

You are hereby summoned to attend a meeting of the MAIDSTONE BOROUGH COUNCIL

Date: Wednesday 27 February 2019
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Adkinson, Bartlett, Mrs Blackmore, Boughton, Brice, D Burton, M Burton, Chappell-Tay, Clark, Cox, Cuming, Daley, English, Fermor, Field, Fissenden, Fort, Garland, Garten, Mrs Gooch, Greer, Mrs Grigg, Harper, Harvey, Harwood, Hastie, Hinder, Mrs Hinder, Joy, Kimmance, Lewins, McKay, McLoughlin, D Mortimer, Munford, Naghi (Mayor), Newton, Parfitt-Reid, Perry, Powell, Purle, Mrs Ring, Mrs Robertson, Rose, Round, J Sams, T Sams, Spooner, Springett, Mrs Stockell, Vizzard, Webb, de Wiggondene-Sheppard, Wilby and Mrs Wilson

The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.

AGENDA

Page No.

1. Prayers
2. Apologies for Absence
3. Dispensations (if any)
4. Disclosures by Members and Officers
5. Disclosures of Lobbying
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
7. Minutes of the Meeting of the Borough Council held on 12 December 2018 1 - 5
8. Mayor's Announcements
9. Petitions
10. Question and Answer Session for Members of the Public

Issued on Tuesday 19 February 2019

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

11. Questions from Members of the Council to the Chairmen of Committees
12. Current Issues - Report of the Leader of the Council, Response of the Group Leaders and Questions from Council Members
13. Notice of Motion - Economic Development

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

This Council notes the considerable progress made in economic development over the last 5 years including:

- Maidstone East
- Brunswick Street
- Union Street
- The Business Terrace
- Kent Medical Campus Innovation Centre

Looking forward to the update of the Economic Development Strategy in the future, the Council should promote a positive role in Economic Development which can be achieved through encouraging and directly investing in:

- The arts
- Parks and open spaces improvements
- The destination management plan
- The visitor and leisure economy
- Promoting low or carbon neutral growth
- and also building on our current rich assets

We additionally need to safeguard all current employment land especially when the impact of permitted development rights is considered.

This Council therefore resolves to ensure that the Economic Development Strategy, when next reviewed and updated, takes into account the above areas.

14. Notice of Motion - Four Yearly Elections

Notice of the following motion has been given by Councillor Perry:

I consider that the current system of holding Borough Council elections in three out of the four-year cycle is wasteful, inefficient and generates instability. Research carried out by Maidstone Borough Council indicated overwhelming support for

a change to four yearly elections.

My motion is that the Officers be instructed to investigate the possibility of changing to four yearly elections, which would follow the practice of Kent County Council. This would include an analysis of the potential cost savings if this change were to be implemented. Officers will report their findings to the Democracy Committee in the first instance.

15. Appointment of Mayor Select 2019/20
16. Appointment of Deputy Mayor Select 2019/20
17. Report of the Employment Committee held on 28 January 2019 - Pay Policy Statement 2019 6 - 41
18. Report of the Policy and Resources Committee held on 13 February 2019 - Medium Term Financial Strategy and Budget Proposals 2019/20 42 - 149
19. Report of the Policy and Resources Committee held on 13 February 2019 - Strategic Plan 2019-45 Action Plan 150 - 165
20. Report of the Strategic Planning, Sustainability and Transportation Committee held on 8 January 2019 - Community Infrastructure Levy 166 - 180
21. Report of the Policy and Resources Committee held on 23 January 2019 - Business Rates Retail Relief 181 - 193
22. Report of the Policy and Resources Committee held on 23 January 2019 - Council Tax Empty Property Premium 194 - 204
23. Report of the Communities, Housing and Environment Committee held on 12 February 2019 - Maidstone Borough Council Policy for Safeguarding Children and Adults at Risk 205 - 217
24. Report of the Head of Policy, Communications and Governance - Calendar of Meetings 2019/20 218 - 223
25. Report of the Head of Policy, Communications and Governance - Review of Allocation of Seats on Committees/Membership of Committees 224 - 234

NOTE:

IN ACCORDANCE WITH SECTION 17 OF THE LOCAL GOVERNMENT AND HOUSING ACT 1989 ALTERNATIVE ARRANGEMENTS FOR APPOINTMENTS TO COMMITTEES OUTSIDE THE USUAL POLITICAL BALANCE REQUIREMENTS MAY BE CONSIDERED IN RELATION TO AGENDA ITEM 25

PUBLIC SPEAKING AND ALTERNATIVE FORMATS

If you require this information in an alternative format please contact us, call **01622 602899** or email committee@maidstone.gov.uk.

In order to speak at this meeting, please contact Democratic Services using the contact details above, by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 25 February 2019). 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.

To find out more about the work of the Council, please visit www.maidstone.gov.uk.

MAIDSTONE BOROUGH COUNCIL
MINUTES OF THE MEETING OF MAIDSTONE BOROUGH COUNCIL
HELD AT THE TOWN HALL, HIGH STREET, MAIDSTONE ON
12 DECEMBER 2018

Present: Councillor Naghi (The Mayor) and
Councillors Adkinson, Bartlett, Mrs Blackmore, Brice,
D Burton, M Burton, Chappell-Tay, Clark, Cox,
Cuming, Daley, English, Fermor, Field, Fort, Garten,
Mrs Gooch, Mrs Grigg, Harper, Harvey, Harwood,
Hastie, Hinder, Mrs Hinder, Joy, Kimmance, Lewins,
McKay, McLoughlin, Mortimer, Munford, Parfitt-Reid,
Perry, Powell, Purle, Mrs Ring, Mrs Robertson, Rose,
Round, Spooner, Springett, Mrs Stockell, Vizzard and
Mrs Wilson

81. PRAYERS

Prayers were said by the Reverend Canon Ian Parrish.

Note: Councillor Harwood left the meeting after the prayers and returned during consideration of the Minutes of the extraordinary meeting of the Borough Council held on 26 September 2018.

82. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors Boughton, Fissenden, Garland, Greer, Newton, J Sams, T Sams and de Wiggondene-Sheppard.

83. DISPENSATIONS

There were no applications for dispensations.

84. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

85. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

86. EXEMPT ITEMS

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

87. MINUTES OF THE EXTRAORDINARY MEETING OF THE BOROUGH COUNCIL HELD ON 26 SEPTEMBER 2018

RESOLVED: That the Minutes of the extraordinary meeting of the Borough Council held on 26 September 2018 be approved as a correct record and signed.

88. MINUTES OF THE MEETING OF THE BOROUGH COUNCIL HELD ON 26 SEPTEMBER 2018

RESOLVED: That the Minutes of the meeting of the Borough Council held on 26 September 2018 be approved as a correct record and signed.

89. MAYOR'S ANNOUNCEMENTS

The Mayor updated Members on recent and forthcoming engagements and thanked them for their support.

Note: Councillor Mrs Blackmore entered the meeting during the Mayor's announcements, and indicated that she had no disclosures to make of interest or lobbying.

90. PETITIONS

There were no petitions.

91. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

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

There were no questions from Members of the Council.

93. CURRENT ISSUES - REPORT OF THE LEADER OF THE COUNCIL, RESPONSE OF THE GROUP LEADERS AND QUESTIONS FROM COUNCIL MEMBERS

Councillor Cox, the Leader of the Council, submitted his report on current issues.

After the Leader of the Council had submitted his report, Councillor Perry, the Leader of the Conservative Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor McKay, the Leader of the Labour Group, and Councillor Powell, the Leader of the Independent Maidstone Group, responded to the issues raised.

Councillor Harper then asked a question of the Leader of the Council on an issue raised in his speech.

94. REPORT OF THE POLICY AND RESOURCES COMMITTEE HELD ON 19 SEPTEMBER 2018 - COUNCIL TAX REDUCTION SCHEME 2019-2020

It was moved by Councillor Cox, seconded by Councillor Perry, that the recommendation of the Policy and Resources Committee relating to the Council Tax Reduction Scheme 2019-2020 be approved.

RESOLVED: That the 2019-2020 Council Tax Reduction Scheme, attached as Appendix 1 to the report of the Policy and Resources Committee, be approved.

Note: Councillor English left the meeting during consideration of this item, but returned during consideration of the report of the Policy and Resources Committee relating to the new Strategic Plan Vision, Priorities and Outcomes 2019-2045.

95. REPORT OF THE DEMOCRACY COMMITTEE HELD ON 14 NOVEMBER 2018 - OUTSIDE BODIES

It was moved by Councillor Mrs Wilson, seconded by Councillor Mrs Gooch, that the recommendation of the Democracy Committee relating to the Scheme of Outside Bodies be approved.

RESOLVED: That the amended Scheme of Outside Bodies, attached as Appendix 1 to the report of the Democracy Committee, be approved.

96. REPORT OF THE POLICY AND RESOURCES COMMITTEE HELD ON 28 NOVEMBER 2018 - NEW STRATEGIC PLAN VISION, PRIORITIES AND OUTCOMES 2019-2045

It was moved by Councillor Cox, seconded by Councillor Perry, that the recommendation of the Policy and Resources Committee relating to the new Strategic Plan Vision, Priorities and Outcomes 2019-2045 be approved.

RESOLVED: That the new Strategic Plan Vision, Priorities and Outcomes 2019-2045, set out in Appendix A to the report of the Policy and Resources Committee, be approved.

97. REPORT OF THE POLICY AND RESOURCES COMMITTEE HELD ON 28 NOVEMBER 2018 - MEDIUM TERM FINANCIAL STRATEGY 2019/20 - 2023/24

It was moved by Councillor Cox, seconded by Councillor Mrs Gooch, that the recommendation of the Policy and Resources Committee relating to the Medium Term Financial Strategy 2019/20 – 2023/24 be approved.

RESOLVED: That the Medium Term Financial Strategy 2019/20 – 2023/24, set out in Appendix A to the report of the Policy and Resources Committee, be approved.

98. ORAL REPORT OF THE STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORTATION COMMITTEE HELD ON 4 DECEMBER 2018

It was noted that there was no report from the Strategic Planning, Sustainability and Transportation Committee on this occasion.

99. ORAL REPORT OF THE COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE HELD ON 11 DECEMBER 2018 - STATEMENT OF LICENSING PRINCIPLES FOR GAMBLING ACT 2005 2019-2022

Councillor Mortimer, the Chairman of the Communities, Housing and Environment Committee, advised the Council that the Committee, at its meeting held the previous day, considered an updated version of the Gambling Act 2005 Statement of Licensing Principles. It was a statutory requirement for the Council to have a current Statement of Licensing Principles in place. The Statement had been amended in response to comments received during a consultation exercise and had been endorsed by the Communities, Housing and Environment Committee and the Licensing Committee.

It was then moved by Councillor Mortimer, seconded by Councillor Powell, that the amended Gambling Act 2005 Statement of Licensing Principles 2019-2022, attached as Appendix 1 to agenda item 19, be adopted by the Council.

RESOLVED: That the amended Gambling Act 2005 Statement of Licensing Principles 2019-2022, attached as Appendix 1 to agenda item 19, be adopted.

100. AUDIT, GOVERNANCE AND STANDARDS COMMITTEE - PARISH COUNCIL REPRESENTATION

The Head of Policy, Communications and Governance advised the Council that, since the publication of the agenda, Councillor Abigail Hogg of Tovil Parish Council had withdrawn her nomination to serve as a non-voting Parish Council representative on the Audit, Governance and Standards Committee and the Hearing Panel, as required.

It was moved by Councillor McLoughlin, seconded by Councillor Round, that Councillor Peter Titchener be appointed to serve as a non-voting Parish Council representative on the Audit, Governance and Standards Committee and the Hearing Panel, as required, for a three year term of office with immediate effect and that, in future, if more than one candidate is nominated by Parish Councils a selection process will be followed and the resulting candidate selected will be recommended to Council for appointment.

