

POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday 20 September 2017
Time: 7.15 pm
Venue: Town Hall, High Street, Maidstone

Membership: Councillors

Barned, Mrs Blackmore, Boughton, Brice, M Burton, Cox, Fermor, Garland, Mrs Gooch, Harper (Vice-Chairman), Harvey, Harwood, Hastie, McLoughlin, Perry and Mrs Wilson (Chairman)

<u>AGENDA</u>	<u>Page No.</u>
1. Apologies for Absence	
2. Notification of Substitute Members	
3. Notification of Visiting Members	
4. Disclosures by Members and Officers	
5. Disclosures of Lobbying	
6. Urgent Items	
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 25 July 2017	1 - 8
9. Presentation of Petitions (if any)	
10. Questions and answer session for members of the public (if any)	
11. Committee Work Programme	
12. Flood Risk Alleviation - Update	9 - 15
13. Discretionary Business Rate Relief Scheme	16 - 27
14. First Quarter Budget Monitoring 2017/18	28 - 45

Issued on Tuesday 12 September 2017
Over/:

Continued

Alison Broom

Alison Broom, Chief Executive

PART II

To move that the public be excluded for the items set out in Part II of the Agenda because of the likely disclosure of exempt information for the reasons specified having applied the Public Interest Test.

Head of Schedule 12 A and Brief Description

16. Minutes (Part II) of the meeting held on 25 July 2017	3 – Finance and Business Affairs 1- Information relating to an individual	57 - 58
---	--	---------

PUBLIC SPEAKING

In order to book a slot to speak at this meeting of the Policy and Resources Committee, please contact Democratic Services on 01622 602263 or by email on committeeservices@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 TUESDAY 25 JULY 2017

Present: Councillors Mrs Wilson (Chairman), Barned, Mrs Blackmore, Boughton, Brice, Cox, Fermor, Garland, Mrs Gooch, Harper, Harvey, Harwood, Hastie, McLoughlin and Perry.

Also Present: Councillor English

30. **APOLOGIES FOR ABSENCE**

There were no apologies.

31. **NOTIFICATION OF SUBSTITUTE MEMBERS**

It was noted that Councillor English was present as a substitute for Councillor Harwood.

32. **URGENT ITEMS**

There were no urgent items.

33. **NOTIFICATION OF VISITING MEMBERS**

There were no visiting members.

34. **DISCLOSURES BY MEMBERS AND OFFICERS**

Sam Bailey, Democratic Services Manager, informed the Committee that he was acting as Company Secretary for Maidstone Property Holdings Limited. However this was not an interest and he would not need to leave the room during the consideration of item 17. Report of the Director of Regeneration & Place – Housing Development & Regeneration Investment Plan.

William Cornall, Director of Regeneration & Place, informed the Committee that he was a Director of Maidstone Property Holdings Limited. However this was not an interest and he would not need to leave the room during the consideration of item 17. Report of the Director of Regeneration & Place – Housing Development & Regeneration Investment Plan.

Councillor Wilson informed the Committee that she was a member of the Kent Medical Campus Local Delivery Board, but that this was not an interest as it was not a decision making body.

Councillors Blackmore and Garland arrived at the meeting during the consideration of this item.

35. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

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

RESOLVED: That the following items be taken in private due to the possible disclosure of exempt information:

- Item 18 – Minutes (Part II) of the Meeting Held on 28 June 2017
- Item 19 – Exempt Appendices to the Report of Director of Regeneration & Place – Housing Development & Regeneration Investment Plan
- Item 20 – Exempt Report of the Head of Revenues and Benefits
- Item 21 – Exempt Report of the Head of Regeneration and Economic Development – Kent Medical Campus Investment Strategy
- Item 22 – Exempt Report of the Head of Regeneration and Economic Development – Property Acquisition

37. MINUTES OF THE MEETING HELD ON 28 JUNE 2017

RESOLVED: That the minutes be agreed as an accurate record of the meeting and signed.

38. PRESENTATION OF PETITIONS

There were no petitions.

39. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

40. COMMITTEE WORK PROGRAMME

The Director of Finance and Business Improvement updated the Committee on the Committee Work Programme. It was noted that there was another Property Acquisition on the Work Programme for September, and that this was a separate Property Acquisition to the one on the agenda for this meeting.

RESOLVED: That the Committee Work Programme is noted.

41. REPORT OF THE INTERIM HEAD OF THE LEGAL PARTNERSHIP - POLICY ON DISPOSAL OF PROPERTY

The Interim Head of the Legal Partnership introduced her item regarding a proposed Policy on the Disposal of Property. The Committee noted that

this policy had been written and brought to the Committee as a result of several land transfers that had required a two stage process to designate the land surplus and then to authorise the sale. The proposed process simplified this by suggesting that the Heritage, Culture and Leisure Committee could deal with the full process. The Policy had been drafted to ensure that the Policy reflected the Parks and Open Spaces 10 Year Plan.

The Committee discussed the Officer delegation to deal with disposals worth under £100,000, and whether it was appropriate to delegate this function if a disposal was particularly contentious. The Interim Head of the Legal Partnership confirmed that she could amend the Terms of Reference regarding the delegation to add 'except in circumstances where there has been an objection received to the advertisement'.

RESOLVED:

- 1) That the following sentence, under the heading of 'Open Space' be removed from the Policy on Disposal of Property:

'The Council will not usually dispose of areas of parks or other areas which are classed as public open space.'

Voting: For - 14 Against - 1 Abstentions - 0

- 2) That the Maidstone Borough Council Policy on Disposal of Property is adopted.

Voting: For - 12 Against - 1 Abstentions - 2

- 3) That the following addition to the terms of reference to the Heritage, Culture and Leisure Committee is agreed and recommended to Council:

"To declare Open Space surplus to requirements for the purposes of advertising and disposing of open space under Section 123 of the Local Government Act 1972 or any other similar enactment and to take the final decision on disposal." (With delegation to the Director of Finance and Business Improvement to deal with all disposals up to the value of £100,000)

Voting: For - 12 Against - 3 Abstentions - 0

- 4) That the following amendment to the terms of reference of the Policy and Resources Committee is agreed and recommended to Council:

"To make decisions regarding land and property including acquisition (by agreement or compulsorily), disposal, appropriation and development, with the exception of the declaration of Open Space surplus to requirements for the purposes of advertising and disposing of open space under section 123 of the Local Government

Act 1972 or any other similar enactment and the final decision on the disposal of Open Space.”

Voting: For - 12 Against - 2 Abstentions - 1

Councillor Harwood arrived during consideration of this item, but did not replace Councillor English as a member of the Committee until the next item.

42. REPORT OF THE HEAD OF POLICY, COMMUNICATIONS AND GOVERNANCE - COMMUNICATIONS ACTION PLAN 2017-18

The Director of Finance and Business Improvement presented the Communications Action Plan 2017-18 to the Committee. It was noted that the Communications Action Plan set out how the Communications Team planned to achieve the Communications Strategy that had been agreed by the Committee last year.

Members requested the following additions to the Action Plan:

- Communications and Media Engagement at times of emergency, when the emergency plan had been activated;
- Communication with Maidstone’s business community; and
- Some further clarity around the resources required for the team to carry out the Action Plan.

In response to a question from the Committee, the Director of Finance and Business Improvement confirmed that annual cost of the Borough Insight magazine would be no more than the equivalent publication that was previously sent out with the Downs Mail.

The Committee suggested that the Leader of the Council should write the Foreword for the next Borough Insight Magazine.

RESOLVED:

That the Communications Action Plan 2017-18 be approved.

Voting: For - 12 Against - 3 Abstentions – 0

43. REPORT OF THE HEAD OF POLICY, COMMUNICATIONS AND GOVERNANCE - CORPORATE PLANNING TIMETABLE

The Committee considered the Corporate Planning Timetable that the Head of Policy, Communications and Governance had drafted. The Committee requested that a workshop be held on refreshing the Strategic Plan.

RESOLVED:

That the timetable for refreshing the Strategic Plan and Service Planning is agreed.

Voting: Unanimous

44. **REPORT OF THE DIRECTOR OF FINANCE AND BUSINESS IMPROVEMENT - MEDIUM TERM FINANCIAL STRATEGY**

The Director of Finance and Business Improvement presented his report on the Medium Term Financial Strategy. It was noted that the report presented three scenarios – favourable, neutral and adverse – for the purpose of financial planning. The scenarios guided the Council’s financial planning and would help ensure the Council could set a balanced budget in each of the scenarios, through a mix of efficiency savings, increased income, transformation and business improvement, and service reductions.

The Committee debated whether, due to the current uncertainty and interest rates being at a historic low, it was appropriate to bring forward prudential borrowing to fund investments that would contribute to the Council’s revenue budget. The Director of Finance and Business Improvement explained that he would request advice on this measure from the Council’s external financial advisors and circulate a briefing note to the Committee once the advice had been received.

RESOLVED:

1. That the assumptions described in the draft Medium Term Financial Strategy set out at Appendix I for planning purposes are noted.
2. That the financial projections contained within the Medium Term Financial Strategy are noted.
3. That the draft Medium Term Financial Strategy set out at Appendix I is agreed for submission to Council.

Voting: Unanimous

45. **REPORT OF THE HEAD OF REVENUES AND BENEFITS - COUNCIL TAX REDUCTION SCHEME 2018/2019**

The Interim Head of Revenues and Benefits gave a presentation to the Committee on the options for consultation for the Council Tax Reduction Scheme 2018/19.

In response to a question from a member of the Committee, the Interim Head of Revenues and Benefits confirmed that many other councils had introduced a six monthly review mechanism for Universal Credit claimants who were also claiming Council Tax Support.

RESOLVED:

1. That the options in section 4 of this report are agreed as the basis for public consultation concerning the Council Tax Reduction Scheme, with the preferred option identified as Option 1.
2. That the potential impact of the changes on working age claimants with the protected characteristics of disability, age and sex, under the Equalities Act (2010) are noted.
3. That the fact that the proposed changes will have no material impact on Council Tax Reduction Scheme customers not in receipt of Universal Credit is noted.
4. That delegated authority is given to the Head of Revenues and Benefits to finalise and commence consultation on the updated Council Tax Reduction Scheme, incorporating the changes, to be implemented for 2018/19.

