	0.1	0.0	0.0	0.4
Policy & Resources	0.9	0.3	0.0	0.0	0.0	1.2
Strategic Planning, Sustainability & Transportation	0.2	0.2	0.1	0.1	0.0	0.6
<b>TOTAL</b>	<b>1.5</b>	<b>1.1</b>	<b>0.4</b>	<b>0.2</b>	<b>0.0</b>	<b>3.2</b>

It can be seen that cumulative savings of only £3.2 million have been identified as compared with the budget gap of £4 million. However, the savings, if adopted, would allow a balanced budget to be set in 2017/18, since the budget gap of £1.5 million is covered by proposed savings of £1.5 million. Further work will be required to identify means of closing the budget gap over the five year period of the MTFs as a whole.

2.36 Policy and Resources Committee is now asked specifically to consider those proposals that affect services within its remit. The remaining proposals will be considered by the relevant Service Committees in January 2017.

### **3. AVAILABLE OPTIONS**

- 3.1 The Committee must recommend a balanced budget and a proposed level of Council Tax at its meeting on 15<sup>th</sup> February 2017. The recommendations in this report allow (a) the underlying assumptions and (b) the budget proposals relating to this Committee in particular to be confirmed.
  - 3.2 Alternatively, the Committee may decide not to make any decisions at this time.
  - 3.3 Any changes to the financial projections, such as those arising from unforeseen service pressures or further government announcements, will in any case be reported to the Committee on 15<sup>th</sup> February 2017 or earlier if possible.
- 

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

- 4.1 The preferred option is that the Committee agrees the underlying financial projections and the proposals relating to this Committee at this stage. This will ensure a greater degree of focus on the key budget variables between now and then and reduces the risk of the Council failing to set a balanced budget for the coming year at its budget setting meeting on 1<sup>st</sup> March 2017.
- 

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

- 5.1 Each year the council as part of the development of the Strategic Plan and MTFS carries out consultation on the priorities and spending of the council.
  - 5.2 Consultation on the budget in Autumn 2016 took the form of a short survey. Residents were asked to prioritise ten areas of spending and then to consider whether the spending for those ten areas should remain the same, be reduced or cut altogether. The survey could be accessed both as a paper document or on-line via the Council's website. It was promoted through face to face budget roadshows at a wide range of venues around the borough, in the Kent Messenger and in a range of other media.
  - 5.3 The results of the consultation are set out in Appendix C. Members may wish to take these findings into account as further savings proposals are developed that will close the remaining budget gap of £0.8 million.
- 

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

- 6.1 Individual Service Committees will now receive a report setting out details of the budget proposals affecting their areas. The outcomes of the Service Committee meetings and further wider budget consultation will be reported back to this Committee on 15<sup>th</sup> February 2017.
-

## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Director of Finance and Business Improvement
<b>Risk Management</b>	Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk. Specific risks are set out in the relevant sections of the report. Where the Committee is concerned about a specific risk it is possible to modify the strategic revenue projection prior to its approval.	Director of Finance and Business Improvement
<b>Financial</b>	The budget strategy and the MTFS impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Director of Finance and Business Improvement
<b>Staffing</b>	The process of developing the budget strategy will identify the level of resources available for staffing over the medium term.	Director of Finance and Business Improvement
<b>Legal</b>	The Council has a statutory obligation to set a balanced budget and development of the MTFS and the strategic revenue projection in the ways set out in this report supports achievement of a balanced budget.	Director of Finance and Business Improvement
<b>Equality Impact Needs Assessment</b>	The report sets out a policy that will have a positive impact as it will enhance the lives of all	Director of Finance and

	members of the community through the provision of resources to core services. In addition it will affect particular groups within the community. It will achieve this through the focus of resources into areas of need as identified in the Council's strategic priorities.	Business Improvement
<b>Environmental/Sustainable Development</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium term Financial Strategy.	Director of Finance and Business Improvement
<b>Community Safety</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium term Financial Strategy.	Director of Finance and Business Improvement
<b>Human Rights Act</b>	None	
<b>Procurement</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium term Financial Strategy.	Director of Finance and Business Improvement
<b>Asset Management</b>	Resources available for asset management are contained within the strategic revenue projections set out in this report.	Director of Finance and Business Improvement

## 8. REPORT APPENDICES

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

- Appendix A: Updated Strategic Revenue Projections 2017/18 – 2021/22
- Appendix B: Budget Proposals 2017/18 – 2021/22
- Appendix C: Results of Budget Consultation

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## 9. BACKGROUND PAPERS

Report to Council, 21.9.16, Medium Term Financial Strategy and Efficiency Plan  
HM Treasury, Chancellor's Autumn Statement 23.11.16

**APPENDIX A**  
**REVENUE ESTIMATE 2017/18 TO 2021/22**  
**RECOMMENDED STRATEGIC REVENUE PROJECTIONS**

2016/17 £,000		2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
<b>AVAILABLE FINANCE</b>						
870	REVENUE SUPPORT GRANT	0	0	0	0	0
2,983	RETAINED BUSINESS RATES (BR)	3,042	3,132	3,232	3,297	3,324
1,321	BR GROWTH	1,176	1,176	1,176	1,176	1,176
	BUSINESS RATES ADJUSTMENT			-1,589	-1,621	-1,634
169	COLLECTION FUND ADJUSTMENT	56				
14,085	COUNCIL TAX	14,634	15,073	15,525	15,991	16,471
19,428	<b>BUDGET REQUIREMENT</b>	18,908	19,381	18,344	18,843	19,337
14,214	OTHER INCOME	16,765	16,905	16,975	17,045	17,115
<b>33,642</b>	<b>TOTAL RESOURCES AVAILABLE</b>	<b>35,673</b>	<b>36,286</b>	<b>35,319</b>	<b>35,888</b>	<b>36,452</b>
<b>EXPECTED SERVICE SPEND</b>						
34,347	<b>CURRENT SPEND</b>	36,118	35,673	36,181	35,211	35,775
	<b>INFLATION INCREASES</b>					
730	PAY, NI & INFLATION INCREASES	549	400	404	408	412
	<b>NATIONAL INITIATIVES</b>					
100	LOSS OF ADMINISTRATION GRANT	25	100			
50	PENSION DEFICIT FUNDING	0	60	60	150	150
	ADDITIONAL RESPONSIBILITIES				1,288	11
	<b>LOCAL PRIORITIES</b>					
74	HOMELESSNESS PREVENTION	7				
42	SHARED PLANNING SUPPORT	14				
	MAIDSTONE HOUSE RENT INCREASE		40	40		
30	ECONOMIC DEVELOPMENT STAFFING					
150	TEMPORARY ACCOMMODATION	200	-200			
	REPLACE CONTINGENCY	200				
87	MK LEGAL SERVICES GROWTH					
25	MUSEUM	50	50			
40	STAFFING CHANGES					
	<b>MINOR INITIATIVES</b>					
	GROWTH PROVISION	50	50	50	50	50
<b>35,675</b>	<b>TOTAL PREDICTED REQUIREMENT</b>	<b>37,213</b>	<b>36,173</b>	<b>36,735</b>	<b>37,107</b>	<b>36,398</b>
<b>2,033</b>	<b>SAVINGS REQUIRED</b>	<b>1,540</b>	<b>-113</b>	<b>1,416</b>	<b>1,219</b>	<b>-54</b>
<b>0</b>	<b>CUMULATIVE SAVINGS REQUIRED</b>	<b>1,540</b>	<b>1,427</b>	<b>2,843</b>	<b>4,062</b>	<b>4,008</b>

Service	Proposal	17/18	18/19	19/20	20/21	21/22	Total	Category
Street Cleansing	Bring large mechanical sweeper in-house	20	40				60	Efficiency
Commercial Waste Services	Increase income generation	5	5				10	Income
Recycling Collection	Reduce general publicity and focus on increased garden waste income generation	89		44	22		155	Income, Efficiency
Grounds Maintenance	Increase income generation		50				50	Income
Fleet Workshop & Management	Alternative delivery model for fleet and relevant maintenance along with a reduction in fleet		50				50	Transform
Private Sector Renewal	Charging staff costs to Disabled Facilities	50					50	Efficiency
Homeless Temporary Accommodation	New temporary accommodation strategy		100				100	Transform
CCTV	Commissioning review	50	75	25			150	Reduction
Environmental Enforcement	Commissioning review of enforcement			125			125	Transform
Parking Enforcement								
Public Conveniences	Review of public toilet cleaning contract	10					10	Efficiency
Licences	Shared Service - increased levels of income and greater efficiency.	10					10	Efficiency
Environmental Protection	Unspent professional services budget	10					10	Efficiency
Food Safety Section	Unspent professional services budget	10					10	Efficiency
Voluntary Sector Grants	Phase out direct grants over MTF5 period	48	48	47	47	47	237	Reduction
<b>Communities, Housing &amp; Environment Total</b>		<b>302</b>	<b>368</b>	<b>241</b>	<b>69</b>	<b>47</b>	<b>1,027</b>	
Museum	Review operating and governance model		100	25			125	Efficiency
Parks & Open Spaces	New operational model to be incorporated within Parks and Open Spaces 10 Year Plan.	50	100	50			200	Efficiency
Festivals & Events	Cease direct delivery of festivals and events	10	10	10			30	Reduction
Festivals & Events	Withdrawal of Christmas lights provision			30			30	Reduction
Crematorium	Increased income from fees & charges (to be agreed under fees & charges report)	55					55	Income
<b>Heritage, Culture &amp; Leisure Total</b>		<b>115</b>	<b>210</b>	<b>115</b>	<b>0</b>	<b>0</b>	<b>440</b>	
Members' Allowances	Saving on allowances and expenses	20					20	Efficiency
Members' Facilities	Saving on running costs	20					20	Efficiency
Press & Public Relations	Centralise marketing and communications	50					50	Efficiency
Corporate Management	External audit contract	50		10			60	Efficiency
Registration Of Electors	Reduce frequency of canvassing	10					10	Reduction
New commercial investments	Additional income from new commercial acquisitions	200	100				300	Income
Economic Research	Move discretionary budgets into business rates retention pool and remove from base budget	70					70	Efficiency
Business Support & Enterprise	Capitalise staff costs for project work.	55					55	Efficiency
Customer Services Section	Reduce staff costs following shift from face to face to digital contacts.	20	20	20			60	Transform
ICT Non-pooled	Retire redundant ICT systems		10				10	Efficiency
Office Cleaning Contract	Review office cleaning contract		10				10	Efficiency
Office Accommodation	Charging for non-essential staff parking		15				15	Income
Finance	Recover cost of credit card payments		10				10	Income
Corporate Support	Office stationery commissioning exercise	5					5	Efficiency
Finance and Business Improvement	Restructure/review following departure of Head of F & R	100					100	Efficiency
Debt Recovery Service	Business growth as part of the commercialisation agenda	50					50	Income
Council Tax Collection	Various savings	88	50				138	Efficiency
Legal Services Section	Various savings	20					20	Efficiency
Fraud Partnership	Fraud partnership			10			10	Efficiency
Gateway	Gateway rationalisation	100	50				150	Transform
<b>Policy &amp; Resources Total</b>		<b>858</b>	<b>265</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>1,163</b>	
Development Control Appeals	Savings arising from Planning Review including income generation		120				120	Income, Transform
Development Control Appeals	Reduction following adoption of local plan.		40				40	Reduction
Planning Policy	Following conclusion of local plan work, reduction in staff levels based on Planning Review	45	50				95	Efficiency
Building Regulations Charges	Increase income recovery on chargeable services (to be agreed under fees & charges report)	25					25	Income
Planning Support	Increase in shared service income - planning	14					14	Income
Pay & Display Car Parks	5% increase in income (to be agreed under fees & charges report)	100			100		200	Income
Park & Ride	Potential opportunity to re-specify service and deliver at reduced cost.			75			75	Reduction
Grants to outside bodies	Remove grants as part of voluntary sector grants reduction strategy		16	16	16	15	63	Reduction
<b>Strategic Planning, Sustainability and Transportation</b>		<b>184</b>	<b>226</b>	<b>91</b>	<b>116</b>	<b>15</b>	<b>632</b>	
<b>GRAND TOTAL</b>		<b>1,459</b>	<b>1,069</b>	<b>487</b>	<b>185</b>	<b>62</b>	<b>3,262</b>	

2016

# Budget Consultation



Clare Harvey

MBC

12/14/2016

# Budget Consultation 2016

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# Budget Consultation 2016

## Introduction and Methodology

Maidstone Borough Council undertook a consultation with residents and visitors on the Budget for 2017/18 between 7 October and 20 November 2016. The theme for the event was **'Your services, you decide'** with the aim of getting as many people across the borough as possible to think about what services they most value.

The objectives of the research were:

- To identify which services we deliver are a priority to our residents.
- To identify what approach to funding these services residents think we should take.

Paper copies of the survey were available at roadshows that were held around the borough and an online version survey was emailed to residents that have signed up for the Consultation Mailing List and was made available on the Council's consultation webpages. The online survey was also promoted through our social media channels.

A total of 140 surveys were completed during the roadshows and a further 786 surveys were completed online by the residents who either received notification of the survey through our mailing list or clicked on the links advertising the consultation on social media.

This provides the results with a 95% confidence level and a 3.2% error rate. This means that if we run the survey again, 95 times out of 100 the results would be within +/-3.2% of the original survey results.

Data was weighted to counteract nonresponse bias. The weighting profile was based on 2011 census for age and ethnicity within gender in relation to borough population.

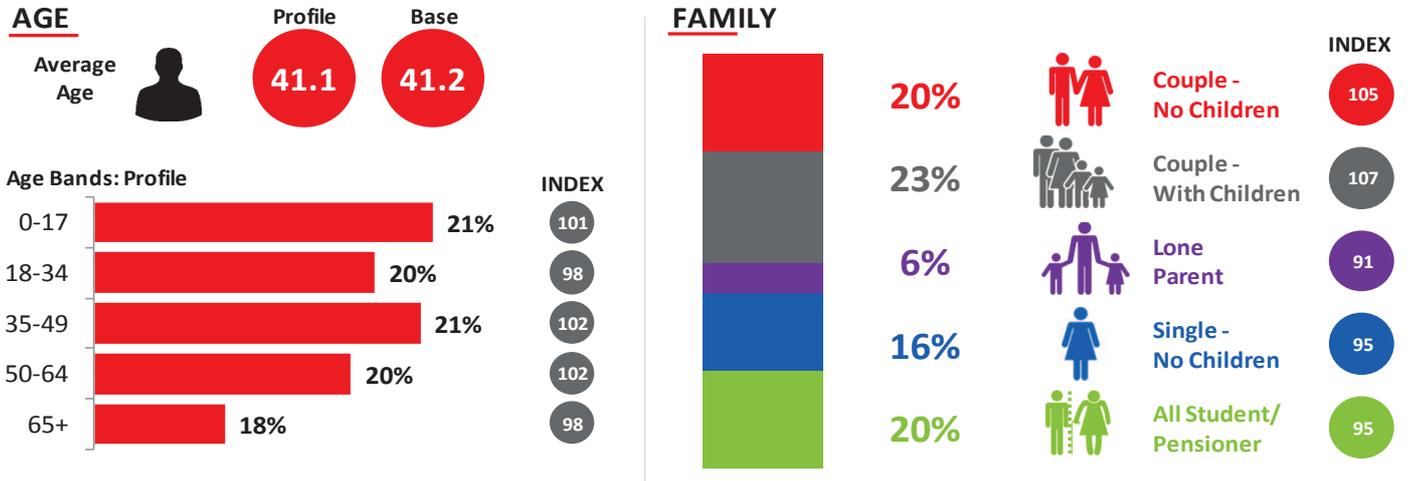
### Locations of the ten Budget Roadshows

- Roseacre Junior School, Bearsted
- Vestry Hall, High Street, Marden
- Yalding Farmers' Market, High Street, Yalding
- Mid Kent Shopping Centre, Allington
- Oakwood Park Grammar School
- Longmeadow Hall, Headcorn
- The Mall, Maidstone (2 days)
- North Hall, Staplehurst
- Sutton Valence Village Hall

# Budget Consultation 2016

## Respondent Profile

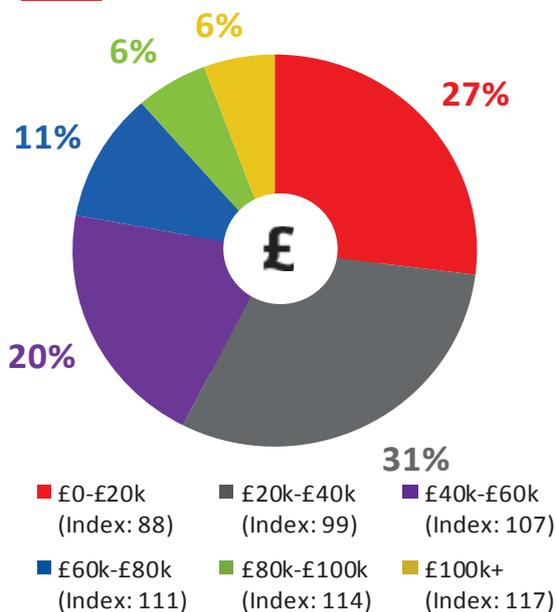
Maidstone Borough Council uses the customer classification index, Acorn. The index segments households using postcode data to gain additional insight about our residents and can help us in identifying why trends occur and how best to reach specific audiences. The following graphics show the acorn profile for the residents responding to the Budget 2016 survey. The base is all Maidstone households. An index of 100 shows that the proportion in this group is in line with the base, over 100 shows above average representation and under 100 shows under representation.



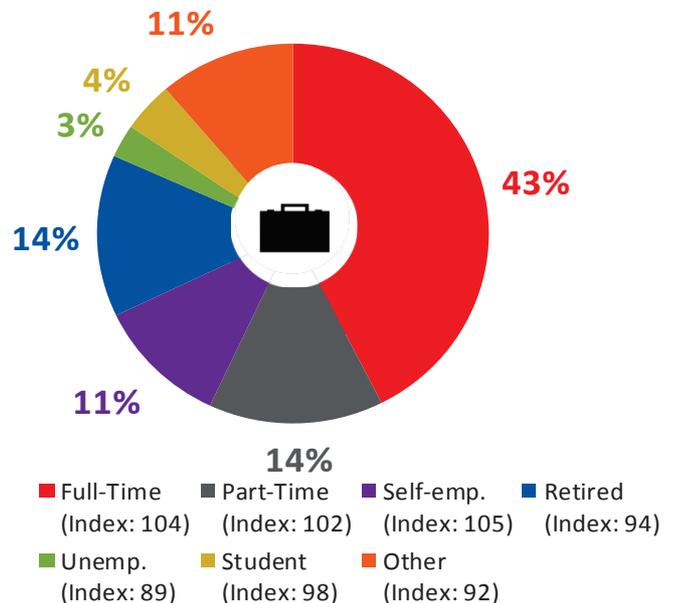
The above graphic shows that the distribution of respondents across the age bands are broadly consistent with that of Maidstone overall. However, it also shows that households containing couples are over-represented and the remaining family types are under-represented when compared to Maidstone’s general population. This is also the same for housing types for this group which shows that the proportion of respondents in terraces and semi-detached properties aligns with Maidstone overall and that households in bungalows, which are generally occupied by old households are under-represented.

The graphics below show that households with higher incomes are over-represented and that the majority of households are in work. This tallies with the other information we have about the respondents benefit claimants are under-represented and this group are 6% more likely than average to have a degree or higher degree.

## INCOME

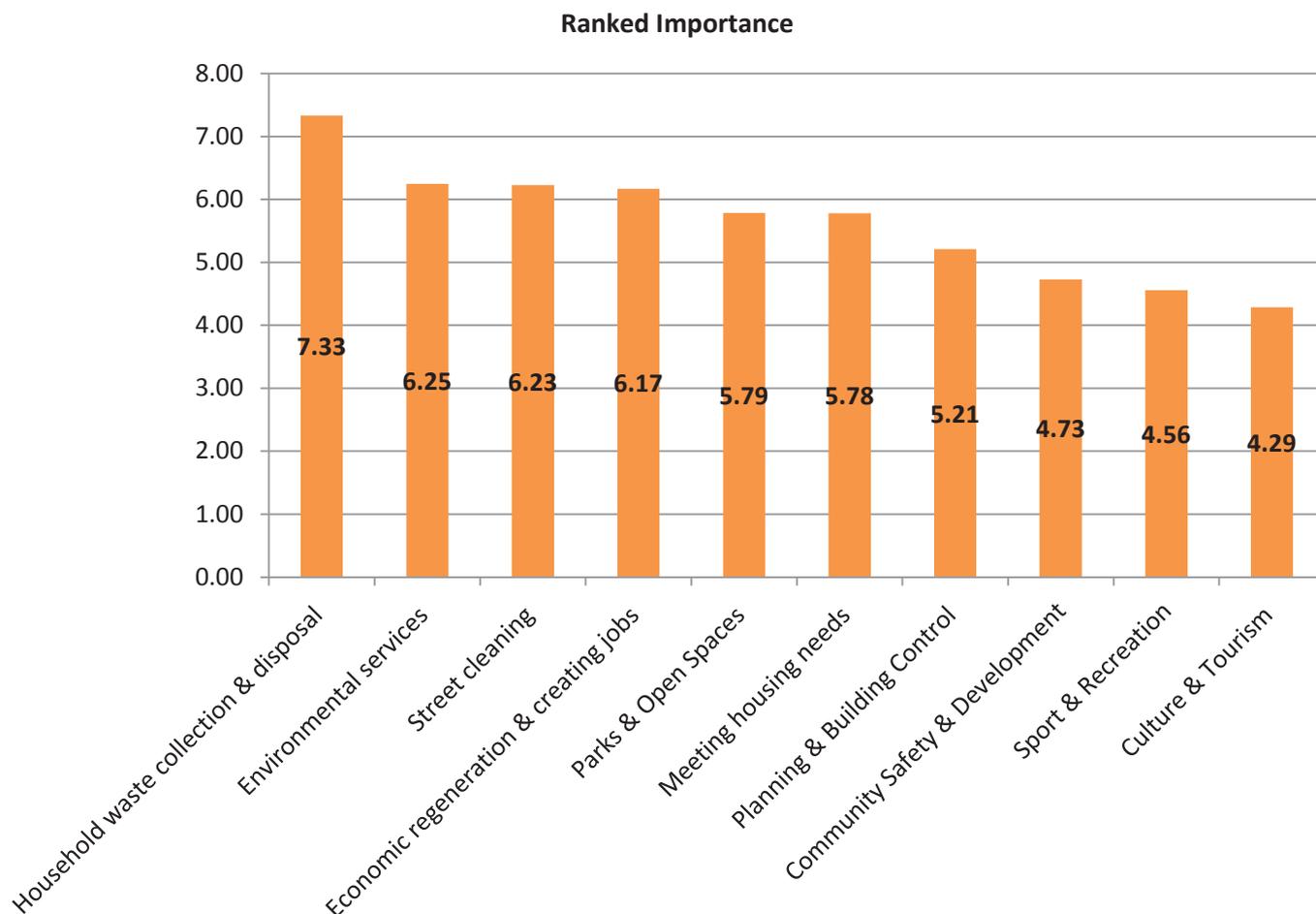


## EMPLOYMENT



## Budget Consultation 2016

### Overall rating of front facing services which are important



Household waste collection and disposal received the highest rating when residents were asked to place a list of ten services in order of importance with 7.33. Culture & Tourism received the lowest rating at 4.29.