RESOLVED: That Councillor Peter Titchener be appointed to serve as a non-voting Parish Council representative on the Audit, Governance and Standards Committee and the Hearing Panel, as required, for a three year term of office with immediate effect and that, in future, if more than one candidate is nominated by Parish Councils a selection process will be

followed and the resulting candidate selected will be recommended to Council for appointment.

101. DURATION OF MEETING

6.30 p.m. to 7.20 p.m.

Agenda Item 17

Council

27 February 2019

Pay Policy Statement 2019

Final Decision-Maker	Full Council
Lead Head of Service	Bal Sandher, Head of HR Shared Service
Lead Officer and Report Author	Bal Sandher, Head of HR Shared Services
Classification	Public
Wards affected	

Executive Summary

Each year Full Council has to approve the Council's Pay Policy Statement which sets out the main aspects of the remuneration strategy of the Council. The Statement has to be published on the Council's website by 31st March 2019.

The Employment Committee makes the following recommendation to Council:

That the proposed Pay Policy Statement (attached as Appendix 1) is approved prior to publication on the Council's web site.

Timetable

Meeting	Date
Employment Committee	28 January 2019
Council	27 February 2019

Pay Policy Statement 2019

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 A Pay Policy Statement must be agreed by Full Council for publication by 31st March 2019. The Pay Policy Statement should set out the main aspects of the remuneration strategy of the council.
- 1.2 The Council met the target to publish a Pay Policy Statement in previous years and the attached document has been updated to reflect changes during the year.

2. INTRODUCTION AND BACKGROUND

- 2.1 Section 38 (1) of the Localism Act 2011 came into force on 15 January 2012 and required English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after that. The government consulted on a revised code in 2015 and the draft pay policy statement reflects the requirements of the revised code.
- 2.2 The matters that must be included in the statutory pay policy statement and the revised code of practice are as follows:
 - a local authority's policy on the level and elements of remuneration for each chief officer;
 - a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
 - a local authority's policy on the relationship between the remuneration of its chief officers and other officers and in particular the pay multiple between the two;
 - a local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency;
 - an organisation chart or description of the number and grades of staff in the top three layers of the organisation, with information on the grades of all those with salaries in excess of £50,000;
 - details of trade union facility time including the trade union representatives for each of the recognised trade unions.
- 2.3 The reference to 'chief officer' refers to the statutory posts of Head of Paid Service, Monitoring Officer and Section 151 Officer plus any Deputy Chief Officers, which in our organisation includes anyone at Head of Service or above.
- 2.4 With regard to the process for approval, the pay policy statement:
 - Must be approved formally by the council meeting

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

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

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

- 5.1 As this is a statement of what is already in place and does not make any changes to the current position there has been no consultation to date; the report to the Employment Committee formed the basis of consultation to ensure that this format was acceptable before going to full council.
- 5.2 Employment Committee considered this report on 28 January 2019 and requested amendments before being considered by Council. These changes have been incorporated into the report. The extract of minutes for this item can be found in Appendix 2 to this report.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The tables and organisation structures in Appendix 1(H) have been updated to reflect the most up to date position as the current charts reflect the previous year's information.
- 6.2 Once the format is agreed by Full Council the information will be updated with the actual pay figures for the year ending March 2019 before it is uploaded to the council's web site. These figures cannot be calculated until March payroll is complete. The most up to date information will also be used for the pension contributions table and the election payments.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	This statement makes no changes to the current situations and there are no implications due to the content of the pay policy statement	Bal Sandher Head of HR
Risk Management	The risks are reputational if the council fails to publish a Pay Policy Statement	Bal Sandher Head of HR
Financial	There are no direct financial implications arising from publication of the pay policy statement. The Council's pay policy reflects its overall strategic and financial priorities.	[Section 151 Officer & Finance Team]
Staffing	This statement makes no changes to the current situations and there are no implications due to the content of the pay policy statement	Bal Sandher Head of HR
Legal	The requirement to publish an annual Pay Policy Statement is set out in Section 38 (1) of the Localism Act 2011. Publication also satisfies the requirements to publish certain data, set out in the Local Government Code on Transparency 2015	Estelle Culligan Principal Solicitor
Equality Impact Needs Assessment	No impact identified as a result of the requirements of the	Equalities and

	revised code and there have been no changes made to the Council's Policies outlined in the Pay Policy Statement.	Corporate Policy Officer
Environmental/Sustainable Development	None identified at this time	Bal Sandher Head of HR
Community Safety	None identified at this time	Bal Sandher Head of HR
Human Rights Act	None identified at this time	Bal Sandher Head of HR
Procurement	None identified at this time	Bal Sandher Head of HR
Asset Management	None identified at this time	Bal Sandher Head of HR

8. REPORT APPENDICES

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

- Appendix 1: Pay Policy Statement 2019
- Appendix 2: Extract of Minutes of the Employment Committee meeting held on 28 January 2019

9. BACKGROUND PAPERS

None

Maidstone Borough Council

Pay Policy Statement - March 2019

1. Introduction

The key themes of the Workforce Strategy are:

- Organisation culture and change;
- Resourcing;
- Development; and
- Reward

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

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

2. Terms and Conditions – Decision Making

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

3. Reward Strategy

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

The principles for the reward strategy are to:

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

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

3.1 Pay Scale and Pay Progression

Our policy for grades within the organisation is to apply an objective assessment of the relative 'size and value' of all our roles using a formal job evaluation process. Posts are graded through the HAY Job Evaluation Scheme and this process measures the requirements of the role against the key criteria of Know How, Problem Solving and Accountability when all the duties are being performed and the employee is fully effective in the role. Job evaluators are drawn from different parts of the organisation and trained to use the HAY scheme; every panel has one trade union representative as part of the panel. The **Lowest Paid** employees are defined as those whose posts have HAY points of 43 to 66 which place them into grade 2 of the pay scale, the same process is applied to Chief Officers whose roles are evaluated at the highest level of points. It is the policy of the organisation to refer to the HAY salary data for Local Government and to reflect the median salary for the south east public and not for profit sector. In 2013 the council moved the lowest pay band in line with the National Living Wage giving a significant increase to the low paid. The council has continued to pay the National Living Wage since this point.

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

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

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

3.2 Market Supplements

Currently there are seventeen employees in receipt of Market Supplements within the council; this is an increase of three from the previous year; the policy is at Appendix I(D).

3.3 Pension

Appendix 1

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

Pensionable pay	Main Section	50/50 Section
Up to £14,100	5.50%	2.75%
£14,101 - £22,000	5.80%	2.90%
£22,001 - £35,700	6.50%	3.25%
£35,701 - £45,200	6.80%	3.40%
£45,201 - £63,100	8.50%	4.25%
£63,101 - £89,400	9.90%	4.95%
£89,401 - £105,200	10.50%	5.25%
£105,201 - £157,800	11.40%	5.70%
More than £157,801	12.50%	6.25%

The employer contribution rate for 2019/20 will be 14.1% although this does vary from year to year, this is the future service rate excluding past service deficit.

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

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

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

3.4 Pay Protection and Redundancy Payments

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

Any payments paid to an employee in relation to redundancy shall be in accordance with the statutory redundancy payments scheme and any other regulations applicable except that the Council will calculate a week's pay on actual earnings where this is in excess of the statutory maximum figure.

*(Local Govt. (Early Termination of Employment)(Discretionary Compensation)
(England and Wales) Regulations 2000).*

The policy of the organisation regarding re-employment following redundancy is that if a redundant employee commences local government employment within one month of the redundancy then the redundancy payment must be returned. Any other re-employment will only be considered where all other council rules on recruitment or procurement have been followed.

The government has also proposed to introduce legislation that will cap exit payments at £95,000 on the total value of the payment for public sector workers and introduce a statutory requirement to recover exit payments made to workers whose minimum salary is £80,000 at the point of leaving employment and returning to work with another public sector employer within a 12 month period. Council policies will be amended to incorporate these requirements once these have been finalised by government.

3.5 Other payments

Honoraria

The council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; this is often as a cost saving measure when there is a vacancy, maternity leave etc. In 2018/19 there were twelve people in receipt of Honoraria during the year and by the end of March this had reduced to six staff.

Cash and Non-cash Awards

As part of the Total Rewards package the council has mechanisms for recognising exceptional contributions both from individuals and teams. In 2018/19 these were received by twenty seven employees and there was a total of £10,560 paid in cash awards.

Stand-By payments

These are paid to a small number of employees (thirty two in 2018/19) who are on an out of hours on-call rota for specialist duties such as collecting stray dogs or attending noise complaints. The level of remuneration is up to £147 for each week of being on-call.

Car Allowances

In 2010 the council removed the facility for lease cars but retained a lease car allowance; in 2012 it was agreed that there would be no further allocation of the Lease Car Allowance in the future and that the current allowance would be frozen. During the period since 2010 cars have been removed as the lease expired and the affected employees have moved onto the allowance and there are no remaining lease cars in the council. In 2010 there were in excess of ninety employees receiving either a lease car or cash alternative and this figure has reduced to eighteen by March 2019 a reduction of two from the previous year. Mileage rates for those receiving this allowance are currently up to 28 pence per mile.

A car allowance of up to £1239 is given to those employees that are required to have a vehicle for their role and by March 2019 there were 112 members of staff in receipt of this allowance. The majority of those staff in receipt of this

payment are within the statutory services or shared services which require external visits e.g. planning, environmental health and housing. Mileage rates for those receiving this allowance are at the HMRC level (in 2017/18 this was 45 pence per mile)

Bonuses

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

3.6 Special fees and arrangements

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

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

3.7 Other employee benefits

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

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

On an annual basis the council has an Awards Ceremony which recognises the best achievements during the preceding year. The council also recognises long service and during 2014 this scheme was changed to recognise service over a longer period with shopping vouchers – the first level of recognition is at ten years and every five years thereafter up to forty years.

Salary sacrifice schemes – the council offers a salary sacrifice scheme to employees for the purchase of bicycles and childcare vouchers. In December 2018, the Council introduced another salary sacrifice scheme for the purchase of cars. There is no cost to the Council of these schemes.

Buying annual leave – subject to agreement with their manager, employees are allowed to sacrifice some of their salary to buy more annual leave. In

2018/19 there were thirty members of staff that used this benefit, thirteen more than the previous year.

4. Monitoring

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

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

From April 2017 under the Equality Act 2010 employers with more than 250 employees have been required to publish statutory gender pay gap calculations on an annual basis. The data must be a snapshot of salary data on 31 March 2018 and must be published on our own website and a government website by 30 March 2019.

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

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

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

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

The calculation for earnings changed in 2016 from previous years following the guidance from the Local Government Association (LGA). In previous years the calculations have included earnings subject to national insurance contributions but this has been amended to include just the taxable earnings; the main difference between these two is the pension contribution made by the employee.

Taxable Pay

	Chief Executive earnings	Median	Pay Multiple
2016/17	122,186	20,103	6.07
2017/18	124,063	20,521	6.05
2018/19	121,760	23,761	5.12
% change from previous year	-1.86%	15.79%	-15.37%

The main difference in the Chief Executives pay during 2018/19 was the payment of £6,585 for her role as Returning Officer at the Local elections. In addition, there has been progression of one incremental point on the salary scales which has slightly increased the median pay.

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

5. Trade Union Facility time

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

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1st April 2017 which requires public sector employers to publish specified information relating to facility time provided by trade union officials. Under the regulations, the relevant information will need to be published on an annual basis for the period 1st April to 31st March.

The council has a history of co-operative employee relations and with a range of fair employment policies there is a low level of trade union activity. None of the trade union representatives spend more than 50% of their working time on trade union duties; the council allows reasonable time for trade union duties (attending management meetings, pay negotiation, etc.) but no time is given for trade union activities (canvassing for additional membership etc.).