Voting: For - 14 Against - 1 Abstentions - 0

46. **REPORT OF THE DIRECTOR OF REGENERATION & PLACE - HOUSING DEVELOPMENT & REGENERATION INVESTMENT PLAN**

The Director of Regeneration & Place introduced his report outlining the Council's Housing Development & Regeneration Investment Plan. It was noted that the Housing Development & Regeneration Investment Plan replaced the council's previous Commercialisation Strategy and refocused capital investment into housing and regeneration projects in order to provide a commercial return to the Council.

The Committee questioned whether the Regeneration and Economic Development Team had the appropriate range of skills to ensure the delivery of the plan. The Director of Regeneration & Place assured the Committee that the team was supported by external expertise when required, for example architects and cost control consultants. The Director of Regeneration & Place agreed to hold a workshop for members to explain the skills required to implement the plan, and what measures had been put into place to ensure the skills requirements were being fulfilled.

The Committee requested further consideration be given to potential market volatility and the impact on construction costs as a result of the UK leaving the European Union; and making the most of development opportunities in Rural Service Centres, not just the Town Centre.

RESOLVED:

1. That the Housing Development and Regeneration Investment Plan is adopted.

2. That Officers arrange a Members workshop in the new-year to explore the potential for the long term expansion of the Plan.
3. That the Housing Development element of the Housing Development and Regeneration Investment Plan is adopted as the renewed Business Plan for Maidstone Property Holdings Limited.

Voting: Unanimous

47. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That the press and the public be excluded from the meeting due to the possible disclosure of exempt information.

48. Minutes (Part II) of the Meeting Held on 28 June 2017

RESOLVED: That the minutes be agreed as an accurate record of the meeting and signed.

49. Exempt Report of the Head of Revenues and Benefits

The Interim Head of Revenues and Benefits presented her item to the Committee. All of the recommendations were agreed by the Committee.

50. Exempt Report of the Head of Regeneration and Economic Development - Kent Medical Campus Investment Strategy

The Economic Development Officer presented her report to the Committee on the Investment Strategy for the Kent Medical Campus. The report outlined that to enable a maximum return on Business Rates for the Council from the Enterprise Zone it would be beneficial for the Council to make investments to increase the likely success of the Zone. The priority area for investment had been identified as an Innovation Centre for small businesses, with the objective of the small businesses moving on to their own premises within the zone once they had become established.

In response to a question from the Committee, the Economic Development Officer confirmed that a detailed business case would be brought back to the Committee which would outline the risks involved in setting up an Innovation Centre.

RESOLVED:

1. That the Investment Strategy, as set out in Appendix I, is adopted.
2. That, subject to a detailed business case, the first investment of business rates retained from the Enterprise Zone is into the development of an Innovation Centre.
3. That delegated authority is given to the Head of Regeneration & Economic Development to appoint a consultant to undertake a

feasibility study including initial designs for an Innovation Centre.

4. That delegated authority is given to the Director of Regeneration and Place to enter into negotiations with the landowner of Kent Medical Campus on an appropriate joint venture or acquisition for the land to enable the innovation centre.

Voting: Unanimous

51. Exempt Report of the Head of Regeneration and Economic Development - Property Acquisition

The Housing Development Officer gave a presentation to the Committee recommending the purchase of a residential property, once the developer had completed works on the property.

The Committee raised concerns about issues of water ingress at the property that had been highlighted to members during the planning process. The Housing Development Officer thanked the Committee for the information and confirmed that she would ensure a specialist surveyor was employed to thoroughly assess the situation before completion. The Regeneration and Economic Development Manager assured the Committee that as the deal being considered was that the property would only be handed over at completion, the Council would ensure any water ingress issues were resolved before the property was purchased.

RESOLVED:

1. That the purchase price set out in paragraph 1.1 is agreed.
2. That the Director of Finance and Business Improvement is granted delegated authority to conclude negotiations with the owner.
3. That the Head of Mid Kent Legal Services is authorised to complete the purchase on the terms as agreed by the Director of Finance & Business Improvement.
4. That the Head of Mid Kent Legal Services is authorised to complete the contract documentation required for the appointments of Clerk of Works on the terms as agreed by the Director of Finance and Business Improvement.

Voting: Unanimous

52. DURATION OF MEETING

6.30 p.m. to 9.36 p.m.

POLICY AND RESOURCES COMMITTEE 20 SEPTEMBER 2017

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

Yes

FLOOD RISK ALLEVIATION - UPDATE

Final Decision-Maker	Policy & Resources Committee
Lead Director	Director of Finance & Business Improvement
Lead Officer and Report Author	Property Services Manager
Classification	Public
Wards affected	High Street, Coxheath & Hunton, Headcorn, Marden & Yalding, Staplehurst

This report makes the following recommendations to this Committee:

1. That the progress with flood alleviation schemes to be delivered by the Medway Flood Partnership be noted.

This report relates to the following corporate priorities:

Improving flood resilience impacts upon the character of the borough and supports making the borough an attractive place for all.

Timetable

Meeting	Date
Policy & Resources Committee	20 September 2017

FLOOD RISK ALLEVIATION - UPDATE

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report updates the Committee on developments in relation to flood alleviation.
 - 1.2 The Council is working on flood alleviation as part of the Medway Flood Partnership, comprising the Environment Agency, local authorities and a range of other organisations. In the Medway confluence area, Phase 1 of the Environment Agency's 'Middle Medway Flood Resilience Scheme' is currently under way and will lead to the installation of Property-level Flood Resilience (PFR) measures for properties at very significant risk of flooding.
 - 1.3 In the Town Centre, the Maidstone Bridges Gyratory Scheme has provided the opportunity to implement flood protection schemes. Funding is being sought for further measures to reduce the risk of flooding on the A229.
 - 1.4 Finally, preparatory work is now under way to scope the work required to increase spillway capacity at Mote Park Lake.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The Medway Flood Partnership was launched in late 2016 to bring together the work of a range of organisations concerned with flood alleviation in the Medway catchment area upstream of Allington Lock. The Partnership comprises the Environment Agency, the five local authorities in the area, other relevant government agencies including Natural England and the Forestry Commission, risk management authorities including the Internal Drainage Boards and Southern Water, non-governmental organisations including the South East Rivers Trust and the National Farmers Union, and representatives of local communities from the Kent Association of Local Councils and the Joint Parishes Flood Group.
- 2.2 The Partnership's work comprises three strands – capital investment and maintenance; natural flood management; and community resilience. Capital investment and maintenance has been the main focus over the past year. The EA's initial assessment of priorities for capital investment led to development of a business case for increasing the capacity of the Leigh Flood Storage Area. Funding has now been identified for this project and construction is expected to start in 2020.
- 2.3 So far as measures in Maidstone borough are concerned, the construction of large-scale flood storage on the Rivers Beult and Teise was considered not to be viable. This conclusion was supported by independent research commissioned by Maidstone Borough Council and carried out by Arcadis early in 2017.

- 2.4 As an alternative for communities in the Medway confluence area at risk of flooding, the EA has developed a 'Middle Medway Flood Resilience Scheme'. Phase 1 of this scheme is currently in progress. It has involved carrying out scoping surveys to assess if properties at very significant risk of flooding are suitable for Property-level Flood Resilience (PFR) measures. 401 of the 454 properties surveyed are considered to be suitable for PFR measures. Of these, 41 have now been subject to a full survey, which will provide sufficient information to specify the work required and instruct a contractor. The EA hopes to engage a contractor in November 2017 to carry out this work.
- 2.5 In principle, Phase 1 can be funded from existing government funds for household flood protection.
- 2.6 If a property is not suitable for PFR measures, surveyors will assess if a community resistance option such as a low wall or embankment would be suitable. Clusters of properties which could benefit from small walls and embankments will be identified and modelling carried out to ensure that the works envisaged would not increase risk to other properties.
- 2.7 The EA is seeking partners to provide funding for this Phase 2 work. MBC has earmarked £1 million in its capital programme for flood prevention measures. KCC has committed £1.5 million that is potentially available. The EA has submitted a bid for £0.5 million to the Southern Regional Flood and Coastal Committee (SFRCC).
- 2.8 The next step will be for the Council to enter into a Partnership Funding Agreement with the EA, under which it would contribute to the costs of the proposed works. We are awaiting details of the works and will report back to Members before committing any funds.

Town Centre

- 2.9 Work relating to the Maidstone Bridges Gyratory scheme has included measures to reduce the flood risk in the Town Centre, the need for which was highlighted by the floods of Christmas/New Year 2013/14.
- 2.10 Modelling work undertaken by the Environment Agency indicated that the flooding of properties at the Lower High Street in 2013/14 was as a result of flow through the subways. As a consequence the two subways either side of the High Street have been blocked up and filled with foam concrete to remove this risk and the area re-designed to enhance the public realm. The cost for this work was £119,000.
- 2.11 In a similar fashion, the Medway Street subway also acts as a conduit for flood water to reach the lower High Street area. Members were keen to retain access to the river side through this subway and therefore a flood door was identified as a solution which would allow access to the river during normal conditions, but could be closed during periods of flood. However, as the design was developed, this option proved too costly due to its impact on the structural integrity of the subway itself. An alternative solution was identified which would be more cost effective. Glass flood barriers were scheduled to be fitted to the existing pedestrian barrier

opposite Drakes, with additional returns constructed to contain flood water. This would protect the immediate vicinity against a 75 year flood event, when used in conjunction with demountable barriers at the entrance of Old Fairmeadow with Medway Street. The cost of this work was expected to be £126,640.

2.12 However, the area requires further protection. The River Medway floods over the A229 carriageway opposite the end of Earl Street under a 75 year flood event, as well as opposite St Faith's Street. Once this floodwater fills up the A229 outside the Fremlin Walk car park, it then flows south towards the lower end of Earl Street and Medway Street. Initial discussions with the EA have indicated that a glass barrier mechanism mounted to the existing walling and spanning a 300m stretch of Fairmeadow may resolve this. Alternatively a series of demountable defences could be deployed at key points.