Whilst Household waste collection and disposal was clearly the top service in terms of importance there was very little difference in the ratings given to the services that were placed in second, third and fourth – Environmental Services, Street Cleaning and Economic regeneration & creating jobs.

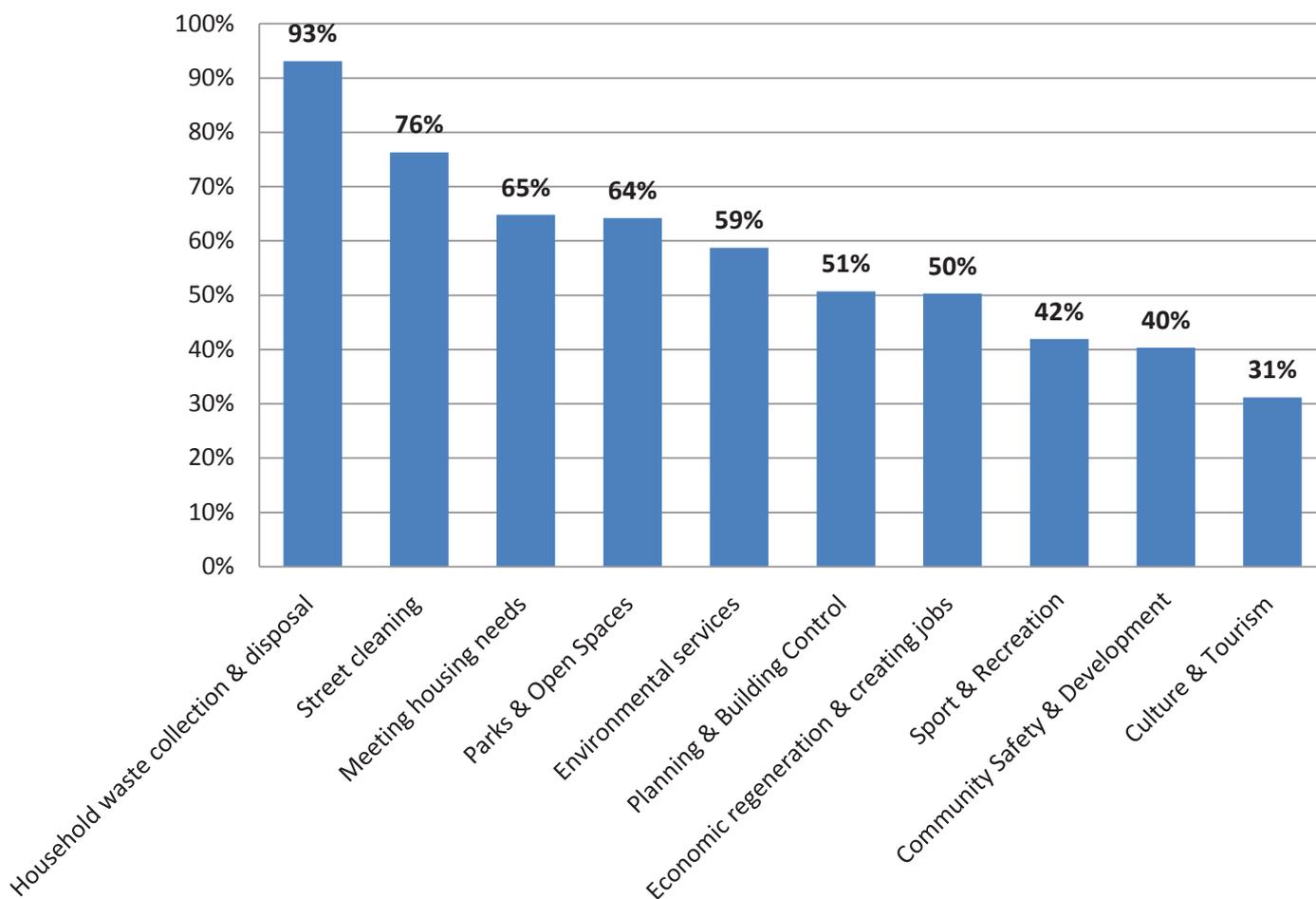
In the resident survey 2015 Street cleaning is the third most important aspect (out of 20 categories) in making somewhere a good place to live (top if we only consider services delivered by MBC), considering there was no comparable aspect that covered waste and environmental services in the resident survey this shows some consistency between how important residents feel street cleaning is.

Sport and recreation is 9<sup>th</sup> in the budget survey for importance and in the resident survey it was 19<sup>th</sup> (note: there was no comparable aspect for culture and tourism and that the aspect that was last in the resident survey, race relations, is not specifically a service) showing consistency between these two surveys.

## Budget Consultation 2016

### Sustain, Reduce or Cut?

#### Keep funding the same



The graph above shows the proportion of respondents that wanted to retain existing funding ('Funding kept the same') for the ten services. Household waste collection and disposal was the service which had the greatest support at 93%. Culture and tourism had the lowest proportion that said funding should be kept the same at 31% this aligns with the importance ratings.

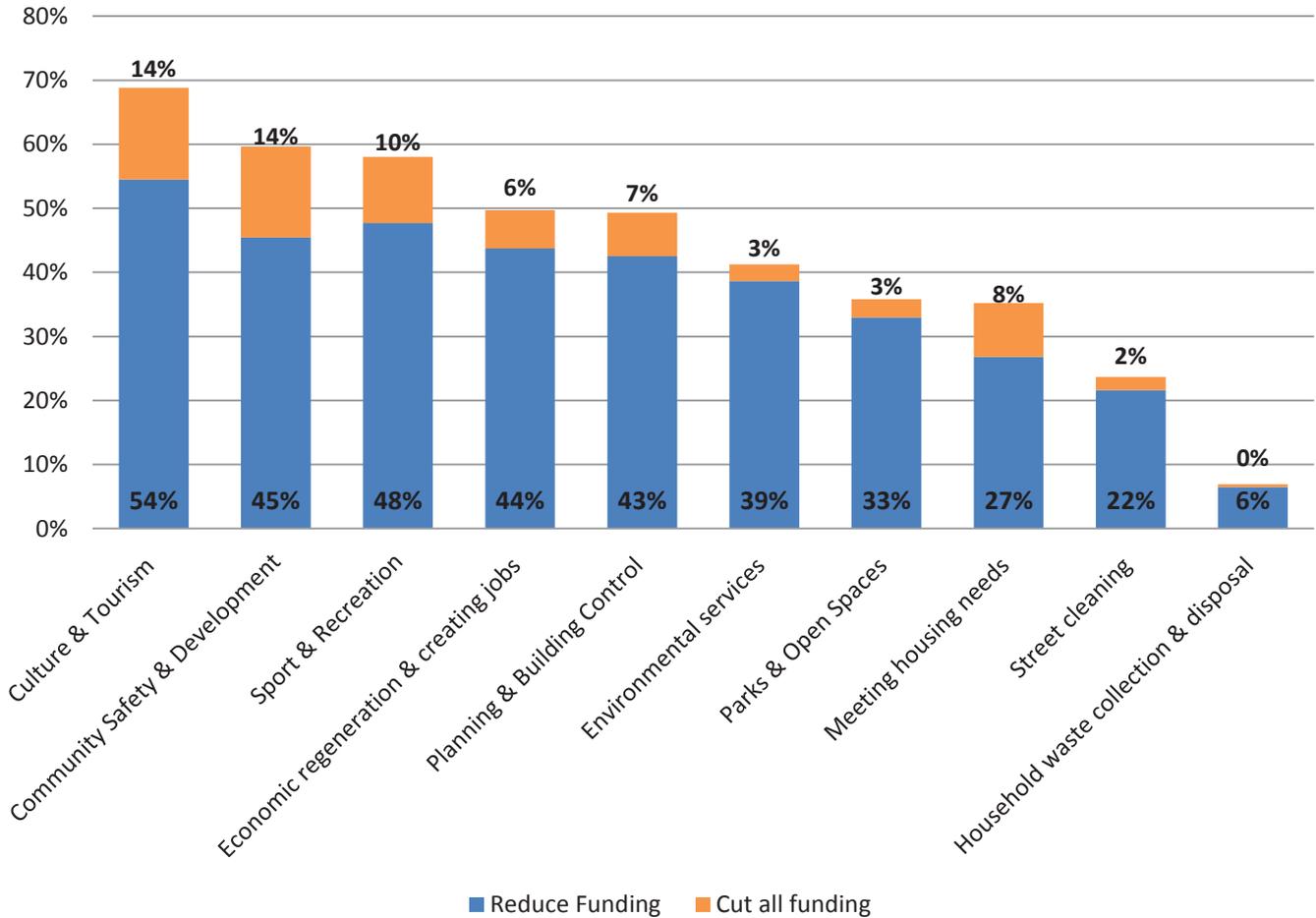
Generally we would expect the results of this question to follow the same or a closely aligned trajectory as the overall ranking and while this is true for the polar ends of the data range, there are some anomalies.

A greater proportion of respondents said that they wanted to keep the same level of funding for street cleaning (which is 3<sup>rd</sup> in importance) than did for Environmental Services (which is 2<sup>nd</sup> most important).

In addition a greater proportion of respondents said that they wanted to keep the same level of funding for Parks and Open Spaces and Housing Needs than did for Economic regeneration & creating jobs (which is 4<sup>th</sup> most important).

# Budget Consultation 2016

## Reduce or Cut Funding?



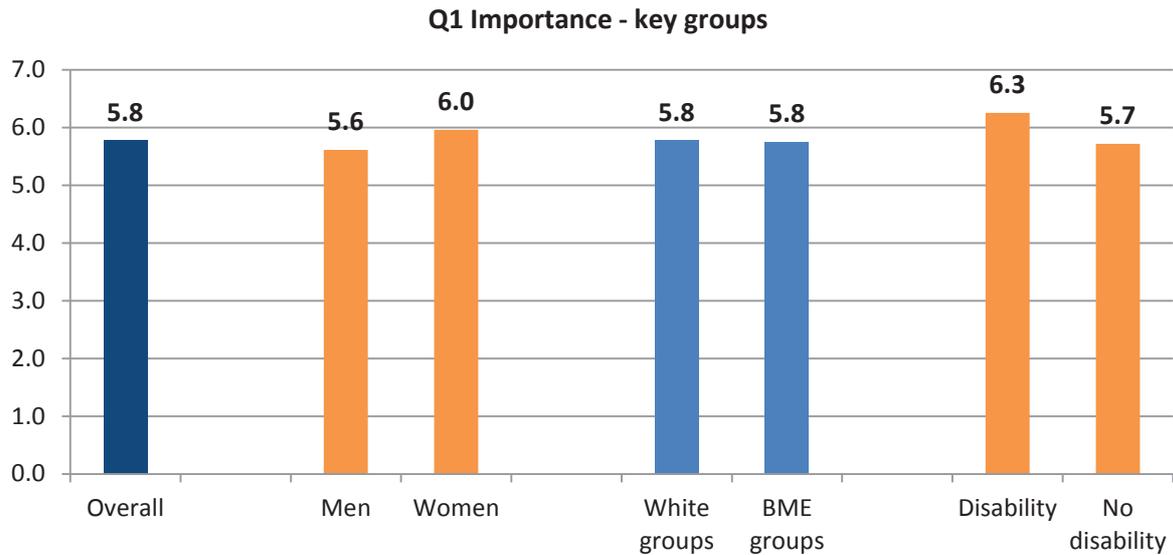
Culture and Tourism have the greatest proportion of respondents overall that said Funding should be reduced or Cut altogether at 68%. This is made up of 14% that said Cut all funding and 54% that it should be reduced. With this service area being ranked lowest in importance this result is not surprising. In addition as Household Waste Collection and Disposal was rated as the most important service it is as expected, with minimal support for reducing or cutting funding for this service.

Overall, 59% of respondents said that funding should be reduced or cut for Community Safety and Development and 58% said the same Sports and Recreation. This is interesting as Sports and Recreation had a lower priority ranking than Community Safety and Development and there is a greater proportion saying to cut all funding for Community Safety and Development than for Sport and Recreation.

Environmental Services was second and Street Cleaning was third in terms of importance however these two have moved places when looking at the reduce and cut funding approaches, with Street Cleaning having the second lowest overall proportion saying reduce or cut funding and Meeting Housing Needs the third lowest.

## Budget Consultation 2016

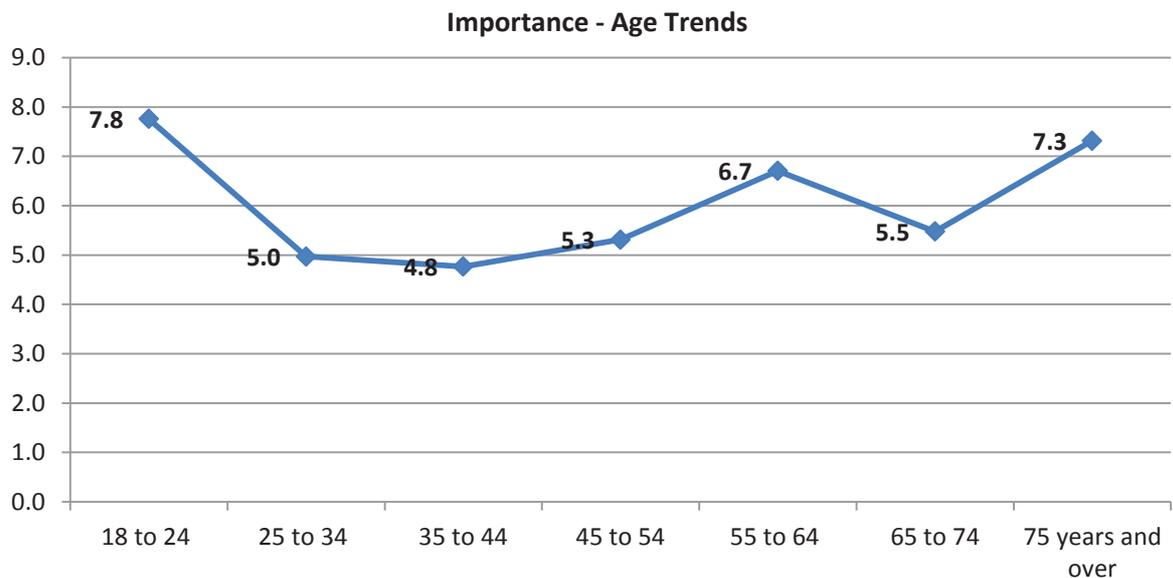
### Meeting housing needs (including providing affordable homes and helping homeless people)



Overall, meeting housing needs (including providing affordable homes and helping homeless people) achieved a ranking of 5.8 which was the sixth most important service when assessed against the other services that were part of the consultation.

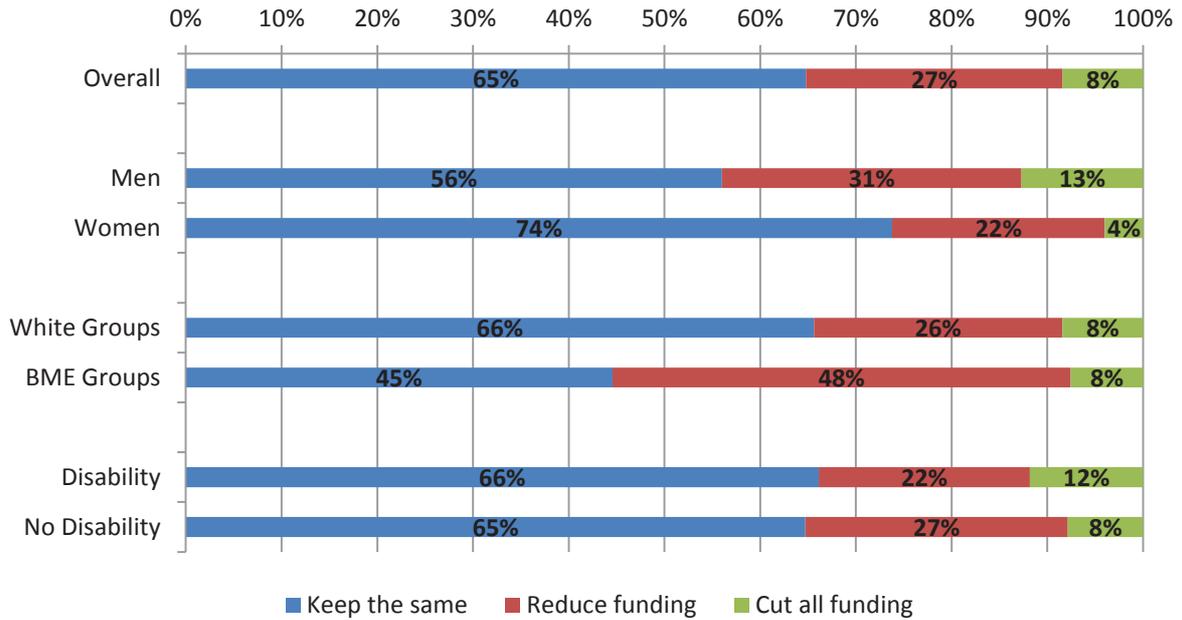
Whilst there is only a minor difference in relation to ethnicity these are consistent with the overall ranking. The graph above shows that women and those with a disability were more likely than averages to rank this service higher.

The age trend graph below shows that Housing needs is more important to respondents in the youngest and the oldest age groupings. This aligns with the funding approach on the following page which shows these two age groups have the greatest proportion of respondent that said the funding for Housing needs should remain the same.



# Budget Consultation 2016

## Funding Approach - Key Groups

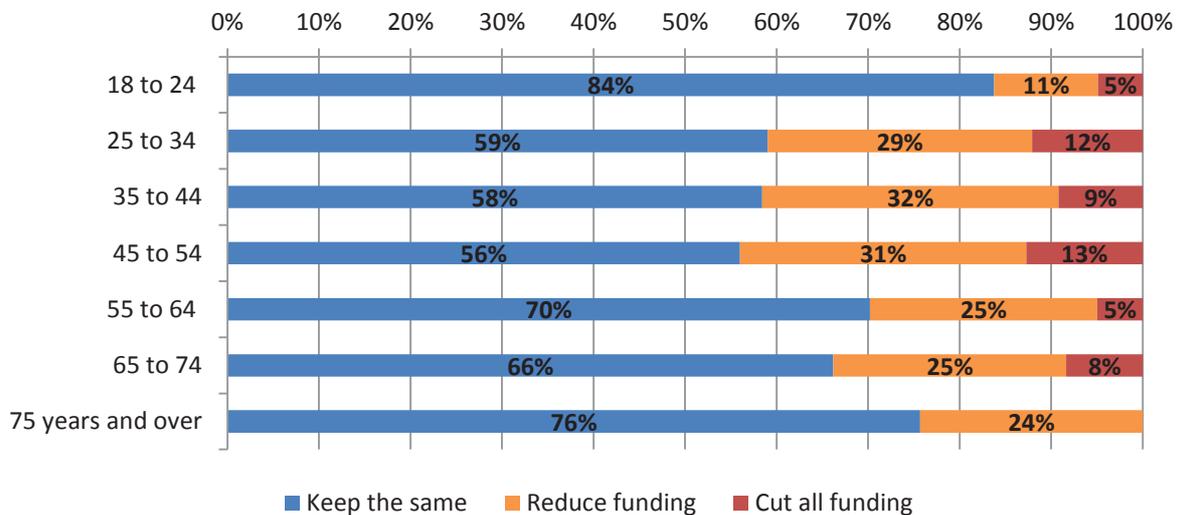


The majority of respondents (65%) were in favour of keeping the current funding levels the same for Housing Needs. When the proportion of respondents saying keep the funding the same is assessed across all services Housing needs has the third greatest proportion.

The previous page shows little to no difference in ranking of importance for this service between respondents from white groups and those from BME groups there is however significant difference in the proportion responding keep the same (21%) and reduce funding (22%).

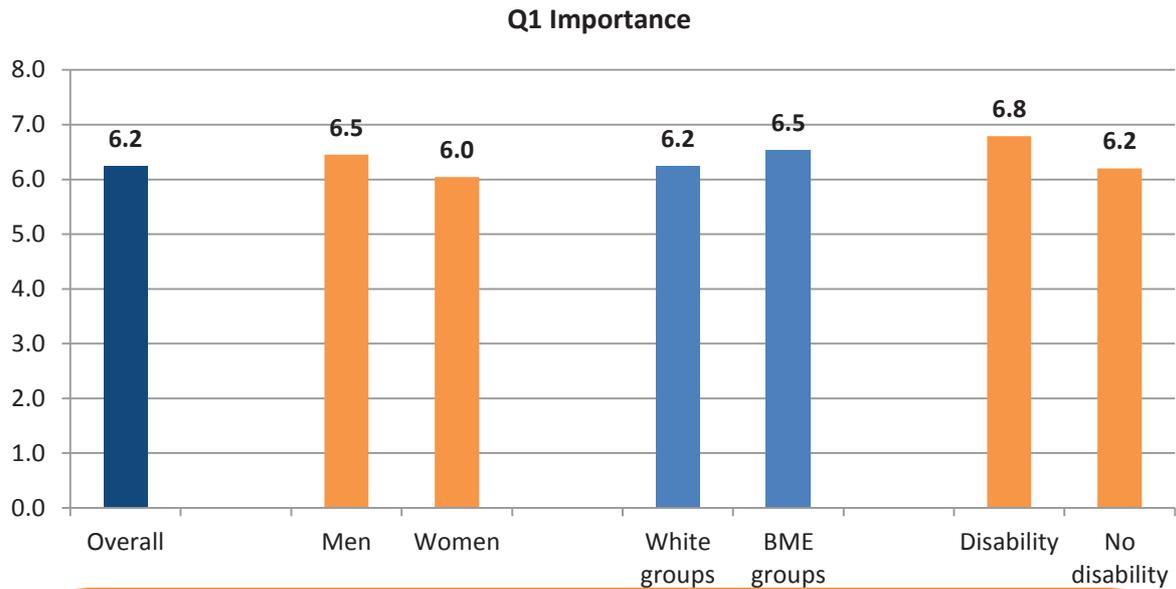
Despite there being a 0.6 difference in the ranking for respondents with a disability and those without there is less than a 5% difference between these groups in relation to funding approach.