The total number of employees who are trade union representatives is:

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

Percentage of time spent by union officials on facility time is:

Percentage of time	Number of employees
0%	0
1-50%	1
51%-99%	0
100%	0

Note: only 6% of facility time is spent by union officials

Percentage of pay bill spent on facility time:

Total cost of facility time	£2,768
Total pay bill	£18,348,508
Percentage of pay bill	0.02%

There has been no time spent on paid trade union activities.

6. Contact for further information

If you require any further information regarding the salary policy of the council you should contact Bal Sandher, Head of HR Shared Services on 01622 602165 or by email on baljinder.sandher@midkent.gov.uk

Appendix I(A)

Pay Scale 2019 – 2020

Grade	Spine point 1	Spine point 2	Spine point 3	Spine point 4	Spine point 5	Spine point 6	Spine point 7
1	GRADE ONE IS NO LONGER IN USE						
2	16,782	16,895					
3	17,001	17,320					
4	17,661	18,103	18,555				
5	19,230	19,711	20,203	20,708			
6	20,923	21,404	21,897	22,400			
7	23,044	23,575	24,117	24,671			
8	25,952	26,665	27,399	28,152			
9	29,002	29,800	30,619	31,461			
10	32,575	33,552	34,559	35,596			
11	36,253	37,250	38,274	39,326			
12	42,165	43,430	44,733	46,075			
13	46,761	48,164	49,608	51,135	53,445	55,754	58,062
14	62,195	65,004	67,815	70,625	73,962	77,397	79,686
15	82,447	86,051	89,658	93,263	96,868	100,474	104,481
16	109,407	112,516	115,627	118,738	121,849	124,958	129,947

Appendix I(B)
Pay Progression

1. Annual Inflation Award

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

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

2. Pay progression within grade

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

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

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

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

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

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

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

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

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

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

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

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

4. Career Grades and Incremental Progression

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

Appendix I(C)

Chief Executive and Director Appraisal Process

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

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

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

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

MARKET SUPPLEMENTS FOR PAY

Introduction

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

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

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

Identification of the Skill Shortage

Recruitment Campaigns

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

Salary Survey

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

National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation. In 2016 these skills were listed as:

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

* category of worker employed by MBC

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

Market Supplement for Recruitment Purposes

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

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

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

Market Supplement for Retention Purposes

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

The level of supplement will be agreed between the Director and the Head of HR in consultation with the Head of Finance. It will be paid as part of monthly salary and

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

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

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

Removal of the Supplement

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

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

Appendix I(E)**Maidstone Borough Council
Policy and Procedural Issues
Local Government Scheme Regulations
Employer Discretions**

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

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

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

Principles

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

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

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

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

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

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

Regulation 9 (1) & (3) - Contributions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employees who have previous LGPS pension benefits in England and Wales will automatically have these aggregated with their new LGPS employment unless they elect within 12 months of commencing membership of the LGPS in the new employment to retain separate benefits. Maidstone Borough Council has the discretion to extend this period

beyond 12 months and each case will be considered on its own merits by the Head of Human Resources, the Head of Finance and the relevant Director.

Regulation 30(6) – Flexible Retirement

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

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

Regulation 30(8) Waiving of Actuarial Reductions

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

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

Regulation 31 – Award of Additional Pension

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

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

Regulation 100 (6) – Aggregation of Benefits

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

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

Appendix I(F)

PAY PROTECTION POLICY

Introduction

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

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

Scope

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

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

Protection Period

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

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

Calculation of Protection

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

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

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

Conditions of Protection

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

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

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

Pension Implication

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

Terms and Conditions other than Pay

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

Appendix I(G)

ELECTORAL REGISTRATION OFFICERS AND STAFF (Kent AEROS) – SCALE OF FEES

Proposed scale of fees for District/Borough and Parish Council elections and Neighbourhood Referendum held on or after 1st April 2018

1. The scale of fees are uplifted annually, by using the NJC award pay award for local government and approved by the Kent Chief Executives Group.
2. Kent County Council's scale of fees uses a calculation based upon per 1000 electorate. Kent AEROS' scale uses a calculation of per 500 electorate because of small parishes.
3. In order to ensure consistency the Kent AERO's scale reflects the KCC 2018 Scale and is in line with the NJC increase
4. The Kent AEROS' scale has been uplifted by 2% using the NJC Pay Award for Local Government Services 2018/2019

	Item	Current 2017 £	Proposed 2018 £
Stationery and Equipment			
1.	Printing and publishing all notices, forms and other documents, providing stationery and sundries, and other miscellaneous expenditure including postage, telephone calls and faxes	Reasonable and appropriate cost	Reasonable and appropriate cost
2.	Stationery and equipment at each polling station, including depreciation		
3.	Hire of any building or room for the purpose of the election and the expenses attending the use of any building or room, including temporary polling stations if necessary		
4.	Fitting-up polling stations including the provision, transport and erection of voting compartments, the hire of necessary furniture (where this is not otherwise available) and the return to store afterwards		
5.	Ballot Papers – provision		

	and printing		
6.	Register of Electors – purchase		
7.	Printing or production of official poll cards and postal vote packs		
8.	Delivery of official poll cards by hand	Second class postage rate	Second class postage rate
Travelling expenses			
9.	Travelling expenses to DRO's staff to make arrangements for the poll or otherwise in connection with the conduct of the election	45p per mile	46p per mile
10.	Presiding Officer travelling expenses	14.29	14.58
11.	Poll Clerk travelling expenses	8.30	8.47
12.	Travelling expenses for staff in connection with the counting of votes, at the discretion of the DRO	8.30	8.47
Polling Station Staff			
13.	One Presiding Officer at each Polling Station – single election	208.42	212.59
14.	For each PO at a Polling Station – combined election or difficult station due to local circumstances (at the discretion of the Returning Officer (RO))	256.03	261.15
15.	For a PO who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 10.10	(additional) 10.30
16.	Supervising Officer (SO) – for every 10 polling station overseen	208.42	212.59
17.	For each Poll Clerk (PC) at a Polling Station – single election	125.05	127.55
18.	For each Poll Clerk at a Polling Station – joint election or difficult station due to local circumstances (at the discretion of the Returning Officer (RO))	154.82	157.92
19.	For each training session provided by the DRO for Presiding Officers, Poll	178.67	182.24

Appendix 1

	Clerks or count staff		
20.	For each Presiding Officer and Poll Clerk attending training	46.26	47.19
21.	An allowance for each polling station to have available a mobile phone on polling day	5.00	5.10
22.	For the employment of persons in connection with the counting of the votes, clerical and other assistance required by the RO – for each 500 electors or part in a contested election	72.91 (per 500)	74.37
23.	For the employment of persons in connection with the issue and opening of postal ballot papers – for each 100 postal voters or part	71.46	72.89
24.	For the recount of votes – for each 500 electors or part	4.20	4.28
25.	Payment to the District/Borough for the use of Council staff to support the RO in the conduct of elections as follows:		
(a)	Contested election – (i.e. without District/Borough) for each 500 electors (or part)	56.47 (per 500)	57.60 (per 500)
(b)	Contested joint election (i.e. with District/Borough) – for each 500 (or part)	28.24 (per 500)	28.80 (per 500)
26.	Contested single election – payment to DRO for the management and conduct of the election – for each 500 electors or part	31.56	32.19
27.	Contested joint election – payment to DRO for the management and conduct of the election – for each 500 electors or part	43.58	44.45
28.	For each Counter attending training	15.00	15.30
29.	For each Count Supervisor and Count General	30.00	30.60

Appendix 1

	Assistant attending training		
30.	Reasonable refreshments for staff involved in the verification and count	Maximum £5 per head	Maximum £5 per head
31.	Payment to District/Borough Council for the use of Council staff at an uncontested election – for each 500 electors or part	15.58 (per 500)	15.89 (per 500)
32.	RO fee for the conduct of elections as follows:		
(a)	Uncontested District/Borough election – single fee	54.05	55.13
(b)	Uncontested Parish election – single fee	18.52	18.89
33.	For clerical and other assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)	19.83	20.23

Notes

1. The fees are calculated on the number of local government electors on the register of electors and entitled to vote at the last day for publication of the notice of election.
2. At parish polls the fees relating to polling staff **may** be pro rata.
3. **Item 24** – in special circumstances, the RO may recover actual costs
4. **Items 10, 11 and 12** – variable mileage rates may be applied where fixed travel is considered appropriate.
5. **Item 31** – the payment referred to applies (in the case of a parish election) to each ward of the parish.

Appendix I(H)

Details of remuneration and job title of certain senior employees whose basic salary is between £50,000 and £150,000.

Position	Department	Remuneration	No of staff	Budget	Other services/responsibilities
Chief Executive	Chief Executive	£135,000 - £139,999	568	£19,362,120	Returning Officer responsible for all elections & Head of Paid Service
Director of Regeneration and Place	Regeneration and Place	£100,000 - £104,999	283	£10,839,150	
Director of Finance and Business Improvement	Finance and Business Improvement	£100,000 - £104,999	114	£5,714,347	Section 151 Officer
Mid Kent Services Director	Mid Kent Services	£90,000 - £94,999	167	£2,321,953	Reports to Chief Executives of Maidstone, Swale & Tunbridge Wells Borough Councils.
Head of Policy, Communications and Governance	Policy, Communications and Governance	£75,000 - £79,999	79	£2,448,770	Data Protection Officer
Head of Planning and Development	Planning and Development	£80,000 - £84,999	43	£1,057,170	
Head of Housing and Community Services	Housing and Community Services	£80,000 - £84,999	65	£4,373,175	
Interim Head of Regeneration and Economic Development	Regeneration and Economic Development	£55,000 - £59,999	58	£1,370,700	
Head of Mid Kent Audit	Mid Kent Audit	£70,000 - £74,999	12	£212,770	Head of shared service with Ashford, Swale and Tunbridge Wells Borough Councils.
Head of Environment and Public Realm	Environment and Public Realm	£65,000 - £69,999	100	£4,803,215	
Head of Mid Kent ICT	Mid Kent ICT	£65,000 - £69,999	33	£1,263,900	Head of shared service with Swale and Tunbridge Wells Borough Councils.
Head of Commissioning and Business Improvement	Commissioning and Business Improvement	£65,000 - £69,999	17	£1,352,260	
Head of Finance	Finance	£60,000 - £64,999	15	£3,138,257	
Head of Mid Kent HR	Mid Kent HR	£60,000 - £64,999	14	£495,170	Head of shared service with Swale Borough Council
Head of Mid Kent Revenues and Benefits	Mid Kent Revenues and Benefits	£60,000 - £64,999	66	-£140,917	Head of shared service with Tunbridge Wells Borough Council
Parking Services Manager	Parking Services	£55,000 - £59,999	12	-£2,031,100	Manager within shared service with Swale Borough Council

Appendix 1

IT Programme Manager	Mid Kent ICT	£55,000 - £59,999	2	£0	Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Deputy Head of Audit	Mid Kent Audit	£55,000 - £59,999	4	£0	Manager within shared service with Ashford, Swale and Tunbridge Wells Borough Councils.
Policy & Information Manager	Policy & Information	£50,000 - £54,999	3	£256,410	
Development Manager	Development Management	£55,000 - £59,999	23	-£65,590	
Strategic Planning Manager	Strategic Planning	£55,000 - £59,999	8	£633,490	
Building Control Manager	Building Control	£55,000 - £59,999	4	£44,570	