2.13 Unfortunately, the investigations carried out by the EA have concluded that the scheme described in 2.11, when considered in conjunction with the further risks described in 2.12, will not provide the level of protection that is required. All schemes have therefore now been put on hold pending further investigations of a feasible scheme.

2.14 The next step will be to meet the EA and KCC to agree the best approach to resolving the current impasse. The residual budget from the Maidstone Bridges Gyratory scheme could be used to partly finance the cost of this work. However, it will be necessary to identify, in due course, further funding from the capital programme and to seek contributions from KCC. The EA are not able to contribute because the properties at risk are commercial and not residential properties.

Mote Park Lake

2.15 Mote Park Lake is classified as a reservoir under the Reservoir Act 1975. The embankment at its western end is in effect a dam, and the Council, as landowner, is responsible for minimising the risk of water overtopping the dam in extreme weather conditions. Civil engineers carrying out the regular statutory inspection of the dam advise that work is needed to reduce the change of this happening. We have recently invited quotations from suitably qualified reservoirs engineers to report on engineering options, the related costs and the preferred option. We will report back to Members when this analysis is available. This is likely to be at the January meeting of the Policy and Resources Committee.

3. AVAILABLE OPTIONS

Medway Confluence

3.1 **Option 1:** To continue to work with the EA and other partners as part of the Medway Flood Group to develop property and community level resilience in the Medway, Beult and Teise confluence area, and use the Council's budget of £1 million, in conjunction with funding from KCC and EA,

to implement viable projects for localised flood defences where PFR is not suitable.

- 3.2 **Option 2:** To remain as a member of the Medway Flood Partnership but not commit any funding for flood alleviation.

Town Centre

- 3.3 **Option 1:** To continue to work with the EA and KCC to develop a viable option to supplement the schemes being funded under the Bridges Gyratory scheme.

- 3.4 **Option 2:** To do nothing, other than complete the planned glass barriers adjacent to the subway.

Mote Park Lake

- 3.5 **Option 1:** To continue to work with engineers to develop options to minimise the risk of the dam overtopping.

- 3.6 **Option 2:** To do nothing.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

Medway Confluence

- 4.1 The preferred option is Option 1 as this is the most likely option to deliver increased flood resilience to those at highest risk and is affordable in the context of the Council's medium term financial strategy.

Town Centre

- 4.2 The preferred option is Option 1 as this will increase the level of flood protection along Fairmeadow to withstand up to a 1 in 75 year flood event.

Mote Park Lake

- 4.3 The preferred option is Option 1. The Council has a statutory obligation to ensure the safety of the Mote Park Lake dam.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Progress on flood alleviation work is reported regularly to Policy and Resources Committee. The Council also maintains regular contact with representatives of the local community, including the JPFG, in relation to flooding issues.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The EA will undertake surveys of properties at the highest risk and submit a business case for approval to DEFRA, which if approved will permit detailed design and construction beginning in late 2017.
- 6.2 The Council will work with KCC and the local community to develop and implement localised flood defences in conjunction with the EA's proposals for property level resilience.
-

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The decision will impact upon the protection of the character of the borough as there will be implications for the villages and homes within the flood area. Resilience against flooding supports making the borough an attractive place for all.	Director of Finance & Business Improvement
Risk Management	Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk It is essential that the Council works with other funding partners if schemes are to be delivered effectively.	Director of Finance & Business Improvement
Financial	These are covered in the report.	Director of Finance & Business Improvement
Staffing	Staff resources will be required for ongoing liaison with partners until completion of the project.	Director of Finance & Business Improvement
Legal	There may be a requirement for a bi-partite funding agreement.	Legal Team
Equality Impact Needs	The proposed solution could be	Director of

Assessment	delivered flexibly, while adjustments are possible to ensure equality. In some cases the level of benefit is dependent upon the type of property and not the resident's circumstances	Finance & Business Improvement
Environmental/Sustainable Development	The proposed solution contributes to sustainable communities.	Director of Finance & Business Improvement
Community Safety	The flooding risk has an impact on community safety. Part of the proposed solution is increased community resilience and reducing the risk to health and safety during incidences of flooding.	Director of Finance & Business Improvement
Human Rights Act	No specific impact	n/a
Procurement	No specific impact	n/a
Asset Management	No specific impact	n/a

8. REPORT APPENDICES

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

None

9. BACKGROUND PAPERS

None.

Agenda Item 13

Policy and Resources Committee

20 September 2017

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

Yes

Discretionary Rate Relief Scheme

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Sheila Coburn, Interim Head of Revenues and Benefits
Lead Officer and Report Author	Sheila Coburn, Interim Head of Revenues and Benefits
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the Business Rates Discretionary Rate Relief scheme described in the report, with the criteria for eligibility set out as Option 2 in section 3, be adopted
2. Authority is delegated to the Head of Revenues and Benefits to finalise and implement the scheme.

This report relates to the following corporate priorities:

- Securing a successful economy for Maidstone Borough – The proposed scheme will provide financial assistance to businesses adversely affected by revaluation.

Timetable

Meeting	Date
Committee (Policy and Resources)	20 September 2017

Discretionary Relief Scheme

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report proposes the introduction of a scheme benefitting from Government funding to support local businesses adversely affected by Business Rates revaluation.
 - 1.2 At the Spring budget, the Government announced the establishment of a £300 million discretionary fund over four years to help councils support those businesses in their area that experienced the steepest increases following the 2017 revaluation.
 - 1.3 The council is expected to use its share of the fund to devise and implement a Discretionary Relief Scheme to target support to those businesses.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 Business Rates are set jointly by the Valuation Office Agency and Government. Maidstone Borough Council has no control over the amount of Business Rates charged.
- 2.2 The Valuation Office Agency, who is part of Her Majesty's Revenues and Customs, set the rateable value of each business assessment. The Government sets a rate poundage each year. The multiplication of these two determines the amount a business is charged for Business Rates.
- 2.3 Of the Business Rates collected, the Government levies a tariff on Maidstone Borough Council and the council only keeps 4% of Business Rates.
- 2.4 A revaluation of rateable values is normally undertaken by the Valuation Office Agency every 5 years. The last revaluation took place on 1 April 2010.
- 2.5 The Government delayed a revaluation by 2 years until 1 April 2017. As a result of changes in the rateable values for business properties in Maidstone borough, 1,176 businesses (23%) benefitted from a reduction in rateable value and 1,478 businesses (30%) had no change in rateable value. The remaining 2,373 (47%) faced an increase in the rateable value as a result of the revaluation and there was much publicity in the press as a consequence of this.
- 2.6 In response the Government looked at ways to assist those businesses that faced large increases in their rateable values and ultimately their Business Rates liability.
- 2.7 In March 2017, the Government announced that it would make available a discretionary fund over 4 years to help councils support those businesses in their area that experienced the steepest increases following the 2017 revaluation.

- 2.8 Government determined that councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.
- 2.9 The council can operate such a scheme through its discretionary relief powers under S47 of the Local Government Act 1988.
- 2.10 The share of the fund made available to the council (£492,000 over 4 years) is to compensate for the 50% of business rates that would have been retained locally had such a scheme not been implemented. As such support for local business through the scheme is funded up to £984,000 over 4 years, with the difference in funding met directly by Government.

	2017-18	2018-19	2019-2020	2020-2021
Govt funding	287,000	140,000	57,000	8,000
Scheme total	574,000	280,000	114,000	16,000

- 2.11 Properties with a Rateable Value of under £12,000 already benefit from 100% Small Business Rate Relief.
- 2.12 511 businesses remain who had an increase in the amount of Business Rates payable for 2017-18 as a result of revaluation.
- 2.13 It is proposed that in making such awards the council works to a set of principles including;
- Revaluation – relief is available to businesses that experienced an increase in rateable value from the 1 April 2017 as a result of revaluation, when compared to the rateable value at 31 March 2017.
 - Rateable value – relief is available to businesses with a rateable value above £12,000, with properties below that level to receive small business rate relief, up to £100,000.
 - Rates liability – relief is available to businesses that have experienced an increase in the level of rates payable, after allowing for all other forms of rate relief.
 - Occupation – relief is available to businesses that were in occupation of the premises as at 31 March 2017 and remain in continuous occupation.
 - Relief is available to businesses that are not entitled to 80% mandatory relief due to their charitable status.
 - Relief is available to support local businesses rather than national businesses.
- 2.14 By excluding the national businesses, this will leave 218 local businesses who had an increase in their Business Rates liability as a result of revaluation.

- 2.15 It is proposed that approximately 80% of the funding (£229,600) is distributed to businesses meeting the above criteria, with the fund apportioned in line with the Rateable Value of the business.
- 2.16 It is proposed relief will be automatically awarded to eligible businesses without applications having to be made, which will avoid further delays.
- 2.17 The remainder, 20% of the funding (£57,400), will be held as a contingency for any appeals and to assist businesses identified as experiencing financial hardship as a result of revaluation.
-

3. AVAILABLE OPTIONS

- 3.1 Option 1 - Do nothing – there is no requirement for the council to introduce a scheme to make such awards, however, local businesses would fail to benefit from the funding made available by Government.
- 3.2 Option 2 – Award 80% relief to businesses with a rateable value less than £100,000. This will benefit 209 businesses, amounting to £221,911.
- 3.3 Option 3 – Award 100% relief to businesses with rateable values under £51,000. This will benefit 174 businesses amounting to £238,122.
- 3.4 Option 4 – Award 60% relief to businesses with a rateable value up to £200,000. This will affect 215 businesses amounting to £214,047.
- 3.5 Option 5 – Award 40% relief to all properties irrespective of rateable value. This will affect 218 businesses amounting to £224,185.
- 3.6 Option 6 – Award 100% relief to properties which had an increase of over 5%, up to a Rateable Value of £200,000. This will affect 165 businesses amounting to £173,813.
-

3 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.6 The Committee is asked to introduce a local scheme with the recommendation of Option 3.2.
- 3.7 It is considered that this option achieves the right balance of a significant level of relief (80%) whilst benefiting local small ratepayers with a rateable value up to £100,000. A higher percentage of relief would mean reducing the upper limit; a higher upper limit would mean providing a smaller percentage figure in relief.
- 3.8 In general, by introducing a local discretionary scheme the council will be able to make use of Government funding to support local businesses affected by revaluation.