## Funding Approach - Age Trends



## Budget Consultation 2016

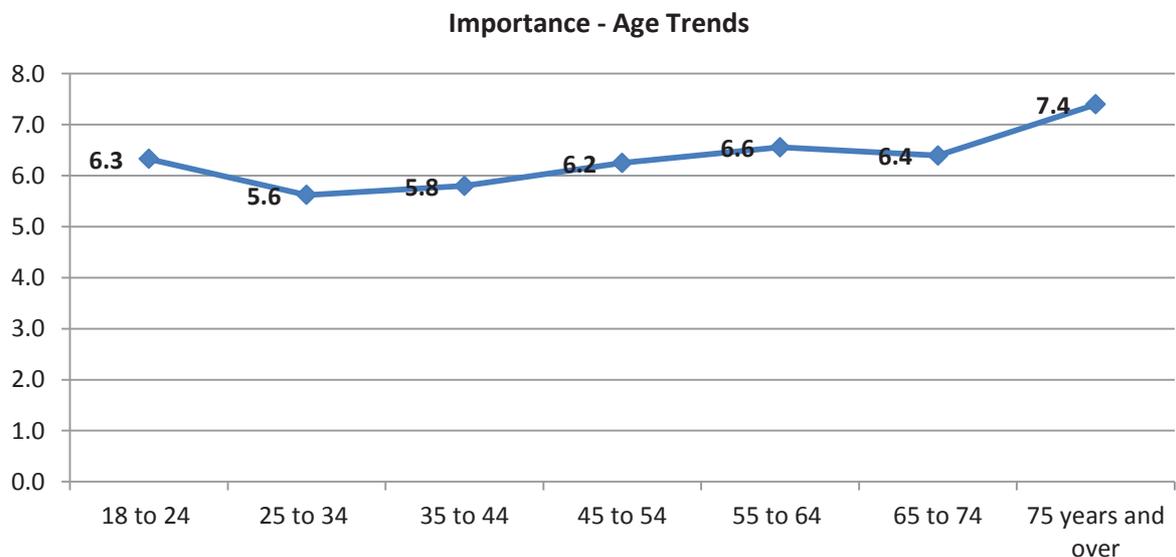
### Environmental services (includes enforcement, noise and pollution control and food hygiene)



Overall, Environmental services (includes enforcement, noise and pollution control and food hygiene) achieved a ranking of 6.2 which was the second most important service when assessed against the other services that were part of the consultation.

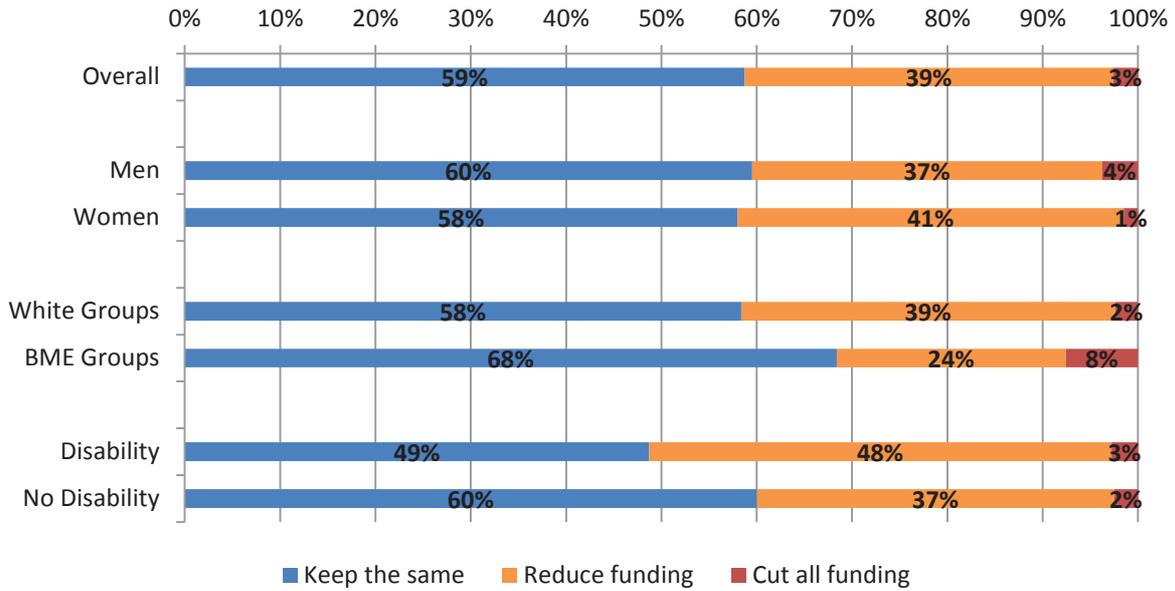
The graph above shows that male respondents, those from BME groups and those with a disability were more likely than average than their counterparts to rank this service higher.

The age trend graph below shows that Environmental services are most important to respondents in the 75 years plus grouping. While funding approach on the following page which shows that the proportion of respondents in this age group that think funding should remain the same is line with the overall and that the 25 to 34 year olds, who had the lowest rating out of the age groups, has the highest proportion that think that funding for this service should remain the same.



# Budget Consultation 2016

## Funding Approach - Key Groups

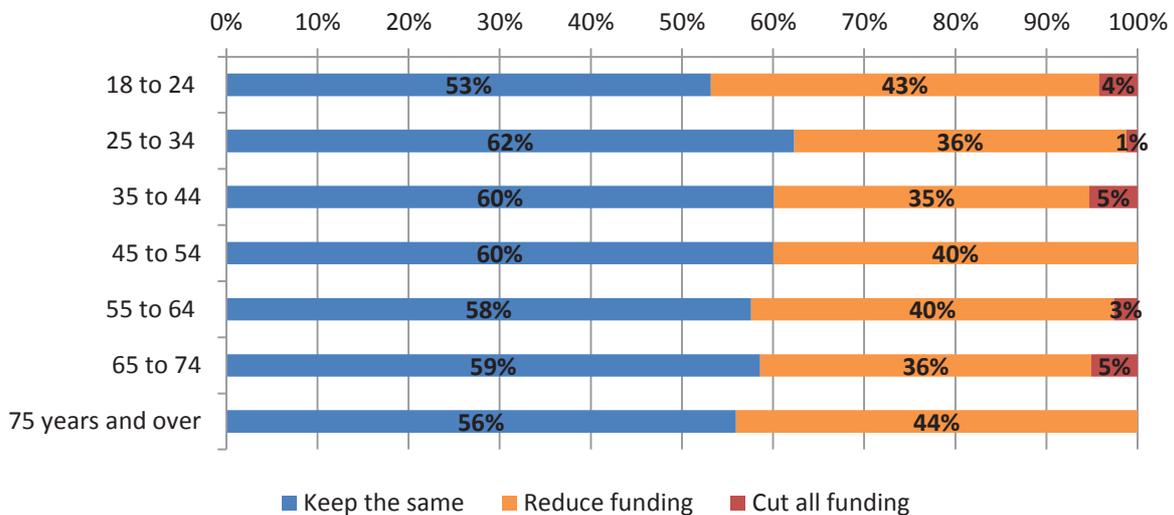


The majority of respondents (59%) were in favour of keeping the current funding levels the same for Environmental services. When the proportion of respondents saying keep the funding the same is assessed across all services, Environmental services has the fifth greatest proportion.

The graph on the previous page shows that the greatest difference between groups is in relation to disability, where there is a 0.6 difference in importance ranking with those with a disability and those without. While the differences between these two groups funding approach are not the greatest they are significant, with a 10% difference in funding remaining the same and 15% difference in reduce funding.

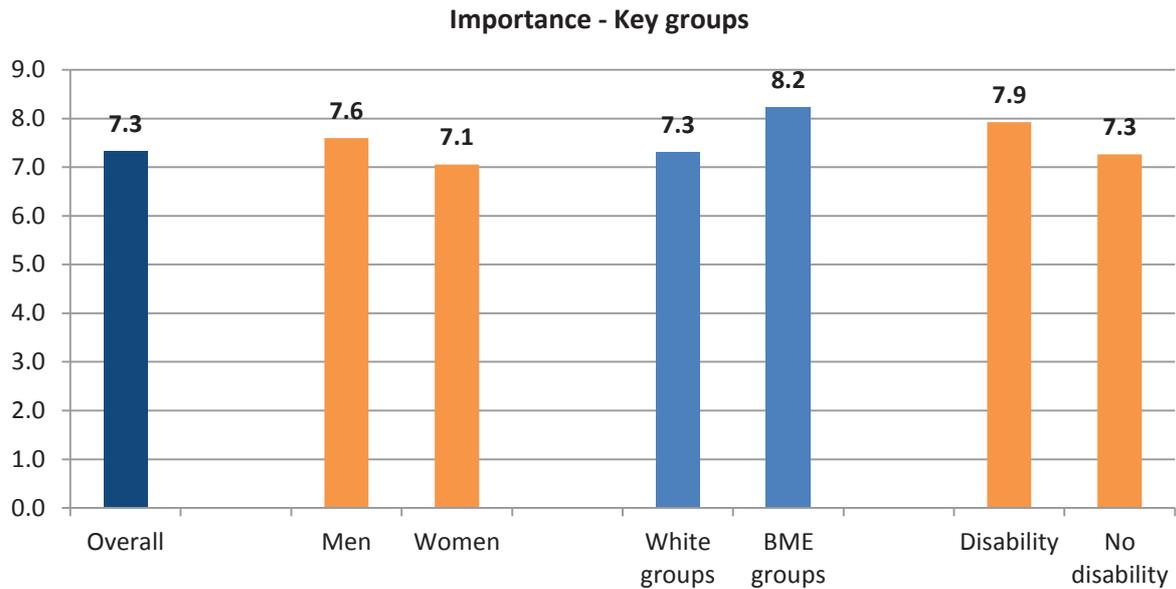
There is 0.5 rank difference between genders the approach to funding for this grouping is within 4% or less of each other and therefore not significant.

## Funding Approach - Age Trends



## Budget Consultation 2016

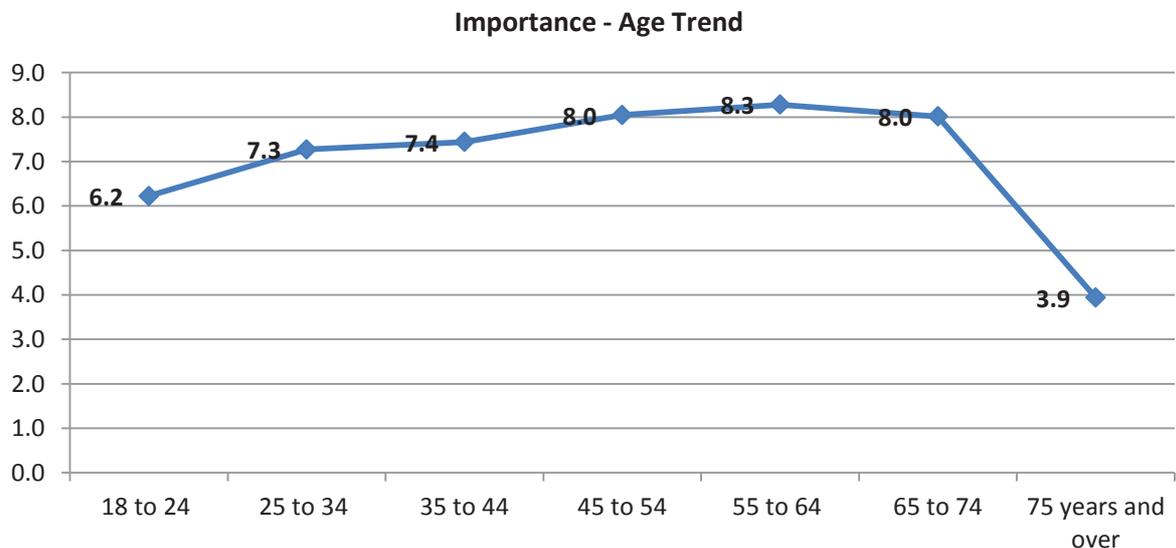
### Household waste collection & disposal (includes waste & recycling services)



Overall, Household waste collection & disposal (includes waste & recycling services) achieved a ranking of 7.3 which was the most important service when assessed against the other services that were part of the consultation.

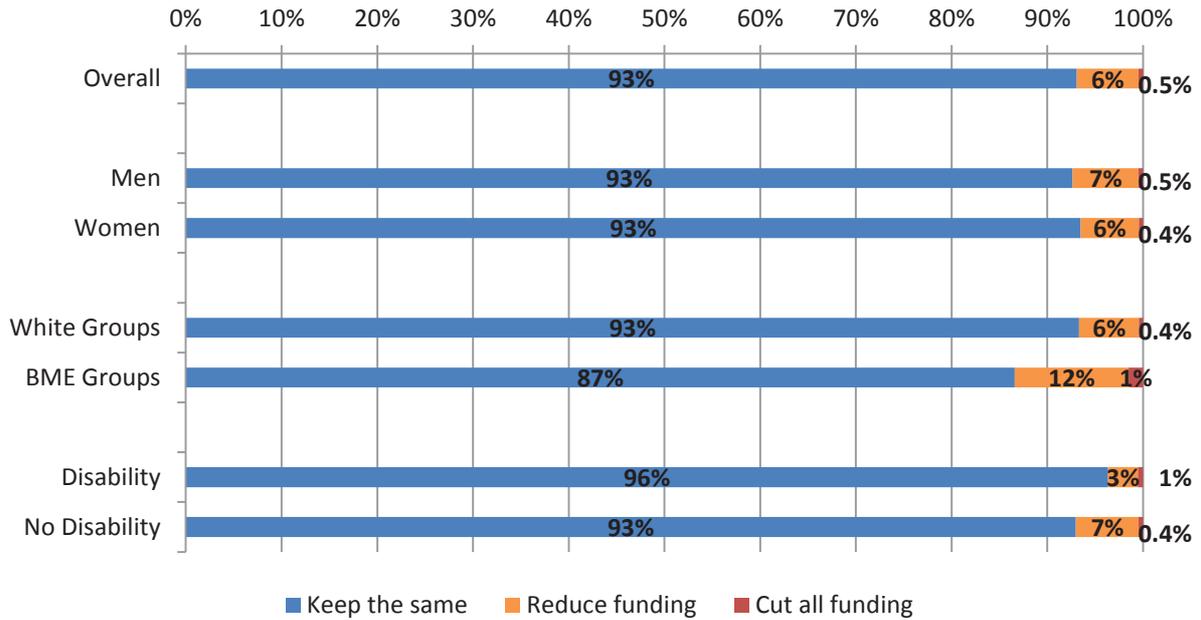
The greatest differences out of the groupings are in relation to ethnicity where there is a 0.9 difference with those from BME groups more likely to rank Household waste collection and disposal higher than those from white groups.

The age trend graph below shows that importance of waste collection and disposal increases with age until 55 to 64 years. This broadly aligns the funding approach for age groups on the following page with the 18 to 24 years groups who have the lowest rating across the age groups also have the greatest proportions of respondents that said that funding should be reduced or funding should be cut.



# Budget Consultation 2016

## Funding Approach - Key Groups

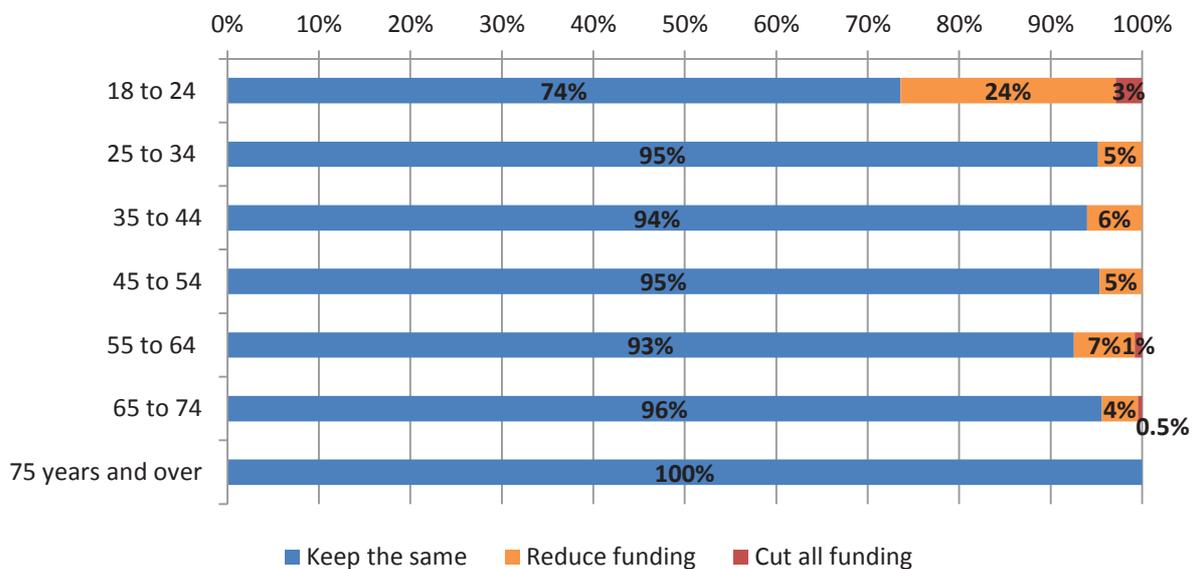


Overall, 93% of respondents said that funding for waste collection and disposal should remain the same. When the proportion of respondents saying keep the funding the same is assessed across all services this service had the greatest proportion (and the lowest proportions for reduce funding and cut all funding).

Although there is a 0.5 difference in level of importance between genders, the funding approaches for men and women are almost identical to the overall.

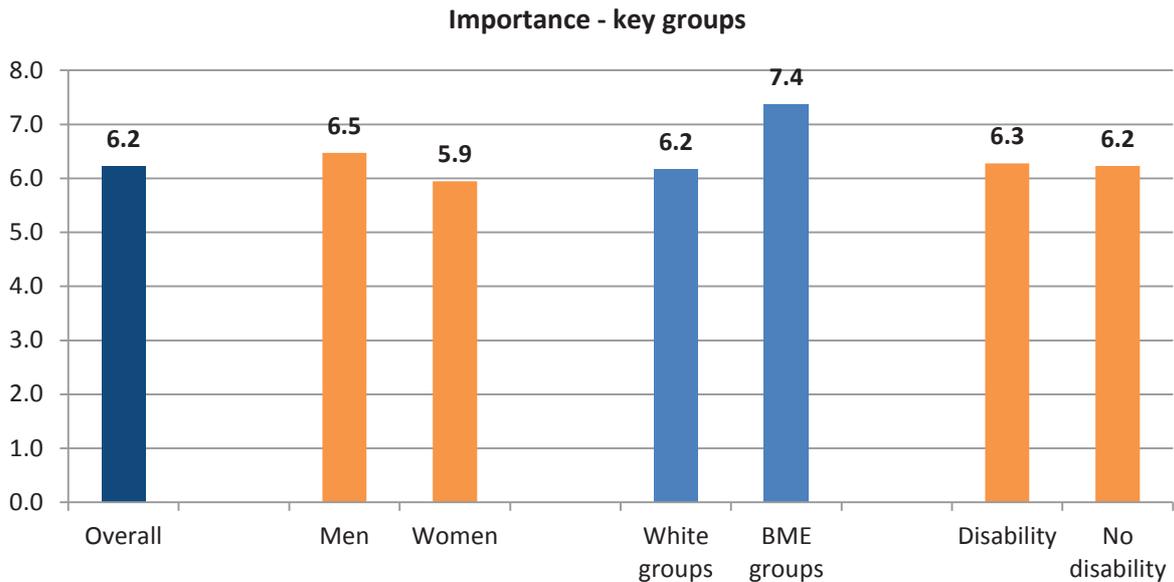
As with importance, the biggest differences in funding approach relate to ethnicity. While the response from white groups is in line with the overall levels, respondents from BME groups were twice as likely than the average to select reduce funding.

## Funding Approach - Age Trends



## Budget Consultation 2016

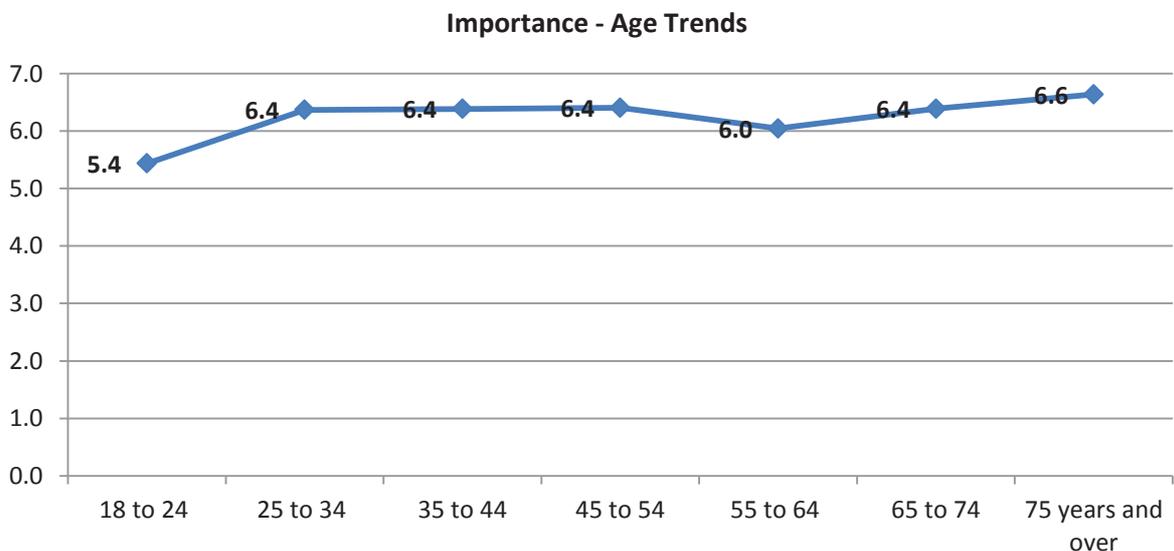
### Street cleaning (providing a clean and safe environment)



Overall, Street cleaning (providing a clean and safe environment) achieved a ranking of 6.2 which was the third most important service when assessed against the other ten services that were part of the consultation.