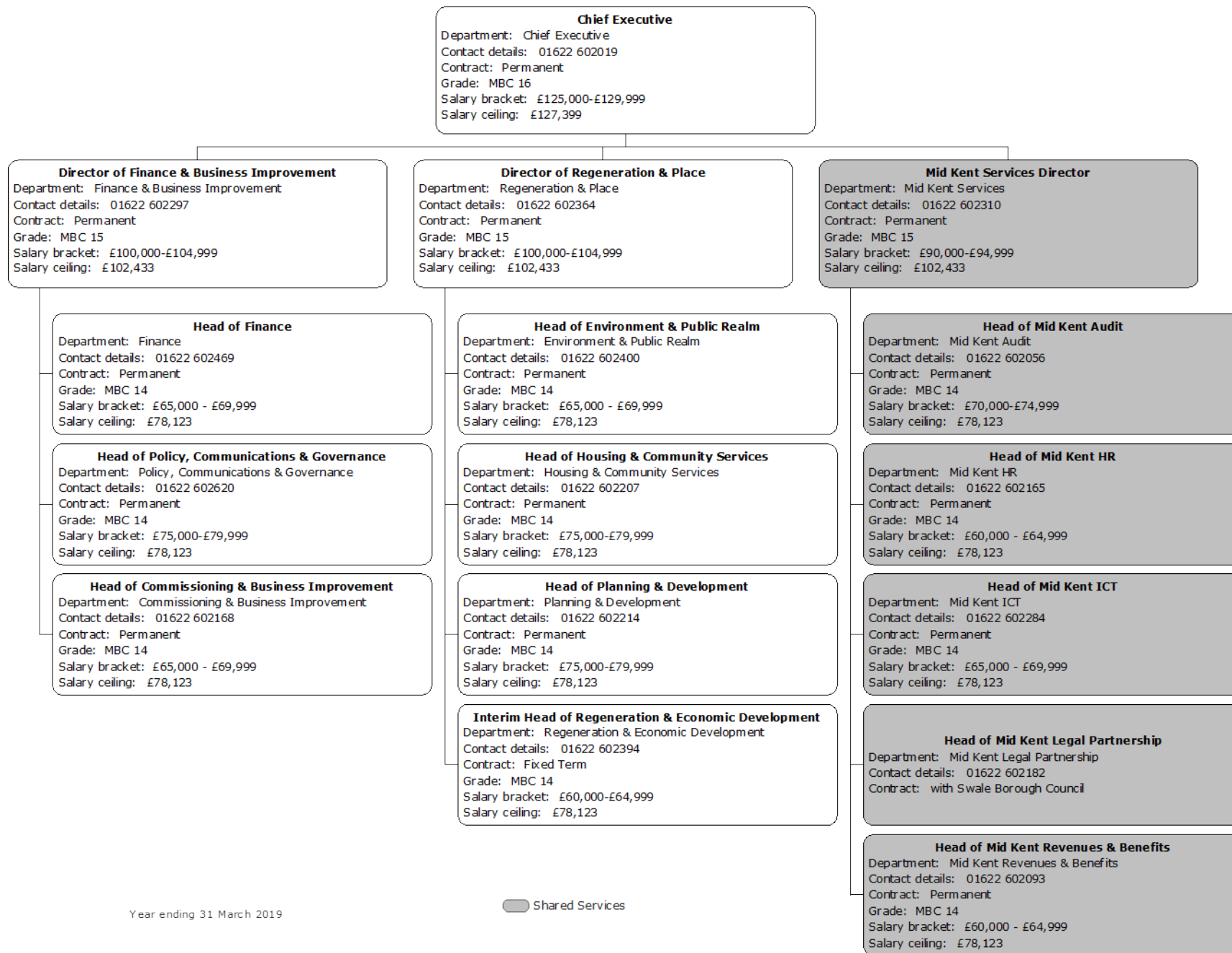
37

Remuneration band	Number of employees in band
£50,000 - £54,999	4
£55,000 - £59,999	7
£60,000 - £64,999	3
£65,000 - £69,999	3
£70,000 - £74,999	1
£75,000 - £79,999	1
£80,000 - £84,999	2
£85,000 - £89,999	0
£90,000 - £94,999	1
£95,000 - £99,999	0
£100,000 - £104,999	2
£105,000 - £109,999	0
£110,000 - £114,999	0
£115,000 - £119,999	0

Number of employees whose remuneration in 2018/19 is at least £50,000 in brackets of £5,000

£120,000 - £124,999	0
£125,000 - £129,999	0
£130,000 - £134,999	0
£135,000 - £139,999	1
Total	25

Data transparency: Maidstone Borough Council organisation chart



EMPLOYMENT COMMITTEE

28 JANUARY 2019

ITEM 27 – PAY POLICY STATEMENT 2019

Mrs Bal Sandher, the Head of HR Shared Services presented a report on the Pay Policy Statement for the Committee to consider and recommend to Council.

In response to comments from Members, Mrs Sandher undertook to:-

- Amend the last sentence on Page 2 of the Statement to "In 2013 the council moved the lowest pay band in line with the National Living Wage giving a significant increase to the low paid, the council has continued to pay the National Living Wage since this point".
- Review the option of less costly pension arrangements for the Council and to report the options back to the Employment Committee.

In response to comments from Members, Mrs Sandher responded that:-

- In areas where recruitment difficulties had been experienced such as in Planning, market supplements had been introduced.
- The Council compared pay rates against the epay check produced by South East Employers.

RESOLVED: That

- 1) Subject to the amendment set out above, the **Committee Recommend to Council** that the proposed Pay Policy Statement, as set out in Appendix 1 to the report be approved prior to publication on the Council's web site.
- 2) The Head of HR Services be requested to review the current pension arrangements and report the options back to the Employment Committee.

Voting: Unanimous

Agenda Item 18

MAIDSTONE BOROUGH COUNCIL

REPORT OF POLICY & RESOURCES COMMITTEE HELD ON 13th FEBRUARY 2019

MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PROPOSALS 2019/20

Issue for Decision

To consider the proposed Revenue and Capital Estimates for 2019/20, including service savings and growth, in accordance with the agreed budget strategy and in the context of the Medium Term Financial Strategy and the Strategic Revenue Projection.

To calculate and approve the Council Tax requirement for 2019/20.

To adopt the Treasury Management, Investment and Capital Strategies for 2019/20.

Recommendations Made

1. That the revised Revenue Estimates for 2018/19 be agreed as set out in Appendix A.
2. That the minimum level of General Fund Balances be set at £2 million for 2019/20.
3. That the Strategic Revenue Projection as set out in Appendix A be endorsed as the basis for future financial planning.
4. That the proposed Council Tax of £260.46 at Band D for 2019/20 be agreed.
5. That the Revenue Estimates for 2019/20 set out in Appendix A be agreed.
6. That the Statement of Earmarked Reserves and General Fund Balances as set out in Appendix A be agreed.
7. That the funding of the Capital Programme as set out in Appendix A be agreed.
8. That the Capital Programme as set out in Appendix A be agreed.
9. That the Medium Term Financial Strategy as set out in Appendix A be agreed.

10. That it be noted that the Council's Council Tax base for the year 2019/20 has been calculated as 62,033.4 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) regulations 1992.
11. That it be noted that in accordance with Government guidance the yield from business rates has been calculated as £55,900,756.
12. That it be noted that the individual parish area tax bases set out in Appendix B are calculated in accordance with regulation 6 of the Regulations and are the amounts of the Council Tax Base for the year for dwellings in those parts of the Council's area to which a special item relates.
13. That the Council Tax requirement for the Council's own purposes for 2019/20 (excluding Parish precepts) is £16,157,219.
14. That the following amounts now be calculated by the Council for the year 2019/20 in accordance with Section 32-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:-
 - (a) £97,129,304 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £79,036,010 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.
 - (c) £18,093,294 being the amount by which the aggregate at 15(a) above exceeds the aggregate at 15(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 32(4) of the Act).
 - (d) £291.67 being the amount at 15(c) above (Item R), all divided by the figure stated at 10 above (Item T in the formula in section 33(1) of the Act), calculated by the Council, in accordance with Section 33 of the Act, as the basic amount of its Council Tax for the year (including parish precepts).
 - (e) £1,936,075 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B).
 - (f) £260.46 being the amount at 15(d) above less the result given by dividing the amount at 15(e) above by

the tax base given in 10 above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

15. That it be noted that for the year 2019/20 Kent County Council, the Kent Police & Crime Commissioner and the Kent & Medway Fire & Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	<u>KCC PRECEPT</u> £	<u>KCC ADULT SOCIAL CARE</u> £	<u>KPCC</u> £	<u>KMFRA</u> £
A	804.48	61.80	128.77	51.84
B	938.56	72.10	150.23	60.48
C	1072.64	82.40	171.69	69.12
D	1,206.72	92.70	193.15	77.76
E	1,474.88	113.30	236.07	95.04
F	1,743.04	133.90	278.99	112.32
G	2,011.20	154.50	321.92	129.60
H	2,413.44	185.40	386.30	155.52

16. That, having calculated the aggregate in each case of the amounts at 15 (d), and 16 above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets out in Appendix C, the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown.

Reasons for Recommendation

At its meeting on 12th December 2018, Council agreed a Medium Term Financial Strategy (MTFS) for the next five years. Whilst the Council is in a relatively strong financial position currently, there is a high degree of uncertainty about the medium term position. Given the uncertainty about the future, various potential scenarios were modelled in the MTFS, representing (a) favourable, (b)

neutral and (c) adverse sets of circumstances. Projections were prepared for each of the scenarios modelled and the MTFs stated that budget proposals would be sought to address all the potential scenarios. The 'neutral' budget proposals have been considered by Service Committees and the Policy and Resources Committee for their respective areas. Policy and Resources Committee also considered the capital programme at its meeting on 23rd January. Once each Committee had considered the budget proposals, the Policy and Resources Committee considered the Budget as a whole at its meeting on 13th February 2019 and recommended it to Council for adoption.

The recommendations contained in this report allow the Council to set the budget, including the Council Tax rate, for 2019/20 according to the specific provisions contained within the Local Government Finance Act 1992.

Alternatives Considered and Why Not Recommended

The Council could choose not to pass a budget. However, this would be contrary to the Local Government Act 2003.

The Council could choose to amend the budget. Any amendments would be additional to the recommendations already made by the Service Committees, as well as the recommendation made by the Policy and Resources Committee. It is important that the Council has a balanced budget after taking account of any amendments. The Director of Finance and Business Improvement (section 151 Officer) must provide confirmation to Council that "the budget calculations are based upon robust estimates and that the level of reserves is sufficient for the purposes of the budget exercise". Care must be taken in amending the budget so that the Director of Finance and Business Improvement is able to make the necessary confirmation.

Guidance from the Monitoring Officer

The Local Government Act 2003 (as amended) requires Council to adopt the annual budget which is recommended by the Policy and Resources Committee. The Council has a statutory obligation to set a balanced budget differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficits estimated to be brought forward from previous years, and any amounts required to be transferred between funds required under the Local Government Finance Act 1992 and related legislation. In compliance with the principles of administrative law, members are required to take into account relevant considerations and disregard irrelevant ones. Any decision made must be one that only a reasonable authority, properly directing itself could have reached.

Members must act prudently taking into account the professional advice of officers, in particular the statutory obligations placed upon the Director of Finance and Business Improvement, the S151 officer. Members can make alternative proposals in achieving a balanced budget but are exposed to a personal risk if they disregard clearly expressed professional advice. Members are required to have regard to the guidance of the S151 officer on the budget estimates and adequacy of reserves. The wider duties placed on the

Council relating to its financial affairs must be taken into account. This includes the distinction between revenue and capital expenditure specified within the Local Government and Housing Act 1989.

Prudential borrowing limits must be set by the Council having regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code. The Code sets a framework for self-regulation of capital spending, enabling Councils to invest in capital projects without any limit, so long as they are affordable, prudent and sustainable taking into account prudential indicators which must be monitored.