- 3.9 The scheme would be delivered at no cost to the council (providing operated within allocated funding) and supports the corporate priority of securing a successful economy for Maidstone Borough.
- 3.10 The Economic Development Strategy focuses on 5 priorities for intervention to support the growth of the local economy; the first being 'Retaining and Attracting Investment'.
- 3.11 The Strategy sets out the importance of business retention as "the growth Maidstone has seen over recent years has been largely due to the expansion of existing businesses, rather than new inward investment from outside of Kent. Supporting existing local businesses to grow is therefore critical for delivering the job growth we want for the future."
- 3.12 The focus of this scheme on existing local businesses directly supports the objectives of the adopted Economic Development Strategy. It reduces the financial burden imposed on small local firms as a result of the business rates revaluation, helping them to remain viable, retain jobs and/or invest in their businesses.
- 3.13 That the Head of Revenues and Benefits has delegated authority to operate the agreed scheme with the Business Rates team awarding relief in accordance with the approved recommendations.
- 3.14 If any business is aggrieved by the non award of relief, the business can appeal to the Head of Revenues and Benefits for its case to be considered.
-

4 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 4.6 There is a statutory requirement to consult with major preceptors on the design of the scheme.
- 4.7 That consultation will be undertaken with the proposed scheme supported.
-

5 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 5.6 It is intended information will be made available on the council's website regarding the availability of relief.
- 5.7 Eligible businesses will automatically be awarded the relief without having to make an application.
-

6 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
-------	--------------	----------

Impact on Corporate Priorities - "Securing a successful economy for Maidstone Borough"	The proposed scheme will help secure a successful economy by providing help to business adversely affected by revaluation.	Sheila Coburn Head of Revs & Bens (interim)
Risk Management	The risks associated with implementing and operating the scheme is considered low. Endorsement of a corporate scheme helps reduce the risk.	Sheila Coburn Head of Revs & Bens (interim)
Financial	The council is to receive £492,000 over 4 years to compensate for the cost of the scheme. New burdens funding has been provided to meet the cost of administration.	
Staffing	The scheme will be operated within existing resources.	Sheila Coburn Head of Revs & Bens (interim)
Legal	The powers to operate such a scheme are provided by section 47, Local Government Act 1988.	Head of Legal
Equality Impact Needs Assessment	The scheme itself does not impact on those with protected characteristics. However, consideration should be given when implementing the scheme in terms of ensuring that it can be accessed by hard to reach groups.	Equalities and Corporate Policy Officer
Environmental/Sustainable Development	No impact	Sheila Coburn Head of Revs & Bens (interim)
Community Safety	No impact	Sheila Coburn Head of Revs & Bens (interim)
Human Rights Act	No impact	Sheila Coburn Head of Revs & Bens (interim)
Procurement	No impact	Sheila Coburn

		Head of Revs & Bens (interim)
Asset Management	No impact	Sheila Coburn Head of Revs & Bens (interim)

7 REPORT APPENDICES

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

- Appendix I: Discretionary Relief Scheme
-

8 BACKGROUND PAPERS

None

Maidstone Borough Council

Discretionary Business Rates Relief Scheme 2017-2018

Purpose of scheme

The purpose of this scheme is to determine the level of Discretionary Business Rate Relief to be awarded to certain defined ratepayers within Maidstone Borough Council's area.

Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2017.

This document covers the new Discretionary Business Rates Relief scheme which is available from 1 April 2017.

Introduction

In March 2017, central government announced that it would make available a discretionary fund over 4 years to help councils support those businesses in their area that experienced the steepest increases following the 2017 revaluation.

Government determined that councils would be best placed to determine how this fund should be targeted and administered to support those businesses within their area that are in the greatest need.

The council is expected to use its share of the fund to devise and implement a Discretionary Relief Scheme to target support to those businesses.

The council can operate such a scheme through its discretionary relief powers under S47 of the Local Government Act 1988.

This document explains the scheme Maidstone Borough Council has adopted.

Criteria for awarding relief

Maidstone Borough Council has decided that in making such awards the council works to a set of principles including;

- Revaluation – relief is available to businesses that experienced an increase in rateable value from the 1 April 2017 as a result of revaluation, when compared to the rateable value at 31 March 2017.
- Rateable value – relief is available to businesses with a rateable value above £12,000, with properties below that level likely to receive small business rate relief.
- Rates liability – relief is available to businesses that have experienced an increase in the level of rates payable, after allowing for all other forms of rate relief.
- Occupation – relief is available to businesses that were in occupation of the premises as at 31 March 2017 and remain in continuous occupation.
- Relief is available to businesses that are not entitled to 80% mandatory relief due to their charitable status.
- Relief is available to support local businesses rather than national businesses

It is proposed that 80% of the funding is distributed to businesses meeting the above criteria, with the fund apportioned in line with increases experienced by individual businesses.

The remainder 20% of the funding will be held as a contingency for any appeals and to assist businesses identified as experienced financial hardship as a result of revaluation

Relief will be automatically awarded to eligible businesses at the outset without applications having to be made

Authority to award relief

The councils scheme of delegation allows for the Head of Revenues and Benefits to award, revise or revoke any discretionary relief under this scheme.

Reviews

The scheme for granting relief will be reviewed annually as the amount of funding available will change each year.

Appeals

Any ratepayer aggrieved by the non-awarding of Discretionary Rate Relief under this scheme, or the amount of Discretionary Rate Relief awarded can ask for its case to be reviewed by the Head of Revenues and Benefits.

The Head of Revenues and Benefits shall within 21 days advise the ratepayer of the outcome of the appeal.

Consultation

The council has consulted with the major preceptors in relation to this scheme.

State Aid

Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations 2013. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period.

It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.

Agenda Item 14

POLICY AND RESOURCES COMMITTEE

20 September 2017

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

Yes

First Quarter Budget Monitoring 2017/18

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Director of Finance and Business Improvement
Lead Officer and Report Author	Mark Green – Director of Finance and Business Improvement (Lead Officer) Paul Holland - Senior Finance Manager Client Accountancy (Report Author)
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the revenue position at the end of the first quarter and the actions being taken or proposed to improve the position where significant variances have been identified, as set out in table 1, paragraph 2.8 are noted;
2. That the proposed slippage in the capital programme of £5,295,397 into 2018/19 as detailed in paragraph 2.11 is approved;
3. That the performance of the collection fund and the estimated level of balances at the year-end is noted;
4. That the write-off of unpaid business rates as set out in Appendix III is approved; and
5. That the performance in relation to the treasury management strategy for the first quarter of 2017/18 is noted.

This report relates to the following corporate priorities:

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

Timetable

Meeting	Date
Policy and Resources Committee	20 September 2017

First Quarter Budget Monitoring 2017/18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides the committee with an overview of the capital and revenue budget and outturn for the first quarter of 2017/18, and highlights other financial matters which may have a material impact on the medium term financial strategy or the balance sheet.
 - 1.2 The first section of the report presents the revenue information specific to this and the other committee's services, and the remainder of the report provides an update on strategic and cross-cutting issues since both aspects fall into the remit of this committee.
 - 1.3 Based on the information available to date, the year-end forecast for the revenue budget is a negative variance of £132,000. The actions being taken to address individual variances within each service committee are set out later in the report at paragraph 2.8.
 - 1.4 The capital spending at the quarter ending 30 June 2017 totals £2,514,872 from the annual budget of £17,939,680, which includes unused budgets brought forward from 2016/17.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.
- 2.2 The Medium Term Financial Strategy for 2017/18 onwards was agreed by full Council on 1 March 2017. This report advises and updates the committee on the current position with regards to both revenue and capital expenditure against the approved budgets, and also includes sections on Collection Fund performance and Treasury Management performance.

First Quarter Results and 2017/18 Forecast – Revenue

- 2.3 Attached at Appendix I is a table detailing the current budget and expenditure position in relation to the first quarter of 2017/18, to June 2017. The Appendix details net budget for all Service Committees including this one. Actual expenditure is shown to the end of June 2017 and includes accruals for goods and services received but not yet paid for.
- 2.4 The columns of the table in the Appendix show the following detail:
 - a) The Service Committee;
 - b) The value of the total budget for the year;

- c) The amount of the budget expected to be spent by the end of June 2017;
- d) The actual spend to that date;
- e) The variance between expected and actual spend;
- f) The forecast spend to year end; and
- g) The expected variance at 31 March 2018.

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

Table 1: by Committee;

Table 2: by Priority;

Table 3: by Expenditure Type.

2.6 Appendix I shows that of an annual budget of £20,562,830 there was an expectation that £6,337,200 would be spent by the end of the first quarter of the year. At this point in time the budget is reporting an under spend of £1,542,014. However, an over spend of £132,000 is projected at present for the year as a whole. Budgets across all Committees will be reviewed as part of the upcoming budget process with a view to identifying savings to cover any possible over spend.