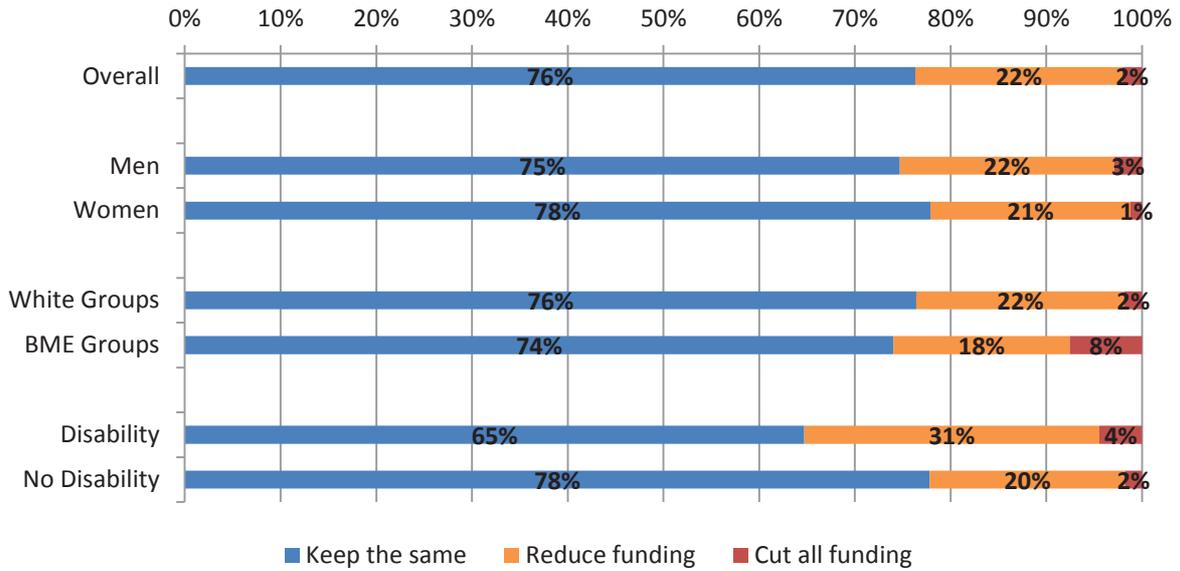
Respondents from BME groups rated this service higher than those from white groups with a 0.8 difference in rating. However, when looking at the funding approach on the following page, they are four times more likely than white groups (and the overall) to respond that all funding should be cut for this service.

In terms of age, the 18 to 24 year olds had the lowest ranking for street cleaning lowest out of all the age groupings and the 75 years and over group the highest. This aligns with the approach to funding with the 18 to 24 years having the greatest proportion of respondents that said funding should be reduced or cut all funding for this service. The 75 years and over group have the greatest proportion that said funding should remain the same.



# Budget Consultation 2016

## Funding Approach - Key Groups

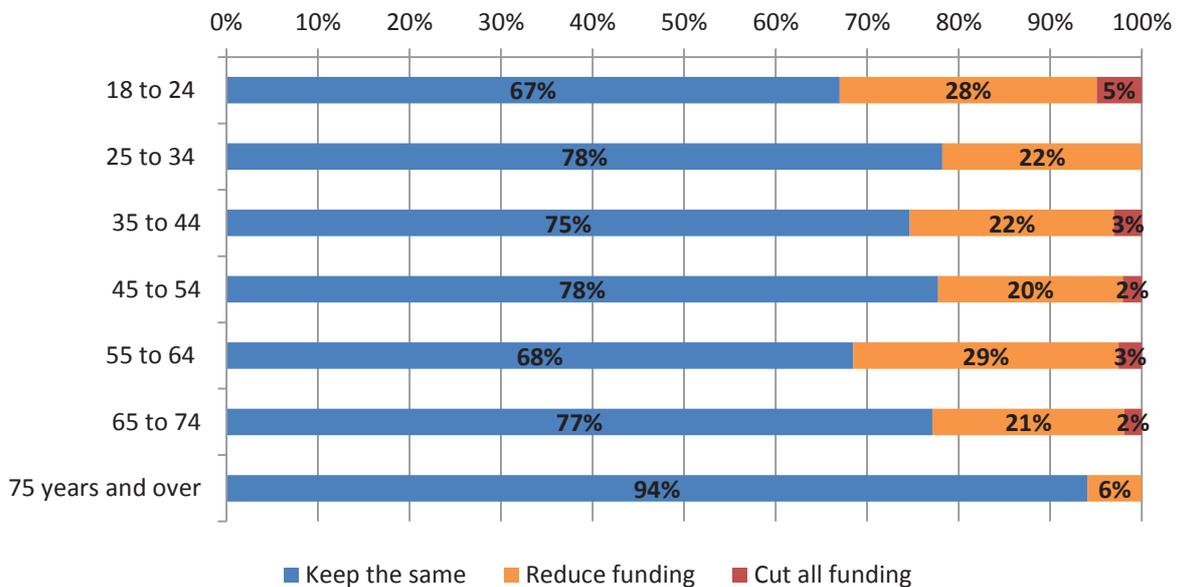


Overall, 76% of respondents said that funding for street cleaning should remain the same. When the proportion of respondents saying keep the funding the same is assessed across all services this service had the second greatest proportion (and the second lowest proportions for reduce funding and cut all funding).

The funding approach for men and women is broadly consistent with the overall figures and while there is a 0.6 difference in the ranking between these groups both are within 0.3 of the overall figure therefore the difference not considered significant,

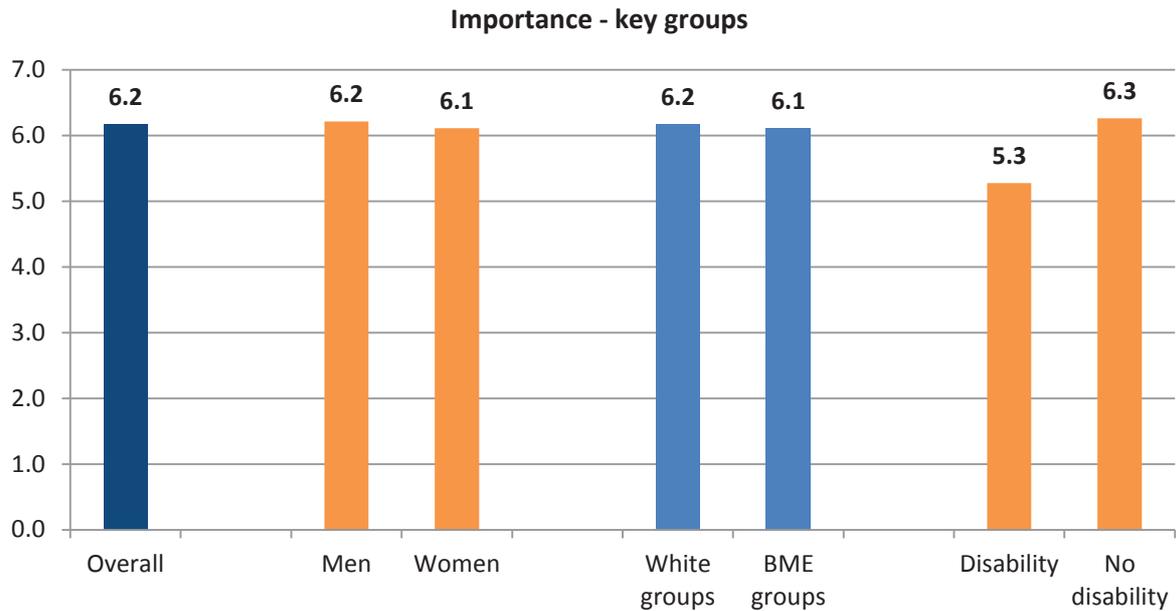
Respondents with a disability were more favourable to reducing or cutting street cleansing with 35% selecting one of these responses. However in terms of importance this grouping was consistent with the overall out-turn.

## Funding Approach - Age Trends



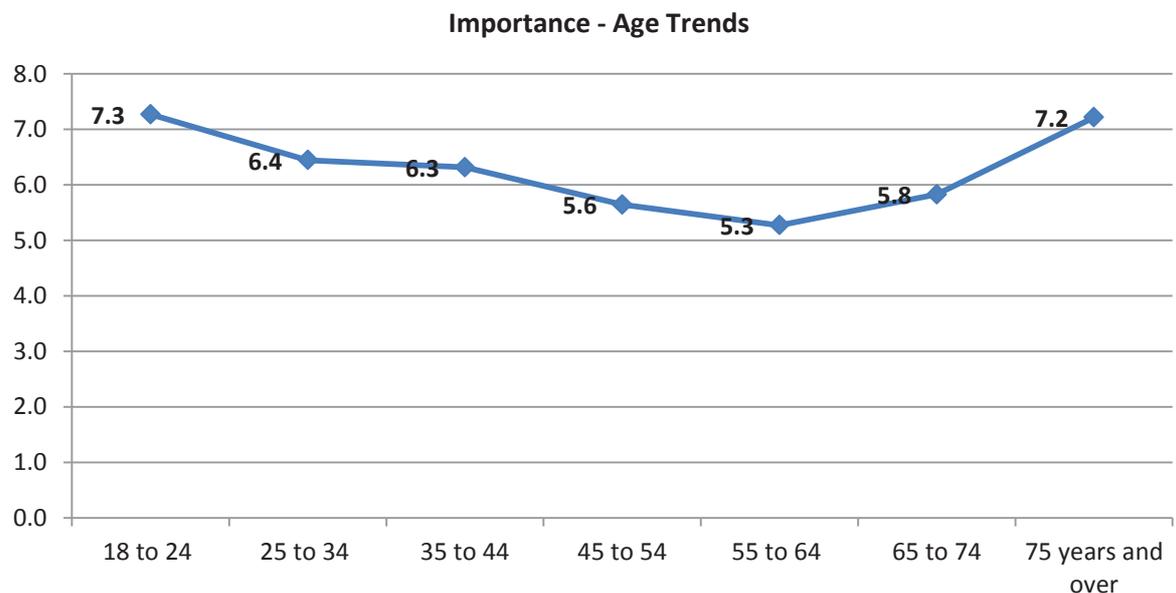
## Budget Consultation 2016

### Economic regeneration & creating jobs (including improvements to the town centre and support for businesses)



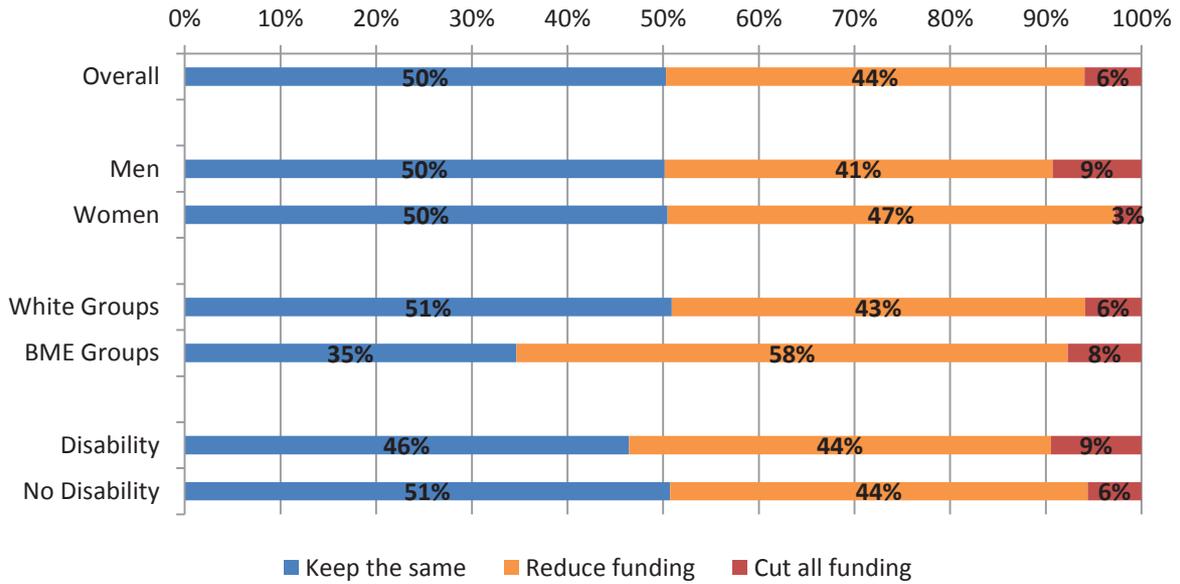
Overall, Economic regeneration & creating jobs (including improvements to the town centre and support for businesses) achieved a ranking of 6.2 and was the fourth most important service when assessed against the other ten services that were part of the consultation.

The results for gender and ethnicity groupings are consistent with the overall figures. There is a 1.0 rank difference in the disability grouping with respondents with a disability placing a higher level of importance on Economic regeneration and creating jobs than those without a disability. This could be a reaction to the changes in the access to work grant and Employment and Support Allowances. This said the approach to funding for this group does not show significant differences compared to their group counterparts (those without a disability) nor the overall proportions.



# Budget Consultation 2016

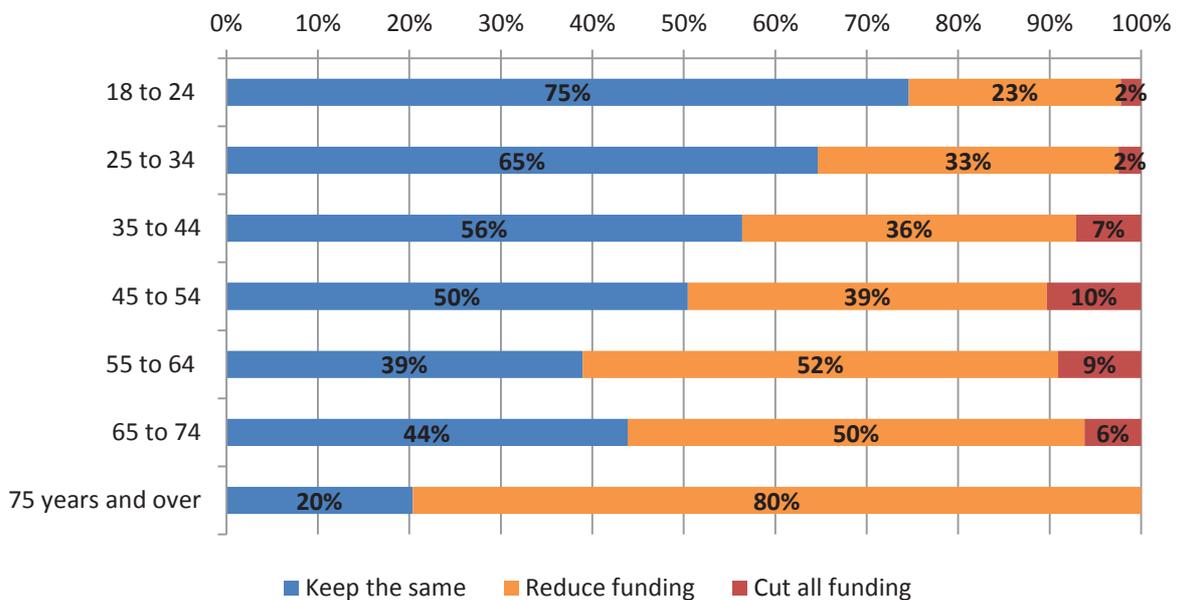
## Funding Approach - Key Groups



Overall, 50% of respondents said that funding for Economic Regeneration and jobs should remain the same. When the proportion of respondents saying keep the funding the same is assessed across all services, it had the seventh greatest proportion (and the sixth greatest proportion for cut all funding).

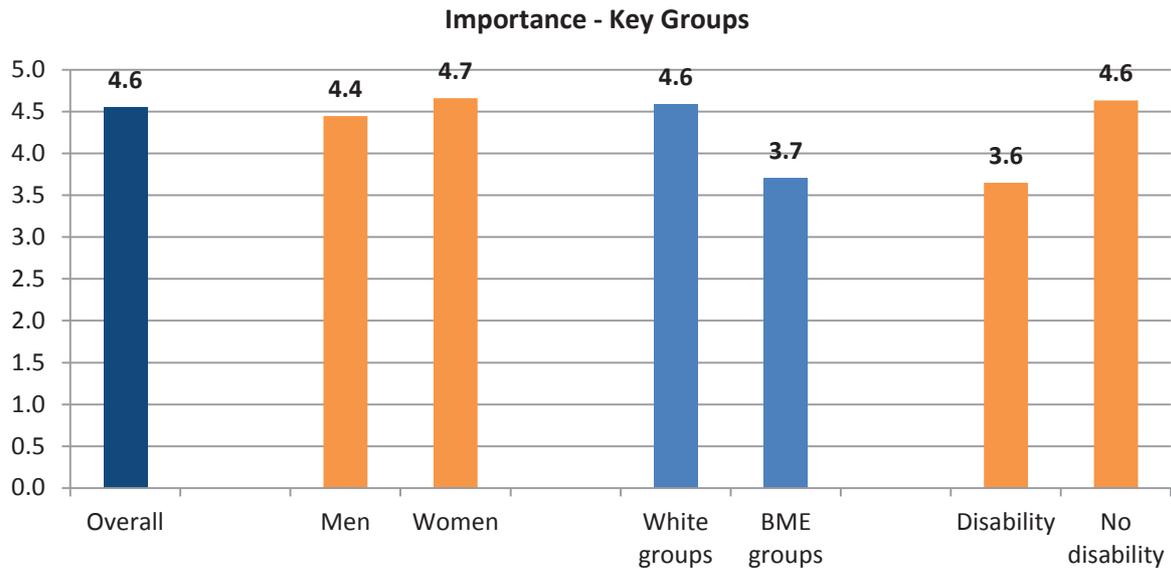
In terms of age, the 18 to 24 years group had the highest ranking for this service, followed by the 75 years and over group. For the 18 to 24 year olds this aligned with the funding approach by having the greatest proportion saying that funding should remain the same for this service at 75%. However the over 75's group, which had the second highest rank out of the age groups, has the lowest proportion saying that funding remain the same for this service at 20%.

## Funding Approach - Age Trends



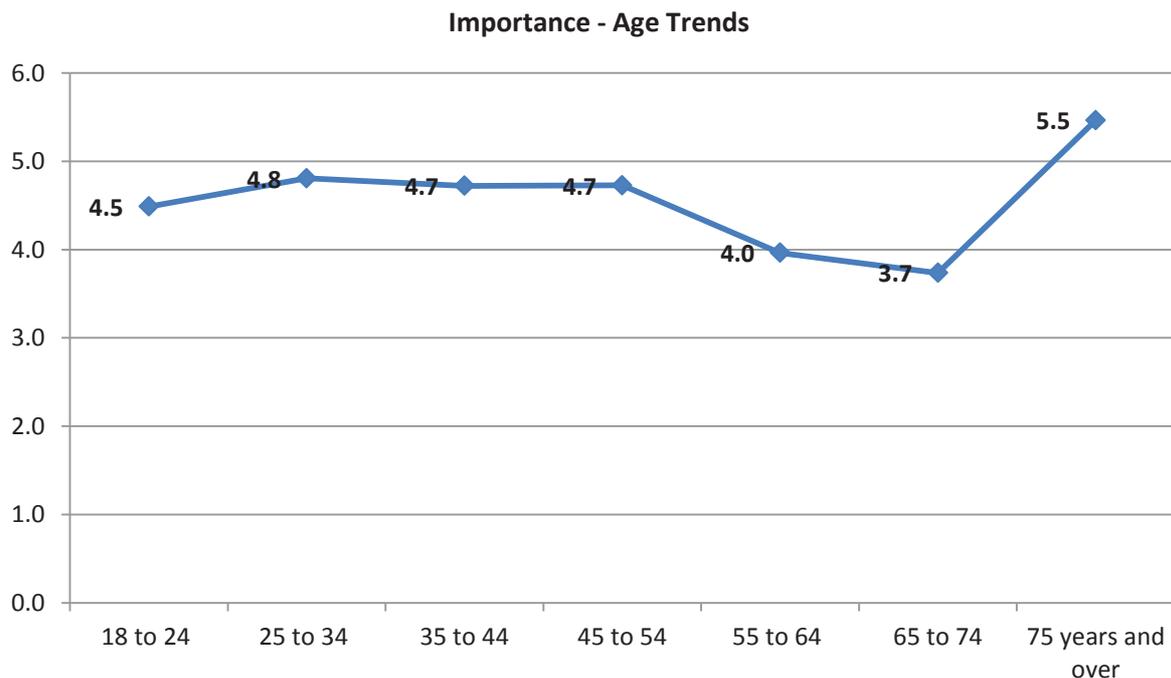
## Budget Consultation 2016

### Sport & Recreation (includes Maidstone leisure centre, Cobtree golf course and community halls)



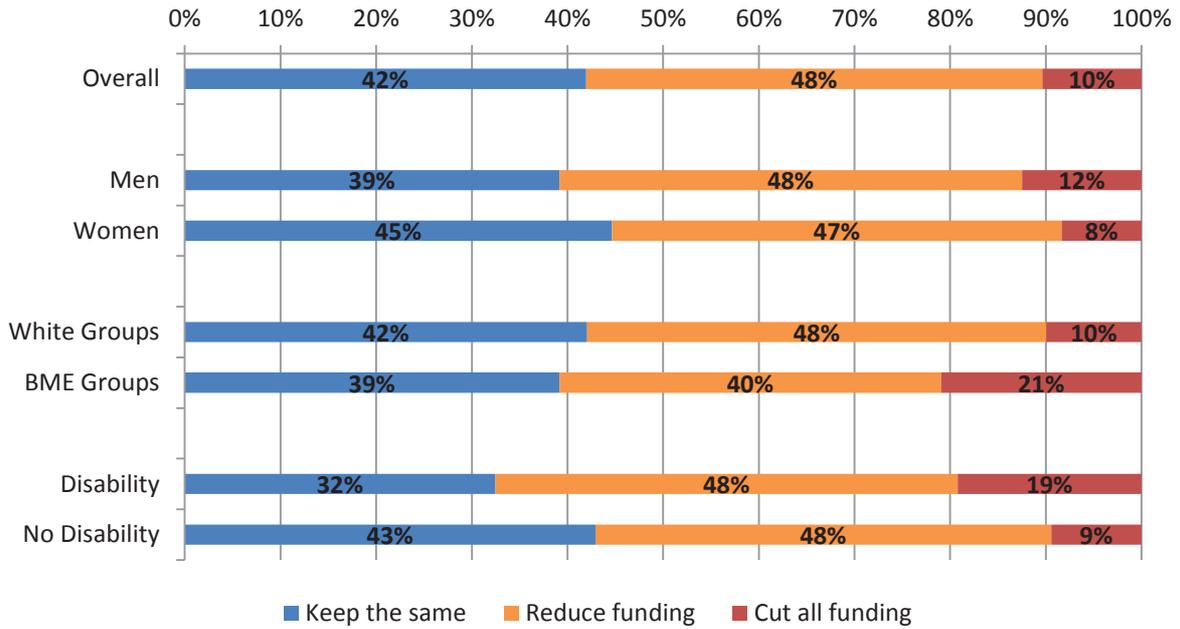
Overall, Sport & Recreation (includes Maidstone leisure centre, Cobtree golf course and community halls) achieved a ranking of 4.6 and was the ninth most important service when assessed against the other ten services that were part of the consultation.