It is a criminal offence for a member with arrears of Council Tax which have been outstanding for two months or more to attend any meeting of the Council or one of its committees at which a decision affecting the budget is to be made – the Local Government Finance Act 1992, section 106. To avoid criminal liability, relevant members must make a declaration at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The member concerned must then abstain from voting.

Having set a budget for the new municipal year, the Council is under a duty to monitor that budget during the year and to take remedial action if at any time it appears likely that expenditure will exceed available resources.

Background Documents

Appendix A: Budget Book

Appendix B: Schedule of Council Tax Base and Additional Council Tax in Parts of the Area with Parish Precepts

Appendix C: Schedule of Council Tax levels for all Bands and all Parts of the area

MAIDSTONE BOROUGH COUNCIL

REVENUE AND CAPITAL ESTIMATES

2019/20

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STATEMENT OF ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

1. INTRODUCTION

- 1.1 Section 25 of the Local Government Act 2003 requires that a local authority's Chief Finance Officer must report on:
- the robustness of the estimates made for the purposes of the budget calculations; and
 - the adequacy of the proposed financial reserves.
- 1.2 The following statement seeks to fulfil this requirement in respect of the 2019/20 budget setting process for Maidstone Borough Council. I acknowledge my responsibility for ensuring the robustness of the estimates and the adequacy of the reserves as part of the process.
- 1.3 The context for the budget setting process is set out in the Council's Medium Term Financial Strategy (MTFS), which is included as section 8 of this Appendix. The MTFS covers both revenue and capital budgets and underpins the budget setting process over the coming five year period. It sets out in financial terms how the Council will deliver its Strategic Plan. The constraints include the overall economic outlook, the financial resources available to the Council, and current service pressures. The MTFS identifies a gap between spending plans and available resources, and sets out how this can be addressed.

2. ROBUSTNESS OF ESTIMATES

- 2.1 The budget contains estimates of future income and expenditure, which like any future events are subject to risk and uncertainty. The way in which the estimates have been drawn up has sought to mitigate this risk as much as possible.
- 2.2 It has done this, first of all, by adopting a structured approach in preparing the estimates. The budget estimates are the outcome of an exhaustive process, which commenced with Members agreeing underlying assumptions and a plan for developing a Medium Term Financial Strategy at the meeting of Policy and Resources Committee on 27 June 2018. The MTFS recognises that there is a high degree of uncertainty about the medium term financial position, and therefore incorporates various potential scenarios, representing favourable, neutral and adverse sets of circumstances. Budget proposals were developed to address the neutral and adverse scenarios. The neutral scenario budget proposals were subject to consultation with the relevant Service Committees.
- 2.3 There has been a thorough assessment of future spending pressures. In drawing up Strategic Revenue Projections, careful estimates have been made of the way in which spending is likely to increase and the potential sources of new spending pressures. There is considerable uncertainty about the impact of the new local government funding regime that is due to be implemented in 2020. Whilst the likely overall framework, incorporating 75% business rates retention for local authorities, has now been defined, the overall amount of funding for local authorities depends on the 2019 Spending Review. Moreover, the distribution of funding between authorities depends on the government's assessment of local authorities' relative needs and resources. Both factors

indicate that the trend towards dependence entirely on Council Tax and self-generated income from fees, charges, etc will continue, with no support from central government and minimal benefits from the business rates retention regime.

- 2.4 Future financial projections have been checked against current performance as reported through the Council's regular quarterly budget monitoring. The budget estimates have been reviewed in the light of the latest budget monitoring information. Overall, current budget monitoring indicates a positive position, but where appropriate additional contingency has been included in respect of overspends that are likely to continue into 2019/20.
- 2.5 The table below sets out the specific factors that have been taken into account in the process of drawing up the MTFS and setting the 2019/20 budget.

The Council's corporate objectives and key priorities	The estimates reflect an assessment of growth required to implement the priorities within the Council's new Strategic Plan. The estimates also include resources to deliver the outcomes of other key strategies and to maintain service delivery.
Consultation with Council Taxpayers	The results of the 2018 Residents' Survey and the views expressed in prior year consultations have been taken into account when developing the budget proposals.
Consultation with Business Ratepayers	The Council publishes its Medium Term Financial Strategy and budget proposals. Business ratepayers may make written representations and these will be considered as part of the budget process.
Consultation with Service Committees	The Policy & Resources Committee has consulted each of the Service Committees on the budget proposals. A proposed change requested by the Strategic Planning, Sustainability and Transportation Committee and an amendment agreed by Policy & Resources Committee at their meeting on 13 February 2019 have been reflected in the final budget proposals
The level of funding likely from Central Government towards the costs of local services	The level of Revenue Support Grant fell to zero with effect from 2017/18 and this is reflected in the Strategic Revenue Projections. Other government grants are normally service specific and the amount and future risk is considered as part of the service budget and service risk assessment.
Retained element of business rates	Since 1 April 2013 a proportion of business rates income has been retained by the Council, separately from Revenue Support Grant. The amount of business rates income due to the Council under existing arrangements has been projected using prudent assumptions and has been reflected in the Strategic Revenue Projections. Additional income is anticipated as a result of the Council's participation in the Kent & Medway Business Rates Pool and is earmarked as a separate exercise from the main budget setting process.

<p>Council Tax Base</p>	<p>The recommended council tax base for 2019/20 is 62,033.4 and represents a 1.82% increase in the tax base over the 2018/19 figure.</p>
<p>Power of the Secretary of State to require a local referendum in respect of rising Council Tax levels</p>	<p>The Localism Act 2011 contained requirements for the Council to hold a referendum in circumstances where it plans an increase in council tax that is considered excessive and due regard has been paid to this requirement. This is consistent with the objective of the Medium Term Financial Strategy for the revenue budget to achieve a balanced budget whilst maintaining a reasonable level of council tax increase.</p>
<p>The Prudential Code and its impact on Capital Planning</p>	<p>The Council uses a number of sources for the financing of its capital expenditure. The main source in recent years has been New Homes Bonus but financing also includes the use of capital grants and contributions and revenue resources.</p> <p>Within the current strategy it is envisaged that the Council will use prudential borrowing in future, in line with the requirements of the Prudential Code. A major objective of the Prudential Code is to ensure, within a clear framework, that the capital expenditure plans of the authority are affordable, prudent and sustainable. These principles are set out in the Medium Term Financial Strategy statement for capital with specific details contained in the Council's Treasury Management Strategy.</p>
<p>The Council's Capital Programme</p>	<p>The Council's capital programme is based on the principles of prioritisation, affordability and deliverability. The Council has adopted a Medium Term Financial Strategy for capital which sets out the planning process and priorities for capital.</p> <p>The revenue costs of the capital programme are reflected in the Strategic Revenue Projections.</p>
<p>Interest Rates</p>	<p>Interest costs and returns have been assumed based on the advice of the Council's treasury management advisors as set out in the Treasury Management Strategy. Where prudential borrowing is undertaken, interest costs are fixed at the start of the loan term.</p>
<p>Adequacy of Balances</p>	<p>At the start of 2019/20 it is anticipated that the uncommitted general fund balance will be £6.6 million. The adequacy of reserves is discussed in more detail below.</p>

Earmarked Reserves	The Council maintains a series of Earmarked Reserves to manage more effectively the resources set aside for specific activities. At the start of 2019/20 these reserves are estimated to be £2.2m.
Pay and Price Inflation	The MTFS takes account of the impact of inflation on service expenditure, based on current predictions of the future level of inflation. Included within the budget is suitable provision for these increases.
Fees and Charges	The Council's strategy is to maximise income, subject to market conditions, opportunities, comparable charges elsewhere and the impact of charges on the delivery of key objectives. The Council has approved a policy on the use of fees and charges and service managers have regard to that policy when proposing changes to fees and charges. Increased levels of fees and charges are incorporated in the 2019/20 budget where these have been proposed and subsequently agreed by Members.
Growth Pressures	The Budget for 2019/20 and the projections within the MTFS for the revenue budget include all known and quantified key priorities and growth pressures that the Council is aware of at the present time. New priorities and growth pressures are anticipated to emerge over the period and in consequence, the strategy will be updated at least annually. There is an expectation that expenditure on expanding and improving services should be accommodated by direct charges to service users or reductions elsewhere within the Council's budget from efficiencies and low priority services through a prioritisation process.
Achieving budget savings	The MTFS depends on the delivery of budgeted savings. The Council has a good track record of delivering planned savings and regular budget monitoring ensures that prompt action is taken where savings are delayed. The deliverability of future savings is assessed as part of the budget preparation process.
Financial Management	The Council's financial information, management and reporting arrangements are sound and its procedures in relation to budget under / overspends are clear. Collection rates for council tax and business rates remain satisfactory. The Council's external auditor has found the Council's budgetary control procedures to be sound and is satisfied with the overall internal financial control arrangements, the Council's arrangements for ensuring the legality of transactions and has given an unqualified opinion on the 2017/18 Accounts. It is anticipated that a similar position will be reported for future years.

<p>Insurance Arrangements and Business Continuity</p>	<p>Risks identified via the preparation of Service Risk Registers have wherever possible been mitigated to an acceptable level. Any remaining risks have been transferred to an external insurance provider where possible. In addition, specific arrangements are in place to ensure the continuity of business in the event of both major and minor disruptions to services. As insurance premiums are reactive to the external perception of the risks faced by local authorities and to market pressures, both risks and excess levels are kept under constant review. The Council has a well-established Business Continuity Plan for key services.</p>
<p>Corporate Governance and Risk Management</p>	<p>The Council has adopted a local Code of Corporate Governance based upon the requirements of the CIPFA/SOLACE Corporate Governance framework. This incorporates risk management and the Council has a risk management strategy involving the preparation of risk registers at a Corporate level and for each Service area. The Council has had an established and effective Audit Committee since 2007.</p>

3. Adequacy of Reserves

- 3.1 The Council maintains reserves as a financial safety net to allow for unforeseen circumstances. There is no statutory definition of a minimum level of reserves. Rather, it is accepted that minimum prudent level of reserves that the Council should maintain is a matter of judgement.
- 3.2 The Council has set a target for the minimum General Fund balance of £2 million. It is useful to establish a benchmark in this way but in the end the appropriate level of reserves is likely to fluctuate depending on the degree of risk that the Council faces. It is even possible that a given level of reserves may be excessive, if there is no likelihood of their being required, and there is an opportunity cost from failing to use the money in some more productive way.
- 3.3 The corporate risks faced by the Council, which might give rise to a call on reserves, include the following:
- breakdown of governance controls
 - legal / compliance breaches
 - inadequate workforce capacity / skills
 - project failure
 - ICT system failure / security
 - poor partner relationships
 - housing pressures continue to increase
 - delivery of the Local Plan Review by April 2022
 - financial restrictions
 - General Data Protection Regulations (GDPR)
 - major contraction in retail and leisure sectors.

These risks are kept under regular review and mitigations developed as appropriate.

3.4 Specific financial risks facing the Council include the following:

- Failure to contain expenditure within agreed budgets
- Fees and Charges fail to deliver sufficient income
- Commercialisation fails to deliver additional income
- Planned savings are not delivered
- Shared services fail to perform within budgeted levels
- Council holds insufficient balances
- Inflation rate predictions underlying MTFS are inaccurate
- Adverse impact from changes in local government funding
- Constraints on council tax increases
- Capital programme cannot be funded
- Increased complexity of government regulation
- Collection targets for Council Tax and Business Rates missed
- Business Rates pool / pilot fails to generate sufficient growth
- Adverse financial consequences from a disorderly Brexit.

These risks are likewise kept under regular review and mitigating actions taken. The financial risks, and an up to date evaluation of each, are reported to each meeting of the Audit, Governance and Standards Committee.