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

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

	Positive Variance Q3 £000	Adverse Variance Q3 £000	Year end Forecast Variance £000
Policy and Resources Committee			
Customer Services Section - This relates to delays in recruiting to a number of vacancies due to a shortage of candidates with the appropriate skills. This includes a number of maternity leave vacancies which have not been covered since the end of the financial year. The vacancies have now been filled and it does not seem like there will be a significant variance by year end.	32		0
Interest & Investment Income - Interest rates continue to be lower than forecast, and in line with the Treasury Management Strategy investments are		-31	-140

kept to shorter time periods, and rates for these are particularly low.			
Mid Kent ICT Services - This section currently has a number of posts vacant, the Head of ICT is currently reviewing the structure.	52		70
Non HRA Rent Rebates – This variance is due to the timing of income receipts and will be resolved by the end of the year.	51		0
Rent Allowances – The current position is based partly on the proportionate costs up until the end of the first quarter and partly on the estimate claim form, so the position will change by the end of the year.	797		105
Commercial Investments – The purchase of a new commercial property is now generating additional rental income.			157
Contracts – This is additional income that has arisen following the realignment of a contract.			10
Policy and Resources total			202
Heritage, Culture & Leisure Committee			
Bereavement Services – Income is currently ahead of budget, but there are likely to be additional repairs and maintenance costs incurred during the remainder of the year that will reduce the current variance.	46		30
Heritage, Culture & Leisure total			30
Strategic Planning, Sustainability and Transport Committee			
Development Control Applications - The current positive variance reflects fees that have been received earlier than anticipated, which is a consequence of the forthcoming rise in planning fees and the introduction of the Community Infrastructure Levy. This means that the forecast is for the income to be back on target by the end of the year.	156		0
Development Control Appeals - There are several inquiries that are expected to take place this year which will lead to the authority incurring significant costs. At this stage unbudgeted costs of £200,000 are projected in relation to these inquiries and the necessary preparatory work.	17		-200

Parking Services – Pay and Display car parking is continuing to perform well in excess of the target income budget overall, but both the Mote Park and Sandling Road Car Parks are forecast to generate less income than budgeted. Charges have now increased at Mote Park and over a full year the income budget is expected to be achievable. The shortfall at Sandling Road arises from a delay in opening the car park for business. The income budget here is also expected to be achievable in a full year. There is also a payment potentially due of £61,000 to HMRC in respect of overpaid VAT following a recent court ruling in their favour.	108		144
Strategic Planning, Sustainability and Transport total			-56
Communities, Housing and Environment Committee			
Homeless Temporary Accommodation - An additional budget has been provided for temporary accommodation this year, but an overspend is still expected because (a) it has taken longer to bring into use Council owned properties for homeless families and (b) current trends indicate an increase in the numbers we will have to accommodate.		-50	-200
Pollution Control – General - The variance is as a result of an unspent £206,000 Defra Air Quality Grant. Any unspent grant at year end will be carried forward to the following financial year.	56		0
Recycling Collection - The variance is due to increased contract costs, resulting from higher indexation increase than budgeted for. The Head of Service has plans to address this shortfall.		-35	0
Street Cleansing - The variance is a result of several reasons including savings projections which have not been met, , increased overtime and agency costs exacerbated by premium rates for shift work to cover staff sickness and increased refuse disposal costs		-61	-100
Communities, Housing and Environment total			-55

Table 1: Summary of significant variances by committee

- 2.9 In accordance with best practice, virements are reported to this committee as part of quarterly budget monitoring. A virement represents the transfer of a budget between objectives that occurs subsequent to the formal approval of the budget by Council. The following reportable virements were made during the first quarter of 2017/18:

Reason	Value £	Temp/Perm*
Parks Restructure - transfer of posts from Regeneration & Economic Development to Environment & Public Realm	133,110	Permanent
Change in Service Delivery (Housing) - transfer of post from Housing to Economic Development.	54,820	Permanent
Change in Service Delivery (Communications) - transfer of posts from Marketing & Museum to Communications.	76,480	Permanent
Reduction in budget for Grants to Outside Bodies as per Medium Term Financial Strategy.	11,000	Permanent
Funding for Homelessness Prevention Officer posts from growth as per Medium Term Financial Strategy.	93,040	Permanent
Cleaning Contract savings as per Medium Term Financial Strategy & reduction in budget from a difference in Indexation.	36,300	Permanent
Repairs – Closed Churchyards	11,500	Permanent
Business Rates pool funding for bridge lighting, public arts & Business Enterprise.	35,390	Temporary

Table 2: Reportable virements

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

Strategic Level Capital Programme 2017/18

- 2.10 The capital programme was approved by Council on 1 March 2017. Funding for the programme remains consistent with previous decisions of Council in that the majority of resources come from New Homes Bonus along with a small grants budget. Previous decisions of Council, Cabinet and this committee have focused the use of New Homes Bonus on infrastructure projects where these are required by the infrastructure delivery plan that forms part of the Local Plan.
- 2.11 The current programme is set out in Appendix II and shows the current budget and actual expenditure to date. The current budget includes the approved budget plus any unused resources brought forward from 2016/17. The Appendix details the profile of expenditure that is forecast for the remainder of the year and identifies £5,292,397 that will require carry forward approval into 2017/18. The major schemes that have incurred slippage relate to housing grants, housing investments, play areas, projects in Mote Park and Public Realm Phase 3. The committee is asked to approve

the slippage at this stage.

2.12 In April 2017 this Committee approved the purchase of a new commercial property at a cost that was above the allocated budget. Within the overall programme there are the resources to fund the additional cost of £0.581m and these will be identified as part of the upcoming review of the capital programme which will take place as part of the budget setting process.

2.13 The Council has the necessary resources to manage the programme in 2017/18, with the majority of funding coming from New Homes Bonus. However it is projected that the balance of that funding will be used during the course of the year, therefore it may be necessary to borrow to fund any further expenditure. Approval for borrowing has previously been agreed and factored into the programme funding. There is also a government grant in relation to disabled facilities grants funding the programme.

Reserves and Balances

2.14 The total of earmarked reserves and general fund balances as at 31st March 2017 was £17.3 million. The makeup of this balance, and movements in the first quarter of 2017/18 are set out in the table below:

	1 April 2017 £m	30 June 2017 £m	31 March 2018 (forecast) £m
General Fund			
Asset Replacement	0.2	0.2	0.1
Planning Management	0.1	0.1	0.0
Commercialisation – contingency	0.5	0.5	0.5
Invest to Save projects	0.5	0.5	0.5
2016/17 underspend earmarked for Action Areas	0.1	0.1	0.0
2016/17 grants carried forward to 2017/18	0.8	0.8	0.0
Amounts set aside for collection fund deficit	2.9	2.9	0.0
Forecast revenue over spend	0.0	0.0	(0.1)
Unallocated balance	4.2	4.2	4.2
Sub-total	9.3	9.3	5.2
Earmarked Reserves			
New Homes Bonus funding for capital projects	7.2	6.2	0.0
Local Plan	0.3	0.3	0.0
Neighbourhood Plans	0.1	0.1	0.1
Accumulated Surplus on Trading Accounts	0.3	0.3	0.3
Business Rates Growth Fund	0.1	0.1	0.1
Sub-total	8.0	7.0	0.5
Total General Fund balances	17.3	16.3	5.7

Table 3: General Fund & Earmarked Balances

- 2.15 The closing position allows for the minimum level of general balances of £2m, as agreed by Council in March 2017, to be maintained.

Collection Fund

- 2.16 The council is increasingly reliant on income generated through council tax and business rates, which is accounted for through the collection fund. Due to the risks in this area, including the risk of non-collection and the pooling arrangements in place for business rates growth, the Council monitors the collection fund carefully.

- 2.17 The collection rates achieved are reported below, alongside the target for the year, and the actual amount collected. The rates are given as a percentage of the debt targeted for collection in the first quarter of 2017/18:

	Target %	Actual %	Amount collected
Council Tax	29.4%	29.2%	£29,579,493.74
Business Rates	32.2%	32.2%	£19,728,773.34

Table 4 : Collection Rates for Council Tax and Business Rates, First Quarter 2017-18

- 2.18 The target was met for business rates, but narrowly missed for council tax. Although as a percentage of the overall total, the variance appears small, the sums involved are significant and officers are therefore monitoring this closely.
- 2.19 The Head of the Revenues and Benefits Partnership follows a recovery timetable and action will be taken before year end to attempt to bring the collection rate back to target. Officers will continue to pursue payment of any developing arrears along with the arrears from prior years.
- 2.20 Income from retained business rates growth is lower than anticipated, due to a significant number of reductions arising from businesses successfully appealing against their rateable value. This is a volatile area of income which can be difficult to predict. The council maintains a prudent provision to minimise the impact of appeals on the Council's income.
- 2.21 Forecast growth in business rates against the Council's baseline is at the end of the first quarter is £1.7m against a forecast of £2.0m. The benefit from membership in the Kent Business Rates Pool for 2017-18 is currently predicted at £0.8 million, which represents the difference between the levy of 50% which would have been payable on business rates growth if the council were not part of the pool, compared with the 3.63% payable as a pool member.
- 2.22 As agreed previously the 30% share of the pool benefit retained by the council will be used to fund the delivery of the Economic Development

Strategy, alongside the 30% growth fund share which is spent in consultation with KCC.

Irrecoverable business rates

- 2.23 The committee are asked to approve the write off of £221,999.20 unpaid business rates debt identified within Appendix III. Please note that information relating to individuals is restricted under the Data Protection Act and has therefore been redacted from the attached Appendix III
- 2.24 As noted above, the council takes a robust approach to recovery of business rates. 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
 - Proceeding to seek committal to prison (individuals)
- 2.25 Throughout the process the Council actively encourages contact from any business experiencing difficulty in order to negotiate arrangement for payment.
- 2.26 The Council could continue to hold these debts as outstanding, but this option is not recommended as there is no prospect of recovery and this would distort the financial position of the Council.
- 2.27 For the businesses listed within Appendix III, the Council has exhausted all of the recovery processes in trying to collect the unpaid amounts. It is therefore suggested that these amounts are written off and the council's accounts are amended to reflect the fact that the payments identified are not expected to be recovered. The council maintains a provision for bad debts, and there is sufficient resource available within this balance to cover the value of the proposed write offs.

Treasury Management

- 2.28 The Council has adopted and incorporated into its Financial Regulations, the CIPFA Code of Practice on Treasury Management in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In March 2017, the Council approved a Treasury Management Strategy for 2017/18 that was based on this code. The strategy requires that this committee should formally be informed of Treasury Management activities quarterly as part of budget monitoring.
- 2.29 During the quarter ended 30 June 2017:
- Consumer Price Inflation (CPI) rose over the quarter and the CPI for May was at 2.9%, the highest it has been since June 2013.

- The most recent labour market data for April 2017 showed the unemployment rate at 4.6%. This has remained at its lowest since July 1975, however the pressure on real wages (after inflation) is resulting in negative real wage growth.
- Quarter 1 GDP revised in May 2017 showed economic activity growing at a much slower pace of 0.2%. However, our treasury management advisors consider that this may be an anomaly and that GDP could rebound later in the year. There was no change by the Bank of England in its monetary policy at its meeting on 15 June.
- The bank rate has remained at 0.25%. Due to uncertainty in the economy, the Council's Treasury Advisors, Arlingclose, expect the Bank of England to look through periods of high inflation and maintain its policy of keeping interest rates low for an extended period.