There is a slight variation between the rankings of men versus women, it is not significant. There are significant variations in the disability and ethnicity groupings with a 1.0 and 0.9 differences respectively. Both respondents from BME groups and those with a disability rated sport and recreation lower in importance. This was also reflected in the funding approach for these groups with almost double the proportion saying to cut all funding for this service.



# Budget Consultation 2016

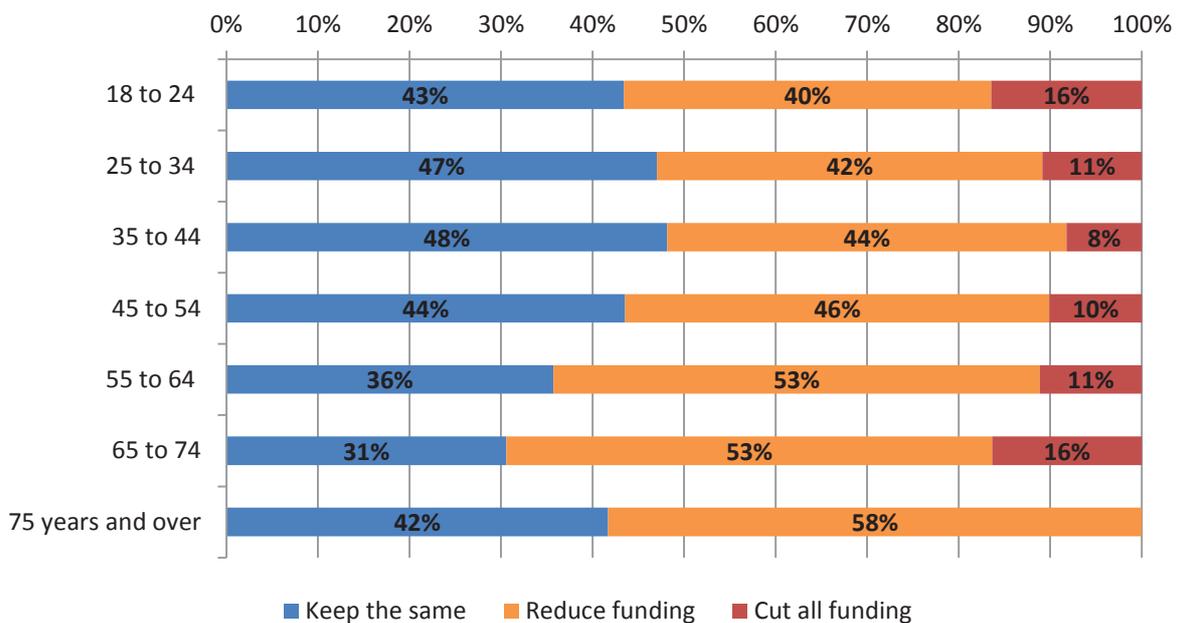
## Funding Approach - Key Groups



Overall, 42% of respondents said that funding for sport and recreation should remain the same. When the proportion of respondents saying keep the funding the same is assessed across all services this service came in at eighth out of ten and had the third greatest proportion for cut all funding.

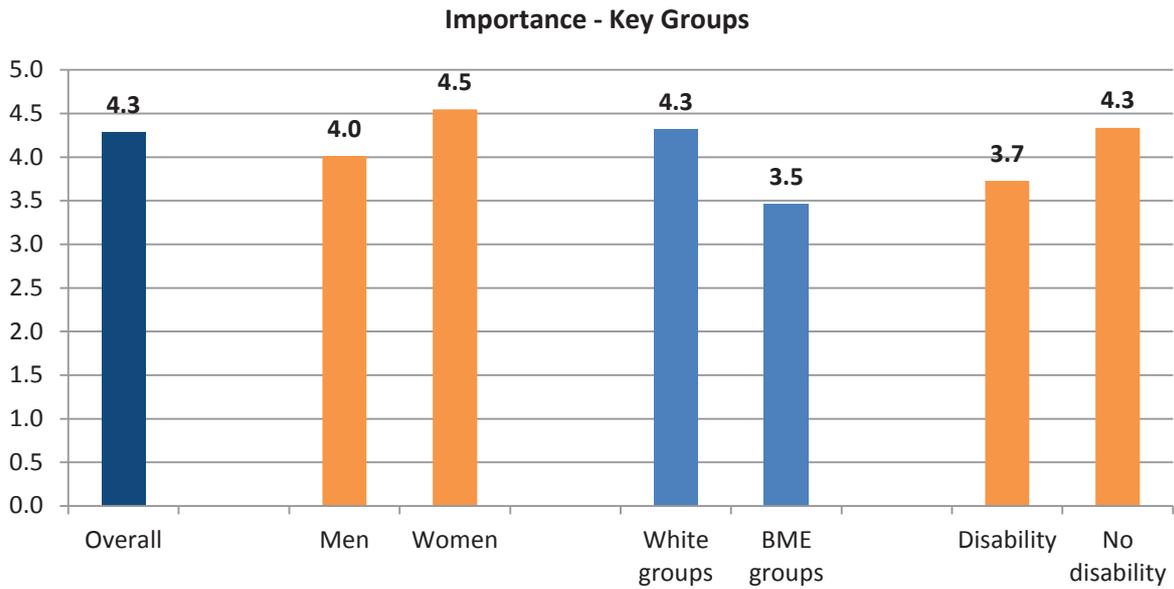
In relation to age, the 65 to 74 years age group had the lowest ranking at 3.7, this aligns with the funding approach with this group having the lowest proportion of respondents that said to keep the funding level the same.

## Funding Approach - Age Trends



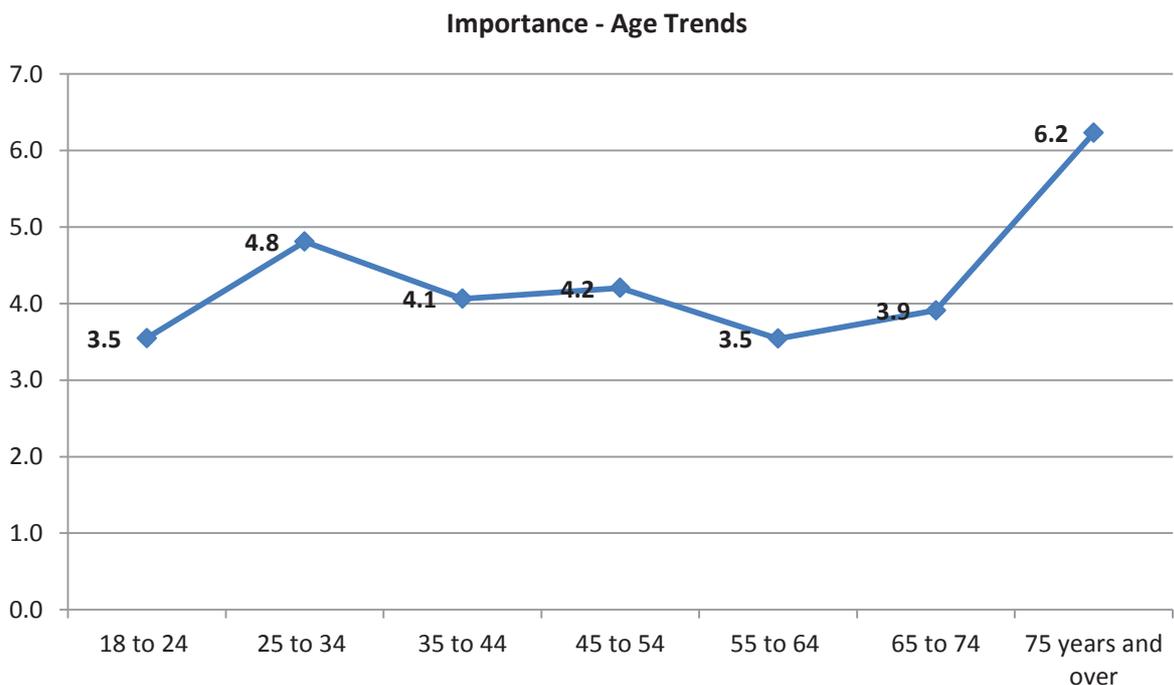
## Budget Consultation 2016

### Culture & Tourism (includes Maidstone museum, events and attractions to encourage tourism)



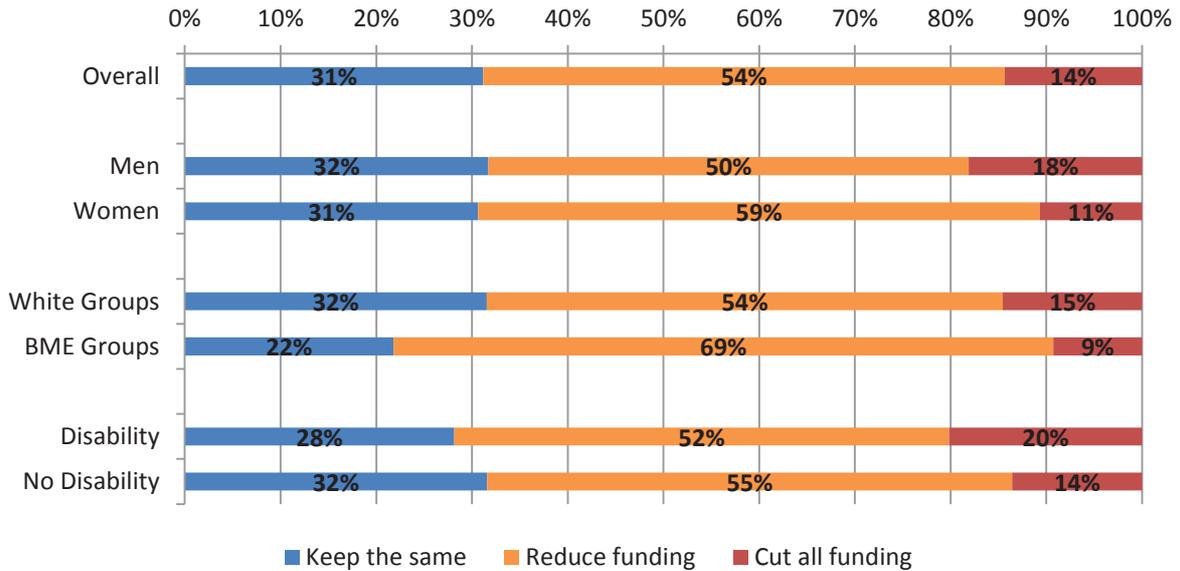
Overall, Culture & Tourism (includes Maidstone museum, events and attractions to encourage tourism) achieved a ranking of 4.3 and was the least most important service when assess against the other ten services that were part of the consultation.

For this service there is a lot of variation between groups, with culture and tourism being less important to BME groups, those with a disability and men compared to their group counterparts. There is also significant variation amongst the age groups with those over 75 years placing a high level of importance on this service and the 18 to 24 years and the 55 to 64 years group more likely than average place this service at the lower end of the scale.



# Budget Consultation 2016

## Funding Approach - Key Groups

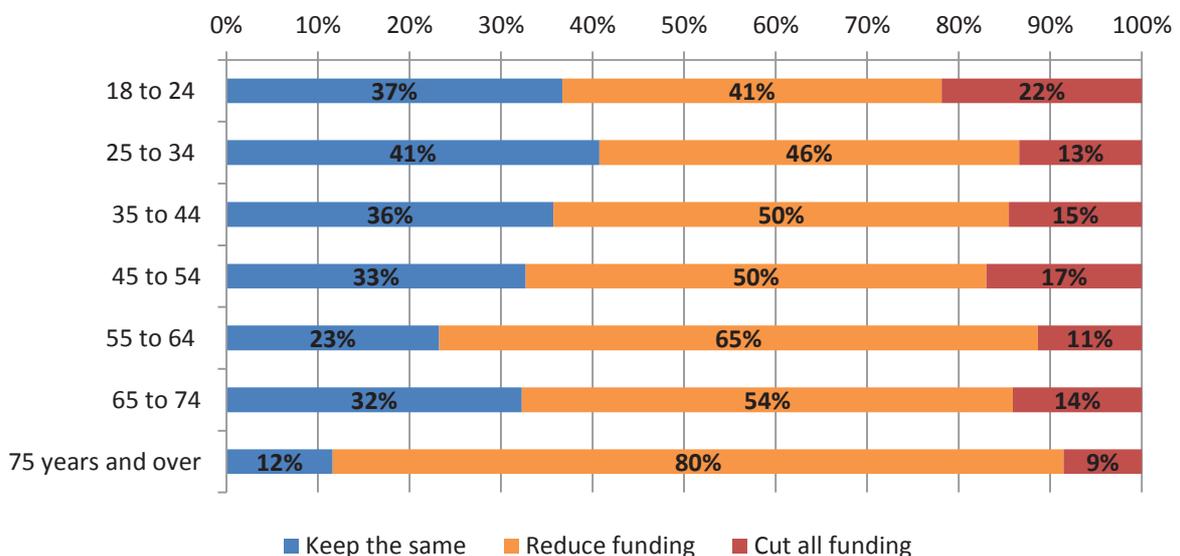


Overall, 31% of respondents said that funding for culture and tourism should remain the same. When the proportion of respondents saying keep the funding the same is assessed across all services this service had the lowest proportion in favour and had the greatest proportions for reduce and cut all funding.

Respondents from BME groups gave this service one of the lowest rating out of all the groupings. This aligns with the funding approach questions where they have the greatest proportion of respondents that said funding should be reduced and the second lowest proportion that said funding should remain the same.

The 18 to 24 years group had one of the lowest ratings for this service at 3.5, this aligns with this group having the greatest proportion of respondents that think all funding should be cut for this service.

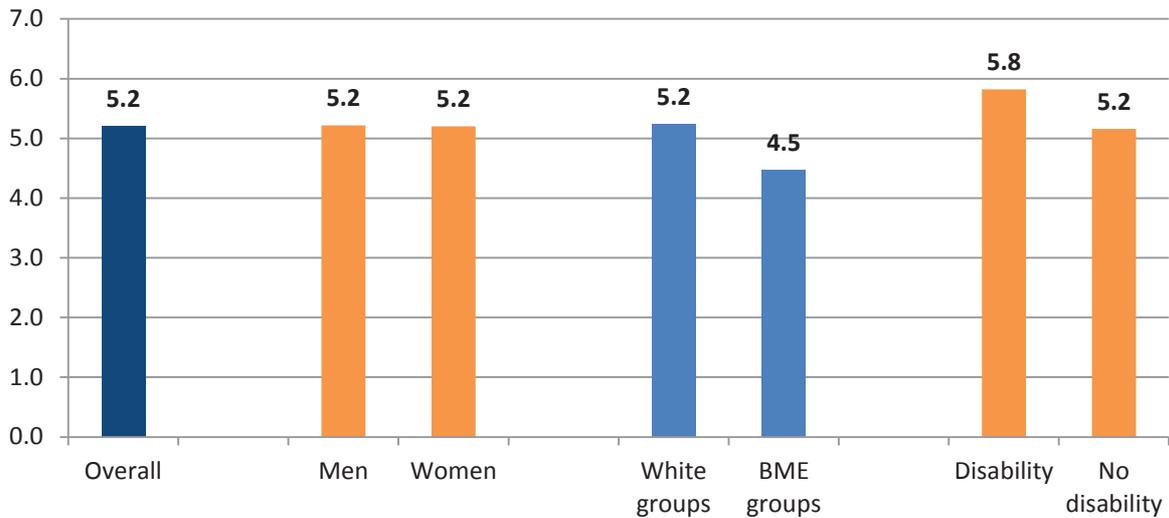
## Funding Approach - Age Trends



## Budget Consultation 2016

### Planning & Building Control (includes building regulations, the Local Plan, planning applications and conservation)

Importance - Key Groups

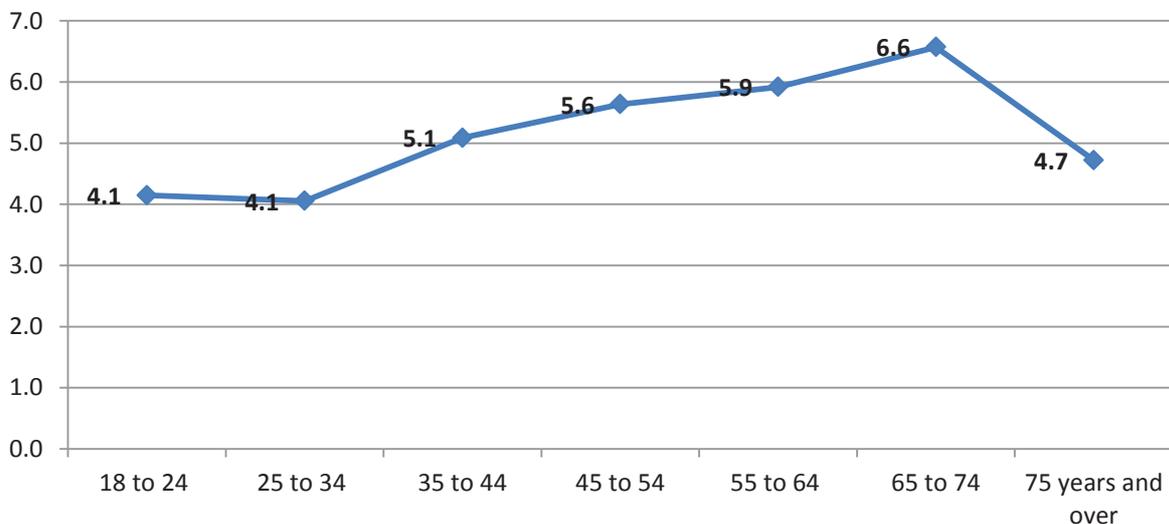


Overall, Planning & Building Control (includes building regulations, the Local Plan, planning applications and conservation) achieved a ranking of 5.2 and was the seventh most important service when assess against the other ten services that were part of the consultation.

While there was no differences in the level of responses from men and women there is a 0.7 difference between white groups and BME groups with BME groups less likely than average to rate this service highly in terms of importance. Whereas there is a 0.6 difference between the ratings from respondents with a disability and those without and those with a disability are more likely than average to rank this service higher.

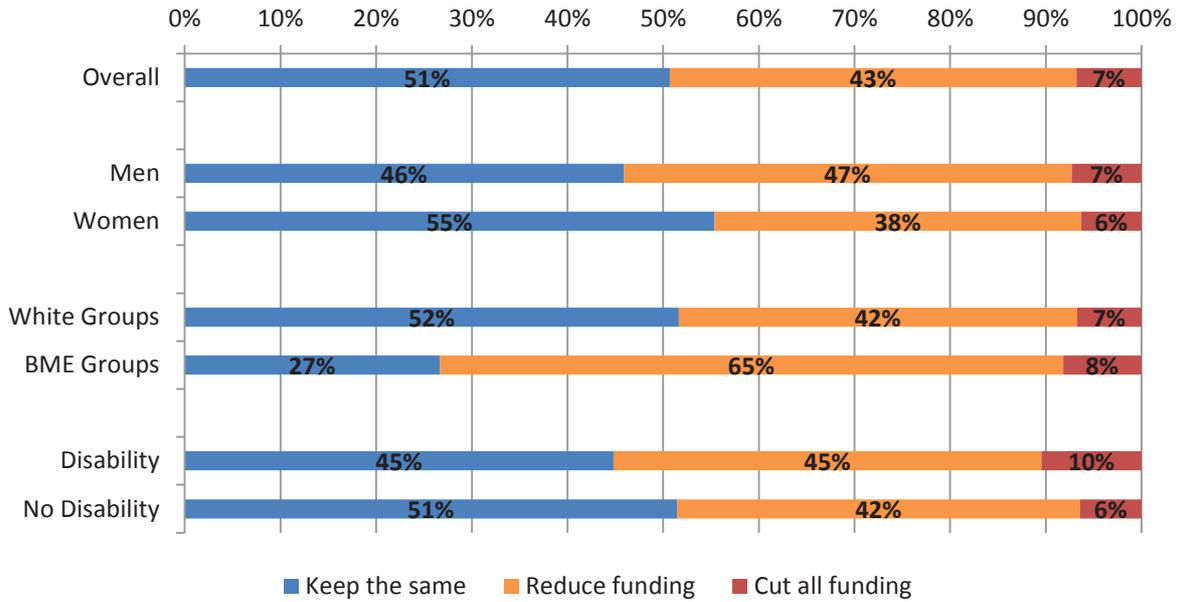
If we disregard the over 75's group on the ground of the low response rate then the graph below should that the importance of this service to people increases as they get older.