3.5 The Council's risk management strategy and policies seek to identify risk such those outlined above and to promote appropriate mitigations. Nevertheless, there will remain a degree of residual risk, and it is for this reason that it is appropriate to hold reserves.

3.6 The uncommitted General Fund balance as at 31 March 2019 is projected to be £6.6 million. Other earmarked balances total £2.2 million. As at 31 March 2020, the General Fund balance is projected to remain at £6.6 million with earmarked balances totalling £4.0 million. This is above the minimum level of balances set by the Council but is appropriate given the variety and potential severity of risks that the Council faces.

3.7 Taking into account the risks that the Council faces, and the overall scale and scope of the Council's activities, I consider the level of reserves to be adequate but not excessive. The level of reserves remains under regular review and is reported to Members as part of the quarterly budget monitoring process.

4. Conclusion

4.1 I am of the opinion that the approach taken in developing the 2019/20 budget meets the requirements contained in the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of reserves.

Mark Green
Director of Finance and Business Improvement

Date: 27 February 2019

**REVENUE ESTIMATE 2019/20 TO 2023/24
STRATEGIC REVENUE PROJECTION (Neutral)**

2018/19 £000		2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
AVAILABLE FINANCE						
15,407	COUNCIL TAX EMPTY HOMES PREMIUM	16,159 17	16,812	17,491	18,198	18,933
3,136	RETAINED BUSINESS RATES	3,208	1,681	446	513	581
1,237	BUSINESS RATES GROWTH LEVY ACCOUNT SURPLUS	1,129 49	0	177	357	717
-418	COLLECTION FUND ADJUSTMENT	-85				
19,362	BUDGET REQUIREMENT	20,477	18,493	18,114	19,067	20,231
20,669	OTHER INCOME	20,839	21,013	21,190	21,371	21,556
40,031	TOTAL RESOURCES AVAILABLE	41,316	39,506	39,304	40,438	41,787
EXPECTED SERVICE SPEND						
37,870	CURRENT SPEND	40,031	41,316	39,506	39,304	40,438
INFLATION & CONTRACT INCREASES						
960	PAY, NI & INFLATION INCREASES	997	1,058	1,096	1,136	1,178
40	MAIDSTONE HOUSE RENT INCREASE	40				
NATIONAL INITIATIVES						
100	LOSS OF ADMINISTRATION GRANT					
34	PENSION DEFICIT FUNDING	6	150	150	150	
70	PLANNING SERVICE					
LOCAL PRIORITIES						
400	PLANNING APPEALS	-400				
100	PLANNING ENFORCEMENT	-100				
0	LOCAL PLAN REVIEW			-200		
0	GROWTH TO MEET STRATEGIC PRIORITIES	131	24			
0	ADDITIONAL GROWTH AGREED BY P & R 13-02-19	80	10	-10		
0	FINANCIAL SUSTAINABILITY FUND ALLOCATION	-80				
50	GENERAL GROWTH PROVISION	50	50	50	50	
20	ENVIRONMENTAL ENFORCEMENT	-20				
265	OTHER SERVICE PRESSURES	91				
123	REVENUE COSTS OF CAPITAL PROGRAMME	78	471	650	451	523
	PROVISION FOR MAJOR CONTRACTS					500
	CONTINGENCY FOR FUTURE FUNDING PRESSURES	1,589	-1,589			
40,031	TOTAL PREDICTED REQUIREMENT	42,493	41,490	41,242	41,091	42,640
	SAVINGS REQUIRED	-1,177	-1,985	-1,938	-652	-853
	SAVINGS IDENTIFIED	1,007	1,014	860	608	0
	NEW / AMENDED SAVINGS PROPOSALS	175	597	80	15	200
	SURPLUS / (DEFICIT)	5	-374	-998	-29	-653

APPENDIX A

THE MAIDSTONE BOROUGH COUNCIL

STATEMENT OF COUNCIL TAX REQUIREMENT - 2019/20

	£	£	BAND D £
MAIDSTONE BOROUGH COUNCIL NET SPEND		20,475,138	330.07
ADD:			
Parish Precepts		1,936,075	31.21
ADD/(DEDUCT):			
Empty Homes Premium	-17,376		
Retained Business Rates	-3,207,567		
Retained Business Rates Growth	-1,129,201		
Levy Account Surplus	-49,210		
Collection Fund Deficit	85,435	-4,317,919	-69.61
TOTAL COUNCIL TAX REQUIREMENT		18,093,294	291.67
ADD PRECEPTS			
Kent County Council Precept		74,856,944	1,206.72
Kent County Council Adult Social Care Charge		5,750,497	92.70
Kent Police & Crime Commissioner Precept		11,981,751	193.15
Kent & Medway Fire & Rescue Authority Precept		4,823,717	77.76
TOTAL COUNCIL TAX REQUIREMENT		115,506,203	1,862.00
MAIDSTONE BOROUGH COUNCIL (EXCLUDING PARISH PRECEPTS)			260.46
TOTAL COUNCIL TAX (EXCLUDING PARISH PRECEPTS)			1,830.79
TAX BASE			62,033.4

MAIDSTONE BOROUGH COUNCIL REVENUE ESTIMATES

REVISED ESTIMATE 2018/19 AND ESTIMATE 2019/20

COMMITTEE SUMMARY

Cost Centre/Service	Original Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Policy & Resources	7,518,050	8,009,138	6,935,660
Strategic Planning, Sustainability & Transportation	-1,227,240	-965,620	-1,499,050
Communities, Housing & Environment	7,944,440	8,516,870	7,790,150
Heritage, Culture & Leisure	1,333,460	1,662,160	1,289,310
	15,568,710	17,222,548	14,516,070
Slippage	-395,904		
	15,172,806	17,222,548	14,516,070
Transfers to and from General Balances	10,000	10,000	10,000
Transfers to and from Earmarked Reserves	4,179,310	2,129,568	5,949,068
Net Revenue Expenditure	19,362,116	19,362,116	20,475,138

SUMMARY ESTIMATE 2019/20 - BY COMMITTEE

Cost Centre/Service	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 (Expenditure) £	Estimate 2019/20 (Income) £	Estimate 2019/20 £
Policy & Resources					
Contingency	248,210	147,000	183,420	0	183,420
Unapportionable Central Overheads	1,777,370	1,766,000	1,783,370		1,783,370
Non Service Related Government Grants	-3,218,600	-3,051,325	0	-3,880,840	-3,880,840
Appropriation Account	950,940	979,580	978,880		978,880
Pensions Fund Appropriation	0	0	0	0	0
Balances, Pensions & Appropriations Total	-242,080	-158,745	2,945,670	-3,880,840	-935,170
Sandling Road Site	0	16,650	17,220		17,220
Business Support & Enterprise	0	20,970	0		0
Town Centre Management Sponsorship	0	14,340	0	0	0
Business Terrace	73,220	72,970	171,140	-94,410	76,730
Business Terrace Expansion	440	23,880	72,880	-71,980	900
Business Support Total	73,660	148,810	261,240	-166,390	94,850
Council Tax Collection	-301,440	-371,640	89,240	-459,840	-370,600
Council Tax Collection – Non Pooled	0	57,230	57,780	0	57,780
Council Tax Benefits Administration	-158,480	-152,120		-152,120	-152,120
NNDR Collection	-233,850	-244,990	7,800	-252,710	-244,910
NNDR Collection – Non Pooled	0	79,510	7,840		7,840
MBC-BID	0	0	16,920	-16,920	0
Registration Of Electors	46,740	79,390	50,130	-2,340	47,790
Elections	116,870	116,870	164,340	-430	163,910
External Interest Payable	231,610	231,610	310,310		310,310
Interest & Investment Income	-100,000	-100,000		-100,000	-100,000
Central Services to the Public Total	-398,550	-304,140	704,360	-984,360	-280,000
Palace Gatehouse	-7,650	-5,100	5,000	-10,300	-5,300
Archbishops Palace	-99,750	-96,540	42,890	-141,280	-98,390
Parkwood Industrial Estate	-316,690	-303,510	13,200	-323,050	-309,850
Industrial Starter Units	-22,920	-27,980	23,760	-52,710	-28,950
Parkwood Equilibrium Units	-59,230	-70,450	51,420	-123,470	-72,050
Sundry Corporate Properties	-299,160	-200,740	57,890	-402,750	-344,860
Parks Dwellings	-50,890	-42,250	34,280	-77,700	-43,420
Chillington House	-24,830	-24,540	8,800	-34,000	-25,200
Phoenix Park Units	-216,870	-229,900	19,160	-253,480	-234,320
Granada House - Commercial	-111,980	-104,590	12,760	-120,530	-107,770
Granada House - Residential	-106,070	-105,900	1,450	-189,150	-187,700
Heronden Road Units	-151,430	-152,130	11,950	-165,120	-153,170
Boxmend Industrial Estate	0	-100,740	15,350	-118,180	-102,830
Lockmeadow Complex	0	0	81,020	-148,870	-67,850
Lenworth House	0	1,360	3,770		3,770
Commercial Investments Total	-1,467,470	-1,463,010	382,700	-2,160,590	-1,777,890
Performance & Development	9,240	7,350	7,480		7,480
Corporate Projects	40,450	93,880	40,450		40,450
Press & Public Relations	30,990	34,840	35,450	0	35,450
Corporate Management	102,060	103,430	92,380		92,380
Corporate Management Total	182,740	239,500	175,760	0	175,760
Economic Development Section	278,630	278,510	292,800	-13,630	279,170
Head of Economic and Commercial Development	98,920	105,410	90,920	-10,700	80,220
Democratic Services Section	162,090	158,560	165,270		165,270
Mayoral & Civic Services Section	105,390	106,580	109,550		109,550
Chief Executive	173,810	173,320	176,790		176,790
Communications Section	198,340	195,600	201,770	-1,900	199,870
Policy & Information Section	220,470	249,060	222,100		222,100
Head of Policy and Communications	107,230	108,730	109,290		109,290
Registration Services Section	134,040	137,620	137,300		137,300
Director of Finance & Business Improvement	137,330	136,450	139,180		139,180
Accountancy Section	684,750	708,900	730,640	-14,580	716,060
Director of Regeneration & Place	136,570	136,460	139,230	-1,600	137,630
Procurement Section	72,040	157,400	171,610	-37,300	134,310
Property & Projects Section	258,710	455,650	410,280	-9,800	400,480
Facilities & Corporate Support Section	418,910	260,860	266,140		266,140
Improvement Section	251,170	340,930	347,470	-25,000	322,470
Executive Support Section	159,900	160,330	164,330		164,330
Head of Commissioning and Business Improvement	126,130	93,030	101,470		101,470
Customer Services Section	599,020	641,460	638,860		638,860
Salary Slippage P&R Committee	0	-221,740	-246,520		-246,520
Corporate Support Services Total	4,323,450	4,383,120	4,368,480	-114,510	4,253,970
Civic Occasions	36,390	41,440	42,310		42,310
Members Allowances	371,000	371,000	379,970		379,970