Current Investments as at 30 June 2017

- 2.30 The council held investments totalling £20.6m. A full list of investments held at this time is given in Appendix IV. £11.6m of investments are in money market funds & cash enhanced funds which can be called upon immediately or for a short notice period for daily cash flow purposes which are also AAA rated funds. The remainder of investments have less than 6 months to mature due to the increase spending in the capital programme, which in turn, helps reduce counterparty risk.
- 2.31 Investment income for this period is £24,000.
- 2.32 Average interest rate for this period is 0.46%. The benchmark for investments is 3 month LIBOR plus 10 basis points. 3 Month LIBOR at the end on June was 0.31%, which means the benchmarked figure is 0.41%. The Council is therefore 12.2% above target.

Borrowing

- 2.33 As at 30 June 2017, no requirement for short or long term borrowing had arisen.

3. AVAILABLE OPTIONS

- 3.1 In considering the strategic position on the revenue budget at the end of June 2017 the committee has been provided with details of the actions each service committee plans to take on significant variances. The committee can chose to note those actions and reconsider the outcomes at the end of the second quarter or it could chose to take further action.
- 3.2 The capital programme is reporting slippage of £4,975,317 and expenditure of £2,514,872. Details of the programmes where major slippage occurs have been detailed at paragraph 2.13. The committee could agree the

slippage as proposed or take and alternative action such as removal of the budget or transfer of the budget to other schemes. If such alternative action is taken the councillors should be aware that the medium term financial strategy sets a hierarchy of priorities for the capital programme and any alternative scheme should be the highest priority unfunded scheme currently proposed.

- 3.3 Details of the performance of the collection fund and the level of available balances are both as expected and the committee need only note this information at this time.
- 3.4 Treasury Management is for information only as the Audit, Governance & Standards Committee takes responsibility for considering changes that may be required, for reference on to Council. The committee could make reference to the Audit, Governance and Standards Committee of any issues that it may wish to be considered at a future meeting.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

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

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

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

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The first quarter's budget monitoring report will be considered by the service committees in September 2017, culminating in a full report to this committee.
- 6.2 There are no significant issues arising from this report that require action from this committee. The success of actions by the other service committees to manage the pressures in their budgets will be regularly reported to this committee through later versions of this report.
-

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	This report monitors actual activity against the revenue and capital budgets and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's medium term financial strategy which is linked to the strategic plan and corporate priorities.	Director of Finance & Business Improvement
Risk Management	The Council has produced a balanced budget for both capital and revenue expenditure and income for 2017/18 This budget is set against a backdrop of limited resources and an difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives this committee the best opportunity to take actions to mitigate such risks. The issues set out in this report do not exhibit the level of potential risk identified in previous years.	Director of Finance & Business Improvement
Financial	Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.	Director of Finance & Business Improvement
Staffing	The budget for staffing represents approximately 50%	Director of

	of the direct spend of the council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.	Finance & Business Improvement
Legal	The Council has a statutory obligation to maintain a balanced budget this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.	[Legal Team]
Equality Impact Needs Assessment	The budget ensures the focus of resources into areas of need as identified in the Council's strategic priorities. This monitoring report ensures that the budget is delivering services to meet those needs.	Director of Finance & Business Improvement
Environmental/Sustainable Development	No specific issues arise.	Director of Finance & Business Improvement
Community Safety	No specific issues arise.	Director of Finance & Business Improvement
Human Rights Act	No specific issues arise.	Director of Finance & Business Improvement
Procurement	No specific issues arise.	Director of Finance & Business Improvement
Asset Management	Resources available for asset management are contained within both revenue and capital budgets and do not represent a significant problem at this time.	Director of Finance & Business Improvement

8 REPORT APPENDICES

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

- Appendix I: First Quarter 2017/18 Revenue Monitoring – Strategic Level
- Appendix II: First Quarter 2017/18 Capital Monitoring

- Appendix III: Written-off Business Rates First Quarter 2017/18
 - Appendix IV: List of investments as at 30 June 2017
 -
-

9 BACKGROUND PAPERS

None

Policy & Resources Committee
First Quarter Budget Monitoring - Full Summary to June 2017

ANALYSIS BY COMMITTEE

Committee	Full Year Budget	To June 2017	Actual	Variance ¹	Year End Forecast	Year End Variance
	£	£	£	£	£	£
Policy & Resources	12,267,810	3,935,970	2,831,102	1,104,868	12,065,810	202,000
Strategic Planning, Sustainability & Transportation	-1,232,740	-126,870	-468,177	341,307	-1,143,740	-89,000
Communities, Housing & Environment	8,002,360	1,842,640	1,829,967	12,673	8,302,360	-300,000
Heritage, Culture & Leisure	1,525,400	685,460	602,294	83,166	1,470,400	55,000
	20,562,830	6,337,200	4,795,186	1,542,014	20,694,830	-132,000

Table 1

ANALYSIS BY PRIORITY

Priority	Full Year Budget	To June 2017	Actual	Variance ¹	Year End Forecast	Year End Variance
	£	£	£	£	£	£
Character	710,390	249,000	235,086	13,914	710,390	0
Health & Wellbeing	2,306,870	573,780	-496,156	1,069,936	2,401,870	-95,000
Clean & Safe	3,738,660	941,420	1,100,527	-159,107	3,838,660	-100,000
Leisure & Culture	2,485,400	761,360	699,052	62,308	2,460,400	25,000
Town Centre	68,360	47,880	50,632	-2,752	68,360	0
Employment & Skills	315,320	63,660	48,951	14,709	315,320	0
Homes	1,051,940	234,100	10,850	223,250	1,284,940	-233,000
Infrastructure	366,650	130,410	107,172	23,238	366,650	0
Trading	-4,602,930	-792,510	-914,977	122,467	-4,776,930	174,000
Central & Democratic	14,122,170	4,128,100	3,954,049	174,051	14,025,170	97,000
	20,562,830	6,337,200	4,795,186	1,542,014	20,694,830	-132,000

Table 2

ANALYSIS BY SUBJECTIVE SPEND

Subjective	Full Year Budget	To June 2017	Actual	Variance ¹	Year End Forecast	Year End Variance
	£	£	£	£	£	£
Employees	20,192,590	5,091,300	4,762,628	328,672	20,205,590	-13,000
Premises	4,329,590	2,059,130	2,077,113	-17,983	4,299,590	30,000
Transport	1,090,800	273,760	233,373	40,387	1,090,800	0
Supplies & Services	19,026,440	2,420,270	2,312,283	107,987	19,309,440	-283,000
Agency	4,612,860	1,182,030	1,140,013	42,017	4,612,860	0
Transfer Payments	52,035,970	13,475,140	12,251,646	1,223,494	51,930,970	105,000
Asset Rents	1,187,250	53,180	55,420	-2,240	1,187,250	0
Income	-81,912,670	-18,217,610	-18,037,290	-180,320	-81,941,670	29,000
	20,562,830	6,337,200	4,795,186	1,542,014	20,694,830	-132,000

Table 3

¹A positive figure represents a favourable variance. A negative figure (ie -£X,XXX) represents an adverse variance.

Maidstone Borough Council Investments as at 30th June 2017

Counterparty	Type of Investment	Principal £	Start Date	Maturity Date	Rate of Return	Arlingclose Credit Limits	
						Suggested Term	Maximum Deposit
SANTANDER UK PLC	NOTICE ACCOUNT	3,000,000			0.55%	6 months	£3,000,000
STANDARD LIFE LIQUIDITY FUNDS	MONEY MARKET FUND	5,000,000			0.24%	2 Years	£8,000,000
FEDERATED INVESTORS (UK)	MONEY MARKET FUND	1,810,000			0.19%	2 Years	£8,000,000
GOLDMAN SACHS INT'L BANK	DEPOSIT - FIXED	2,000,000	03/04/2017	12/07/2017	0.50%	6 months	£3,000,000
LLOYDS BANK PLC	DEPOSIT - FIXED	1,000,000	01/09/2016	31/08/2017	1.00%	6 months	£3,000,000
LLOYDS BANK PLC	DEPOSIT - FIXED	2,000,000	12/10/2016	11/10/2017	1.00%	6 months	£3,000,000
COOPERATIEVE RABOBANK UA	CERTIFICATE OF DEPOSIT	1,000,000	21/10/2016	21/07/2017	0.53%	13 months	£3,000,000
STANDARD LIFE LIQUIDITY FUNDS	CASH ENHANCED FUND	3,000,000			0.42%	2 Years	£8,000,000
FEDERATED INVESTORS (UK)	CASH ENHANCED FUND	1,800,000			0.41%	2 Years	£8,000,000

20,610,000

Business Name	Property Address	A/C ref	Fin. Year	O/S debt	Costs	Total to be written off	Reason for write off	Action taken
Stacks Retail Ltd	205/206 Water Lane, Chequers Centre, Maidstone, ME15 6AR	3261975	2014/15 2015/16	£18,952.50 £3,922.45	£200.00 £200.00	£23,274.95	Ceased trading/dissolved	Debt was with enforcement agents, company dissolved November 2016.
Charmstyle Ltd	61-63 Week Street, Maidstone, Kent, ME14 1QU	3261779	2015/16	£33,564.92	£200.00	£33,764.92	Ceased trading/dissolved	Summons had been issued but the company was subsequently dissolved.
Citywell Associates Ltd	37 High Street, Maidstone, Kent, ME14 1JH	3224355	2009/10 2010/11 2011/12 2012/13 2013/14 2014/15 2015/16	£6,339.60 £14,248.19 £13,923.50 £14,541.50 £13,527.70 £15,303.50 £3,506.90	£200.00 £200.00 £400.00 £200.00	£82,390.89	Liquidation	Various unsuccessful attempts made to contact company and directors. All correspondence ignored and the debt was passed to enforcement agents. The company was liquidated on 29.07.2015. Notice of no dividend received.
Baymax Ltd	The Rafters, High Street, ME14 1SR	3285167	2015/16 2016/07	£14,790.00 £7,026.08		£21,816.08	Ceased trading/dissolved	Property set up by Valuation Office after the company was dissolved so unable to take recovery action.
REDACTED	Tickled Trout, Lower Road, West Farleigh, ME15 0PE	3238550	2014/15 2015/16	£19,972.00 £4,860.53	£200.00 £200.00	£25,232.53	Bankruptcy	Debt was with enforcement agents. The rate payer was made bankrupt 24.10.2016, and the report advises no prospect of dividend payable.
Kingfisher Estates Ltd	Maidstone Divisional Library, St Faith Street, ME14 1LH	3267851	2015/16	£21,131.65	£200.00	£21,331.65	Ceased trading/dissolved	All correspondence to property and registered address were ignored and enforcement agents were unable to recover the debt. The company was dissolved on 01.11.16.
Cellini Restaurants Ltd	Kings Arms, 1 High Street, Headcorn, Ashford, Kent, Tn27 9NH	3224112	2011/12 2012/13 2013/14	£1125.98 £6138.54 £6323.66	£0.00 £200.00 £400.00	£14,188.18	Ceased trading/dissolved	Summons issued and debt passed to enforcement agents. Company dissolved 31.01.2017.
Total						£221,999.20		