Importance - Age Trends



# Budget Consultation 2016

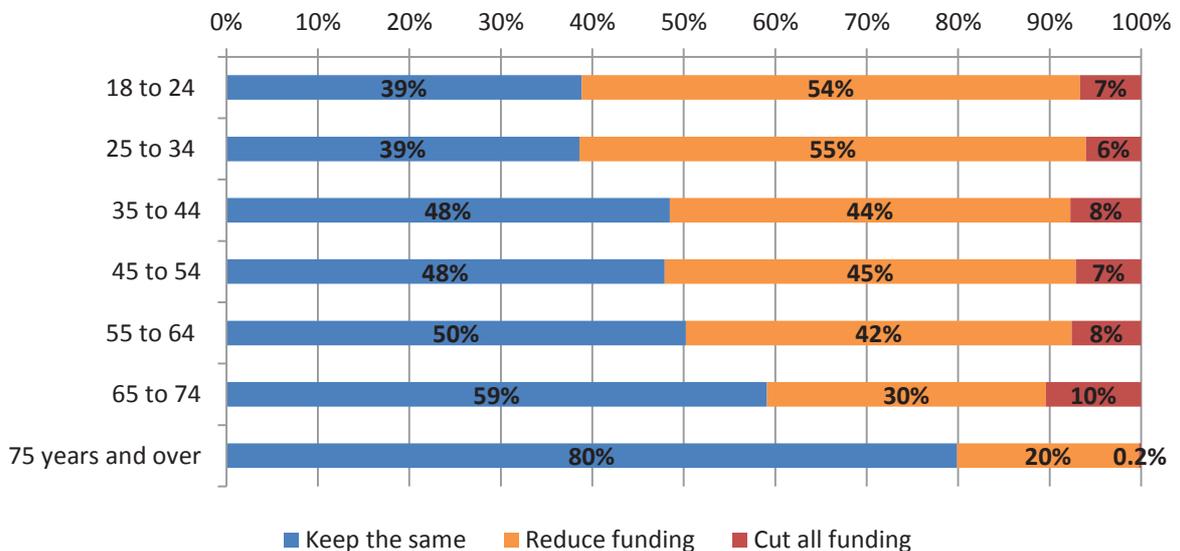
## Funding Approach - Key Groups



Overall, 51% of respondents said that funding for planning and building control should remain the same. When the proportion of respondents saying keep the funding the same is assessed across all services this service sixth out of the ten services this consultation focused on and came fifth for both reduce funding and cut all funding.

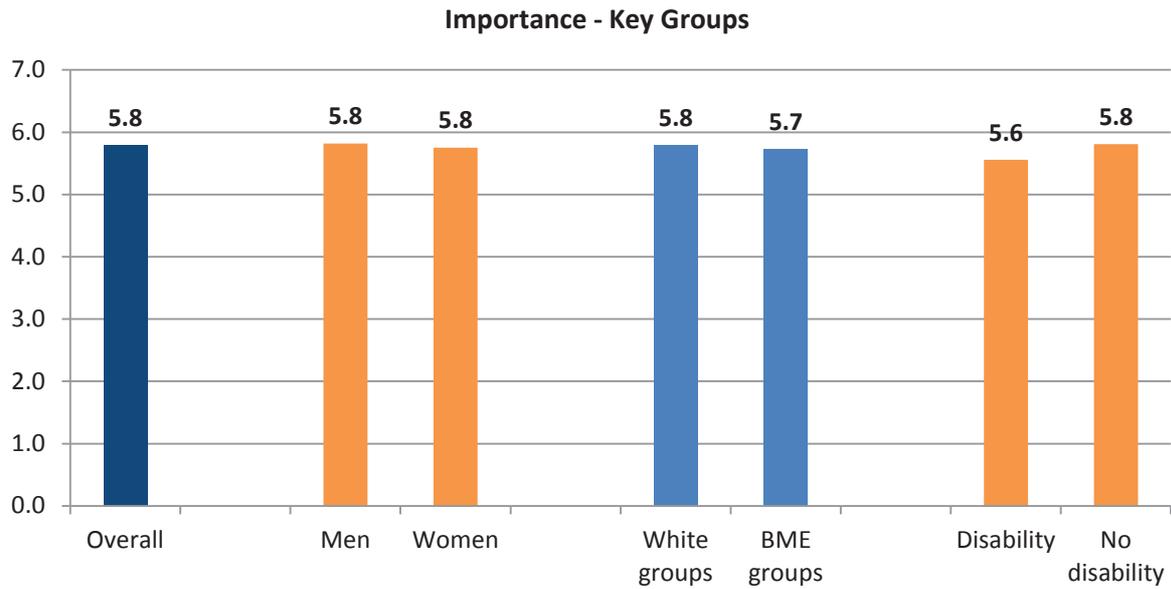
Although respondents with a disability ranked this service higher than those without the funding approaches selected by these groups do not align with a greater proportion of those with a disability saying that funding should be reduced or cut then those without a disability. However the funding approach for BME groups, who placed a lower importance rating than white groups on this service, is as expected with the lowest proportion of respondents saying the funding for planning and building control should remain the same.

## Funding Approach - Age Trends



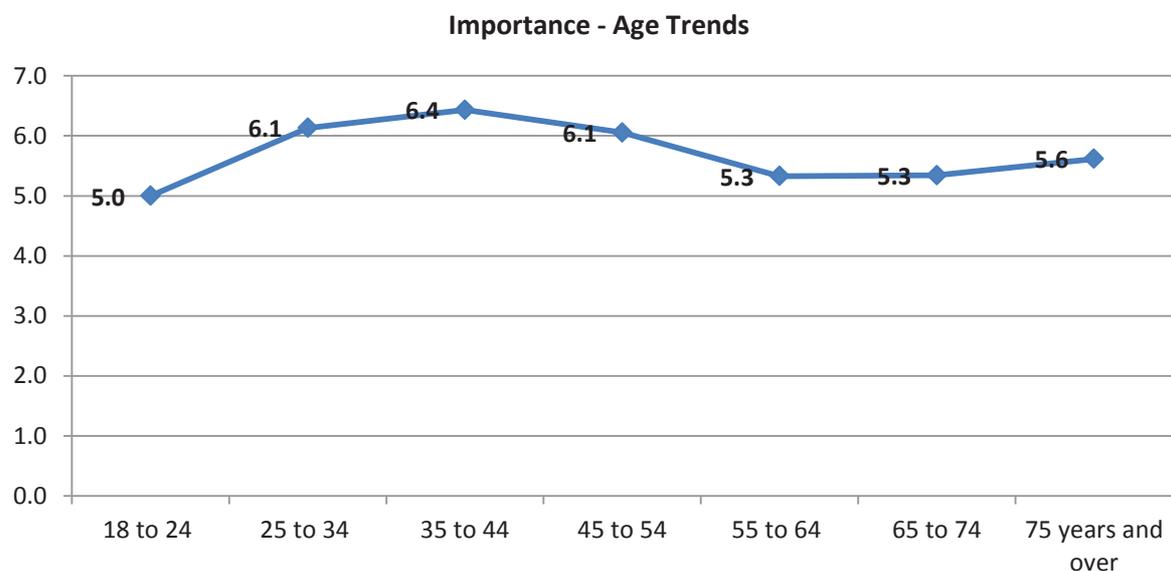
## Budget Consultation 2016

### Parks & Open Spaces (includes all council owned parks including Mote Park, Whatman Park and Clare Park)



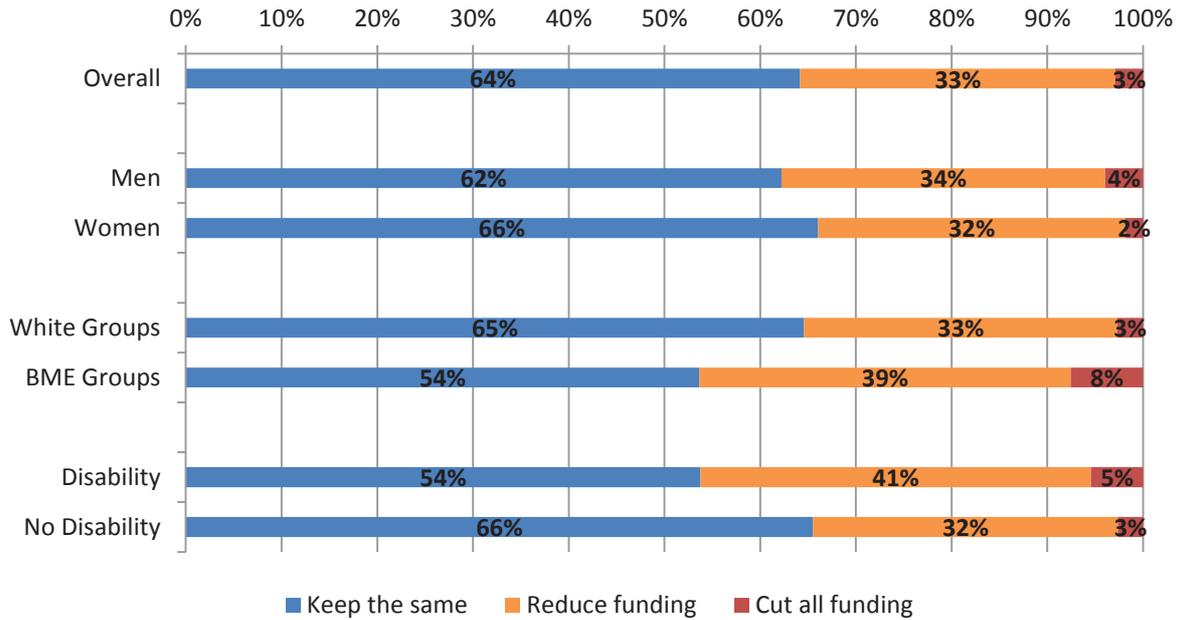
Overall, Parks & Open Spaces (includes all council owned parks including Mote Park, Whatman Park and Clare Park) achieved a ranking of 5.8 and was the fifth most important service when assessed against the other ten services that were part of the consultation.

The graph above shows little to no variation between groups the graph below shows some reasonable variation in relation to the age groups. Importance of this service is highest for those aged 25 to 54 years. It is possible that this could be linked to family life, with these being the key years where children are likely to be living in the home. The funding approach analysed by age shows that the three age groups that with the highest levels of importance are also the three age groups (25 to 34, 35 to 44 and 45 to 54 years) where there are the greatest proportions of respondents saying keep the funding the same and had the lowest proportions that said reduce or cut all funding.



# Budget Consultation 2016

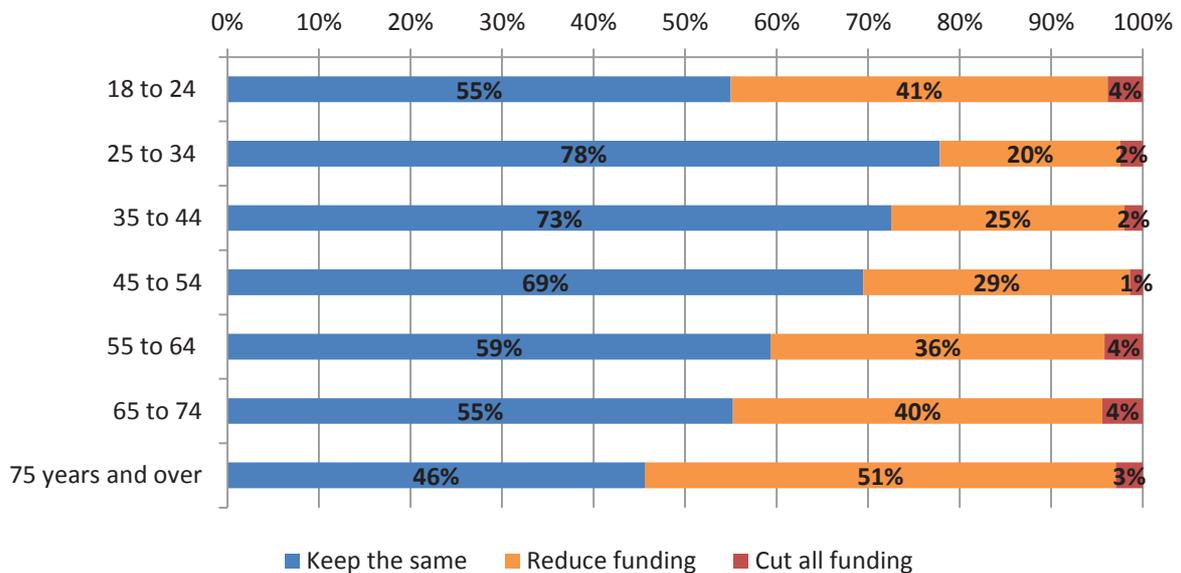
## Funding Approach - Key Groups



Overall, 64% of respondents said that funding for parks and open spaces should remain the same. When the proportion of respondents is analysed across all services this service fourth out of the ten services this consultation focused on and came seventh for both reduce funding and cut all funding.

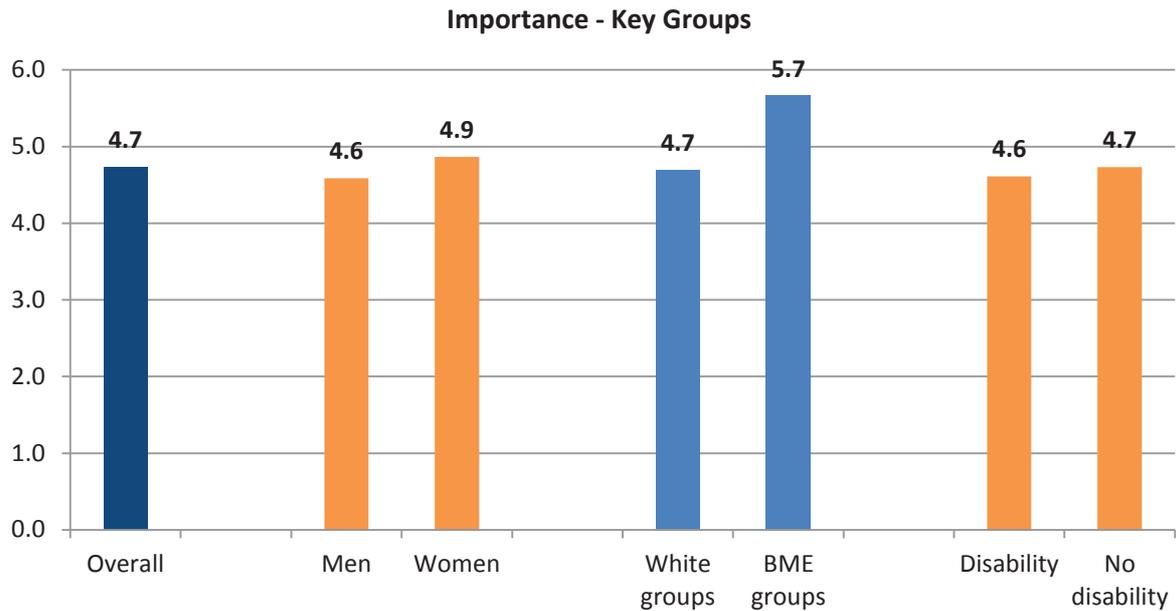
The level of importance, for the groups above, were consistent with the overall results there are some noteworthy variations in the approach to funding. A lower proportion of respondents from BME groups and those with a disability responded that the funding level for parks and open spaces should remain the same compared to white groups and the overall result. Both these groups also had a greater proportion than average that said funding should be reduced.

## Funding Approach - Age Trends



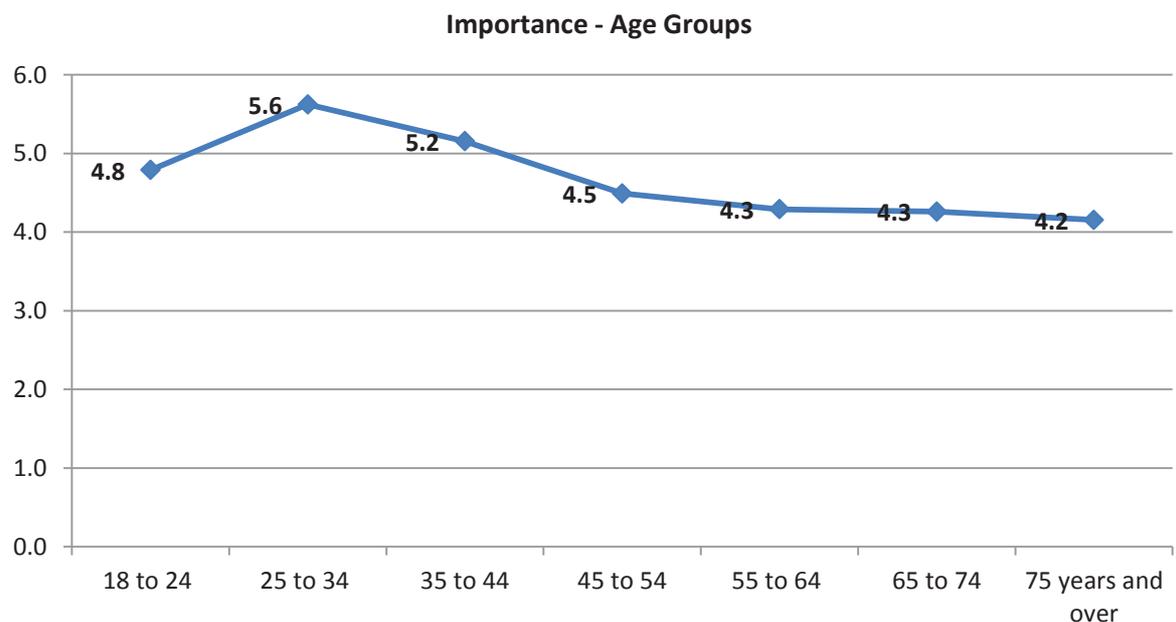
## Budget Consultation 2016

### Community Safety & Development (includes encouraging good public health and social inclusion)



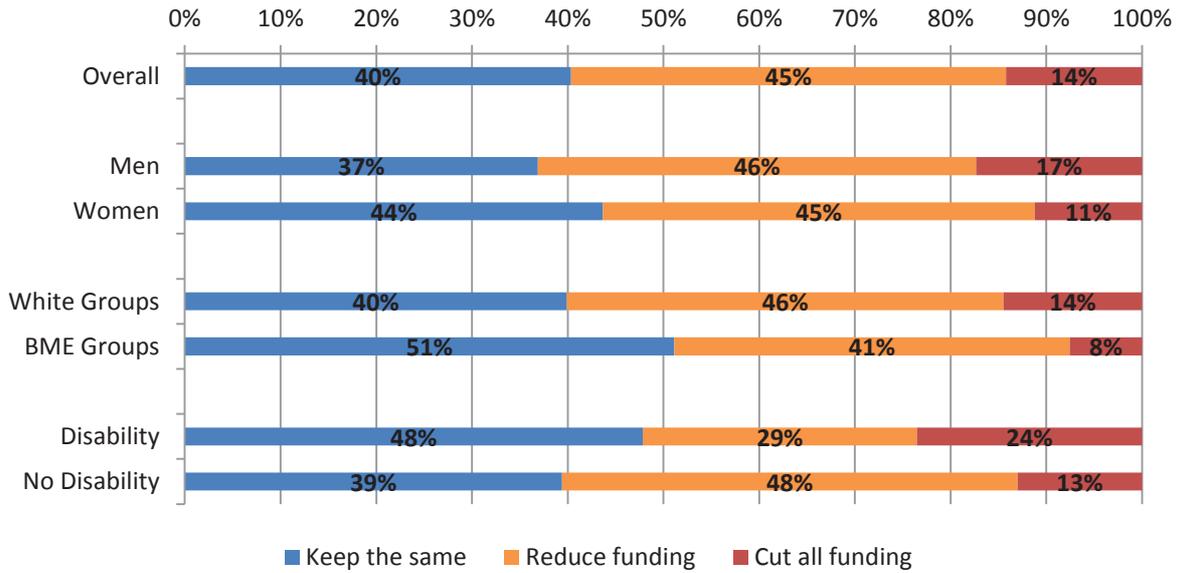
Overall, Community Safety & Development (includes encouraging good public health and social inclusion) achieved a ranking of 4.7 and was the eighth most important service when assessed against the other ten services that were part of the consultation.

The results for the groups outlined above are broadly consistent with the overall result, with the exception of respondents from BME groups who placed a higher level of importance on this service than respondents from white groups. This seems to align with the funding approach response, a greater proportion of BME groups support funding remaining the same and a lower proportion say to cut all funding for community safety and development than white groups.



# Budget Consultation 2016

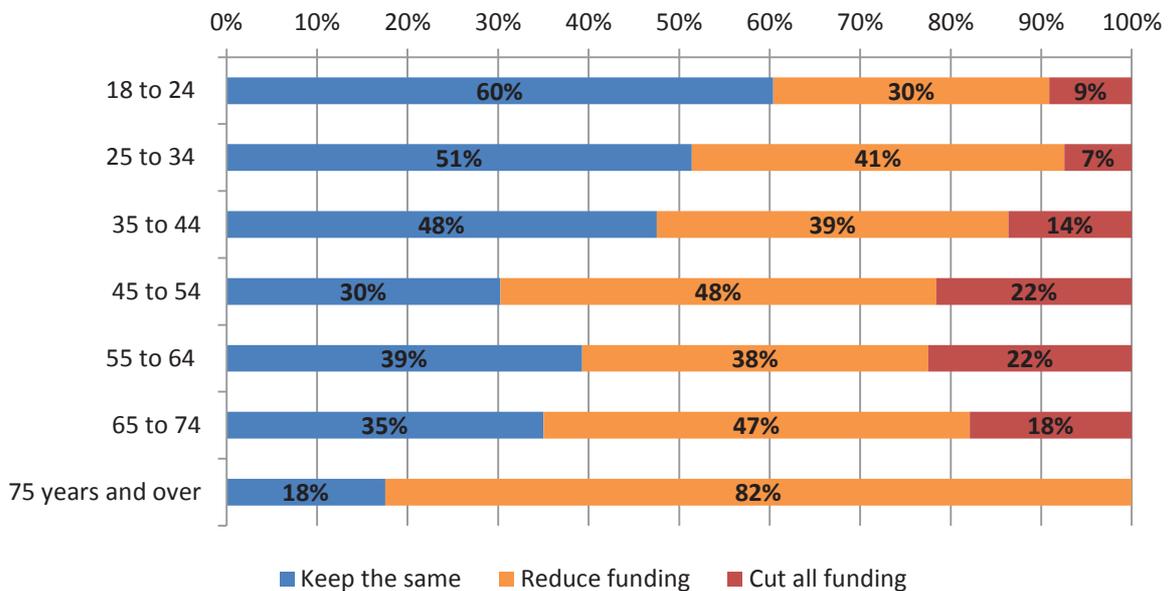
## Funding Approach - Key Groups



Overall, 40% of respondents said that funding Community Safety and Development should remain the same. When the proportion of respondents is assessed across all services this service ninth out of the ten services this consultation focused on and came third for reduce funding and second for cut all funding.