Cost Centre/Service	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 (Expenditure) £	Estimate 2019/20 (Income) £	Estimate 2019/20 £
Members Facilities	39,940	39,940	40,520		40,520
Subscriptions	7,390	0	0		0
Democratic Representation Total	454,720	452,380	462,800	0	462,800
Economic Dev - Promotion & Marketing	630	105,140	5,010	-3,500	1,510
Economic Development Total	630	105,140	5,010	-3,500	1,510
Emergency Centre	32,960	32,960	33,140		33,140
Emergency Planning Total	32,960	32,960	33,140	0	33,140
Housing Benefits Administration	-337,220	-389,520	14,000	-403,520	-389,520
Housing Benefit Administration Total	-337,220	-389,520	14,000	-403,520	-389,520
Medway Conservancy	115,400	115,400	115,400		115,400
Levies Total	115,400	115,400	115,400	0	115,400
Town Hall	86,390	94,420	102,620	-3,990	98,630
South Maidstone Depot	136,770	169,160	140,600		140,600
The Link	108,210	99,530	345,550	-243,890	101,660
Maidstone House	1,115,110	1,121,130	1,282,500	-135,530	1,146,970
Museum Buildings	0	15,650	299,270	-1,110	298,160
Office Accommodation Total	1,446,480	1,499,890	2,170,540	-384,520	1,786,020
Rent Allowances	-222,790	-161,160	43,016,890	-43,178,050	-161,160
Non HRA Rent Rebates	-4,550	-6,710	664,010	-670,720	-6,710
Discretionary Housing Payments	1,210	1,680	349,290	-347,610	1,680
Rent Rebates Total	-226,130	-166,190	44,030,190	-44,196,380	-166,190
Mid Kent Improvement Partnership	560	700	50,710	-49,960	750
Revenues Section	439,660	460,410	792,800	-317,560	475,240
Benefits Section	438,030	0	0	0	0
Fraud Section	52,290	0	0	0	0
Head of Revenues & Benefits	65,810	0	0	0	0
Revenues & Benefits Business Support	134,870	0	0	0	0
Benefits Section	0	447,230	722,570	-274,230	448,340
Fraud Section	0	64,503	226,010	-183,680	42,330
Mid Kent Audit Partnership	205,960	212,770	719,150	-507,710	211,440
Legal Services Section	491,030	491,030	571,140	-60,000	511,140
Mid Kent ICT Services	693,220	691,240	1,491,180	-955,290	535,890
GIS Section	104,900	104,910	181,460	-72,570	108,890
Director of Mid Kent Services	38,340	40,440	128,210	-85,440	42,770
Mid Kent HR Services Section	378,930	379,020	641,160	-254,190	386,970
MBC HR Services Section	208,980	93,220	178,610	-530	178,080
Head of Revenues & Benefits	0	61,660	101,240	-36,170	65,070
Revenues & Benefits Business Support	0	150,810	382,690	-228,770	153,920
Dartford HR Services Section	0	-18,510	53,230	-70,830	-17,600
I.T. Operational Services	244,330	267,930	326,900		326,900
Central Telephones	61,400	61,400	14,620		14,620
Shared Services Total	3,558,310	3,508,763	6,581,680	-3,096,930	3,484,750
Mid Kent ICT Software	187,420	187,420	532,260	-334,400	197,860
Youth Development Programme	48,450	41,440	48,630	-170	48,460
Internal Printing	-86,270	-86,270	50,850	-83,670	-32,820
Debt Recovery Service	-148,450	-8,600	970,140	-980,310	-10,170
Debt Recovery MBC Profit Share	0	-129,210		-127,100	-127,100
Trading Accounts Total	1,150	4,780	1,601,880	-1,525,650	76,230
Policy & Resources	7,518,050	8,009,138	63,852,850	-56,917,190	6,935,660

POLICY & RESOURCES COMMITTEE

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	894,600	1,102,050	1,043,300
Allowances	360,910	360,910	369,920
Benefits	45,471,150	44,030,190	44,030,190
Employee Direct	9,415,090	9,234,100	9,355,110
Employee Other	1,748,400	2,105,453	1,953,940
Equipment & Furniture	1,113,790	1,176,240	1,166,240
Fees & Charges	-1,092,050	-1,249,800	-1,202,960
General Insurances	15,310	16,640	16,800
Grants & Contributions Paid	345,910	354,750	426,250
Grants & Contributions Received	-52,927,960	-51,485,785	-52,198,610
Income Other	-1,156,040	-1,606,020	-1,223,530
Information & Communications	9,400	8,400	6,920
Leasing & Capital Charges	957,370	979,580	978,880
Premises Other	1,493,310	1,534,920	1,670,670
Printing & Stationery	145,430	169,310	153,350
Professional Services	586,030	693,180	461,800
Rent	-1,846,480	-1,863,020	-2,292,090
Repairs & Maintenance	404,020	450,110	617,600
Security & Protection	36,150	37,850	38,590
Subsistence & Training	162,340	125,120	173,330
Supplies & Services Other	824,150	1,245,410	721,740
Utilities	405,060	406,290	483,980
Vehicle & Transport	152,160	183,260	184,240
Policy & Resources	7,518,050	8,009,138	6,935,660

SUMMARY ESTIMATE 2019/20 - BY COMMITTEE

Cost Centre/Service	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 (Expenditure) £	Estimate 2019/20 (Income) £	Estimate 2019/20 £
Strategic Planning, Sustainability & Transportation					
Building Regulations Chargeable	-320,030	-320,030	6,960	-331,850	-324,890
Building Control	-1,020	-1,020	2,050	-3,080	-1,030
Street Naming & Numbering	-49,000	-49,000		-69,000	-69,000
Building Control Total	-370,050	-370,050	9,010	-403,930	-394,920
Land Charges	-299,200	-298,370	38,090	-335,550	-297,460
Central Services to the Public Total	-299,200	-298,370	38,090	-335,550	-297,460
Development Management Section	864,420	911,850	912,110	0	912,110
Spatial Policy Planning Section	396,470	331,150	361,860		361,860
Head of Planning and Development	104,430	140,180	106,420		106,420
Development Management Enforcement Sect	169,160	264,280	174,220		174,220
Building Surveying Section	367,640	365,620	374,880		374,880
Heritage Landscape and Design Section	175,700	173,160	184,000		184,000
Planning Business Management	72,220	135,740	142,160	-5,000	137,160
Parking Services Section	323,630	327,370	448,680	-114,710	333,970
Salary Slippage SPST Committee	0	-73,530	-81,380		-81,380
Corporate Support Services Total	2,473,670	2,575,820	2,622,950	-119,710	2,503,240
Development Control Advice	-115,000	-73,460	83,920	-151,300	-67,380
Development Control Applications	-1,433,740	0	0	0	0
Development Control Appeals	121,800	121,800	124,240		124,240
Development Control Majors	0	-681,880	20,540	-716,150	-695,610
Development Control - Other	0	-836,900	6,090	-842,910	-836,820
Development Control Enforcement	165,810	67,030	67,130	0	67,130
Development Control Total	-1,261,130	-1,403,410	301,920	-1,710,360	-1,408,440
Environment Improvements	16,450	17,440	17,460		17,460
Name Plates & Notices	17,950	17,950	18,310		18,310
Network & Traffic Management Total	34,400	35,390	35,770	0	35,770
On Street Parking	-288,460	-364,420	405,010	-755,830	-350,820
Residents Parking	-222,090	-263,040	88,510	-347,750	-259,240
Pay & Display Car Parks	-1,750,250	-1,776,660	499,210	-2,412,520	-1,913,310
Non Paying Car Parks	9,990	10,590	10,920	-10	10,910
Off Street Parking - Enforcement	-159,970	-74,930	120,620	-190,220	-69,600
Mote Park Pay & Display	-174,380	-174,390	32,110	-206,380	-174,270
Sandling Road Car Park	-111,500	-680	155,400	-152,530	2,870
Parking Services Total	-2,696,660	-2,643,530	1,311,780	-4,065,240	-2,753,460
Planning Policy	200,000	252,340	196,320		196,320
Neighbourhood Planning	0	75,000	0		0
Conservation	-11,470	-11,470	4,130	-15,600	-11,470
Town Centre Opportunity Area Project	0	80,000	0		0
Planning Policy Total	188,530	395,870	200,450	-15,600	184,850
Park & Ride	197,230	236,930	547,720	-367,740	179,980
Socially Desirable Buses	48,130	48,130	32,590		32,590
Other Transport Services	-9,550	-9,550	25,850	-36,110	-10,260
Public Transport Total	235,810	275,510	606,160	-403,850	202,310
Mid Kent Planning Support Service	434,460	420,970	614,510	-217,190	397,320
Mid Kent Local Land Charges Section	32,930	46,180	139,260	-107,520	31,740
Shared Services Total	467,390	467,150	753,770	-324,710	429,060
Strategic Planning, Sustainability & Transportation	-1,227,240	-965,620	5,879,900	-7,378,950	-1,499,050

STRATEGIC PLANNING, SUSTAINABILITY & TRANSPORTATION COMMITTEE

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	601,690	577,230	602,330
Employee Direct	3,131,280	3,065,360	3,095,010
Employee Other	-51,510	76,790	121,280
Equipment & Furniture	76,480	76,890	78,160
Fees & Charges	-6,377,620	-6,745,000	-6,445,640
General Insurances	9,470	11,040	11,470
Grants & Contributions Paid	65,820	124,720	50,030
Grants & Contributions Received	-465,040	-436,830	-455,420
Income Other	-277,270	-110,190	-102,980
Information & Communications	500	190	190
Leasing & Capital Charges			
Premises Other	255,980	285,130	293,170
Printing & Stationery	36,220	30,080	29,930
Professional Services	675,400	706,690	547,540
Rent	-7,030	-7,030	-7,170
Repairs & Maintenance	192,650	201,730	201,780
Security & Protection	172,420	102,190	73,870
Subsistence & Training	2,590	24,120	2,630
Supplies & Services Other	208,660	493,330	301,940
Utilities	14,350	14,350	15,790
Vehicle & Transport	507,720	543,590	87,040
Strategic Planning, Sustainability & Transportation	-1,227,240	-965,620	-1,499,050