**MAIDSTONE BOROUGH COUNCIL
POLICY & RESOURCES COMMITTEE
BUDGET MONITORING - 1ST QUARTER 2017/18**

Capital Programme 2017/18 by Service Committee to 30th June 2017

Capital Programme Heading	Adjusted Estimate 2017/18 £	Actual to June 2017 £	Budget Remaining £	Q2 Profile £	Q3 Profile £	Q4 Profile £	Projected Total Expenditure £	Slippage to 2018/19 £	Budget Not Required £
COMMUNITIES, HOUSING & ENVIRONMENT									
Housing Incentives	737,430	5,065	732,365	5,000	50,000	50,000	110,065	627,365	
Housing - Disabled Facilities Grants Funding	1,084,270	41,813	1,042,457	150,000	250,000	250,000	691,813	392,457	
Housing Investments	4,375,650	1,889,278	2,486,372	2,000,000	25,000		3,914,278	461,372	
Gypsy Site Fencing Works	42,300	0	42,300	42,300			42,300	0	
Brunswick Street Housing Development	1,478,920	47,350	1,431,570	875,000	140,000	140,000	1,202,350	276,570	
Union Street (Recommended Option)	500,000	0	500,000	75,000	120,000	120,000	315,000	185,000	
King Street Housing Development	500,000	5,880	494,120	1,500	100,000	100,000	207,380	292,620	
Commercial Waste	180,000	0	180,000				0	180,000	
Street Scene Investment	50,000	20,690	29,310	20,000	9,310		50,000	0	
Flood Defences	117,660	4,334	113,326	10,000	10,000	10,000	34,334	83,326	
Total	9,066,230	2,014,410	7,051,820	3,178,800	704,310	670,000	6,567,520	2,498,710	0
HERITAGE, CULTURE & LEISURE									
Continued Improvements to Play Areas	1,349,970	148,798	1,201,172	20,000	250,000	50,000	468,798	881,172	
Commercial Projects - Mote Park Parking	31,080	0	31,080	31,080			31,080	0	
Commercial Projects - Crematorium Projects	616,990	15,000	601,990	19,000	230,000		264,000	352,990	
Commercial Projects - Mote Park Adventure Zone	712,740	14,789	697,951	10,000	100,000	588,710	713,499	-759	
Mote Park Essential Improvements	753,520	5,730	747,790	1,000	150,000	200,000	356,730	396,790	
Other Parks Essential Improvements	300,000	0	300,000		50,000	50,000	100,000	200,000	
Mote Park Visitor Centre	100,000	9,471	90,529	15,000	25,000	25,000	74,471	25,529	
Museum Development Plan	144,640	9,766	134,874	33,000	50,000	52,602	145,368	-728	
Total	4,008,940	203,554	3,805,386	129,080	855,000	966,312	2,153,946	1,854,994	0
POLICY & RESOURCES									
High Street Regeneration (Public Realm Phase 3)	1,583,760	23,527	1,560,233	20,000	100,000	300,000	443,527	1,140,233	
Asset Management / Corporate Property	281,380	0	281,380	20,000	90,000	90,000	200,000	81,380	
Feasibility Studies	50,000	0	50,000	2,150	25,000	22,850	50,000	0	
Software / PC Replacement	291,070	20,086	270,984	50,000	110,000	110,984	291,070	-0	
Acquisition of Commercial Assets	1,500,000	89,500	1,410,500	1,992,000			2,081,500	-581,500	
Maidstone East/Sessions Square	659,720	163,795	495,925	100,000	200,000	195,925	659,720	0	
Total	4,365,930	296,908	4,069,022	2,184,150	525,000	719,759	3,725,817	640,113	0
STRATEGIC PLANNING, SUSTAINABILITY & TRANSPORT									
Bridges Gyratory Scheme	200,000	0	200,000		200,000		200,000	0	
Uncommitted Budget	298,580	0	298,580				0	298,580	
Total	498,580	0	498,580	0	200,000	0	200,000	298,580	0
Grand Total	17,939,680	2,514,872	15,424,808	5,492,030	2,284,310	2,356,071	12,647,283	5,292,397	0

Agenda Item 15

Policy & Resources Committee

**20 September
2017**

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

Yes

KPI Performance Report Quarter 1 2017/18

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	Head of Policy, Communications & Governance
Lead Officer and Report Author	Anna Collier, Policy & Information Manager. Alex Munden, Performance and Business Information Officer
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the summary of performance for Quarter 1 of 2017/18 for Key Performance Indicators (KPIs) be noted.

This report relates to the following corporate priorities:

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

Key Performance Indicators monitor the delivery of the Council's Corporate Priorities as set out in the Strategic Plan 2015-20. The Performance Plan provides progress against the Council's key strategies which deliver the Council's corporate priorities.

Timetable

Meeting	Date
Wider Leadership Team	8 August 2017
Heritage Culture & Leisure Committee	5 September 2017
Strategic Planning, Sustainability & Transport Committee	12 September 2017
Communities, Housing & Environment	19 September 2017
Policy & Resources Committee	20 September 2017

KPI Performance Report Quarter 1 2017/18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Policy & Resources Committee is asked to review the progress of key strategies, plans, and performance indicators that support the delivery of the Strategic Plan 2015-2020. The Committee is also asked to consider the comments and actions against performance to ensure these are robust.

2. INTRODUCTION AND BACKGROUND

- 2.1 Having a comprehensive set of actions and performance indicators ensures that the Council delivers against the priorities and actions set in the Strategic Plan.
- 2.2 Following the refresh of the Strategic Plan for 2017/18 the Committees agreed 28 Key Performance Indicators in April 2017.
- 2.3 Performance indicators are judged in two ways. Firstly on whether performance has improved, sustained or declined, compared to the same period in the previous year. This is known as direction. Where there is no previous data, no assessment of direction can be made.
- 2.4 The second way is to look at whether an indicator has achieved the target set and is known as PI status. If an indicator has achieved or exceeded the annual target they are rated green. If the target has been missed but is within 10% of the target it will be rated amber, and if the target has been missed by more than 10% it will be rated red.
- 2.5 Some indicators will show an asterisk (*) after the figure. These are provisional values that are awaiting confirmation. Data for some of the indicators were not available at the time of reporting. In these cases a date has been provided for when the information is expected.
- 2.6 Contextual indicators are not targeted but are given a direction. Indicators that are not due for reporting or where there is delay in data collection are not rated against targets or given a direction.

3. Quarter 1 Performance Summary

- 3.1 There are 28 key performance indicators (KPIs) which were developed with Heads of Service and unit managers, and agreed by the four Service Committees for 2017/18. Twelve of these contribute to the following priority action areas: Providing a clean and safe environment, Regenerating the Town Centre, and A home for everyone.
- 3.2 Overall, 60% (6) of targeted KPIs reported this quarter achieved their target for quarter 1. For 40% of indicators, performance improved compared to the same quarter last year, where previous data is available for comparison.

RAG Rating	Green	Amber	Red	N/A	Total
KPIs	6	1	3	2	12
Direction	Up	No Change	Down	N/A	Total
Long Trend	4	1	5	2	12
Short Trend	4	1	5	2	12

4. Performance by Priority

Priority 1: Keeping Maidstone Borough an attractive place for all

- 4.1 The Environmental Services team attended 131 reports of litter during the first quarter of 2017/18. The litter reports were predominantly for Tovil, Fant, and Shepway. The Cleansing Manager is reviewing litter bin placements and cleansing schedules to identify possible improvements, and reduce the number of service requests we receive.
- 4.2 The Environmental Services team also responded to 88.8% of fly-tips within two working days. Changes are currently being made to the Enforcement and Street Cleansing team to create a new Waste Crime Team. The new team will work collaboratively to gather intelligence and remove fly-tips more quickly. The majority of fly-tips occur in urban and residential areas, and the new team will explore ways to tackle this. We are also planning to increase awareness of Duty of Care requirements for residents and businesses, and warning against the risks of using un-licensed collectors.
- 4.3 The Environmental Services team also responded to 88.8% of fly-tips within two working days. Changes are currently being made to the Enforcement and Street Cleansing team to create a new Waste Crime Team. The new team will work collaboratively to gather intelligence and remove fly-tips more quickly. The majority of fly-tips occur in urban and residential areas, and the new team will explore ways to tackle this. We are also planning to increase awareness of Duty of Care requirements for residents and businesses, and warning against the risks of using un-licensed collectors.
- 4.4 We sent 52.67% of household waste for reuse, recycling, and composting in April and May of 2017. This is above the target of 52.5% due to increasing levels of garden waste and mixed dry recycling. The contamination rate

reduced to 7% in June as a result of ongoing communication campaigns and engagement. The recycling of street sweeper arisings is also boosting the composting rate, and plans are in progress to increase the recycling of litter through new on-street recycling bins. We currently have the second best recycling rate in Kent and are above the national target of 50%.