In terms of age the over 75's group had the lowest rank for importance across the age ranges this is consistent with their response on the funding approach, as they have the lowest proportion of people saying that the funding level for Community Safety & Development should remain the same. While the 25 to 34 years group had the greatest level of importance they did not have the greatest proportion that said funding should remain the same. The 18 to 24 year olds had the greatest proportion that said funding should remain the same at 60%

## Funding Approach - Age trends



## Budget Consultation 2016

### Weighting & Demographics

Age	Survey Males				Men population				BME Male Weight	White Male Weight
	White groups		BME		White groups		BME			
18 to 24	47	6.9%	7	1.0%	5,766	4.7%	534	0.4%	0.43	0.69
25 to 34	37	5.4%	2	0.3%	8,448	7.0%	871	0.7%	2.45	1.28
35 to 44	51	7.5%	3	0.4%	10,061	8.3%	818	0.7%	1.53	1.11
45 to 54	65	9.5%	1	0.1%	10,673	8.8%	490	0.4%	2.75	0.92
55 to 64	61	8.9%	0	0.0%	9,272	7.6%	262	0.2%	n/a	0.85
65 to 74	67	9.8%	1	0.1%	6,789	5.6%	166	0.1%	0.93	0.57
75 years +	14	2.1%	2	0.3%	4,843	4.0%	56	0.0%	0.16	1.94
<b>Grand Total</b>	<b>342</b>	<b>50.1%</b>	<b>16</b>	<b>2.3%</b>	<b>55,852</b>	<b>46.0%</b>	<b>3,197</b>	<b>2.6%</b>		
<b>Total Males</b>			<b>358</b>							

Age	Survey Women				Women Population				BME Female Weight	White Female Weight
	White groups		BME groups		White groups		BME			
18 to 24	27	4.0%	2	0.3%	5,333	4.4%	368	0.3%	1.03	1.11
25 to 34	42	6.2%	0	0.0%	9,055	7.5%	849	0.7%	n/a	1.21
35 to 44	63	9.2%	7	1.0%	10,479	8.6%	764	0.6%	0.61	0.93
45 to 54	76	11.1%	0	0.0%	10,504	8.6%	485	0.4%	n/a	0.78
55 to 64	54	7.9%	2	0.3%	9,633	7.9%	280	0.2%	0.79	1.00
65 to 74	47	6.9%	2	0.3%	7,182	5.9%	132	0.1%	0.37	0.86
75 years +	2	0.3%	0	0.0%	7,269	6.0%	77	0.1%	n/a	20.41
<b>Grand Total</b>	<b>311</b>	<b>45.60%</b>	<b>13</b>	<b>1.9%</b>	<b>59,455</b>	<b>49.0%</b>	<b>2,955</b>	<b>2.4%</b>		
<b>Total Females</b>			<b>324</b>							

Gender	No.	%
Male	357	53%
Female	322	47%
<b>Grand Total</b>	<b>679</b>	

Ethnicity	No.	%
White groups	650	96%
BME groups	29	4%
<b>Grand Total</b>	<b>679</b>	

Age	No.	%
18 to 24	81	12%
25 to 34	81	12%
35 to 44	124	18%
45 to 54	142	21%
55 to 64	116	17%
65 to 74	117	17%
75 years +	18	3%
<b>Grand Total</b>	<b>679</b>	

Disability	No.	%
Disability	75	11%
No Disability	598	89%
<b>Grand Total</b>	<b>673</b>	
Blank	6	

# Agenda Item 14

## **POLICY AND RESOURCES COMMITTEE**

**14 December 2016**

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

**Yes**

### **Surrenden Field, Staplehurst**

<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service</b>	Director of Finance and Business Improvement
<b>Lead Officer and Report Author</b>	Lucy Stroud
<b>Classification</b>	Public
<b>Wards affected</b>	Staplehurst

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

1. To agree a disposal of Surrenden Field and Nicolson Walk on a leasehold basis, for a term of 125 years, to Staplehurst Parish Council. The land is shown edged in red on the plan at Appendix I.

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

- Keeping Maidstone Borough an attractive place for all – the disposal would allow Staplehurst Parish Council to invest in the site and for the playing field to remain as a valuable amenity in the village.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Policy & Resources Committee	14 December 2016

# Surrenden Field, Staplehurst

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Staplehurst Parish Council has made a request to Maidstone Borough Council (MBC) for an extension to their current leasehold arrangement of Surrenden Field.
  - 1.2 In order to realise their aspirations for the playing field, the Parish Council would like the future of the site secured and placed under their stewardship. This is best achieved by way of a long term leasehold transfer.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Surrenden Field and Nicolson Walk are owned freehold by MBC and the Field has been leased to Staplehurst Parish Council for the last 18 years. The current lease is for a term of 21 years and at a rent of £75 per annum.
  - 2.2 When the lease expires in 2019 the Parish Council are entitled to a further lease on identical terms because they have the benefit of being protected by the Landlord and Tenant Act 1954. The Parish Council has however requested that a new arrangement is considered.
  - 2.3 The current lease makes the Parish Council responsible for maintaining the playing field, but it is well acknowledged that funding opportunities available for community projects require a long term leasehold to be in place. For the Parish Council to apply for grant funding, a longer term than the 3 years remaining under the current lease or a further 21 year lease would be required.
  - 2.4 The land is subject to a restrictive covenant that prevents any other use than that of an open space, and any lease with the Parish Council would be subject to that covenant.
  - 2.5 Nicolson Walk is the pedestrian access to the playing field, and although not included in the current lease to the Parish Council, it would make practical sense for a longer term arrangement to include this access.
- 

## 3. AVAILABLE OPTIONS

- 3.1 The first option available to the Committee is to grant the Parish Council a 125 year lease of the land show in Appendix I. This would satisfy the future plans for the playing field because it would;
  - give the Parish Council the long term management of the site that they desire
  - enable the Parish Council to effectively maintain the site and plan improvements

- ensure the playing field remains as an amenity space for the local community
- enable access to funding and grant opportunities from external organisations
- secure the use of the site for future generations
- retain MBC's interest in the site.

3.2 The Committee could decide to follow the provisions of the Landlord and Tenant Act 1954 and grant the Parish Council a new lease on identical terms to the current lease. This option is not recommended because;

- it only allows the Parish Council to continue their management of the site in the same way as they do currently
- the Parish Council will remain without the means to carry out improvements
- it will only secure the future of the village amenity for a further 21 years
- it makes funding opportunities difficult to apply for
- it discourages investment in the site
- it doesn't include the access path at Nicolson Walk.

3.3 The final option available to the Committee is to dispose of the site to Staplehurst Parish Council by way of freehold transfer. This option is not recommended because;

- this is contrary to MBC's Asset Management Policy
- a freehold transfer is not necessary for the Parish Council to realise their future plans for the site
- MBC would lose control of an important amenity asset
- transfers of community assets has been by leasehold in the past, and this is standard practice.

The Heritage, Leisure and Culture and Committee recommended this option, with the proviso that if the land were placed on the market in the future, ownership would revert to Maidstone Borough Council. This condition would be difficult to enforce, and for the reasons set out above, the recommendation of the Heritage, Leisure and Culture Committee is not supported.

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

4.1 The first option as described above in paragraph 3.1 is the preferred option because;

- MBC's Asset Management Policy supports the transfer of community based assets, preferably in the form of long leasehold interests
- leasehold transfer is consistent with past practice and MBC's asset strategy
- funding from external organisations for community projects require a lease term of significant length in order to satisfy the application criteria
- the Parish Council would gain the control of the site that they are seeking

- long term maintenance and management of the site would be the responsibility of the Parish Council
- the Parish Council will be able to plan for their proposed improvements to the play area and site drainage
- the future of the site as an amenity area in Staplehurst would be protected.

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## 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 Public Notices advertising the proposed disposal were placed in the Kent Messenger on the 28 October 2016 and 4 November 2016. No comments or objections were received in connection with the recommendation to dispose of Surrenden Field and Nicolson Walk.

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

6.1 Should the Policy and Resources Committee recommend that the land be disposed, officers will agree detailed terms with Staplehurst Parish Council, and Mid Kent Legal Services will be instructed to draft the relevant documentation.

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## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The proposed disposal will support the Council's priority of making the Borough an attractive place to live.	Parks and Leisure Manager
<b>Risk Management</b>	No impact	
<b>Financial</b>	There is no financial impact because the Parish Council will be charged a peppercorn rent.	Section 151 Officer & Finance Team
<b>Staffing</b>	No impact	
<b>Legal</b>	Mid Kent Legal Services to prepare draft documents.	Legal Team
<b>Equality Impact Needs Assessment</b>	No impact	
<b>Environmental/Sustainable Development</b>	The land is protected by restrictive covenants to remain	Parks and Leisure

	as open space.	Manager
<b>Community Safety</b>	No impact	
<b>Human Rights Act</b>	No impact	
<b>Procurement</b>	No impact	
<b>Asset Management</b>	The land will be managed by the Parish Council in the long term, which removes the need for active asset management from MBC.	Head of Service & Manager

## **8. REPORT APPENDICES**

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

- Appendix I: Site Plan

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## **9. BACKGROUND PAPERS**

Heritage, Leisure and Cultural Decision 4 October 2016



**MAIDSTONE BOROUGH COUNCIL**

**RECORD OF DECISION OF THE HERITAGE, CULTURE AND LEISURE  
COMMITTEE**

Decision Made: Tuesday 04 October 2016

**Report of the Head of Commercial and Economic  
Development - Land at Surrenden Field, Staplehurst**

**Issue for Decision**

To declare as surplus the land known as Surrenden Field and authorise the placing of a Public Notice pursuant to Section 123 of the Local Government Act 1972.

**Decision Made**

1. That the land known as Surrenden Field, outlined in red on Appendix 1 to the report of the Head of Commercial and Economic Development, be declared surplus to requirement.
2. That the placing of a Public Notice pursuant to Section 123 of the local Government Act 1972 be authorised.
3. That the Policy and Resources Committee be strongly recommended to grant the freehold of the land to Staplehurst Parish Council with the condition that, if the land is placed onto the market in the future, ownership of the land would revert to Maidstone Borough Council.

Should you wish to refer this decision to the Policy and Resources Committee, please submit a Decision Referral Form, signed by three Councillors, to the Head of Policy and Communications by: 13 October 2016

## **POLICY AND RESOURCES COMMITTEE**

**14 December 2016**

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

**Yes**

### **Disposal of Land at Gore Court Road, Parkwood**

<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service</b>	Director of Finance and Business Improvement
<b>Lead Officer and Report Author</b>	Lucy Stroud
<b>Classification</b>	Public
<b>Wards affected</b>	Downswood and Otham

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

1. To agree the disposal of an area of open space, with a total of 414 square metres, to the west of Gore Court Road as outlined in red on the attached plan as Appendix I.
2. To agree that a replacement hedgerow is provided along the revised boundary with Gore Court Road.

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

- Keeping Maidstone Borough an attractive place for all – The disposal forms part of a planning application for a development by Bellway Homes.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Policy & Resources	14 December 2016

# Disposal of Land at Gore Court Road, Parkwood

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Bellway Homes have approached the Council to request the purchase of the area of land outlined in Appendix I in order to facilitate road widening as part of their planning application for a development on Gore Court Road.
  - 1.2 A referred decision from Heritage, Leisure & Culture Committee was taken by Policy & Resources Committee, and the land in question was declared surplus to operational requirements at a meeting on 26 October 2016.
  - 1.3 A final decision to dispose of the land is now to be taken.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The land required for widening Gore Court Road is a strip of Senacre recreation ground and part of the boundary hedgerow. The minor realignment of the road is necessary to enable access to the "Land North of Bicknor Wood" development site.
  - 2.2 The strip of land was declared surplus because the disposal was deemed to have no adverse effect on the use of the recreation ground, and the loss was compensated by a minimum of 5.8 hectares of open space being provided on the new development.
  - 2.3 The options for widening the road required either a loss of a strip of the recreation ground, to the west of Gore Court Road, or the loss of an element of ancient woodland (Bicknor Wood) and three statutorily protected trees, to the east. The decision referred to Policy & Resources Committee recommended that the loss of the land at the recreation ground was preferable on the basis that the impact on the amenity facilities was minimal, the removed hedgerow could be relocated or replaced and the statutorily protected ancient woodland would be safeguarded.
  - 2.4 Bellway Homes have offered a capital receipt for the land based on the development value of the Housing site. This has been accepted as best consideration for the Council as this value can only be realised in the context of the development of the land north of Bicknor Wood.
  - 2.5 Bellway Homes have commissioned an ecological appraisal of the hedgerow in order to ascertain the most suitable approach to its replacement or relocation, and this has been used to form the recommendations in this report.
-

### **3. AVAILABLE OPTIONS**

3.1 The first available option to the Committee is to dispose of the strip of land and make it a requirement that Bellway Homes plant and maintain a replacement hedge.

This option will:

- allow the widening of Gore Court Road without the loss of any ancient woodland or protected trees
- enable a new, robust hedge to be provided, containing native species characteristic of the local area, supported by ecologists
- achieve a higher species diversity in comparison to the existing hedge, by specifically choosing species that provide biodiversity benefits
- support the current housing scheme at land north of Bicknor Wood
- secure a capital receipt from the transfer of the strip of land to Bellway Homes.

3.2 The second option available to the Committee is the disposal of the strip of land and a requirement on Bellway Homes to relocate the existing section of hedgerow along the new boundary. This option is not recommended because:

- the advice of the ecological appraisal identifies the existing hedge as only of moderate ecological value
- the existing hedge has been appraised as being only around 60 years old, so does not support mature species
- the hedge does not support enough woody species to qualify as 'important' under the Hedgerows Regulations Act 1997
- the species identified in the hedge were also considered to be unlikely to survive the translocation process.

3.3 The Committee could decide to retain the land and not dispose of it at all, leaving the land to remain as the boundary of the Senacre playing field and the existing hedge intact. This is not recommended because:

- the road would still need to be widened for the housing scheme
- consequently there would be likely to be a loss of protected trees and part of an ancient woodland
- the strip of land has been declared surplus and is of little amenity value
- the current housing scheme would be jeopardised
- the Council wouldn't receive a capital receipt.

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

4.1 The first option described above at paragraph 3.1 is the preferred option because:

- it achieves the land disposal required for the widening of Gore Court Road,
- it will prevent the loss of ancient woodland and protected trees,
- and it will create an improved hedgerow to part of the boundary of Senacre recreation ground
- it will create a capital receipt for the Council.

4.2 It is recommended that container grown plants are used for the replacement hedge so that it can be planted at any time of year, and that the hedge is subject to an aftercare plan as described in the ecology report. The planting of an instant hedgerow of 1-1.5 metres in height would maintain the wildlife corridor function, and provide instant amenity and screening benefits.

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

5.1 The ecologist carrying out the appraisal of the hedgerow consulted with private companies SJA Trees and Aspect Ecology, as well as officers at Kent County Council and Maidstone Borough Council. All agreed that the replacement of the hedge, rather than its relocation, was the preferable option, from an ecological point of view.

5.2 Public Notices were placed in the Kent Messenger newspaper on 4 and 11 November 2016, and the period for comments or objections, as dictated by statutory provisions, ended on the 25 November. No comments or objections were received in connection with this recommendation for disposal of land at Gore Court Road.

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

6.1 Should the Policy and Resources Committee recommend that the land be disposed of, officers will carry out negotiations with Bellway Homes, and Mid Kent Legal Services will be instructed to draft the relevant documentation. This would include clauses regarding the specification and timing of planting of the new hedge, the process and timing for removing the old hedge and the establishment of a maintenance regime to ensure the new hedge flourishes.

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

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The proposed disposal of the land identified will	Head of Planning

	support the Council's priority of planning for sufficient homes to meet the Borough's needs.	
<b>Risk Management</b>	Not agreeing the disposal could lead to the risk of an agreed housing development not coming forward.	Head of Planning
<b>Financial</b>	Disposal of this land supports the Council's overall strategy of planning for new homes, which will promote economic development and alleviate the housing shortage in the Borough. The value realised through the disposal proceeds will support the Council's capital programme. This value is only capable of being realised in the specific context described in this report.	Director of Finance and Business Improvement( Section 151 Officer)
<b>Staffing</b>	No implications.	Director of Finance and Business Improvement
<b>Legal</b>	Draft transfer documents will need to be prepared.	Mid Kent Legal Services
<b>Equality Impact Needs Assessment</b>	The impacts of the proposal have been considered and no adverse impact on groups with protected characteristics is anticipated.	Policy & Information Manager
<b>Environmental/Sustainable Development</b>	The proposed disposal would allow the implementation of agreed development whilst	Head of Planning

	safeguarding ancient woodland. Not agreeing such a disposal would put this ancient woodland and associated protected trees at risk.	
<b>Community Safety</b>	The proposed disposal will not affect the safety of current or potential users of the remaining open space and the resulting realignment of the road will benefit road and pedestrian safety.	Head of Planning
<b>Human Rights Act</b>	None	
<b>Procurement</b>	None	
<b>Asset Management</b>	The retained asset, Senacre Recreation Ground, will continued to be managed in the same way due to the minor impact the disposal will have on the remaining open space.	Property and Procurement Manager

**8. REPORT APPENDICES**

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

- Appendix I: Site Plan.

**9. BACKGROUND PAPERS**

- Referred Decision.



Appendix A

**MAIDSTON**

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**COMMITTEE**

Decision Made: 26 October 2016

**Councillor Referral from Heritage, Culture and Leisure Committee**

**Issue for Decision**

To consider the referral of the decision of Heritage, Culture and Leisure Committee relating to the disposal of Land North of Gore Court Road

**Decision Made**

That the officer's original recommendations to the Heritage, Culture and Leisure Committee be agreed as follows:-

- 1) That the open space strip of land with a total area of 414 square metres to the west of Gore Court Road, outlined in red on the plan attached as Appendix I to the Referral be declared surplus; and
- 2) That authority be given to the placing of a Public Notice pursuant to Section 123 of the Local Government Act 1972.

## **POLICY AND RESOURCES COMMITTEE**

**[14 December 2016]**

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

**Yes**

### **IRRECOVERABLE BUSINESS RATES**

<b>Final Decision-Maker</b>	Policy and Resources
<b>Lead Head of Service</b>	Stephen McGinnes
<b>Lead Officer and Report Author</b>	Sheila Coburn
<b>Classification</b>	Public
<b>Wards affected</b>	All

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

1. That the unpaid Business Rates debt identified within Appendix A is approved for write off.

**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	14 December 2016

# Irrecoverable Business Rates

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To approve the write off of Business Rates debt where the council has exhausted all options to collect the debt and has no prospect of recovery

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## 2. INTRODUCTION AND BACKGROUND

2.1 The council collects Business Rates each year amounting to £70 million from 4,820 ratepayers, with an average collection rate of 98.5%.

2.2 Where the council is unable to collect the business rates that are payable, it takes a robust approach to recovery. This involves progressive action which would typically include;

- Reminder for non payment
- Final Notice for non payment
- Summons for non Payment
- Application to the Magistrates Court for a liability order
- Instruction of an enforcement agent to recover
- Bankruptcy or Liquidation, where appropriate
- Proceedings to seek committal to prison (individuals)

2.3 Throughout the collection process the Council actively encourages contact from any business experiencing difficulty in order to negotiate arrangement for payment.

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## 3. AVAILABLE OPTIONS

3.1 The council has exhausted all recovery processes in trying to collect the unpaid business rates from 18 businesses identified within appendix A, with no prospect of recovering the arrears. The outstanding Business Rates arrears and amount identified as irrecoverable can be broken down as follows.

Financial Year	Gross Debt	Arrears outstanding	Proposed write off	Write off as % of gross debt
2009/10	£59,975,085	£31,286	£6,444.08	0.01%
2010/11	£59,162,504	£110,007	£25,376.17	0.04%
2011/12	£60,912,607	£133,148	£37,644.89	0.06%
2012/13	£63,986,563	£189,957	£72,223.62	0.11%
2013/14	£66,572,476	£381,145	£103,439.68	0.15%

2014/15	£67,990,994	£796,437	£249,177.47	0.37%
2015/16	£69,898,713	£1,613,965	£244,316.20	0.35%
2016/17	£70,395,476	-	£1,238.28	-
	£518,894,418	£3,255,945	£739,860.39	0.14%

3.2 Please note that information relating to individuals is protected by data protection legislation and has therefore been redacted within Appendix A.

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

4.1 Whilst the council can continue to hold the debt as outstanding, it has no prospect of recovery and this will therefore distort the council's true financial position, and is therefore not recommended.

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

5.1 The councils accounts will be amended to reflect the fact that the payments identified are not expected to be recovered.

#### 6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Financial</b>	The Council maintains a provision for bad debts, the extent to which the provision is used is linked to the level of arrears at the end of the financial year. There is sufficient resource available from the provision and the in-year budget for non-collection to cover the value of write off proposed while retaining adequate provision for the projected outstanding debt at 31st March 2017	Section 151 Officer & Finance Team
<b>Legal</b>	There are no legal implications in the decision to be taken	Estelle Culligan Interim Head of Legal Partnership

#### 7. REPORT APPENDICES

Appendix A: table of irrecoverable business rates

## **8. BACKGROUND PAPERS**

None

## Appendix A

Business Name	Property Address	A/C ref	Fin. Year	O/S debt	Costs	Total to be written off	Reason for write off	Action taken
REDACTED	Gabriels Hill Ground Flr 23 ME15 6HR	3202986	2009/10 2010/11 2011/12 2012/13 2013/14 2014/15 2015/16	£6,220.08 £16,080.74 £5,682.07 £16,030.00 £16,485.00 £16,870.00 £17,255.00	£195.00 £200.00 £400.00 £200.00 £200.00 £200.00 £200.00	<b>£96,217.89</b>	Absconded	Ratepayer operated a trading company from this address. The company ceased trading, however the ratepayer held the lease in his sole name. The landlords refused to accept a surrender of the lease so the ratepayer remained liable for the empty property rates. Recovery action was taken, with the debts passed to the enforcement agents who attended his home address which he had left. Bankruptcy proceedings were due to be instigated, but we were unable to trace him.
Dartford Demolition Ltd	3rd Floor Lydean House, 30-32 Albion Place, Maidstone, Kent, ME14 5DZ	3260230	2013/14 2014/15 2015/16	£2131.76 £14219.00 £1470.24		<b>£17,821.00</b>	Company Dissolved	Company was dissolved 28/10/2014. We checked with companies house as the company had not been responding to correspondence and companies house advised us the company had been dissolved.. There were no monies to pay outstanding debts.
Raja of Kent (Maidstone) Ltd	32 Union Street, ME14 1ED	3179532	2009/10 2014/15 2015/16	£29.00 £7,428.00 £5,091.64	£200.00 £200.00	<b>£12,948.64</b>	Company ceased trading	Company ceased trading on 20/5/2015. There are no assets available and there is a proposal to strike off on Companies House.

Appendix A

REDACTED	The Coachworks, Old Mill Lane, Aylesford, Kent, ME207DT	3244903	2012/13 2013/14	£2,297.00 £20,253.00		<b>£22,550.00</b>	Bankrupt	Ratepayer was made bankrupt on 29 September 2014. Prior to that proceedings were taken for recovery but payments were not kept to. There were no assets to pay the Business Rate liability and we are not able to continue with any further recovery.
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Kelnet Resources Ltd	363-364 Dukes Walk, Chequers Centre, ME15 6AS	3262264	2014/15 2015/16	£8,979.73 £12,661.75	£200.00	<b>£21,841.48</b>	Absconded	Leaseholder was WOMS Marketing Ltd, who issued a franchise to Kelnet. Enforcement agents were unable to collect the debt as company vacated. We were unable to trace company and WOMS Marketing has not responded to any correspondence. WOMS Marketing has since been dissolved on 01.03.16.
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REDACTED	The Coachworks, Old Mill Lane, Aylesford, ME20 7DT	3145234	2010/11 2011/12	£8,895.43 £16,400.00	£200.00 £200.00	<b>£25,695.43</b>	Bankrupt	Ratepayer was made bankrupt on 29 September 2014. Prior to that proceedings were taken for recovery but payments were not kept to. There were no assets to pay the Business Rate liability and we are not able to continue with any further recovery.
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REDACTED	7-8 Granada Hs Ground Floor, Lower Stone St, Maidstone, ME15 6JR	3204691	2012/13 2013/14	£10,783.03 £3,989.62	£200.00 £400.00	<b>£15,372.65</b>	IVA	Notification of an Individual Voluntary Arrangement (IVA) was received on 5 February 2014. Dividends of 17.34pence in the £ have been received as full and final payment.
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Appendix A

Mung Chi Limited	24 Lower Stone Street, Maidstone, ME15 6LX	3225996	2011/12	£3,351.29	£400.00	<b>£71,081.88</b>	Proposal to strike off	Numerous attempts to make arrangements were made with the director of the company. The debt was passed to the enforcement agents, but the company vacated the premises. There is now a proposal to strike off on Companies House.
			2012/13	£19,350.50	£200.00			
			2013/14	£19,699.75	£200.00			
			2014/15	£19,364.50	£200.00			
			2015/16	£8,115.84	£200.00			

LBM Property Management Ltd	Maidstone Divisional Library, St Faiths Street, Maidstone, Kent, ME14 1LH	325589x	2014/15	£29,511.61	£200.00	<b>£36,191.30</b>	Active Proposal to strike off	Recovery action was taken but the debt was returned from Bailiff as gone away. A letter was sent to wind up the company but there was no response. We used an insolvency research service who concluded it does not look likely there would be any monies payable if we tried to wind up the company. The company is no longer trading and there is a proposal to strike off the company. The company was dissolved on 26/4/2016.
			2015/16	£6,279.69	£200.00			

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Wirefirm Ltd	61-63 Week Street, Maidstone, ME14 1QU	3257999	2014/15	£21,274.03	£200.00	<b>£21,474.03</b>	Company dissolved	The company was responsible for the period November 20 14 to March 2015 when they vacated the premises. We made several attempts to contact the company, but it was dissolved on 01.03.16 and there are not assets or monies available.
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Appendix A

REDACTED	The Ashes, 6-8 Market Buildings, ME14 1HP	3236110	2012/13 2013/14 2014/15	£10,108.62 £17,898.00 £8,776.60	£200.00 £200.00 £200.00	<b>£37,383.22</b>	Absconded	Debt has been with enforcement agents, returned as absconded. Tracing was done and an alternative address obtained. The case was returned to enforcement agents but again returned as absconded from the new address. We were unable to find any further details. The ratepayer was a mobile carpet cleaner and is now on benefits.
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REDACTED	4 Colman Parade, King Street, Maidstone, ME14 1DN	3219515	2011/12 2012/13	£11,011.53 £12,454.47	£200.00 £400.00	<b>£24,066.00</b>	Absconded	A number of arrangements had been agreed but defaulted on, and debt had been passed to enforcement agents who were unable to get any money. Ratepayer vacated the premises with no forwarding address given. He was then traced to an address out of area.. The ratepayer contacted us to advise he was having visa problems as he was not allowed to work and was being supported by the Home Office. We had no further contact from this address and we have been unable to trace him.
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Wiladi Limited	311 (unit 314) Dukes Walk, Chequers Centre, ME15 6AS	3267673	2015/16	£17,664.96	£200.00	<b>£17,864.96</b>	Liquidation	Company went into liquidation on 15 April 2016. Prior to that proceedings were taken for recovery of the outstanding Business Rates. There is no prospect of a dividend payable.
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Appendix A

Invent Events Limited	The Source, 6 Rose Yard, Maidstone, Kent, ME14 1HH	3238588	2013/14 2014/15	£7044.00 £8878.35	£200.00 £200.00	<b>£16,122.35</b>	Dissolved	The Company was dissolved on 10 March 2015. There were no assets or monies available. Proceedings were taken prior to the company being dissolved, but no payments were forthcoming.
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DS Digital Solutions Limited	Wimpy, 5 Gabriels Hill, Maidstone, ME14 6HL	3264659	2014/15 2015/16	£5,360.84 £13,090.31	£200.00 £200.00	<b>£18,851.15</b>	Liquidation	This company went into liquidation on 13/1/2016. Liquidators have advised there will be no dividend to unsecured creditors.
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Make it Fashion t/a Miss Progidy	369-370 (Unit 370-371) Dukes Walk, Chequers Centre, Maidstone, Kent, ME15 6AS	3257667	2014/15 2015/16	£15,917.88 £3,313.61	£200.00 £200.00	<b>£19,631.49</b>	Proposal to strike off	Proceedings were taken for recovery and the debt was returned from the enforcement agency as the company had gone away. Winding up proceedings were considered, but there is now an active Proposal to Strike the company off on Companies House.
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Appendix A

Maidstone HCW Ltd	87-97 Upper Stone Street, Maidstone, ME15 6HE	326464X	2013/14 2014/15 2015/16	£9,999.36 £19,159.50 £16,866.08	£200.00  £200.00	<b>£46,424.94</b>	Liquidation	The company went into liquidation on 25 February 2016 and we were advised no dividends would be payable. We were only notified the company had occupied the property since 1 July 2013 in 2015. Recovery action had been taken and the debt was with the enforcement agents when we were notified of company liquidation.
BC Bar Company Limited	ME1, Market Buildings, Maidstone, ME14 1HP	3266702	2015/16	£13,965.62	£200.00	<b>£14,165.62</b>	Liquidation	The company went into liquidation 06 May 2016. Proceedings had been taken for recovery but no payments were forthcoming. The will not be a distribution to creditors.
92 Cryaserv Limited	Fogo Chophouse, Lockmeadow, ME16 8RG	3257620	2014/15	£26,665.82	£200.00	<b>£26,865.82</b>	Absconded/Unable to trace	Recovery action taken and the debt was passed to enforcement agents. Notification was received the company was no longer in occupation. The Registered office address on Companies House was invalid. The managing agents for the landlords were unable to provide any additional contact details. The landlord took possession and the company was dissolved in April 2016.
Yella Melon Ltd	12 Fremlin Walk, ME14 1QP	326760X	2015/16	£26,731.11	£200.00	<b>£26,931.11</b>	Ceased trading/proposal to strike off	The debt was passed to the enforcement agents, but returned as the company had absconded. There is a proposal to strike off on Companies House.

Appendix A

Tandoor Mahal Kent Ltd	Indian Restaurant, Medway Street, Maidstone ME14 IJS	3240886	2013/14 2014/15 2015/16 2016/17	£4,339.19 £5,829.50 £3,334.37 £1,038.28	£200.00 £200.00 £200.00	<b>£15,141.34</b>	Company Dissolved	The debt was passed to enforcement agents, but the company has now been dissolved by Companies House and there is no prospect of any funds being available.
A Levy & Son Ltd	304-306 Dukes Walk, Chequers Centre, Maidstone, ME15 6AS	3238775	2015/16	£22,023.20	£200.00	<b>£22,223.20</b>	Administration	Company went into Administration on 09 January 2016. Notice was received that there will be no dividends to unsecured creditors.
BNK Fashion Limited	365/366 Dukes Walk, Chequers Centre, Maidstone, ME15 6AS	326594X	2014/15 2015/16	£6,544.64 £24,213.57	£200.00	<b>£30,958.21</b>	Liquidation	The company in liquidation 21 September 2015. Prior to that, we had taken proceedings to recover the debt to no avail. We have received notice that no dividend will be payable
Empire Retail Maidstone Ltd	310 (unit 313) Dukes Walk, Chequers Centre, Maidstone, ME15 6AS	3260853	2015/16	£12,635.00	£145.00	<b>£12,780.00</b>	Ceased trading	Debt was with enforcement agents, but returned as company had ceased trading and no assets. A check on Companies House revealed there are no current officers and no alternative contact details. Post has been returned from Registered office. Companies House propose to strike the company off.

Appendix A

CL (Maidstone) Ltd	Ikon, Lockmeadow, Barker Road, ME16 8RG	326011X	2014/15 2015/16	£31,797.47 £37,259.21	£200.00 <b>£69,256.68</b>	Liquidation	The debt was with the enforcement agents when we received notification of the company going into liquidation on 18 November 2015. Final liquidation report and notice advised no dividend will be received
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Total **£739,860.39**

## **POLICY AND RESOURCES COMMITTEE**

**14<sup>th</sup> DECEMBER  
2016**

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

**Yes**

### **Business Terrace Update**

<b>Final Decision-Maker</b>	Policy and Resources Committee
<b>Lead Head of Service</b>	Head of Regeneration and Economic Development
<b>Lead Officer and Report Author</b>	Regeneration and Economic Development Manager
<b>Classification</b>	Public
<b>Wards affected</b>	High Street

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

1. To note the report
2. To consider whether a Business Terrace mark two can be accommodated as part of the Council's own office requirements

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

- Enhancing the appeal of the town centre for everyone.
- Promoting a range of employment opportunities and skills required across the Borough.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	14 <sup>th</sup> December 2016

# Business Terrace Update

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 In June 2016 this Committee received a report on the Business Terrace's first nine months of operation. The report demonstrated that The Business Terrace was performing well but also set out the challenges faced with the lack of "next-stage" move-on office accommodation for businesses graduating from the Business Terrace. This Committee asked for an update regarding performance of the Business Terrace after one year of operation and the issue of the move-on accommodation. The Business Terrace continues to perform well but without grant support the expansion of the Terrace to the rest of floor one on Maidstone House is not commercially viable.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Establishing a start-up, affordable workspace is a critical element of the Economic Development Strategy helping to break down barriers to business formation and survival across the borough.
- 2.2 The Business Terrace was established as a pilot project on the first floor Terrace of the Gateway building in September 2015 and in December 2015 extended into the former Members Areas on the first floor of Maidstone House. It currently consists of 11 offices, 1 seminar room, 1 meeting room and 15 desk spaces, together with a kitchen and the usual amenities, accommodating over 20 businesses.
- 2.3 Business support is offered for occupiers of the Business Terrace but also for all businesses and start up business across the Borough. The focus is on start-up and businesses in their first two years of incorporation. Start-up advice is available through:
- Specific information provided on our website [www.businessinmaidstone.co.uk](http://www.businessinmaidstone.co.uk);
  - Business advisors from Lets Do Business (a not for private profit company helping businesses to start-up and grow) who are onsite 3 days a week.
  - The Kent Foundation for Young Entrepreneurs workshops and mentors on site 1 day a week.
  - Free private sector workshops from Gullands Solicitors and RIFT Accounting.
  - A former tenant, Pentascape, offering start-ups free advice on web design 2 days a month.
  - Signposting to grants and Council services by the Business Terrace Coordinator.
- 2.4 In addition to the above further partnerships arrangements are being put in place with MHA MacIntyre Hudson, University for the Creative Arts and the National Association of Finance and Credit Brokers.

2.4 Appendix 1 sets the activities on the Business Terrace regarding business support, workshops, events and publicity between June and November this year.

## 2.5 BUDGET

2.6 Marketing the offices, desk and meeting room has increased thanks to the work of the new Business Terrace Coordinator (see Appendix 1).

2.7 The Business Terrace is generating a surplus and meeting its contribution to the Medium Term Financial Strategy (MTFS) of £27,000 by reducing expenditure. See Table 1 below:

Table 1 Finance

	2015/16	2016/17	2017/18	2018/19
	Actual	Forecast	Forecast	Forecast
*Total Expenditure	£23,718	30,360	£30,967	£31,587
Total Income	-£22,007	-£57,529	-£64,927	-£70,000
Net contribution/cost	£1,711	-£27,169	-£33,960	-£38,413

\*Excludes expenditure on rent, rates and other premises costs which are unavoidable and not incurred as a direct result of the business terrace.

2.8 In addition to the MTFS contribution The Business Terrace has gross income targets in 2016/17 of £78,950 and £93,950 in 2017/18 and every year thereafter. On current projections these targets are not going to be reached. However work is ongoing to increase income and a business case is currently being prepared setting out a proposal to introduce Virtual Office Services. These services are offered by Medway Innovation Centre and are very profitable. It would assist home based businesses with a business address and increase the profile of The Business Terrace and could significantly reduce the income gap.

2.9 In addition desk hire usage still has capacity to grow income. Currently one desk is permanently occupied by a Business Advisor leaving 14 desks. 7 desk packages are currently being used. Extensive use of social media since September is yielding results as can be seen from Table 2.

Table 2 Growth in desk hire income following new marketing activity

June	July	August	September	October	November
£432	£651	£735	£867	£867	£1099

## 2.10 MEETING DEMAND AND MOVE ON ACCOMMODATION

2.11 All 11 offices are occupied and another two person office (number 12) has been constructed and is now occupied.

2.12 Existing tenants currently need move on space; 2 seven person offices and 1 twenty person office. As from November there is demand for 3 two

person offices, 1 three person office and 2 four person offices none of which can be accommodated by the Business Terrace.

- 2.13 As reported to this Committee in June, the success of the Business Terrace presents problems as demand and move-on needs cannot be met within the Terrace. There is paucity of good quality, small office accommodation available on flexible terms in Maidstone. The availability of office accommodation has been made worse by permitted development rights enabling office space to be converted to residential accommodation without the need for planning permission.
- 2.14 Small business locations such as Turkey Mill and Springfield House are nearly 100% occupied.
- 2.15 Exploratory talks have been held with Capital & Regional, the owners of Maidstone House, about the feasibility of leasing and converting more space on the first floor of Maidstone House aligned to the remaining 7 year lease term that the Council has on the Gateway, and floors 4, 5 and 6. Unfortunately the capital payback period is over 14 years.
- 2.16 Officers have considered whether leasing a smaller area of floor 1 might be more viable, rather than the whole floor, and whether the Business Terrace could take a longer term view say 10 years, breaking the ties with the Council's existing leases on Maidstone House. Unfortunately the payback period was still 12 years generating only a marginal surplus. Capital and Regional has subsequently expressed their preference to see the whole of floor 1 leased to a single tenant (no further subdivision) and have three private sector businesses interested in it.
- 2.17 Buying or leasing and converting another office or building in Maidstone to create a second Business Terrace has also been considered. However this idea has a number of drawbacks. It would have to be upwards of 20,000 sq. ft. to generate enough income to support the costs of staffing, utilities and services. Unfortunately there is not a property of this size currently available.
- 2.18 Office rents have begun to rise slowly as supply decreases and demand rises but the ability of smaller businesses to afford higher rents means that office rents will not go up significantly over the short term. The private sector still find it difficult to raise finance for office accommodation which offers licenses and very short leases to small and start-up businesses.
- 2.18 Officers will continue to explore options for an expanded Business Terrace. Grant funding opportunities will be explored and the potential to link the Council's own office needs (post 2023) with accommodation for small businesses will be considered.
- 2.19 In the short term, if move- on accommodation is not found, the Business Terrace will have to consider offering existing tenants the opportunity to remain in the Business Terrace rather than face the unacceptable risk of moving out into unsuitable accommodation with long term leases and increased costs.

### **3. AVAILABLE OPTIONS**

- 3.1 Continue with existing facility. While there is still room to increase income, it is not meeting the move on needs of businesses and therefore is at risk of becoming restricted, which could impact on the popularity and success at this time.
- 3.2 Continue with the existing facility and explore the possibility of taking a lease of the remainder of the first floor if as part of the office accommodation review. There is however a risk that the owners will let the space in the meantime.
- 3.3 Continue to look for another site and/or building with the support of grant funding.

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

- 4.1 With no obvious way forward at this stage keeping all available options under review seems a sensible approach.

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

- 5.1 Extensive Demand and Viability work was carried out on behalf of the council by one of the UK's leading Workhub experts, Tim Dwelly, to test the potential for an enterprise hub in Maidstone Town Centre.
- 5.2 Policy and Resources Committee asked for an update on the Business Terrace in June 2016.

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

- 6.1 The contents of this report and the decision of Members will be communicated to licensees and tenants of The Business Terrace

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

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The proposal impacts on the corporate priorities in two ways: 1. Enhancing the town centre	Head of Regeneration and Economic Development

	2. Promoting employment Failure of the Business Terrace will seriously impact on the Council's ability to deliver a key theme in its Economic Development Strategy.	
<b>Risk Management</b>	Income targets not being met and lack of move on accommodation may undermine the success of the Business Terrace	Head of Audit
<b>Financial</b>	The financial implications are set out in the report.	Section 151 Officer
<b>Staffing</b>	A new post of Business Centre Coordinator has been appointed within existing budgets	Head of HR
<b>Legal</b>	The legal work required in relation to future occupational arrangements (by license or lease) of The Business Terrace and any variation or extension to the Head Lease with Capital and Regional.	Head of Mid Kent Legal Partnership
<b>Equality Impact Needs Assessment</b>	There is no specific impact	Policy & Information Manage
<b>Environmental/Sustainable Development</b>	N/A	Head of Commercial and Economic Development
<b>Community Safety</b>	N/A	Head of Commercial and Economic Development
<b>Human Rights Act</b>	N/A	Head of Commercial and Economic Development
<b>Procurement</b>	Procurement of Business support services, consumables, and ICT services. Procurement of contractor(s) to build office 12.	Head of Commercial and Economic Development
<b>Asset Management</b>	The Business Terrace is managed by the Council	Head of Commercial and Economic Development

## **8. REPORT APPENDICES**

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

### **Appendix 1 Activity Report**

## **9. BACKGROUND PAPERS**

## The Business Terrace: June – November 2016 P & R Report Information

### Contents

1. Business Support
2. Events
3. Publicity
4. Social Media

### **Business support to unique Individuals and businesses**

Unique individuals	Total	383
Information	Total	262
	Property searches	13
	Start up resource centre	240
	Economic Development staff assistance (eg regarding rates relief)	9
Advice	Total	47
	Kent Foundation Workshops (start-ups)	41
	RIFT workshops (growth)	6
Guidance	Total	74
	Pre-starts	13
	Start-ups	16
	Growing	23
	Access to finance	15
	Business Planning	7

### **Events**

Events	Partners	Date	Attendees	Impact
Autumn Statement Analysis	IOD, MHA MacIntyre Hudson	23/11	15 senior Kent business leaders	Greater profile. Quotes from 'senior business leaders' in the Kent Messenger made at The Terrace.
Entrepreneur's Journey	Kent Foundation	14/11	48 local attended from local businesses from start-ups to MEBP members	Three enquiries for business advice and desk space. Two on waiting list for office space. Seminar room booking.

## Appendix A

Terrace Networking Event	Maidstone Borough Council	25/10	20 Business Terrace Tenants	Greater understanding between the needs of businesses and Economic Development
Digital Transformation in the Workplace	KCC, Cisco, Gravitee	19/10	20 representatives from local government/private enterprise	Use of the Terrace to display the utility of remote working
Dragon's Den	Young Start up Talent	21/07	16 - judges from business and young entrepreneurs	Greater profile: The Terrace was chosen as the innovative location in Kent for the event

### Publicity

Publicity	Detail	Results
Downsmail	1 page advert, 1 page half editorial half advert showing success stories	Too recent to assess impact
KM online	1st month	1316 views, 23 clicks
KMFM	45,000 reach	1 Unlimited hotdesk
FB	Advertising post boost	Reach of 3972 people locally – targeted to interests, 77 engagements
Gumtree (Free)	288 views since Aug 25th	2 part time deskers, one took an office
Office Genie (Free)	211 views	1 full time deskers wants to take office, 1 office waiting list
Share my office (Free)	No stats given	No direct enquiries
Zipcube (Free)	12% fees	One booking from Pfizer, information given for future bookings
Neardesk (Free)	Unable to integrate with system	NA

### Social Media

Social Media stats		
Twitter	Facebook	Linkedin

## Appendix A

1459 followers. Engagements in the week 17 - 24 September New Followers: 32 Likes: 25 Retweets: 32 Mentions: 20 Direct engagement: 4	Organic engagement at 124 for last month. Any future use of advertising budget will be targeted to shorter periods, such as during bad weather & ongoing traffic (operation stack) where rural small businesses are affected more	18 members of group, limited reach, technical difficulties, utility limited to MBC's target audience
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### Changes

#### Past

Digital Workers partnership: Promoting remote working rather than London commuting.

Reduced seminar room price due to low uptake, leading to increased uptake and profitability

Pentascape partnership: Business Terrace success story returning 2 days per month to assist other start-ups in web design for free.

Interview process: Prospective office tenants undergo a short interview with the Business Centre Coordinator and a Business Advisor to ensure they plan to grow, accept help and advice provided, collaborate and adhere to the ethos of The Terrace. 4 interviews conducted, 3 accepted and one rejected.

#### Ongoing

Office 12: Construction complete December 3<sup>rd</sup>. A two person office producing an income of £3000 per year with a tenant ready to occupy, having passed the interview process.

Bi-monthly networking events: Due to the success of the events 25<sup>th</sup> October and 14<sup>th</sup> November, there will be a free bi-monthly networking event for Maidstone businesses and Terrace users.

Improved partnerships with other hubs and office spaces, so far leading to two referrals to the Terrace.

#### Planned

KICC after-hours events: 6 networking events run by KICC at the Terrace in 2017 to increase awareness of the Terrace and to help connect Maidstone businesses further and improve supply chains.

Evening workshops: Building on Kent Foundation's successful morning workshops to reach a wider range of possible entrepreneurs unable to attend during the working day.