Priority 1: Keeping Maidstone an attractive place for all & Priority 2: Securing a successful economy for Maidstone Borough

- 4.5 Footfall on the High Street was 3,047,067 during quarter one, significantly exceeding the target of 2,400,000. There has also been a significant increase of 690,000 on the same quarter in 2016/17.

Priority 2: Securing a successful economy for Maidstone Borough

- 4.6 We processed a total of 26 major planning applications in quarter one. Of these, 100% were processed within 12 weeks, or within agreed timescales. Performance has been sustained in comparison to the same quarter last year, which highlights the continuing hard work of officers in processing applications and communicating with developers.
- 4.7 We processed a total of 102 minor applications in quarter one. Of these, 84.3% were processed within 8 weeks. This is a decline on the same period for the previous year, when 92.9% of minor applications were considered in a timely manner.
- 4.8 We processed a total of 287 'other' applications in quarter one. Of these, 90.2% were determined within 8 weeks. Although this is a decline on the previous year's performance where we processed 94% in time, the indicator has exceeded the target of 85%.
- 4.9 There were 39 affordable home completions for the first quarter of 2017/18, against a target of 50. We forecast there to be over 200 completions for the financial year, and expect performance to improve throughout the year. The remaining quarters should make up the shortfall, and we expect that the target of 200 completions for the year will be achieved.
- 4.10 We housed 124 households through the housing register during quarter one of 2017/18. We have not achieved the quarterly target of housing 150 households. This is due to a lower number of properties becoming available through Registered Providers, and a smaller amount of new build units being completed.
- 4.11 133 households were prevented from becoming homeless during the first quarter of 2017/18. This is higher than the target of 75, and a significant increase on the 27 preventions that took place in the same quarter last year. This is made up of 46 preventions from housing advice, 77 assistances with discretionary housing payments, and 10 with support from the Sanctuary Scheme.
- 4.12 There were 84 households in temporary accommodation on the last night of quarter one. This has seen a steady decrease since quarter two of 2016/17, despite the service seeing a 59% increase in homelessness applications. Of

these 84, 62 are in nightly paid accommodation, with the remainder in stock owned by the council, or units provided by Registered Providers.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Strategic Plan Performance Update will be reported quarterly to the service committees; Communities Housing and Environment Committee, Strategic Planning, Sustainability and Transport Committee, and Heritage, Culture, and Leisure Committee. The report will then go to Policy & Resources committee following these meetings, with any feedback from the other Committees.

6. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 6.1 The Council could choose not to monitor the Strategic Plan and/or make alternative performance management arrangements, such as the frequency of reporting. This is not recommended as it could lead to action not being taken against performance during the year, and the Council failing to deliver its priorities.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The key performance indicators and strategic actions are part of the Council's overarching Strategic Plan 2015-20 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas, for example waste and recycling.	Angela Woodhouse, Head of Policy & Communications
Risk Management	The production of robust performance reports ensures that the view of the Council's approach to the management of risk and use of resources is not undermined and allows early action to be taken in order to mitigate the risk of not achieving targets and outcomes.	Angela Woodhouse, Head of Policy & Communications
Financial	Performance indicators and targets are closely linked to the allocation of resources and determining good value	Section 151 Officer

	for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium Term Financial Plan and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.	
Staffing	Having a clear set of targets enables staff outcomes/objectives to be set and effective action plans to be put in place.	Angela Woodhouse, Head of Policy & Communications
Legal	None identified.	Legal Team
Equality Impact Needs Assessment	The Performance Indicators reported on in this quarterly update measure the ongoing performance of the strategies in place. If there has been a change to the way in which a service delivers a strategy, i.e. a policy change, an Equalities Impact Assessment is undertaken to ensure that there is no detrimental impact on individuals with a protected characteristic.	Equalities and Corporate Policy Officer
Environmental/Sustainable Development	A number of performance indicators relate to our performance in environmental services. This has a significant effect on our ability to monitor the Environment in Maidstone. This is also important as one of our key priorities is to provide a clean and safe environment.	Policy and Information Manager
Community Safety	We have Key Performance Indicators that relate to important areas of community safety. These ensure that the work being done by the Community Safety Unit is relevant, and that key areas such as safeguarding are being	Policy and Information Manager

	developed.	
Human Rights Act	None identified.	Policy and Information Manager
Procurement	Performance Indicators and Strategic Milestones monitor the any procurement needed to achieve the outcomes of the Strategic Plan.	Policy and Information Manager
Asset Management	Performance Indicators that measure our commercial activities monitor our use of our assets. Good performance shows good management of our assets, or can highlight where assets can be utilised more efficiently.	Policy and Information Manager

8. REPORT APPENDICES

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

- Appendix I: KPI Performance Report Q1 2017/18





9. BACKGROUND PAPERS





None

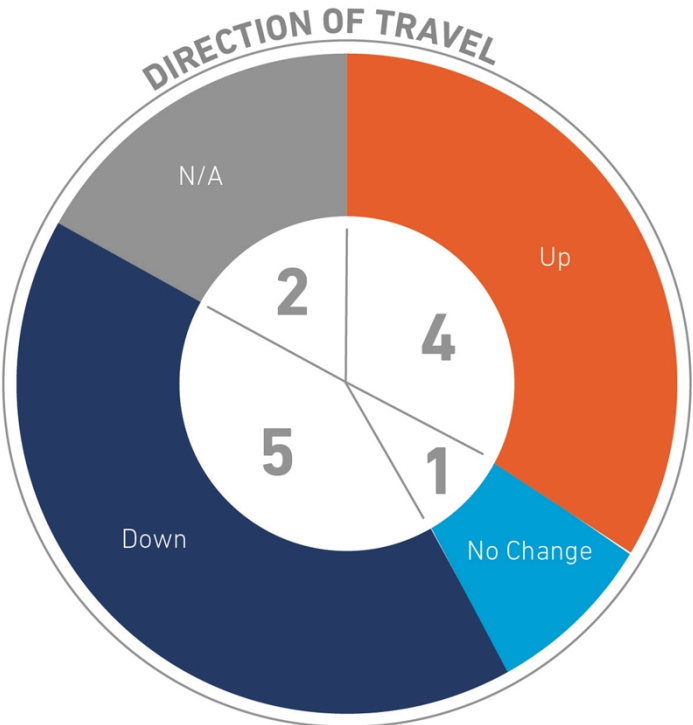
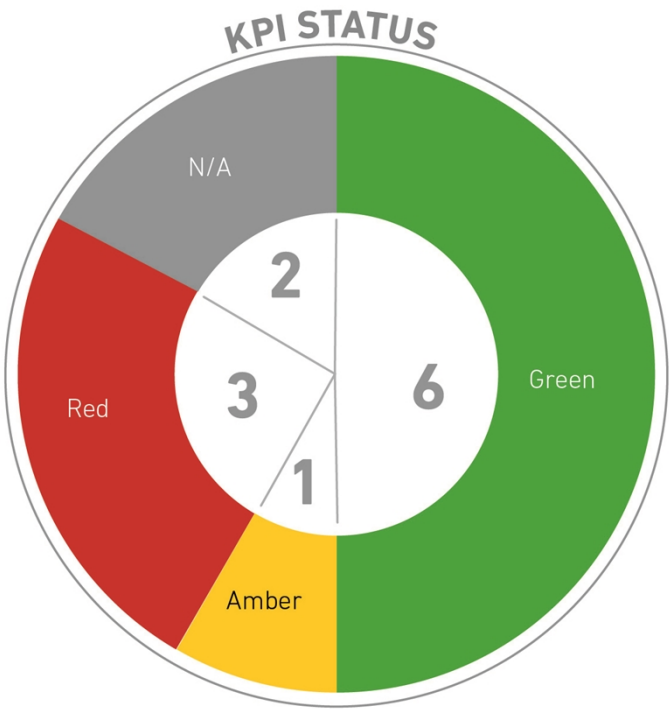
Performance Summary

This is the quarter 1 performance update on Maidstone Borough Council’s Strategic Plan 2015-20. It sets out how we are performing against Key Performance Indicators that directly contribute to the achievement of our priorities. Performance indicators are judged in two ways: firstly, whether an indicator has achieved the target set, known as PI status. Secondly, we assess whether performance has improved, been sustained or declined, compared to the same period in the previous year (long term) and previous quarter (short term), known as direction.

Key to performance ratings

RAG Rating	
	Target not achieved
	Target slightly missed (within 10%)
	Target met
	Data Only

Direction	
	Performance has improved
	Performance has been sustained
	Performance has declined
	No previous data to compare



RAG Rating	Green	Amber	Red	N/A	Total
KPIs	6	1	3	2	12
Direction	Up	No Change	Down	N/A	Total
Long Trend	4	1	5	2	12
Short Trend	4	1	5	2	12

Priority 1: Keeping Maidstone Borough an attractive place for all






Providing a clean and safe environment

Performance Indicator	Value	Target	Status	Long Trend	Short Trend
Number of litter reports attended to	131			N/A	N/A
Percentage of fly-tips cleared or assessed to within 2 working days	88.78%	88.00%			
Percentage of household waste sent for reuse, recycling and composting (NI 192)	52.67%%	52.50%			
Percentage of fly-tips resulting in enforcement action.	10%	20%		N/A	N/A
















Priority 1: Keeping Maidstone Borough an attractive place for all, & Priority 2: Securing a successful economy for Maidstone Borough








Regenerating the Town Centre

Performance Indicator	Value	Target	Status	Long Trend	Short Trend
Footfall on High Street	3,074,067	2,400,000			

Priority 2: Securing a successful economy for Maidstone Borough

A home for everyone

Performance Indicator	Value	Target	Status	Long Trend	Short Trend
Processing of planning applications: Major applications (NI 157a)	100.00%	85.00%			
Processing of planning applications: Minor applications (NI 157b)	84.31%	85.00%			
Processing of planning applications: Other applications (NI 157c)	90.24%	85.00%			
Number of households housed through housing register	124	150			
Number of affordable homes	39	50			

Performance Indicator	Value	Target	Status	Long Trend	Short Trend
delivered (gross)					
Number of households prevented from becoming homeless through the intervention of housing advice	133	75			
Number of households living in temporary accommodation last night of the month (NI 156)	84				

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

Document is Restricted