SUMMARY ESTIMATE 2019/20 - BY COMMITTEE

Cost Centre/Service	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 (Expenditure) £	Estimate 2019/20 (Income) £	Estimate 2019/20 £
Communities, Housing & Environment					
Grants	195,270	195,270	184,270		184,270
Delegated Grants	2,100	2,100	2,100		2,100
Parish Services	127,320	127,320	127,320		127,320
Members Community Grant	0	60,000	60,000		60,000
Central Services to the Public Total	324,690	384,690	373,690	0	373,690
Social Inclusion	0	5,100	0		0
Community Development Total	0	5,100	0	0	0
Community Safety	42,770	49,560	44,150		44,150
Police & Crime Commissioner	0	0	30,640	-30,640	0
C C T V	193,310	198,650	229,230	-21,100	208,130
Community Safety Total	236,080	248,210	304,020	-51,740	252,280
Head of Environment and Public Realm	92,090	94,580	97,660		97,660
Community Partnerships & Resilience Section	473,340	529,870	502,430		502,430
Licensing Section	107,050	106,130	108,490		108,490
Environmental Protection Section	240,820	240,410	246,420		246,420
Food and Safety Section	249,630	249,140	255,370		255,370
Depot Services Section	653,460	663,520	730,450	-39,310	691,140
Head of Housing & Community Services	104,760	106,020	106,750		106,750
Homechoice	199,990	197,380	250,340	-44,200	206,140
Housing & Inclusion Section	555,420	556,500	697,680	-180,150	517,530
Housing & Health Section	288,790	291,940	252,770	0	252,770
Housing Management	0	194,360	246,800		246,800
Homelessness Outreach	0	41,690	0	0	0
Salary Slippage CHE Committee	0	-93,100	-98,600		-98,600
Corporate Support Services Total	2,965,350	3,178,440	3,396,560	-263,660	3,132,900
Drainage	31,720	31,720	31,740		31,740
Flood Defences & Land Drainage Total	31,720	31,720	31,740	0	31,740
Homeless Temporary Accommodation	559,030	589,030	912,900	-336,070	576,830
Homelessness Prevention	284,640	515,950	261,760	0	261,760
Predictive Analysis and Preventing Homelessness	0	0	0		0
Aylesbury House	42,070	36,930	71,680	-69,140	2,540
Magnolia House	-2,220	-8,220	31,480	-49,760	-18,280
St Martins House	0	0	1,640	-1,640	0
Marsham Street	46,720	4,370	77,020	-42,070	34,950
Sundry Temporary Accommodation (TA) Properties	-19,630	-33,310	16,560	-50,930	-34,370
Pelican Court (Leased TA Property)	0	1,150	0	0	0
2 Bed Property - Temporary Accommodation	-11,150	-28,330	37,970	-104,130	-66,160
3 Bed Property - Temporary Accommodation	-9,800	-16,630	23,750	-89,340	-65,590
4 bed Property - Temporary Accommodation	-9,400	-17,770	8,020	-25,660	-17,640
1 Bed Property- Temporary Accommodation	0	100	3,660	-3,520	140
Housing First Project	0	80,000	0		0
Homelessness Total	880,260	1,123,270	1,446,440	-772,260	674,180
Housing Register & Allocations	10,200	10,200	10,400		10,400
Housing Advice Total	10,200	10,200	10,400	0	10,400
Strategic Housing Role	13,770	64,790	14,040		14,040
Housing Strategy Total	13,770	64,790	14,040	0	14,040
Marden Caravan Site (Stilebridge Lane)	18,990	19,010	48,610	-29,510	19,100
Ulcombe Caravan Site (Water Lane)	6,880	6,900	45,670	-38,690	6,980
Other Council Properties Total	25,870	25,910	94,280	-68,200	26,080
Private Sector Renewal	-47,320	-47,320	2,730	-50,000	-47,270
HMO Licensing	-14,380	-14,380		-20,380	-20,380
Private Sector Housing Renewal Total	-61,700	-61,700	2,730	-70,380	-67,650
Public Health - Obesity	0	0	0	0	0
Public Health - Misc Services	0	2,380	0	0	0
Public Health Total	0	2,380	0	0	0
Recycling Collection	713,630	694,930	2,028,250	-1,315,680	712,570
Recycling Total	713,630	694,930	2,028,250	-1,315,680	712,570
Licences	-3,680	-5,830	23,630	-28,890	-5,260
Licensing Statutory	-69,990	-67,840	75,320	-141,320	-66,000
Licensing Non Chargeable	7,350	7,350	7,530		7,530
Dog Control	24,710	27,975	32,465	-3,900	28,565
Health Improvement Programme	8,980	8,980	9,160		9,160
Pollution Control - General	27,380	263,070	35,520	-9,360	26,160

Cost Centre/Service	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 (Expenditure) £	Estimate 2019/20 (Income) £	Estimate 2019/20 £
Contaminated Land	20	20	1,040	-1,000	40
Waste Crime	33,800	66,970	106,980	-98,080	8,900
Food Hygiene	9,050	9,050	11,900	-2,620	9,280
Sampling	3,370	3,370	3,440		3,440
Occupational Health & Safety	24,150	48,230	31,130	-6,370	24,760
Infectious Disease Control	980	1,030	1,030		1,030
Noise Control	1,200	1,200	1,200		1,200
Pest Control	-11,970	-11,970	160	-12,360	-12,200
Public Conveniences	137,400	161,400	160,470		160,470
Licensing - Hackney & Private Hire	-66,050	-66,050	74,640	-139,020	-64,380
Regulatory Services Total	126,700	446,955	575,615	-442,920	132,695
Street Cleansing	952,610	1,127,430	1,202,550	-16,140	1,186,410
Street Cleansing Total	952,610	1,127,430	1,202,550	-16,140	1,186,410
Commercial Waste Services	-70,970	-68,140	163,940	-228,170	-64,230
Trade Waste Total	-70,970	-68,140	163,940	-228,170	-64,230
Fleet Workshop & Management	679,010	267,905	274,955		274,955
MBS Support Crew	-70,780	-63,250	114,050	-175,250	-61,200
Grounds Maintenance - Commercial	26,900	-24,460	150,730	-172,520	-21,790
Trading Accounts Total	635,130	180,195	539,735	-347,770	191,965
Household Waste Collection	1,161,100	1,122,490	1,332,760	-149,680	1,183,080
Waste Collection Total	1,161,100	1,122,490	1,332,760	-149,680	1,183,080
Communities, Housing & Environment	7,944,440	8,516,870	11,516,750	-3,726,600	7,790,150

COMMUNITIES, HOUSING & ENVIRONMENT COMMITTEE

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	4,143,560	4,108,910	4,243,000
Employee Direct	3,341,360	3,965,630	3,819,720
Employee Other	20,790	28,810	19,950
Equipment & Furniture	312,480	368,970	340,990
Fees & Charges	-1,237,860	-1,318,160	-1,390,160
General Insurances	4,700	4,420	4,450
Grants & Contributions Paid	350,060	585,320	346,880
Grants & Contributions Received	-234,550	-1,056,380	-304,990
Income Other	-1,072,000	-1,241,360	-1,262,250
Information & Communications	44,960	40,170	40,990
Leasing & Capital Charges	192,410	0	0
Premises Other	207,050	303,410	239,360
Printing & Stationery	10,060	10,070	10,250
Professional Services	1,107,920	1,253,990	1,105,220
Rent	-605,580	-720,940	-769,200
Repairs & Maintenance	207,370	262,870	255,040
Security & Protection	10,440	100,130	46,680
Subsistence & Training	100	15,420	100
Supplies & Services Other	693,710	1,363,890	620,070
Utilities	60,680	73,650	61,480
Vehicle & Transport	386,780	368,050	362,570
Communities, Housing & Environment	7,944,440	8,516,870	7,790,150

SUMMARY ESTIMATE 2019/20 - BY COMMITTEE

Cost Centre/Service	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 (Expenditure) £	Estimate 2019/20 (Income) £	Estimate 2019/20 £
Heritage, Culture & Leisure					
Cemetery	41,550	39,620	186,430	-143,000	43,430
National Assistance Act	-470	-470	2,080	-2,560	-480
Crematorium	-758,790	-777,750	465,700	-1,252,130	-786,430
Maintenance of Closed Churchyards	5,000	5,680	5,700		5,700
Bereavement Services Total	-712,710	-732,920	659,910	-1,397,690	-737,780
Leisure Services Section	53,810	50,320	52,600	-21,800	30,800
Cultural Services Section	501,790	502,680	522,170		522,170
Visitor Economy Section	87,800	111,800	111,240	0	111,240
Bereavement Services Section	153,490	177,000	180,630		180,630
Market Section	76,880	77,050	79,290		79,290
Salary Slippage HCL Committee	0	-49,520	-53,890		-53,890
Corporate Support Services Total	873,770	869,330	892,040	-21,800	870,240
Cultural Development Arts	14,800	13,450	13,720		13,720
Museum	277,530	309,020	58,720	-94,300	-35,580
Carriage Museum	35,060	28,680	5,290	-1,600	3,690
Museum-Grant Funded Activities	0	50,880	0	0	0
Museum Cafe	-3,460	-2,640	2,370	-5,130	-2,760
Hazlitt Arts Centre	267,680	267,880	279,460		279,460
Festivals and Events	-12,920	-20,560	29,050	-50,030	-20,980
Culture & Heritage Total	578,690	646,710	388,610	-151,060	237,550
Market	-136,080	-132,360	96,030	-164,090	-68,060
Economic Development Total	-136,080	-132,360	96,030	-164,090	-68,060
Mote Park Adventure Zone	-57,000	-56,850	1,450	-114,000	-112,550
Parks & Open Spaces	750,810	920,390	943,910	-54,430	889,480
Playground Maintenance & Improvements	134,330	125,050	144,080	0	144,080
Parks Pavilions	25,400	24,410	25,010	-10	25,000
Mote Park	187,420	204,190	262,720	-54,280	208,440
Mote Park Cafe	-50,930	-48,390	41,980	-91,550	-49,570
Cobtree Manor Park	-56,030	-15,630	67,530	-67,530	0
Kent Life	-17,650	-17,490	0	0	0
Cobtree Manor Park Visitor Centre	-27,330	-66,580	0	0	0
Allotments	11,260	11,530	11,990		11,990
Community Environmental Engagement	0	90,000	0	0	0
Open Spaces Total	900,280	1,170,630	1,498,670	-381,800	1,116,870
Lettable Halls	-560	-3,020	7,830	-10,900	-3,070
Community Halls	72,450	77,780	92,740	-16,710	76,030
Leisure Centre	-223,600	-222,060	19,950	-200,000	-180,050
Cobtree Golf Course	-53,300	-53,220	0	-35,000	-35,000
Recreation & Sport Total	-205,010	-200,520	120,520	-262,610	-142,090
Tourism	18,750	25,520	41,720	-15,450	26,270
Museum Shop	-18,670	-18,670	26,420	-45,530	-19,110
Leisure Services Other Activities	34,440	34,440	5,420		5,420
Tourism Total	34,520	41,290	73,560	-60,980	12,580
Heritage, Culture & Leisure	1,333,460	1,662,160	3,729,340	-2,440,030	1,289,310

HERITAGE, CULTURE & LEISURE COMMITTEE

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	246,470	236,180	247,880
Employee Direct	2,201,160	2,103,500	2,072,300
Employee Other	43,240	57,530	55,260
Equipment & Furniture	97,860	108,250	77,400
Fees & Charges	-1,690,140	-1,706,420	-1,652,970
General Insurances	39,520	39,850	39,950
Grants & Contributions Paid	16,930	39,670	17,470
Grants & Contributions Received	0	-101,260	0
Income Other	-1,312,140	-1,007,425	-695,090
Information & Communications	31,220	37,260	40,930
Leasing & Capital Charges	31,220	0	0
Premises Other	344,710	379,330	232,540
Printing & Stationery	7,720	6,370	4,750
Professional Services	158,860	166,940	119,470
Rent	-268,080	-289,940	-91,970
Repairs & Maintenance	556,920	570,945	264,160
Security & Protection	11,000	13,880	0
Subsistence & Training	1,500	4,410	500
Supplies & Services Other	562,290	612,940	259,170
Utilities	234,260	234,260	145,990
Vehicle & Transport	18,940	155,890	151,570
Heritage, Leisure & Culture	1,333,460	1,662,160	1,289,310

MAIDSTONE BOROUGH COUNCIL REVENUE ESTIMATES

REVISED ESTIMATE 2018/19 AND ESTIMATE 2019/20

PRIORITY SUMMARY

Cost Centre/Service	Original Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Safe, Clean and Green	6,058,850	6,307,550	6,203,140
Homes and Communities	2,055,500	2,663,820	1,997,660
Thriving Place	1,444,240	1,734,840	1,239,230
Embracing Growth and Enabling Infrastructure	-1,227,240	-802,090	-1,417,670
Central and Democratic	7,237,360	7,318,428	6,493,710
	15,568,710	17,222,548	14,516,070
Slippage	-395,904		
	15,172,806	17,222,548	14,516,070
Transfers to and from General Balances	10,000	10,000	10,000
Transfers to and from Earmarked Reserves	4,179,310	2,129,568	5,949,068
Net Revenue Expenditure	19,362,116	19,362,116	20,475,138

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20 (Expenditure)	Estimate 2019/20 (Income)	Estimate 2019/20
	£	£	£	£	£
Safe, Clean and Green					
Mote Park Adventure Zone	-57,000	-56,850	1,450	-114,000	-112,550
Parks & Open Spaces	750,810	920,390	943,910	-54,430	889,480
Playground Maintenance & Improvements	134,330	125,050	144,080	0	144,080
Parks Pavilions	25,400	24,410	25,010	-10	25,000
Mote Park	187,420	204,190	262,720	-54,280	208,440
Mote Park Cafe	-50,930	-48,390	41,980	-91,550	-49,570
Cobtree Manor Park	-56,030	-15,630	67,530	-67,530	0
Kent Life	-17,650	-17,490	0	0	0
Cobtree Manor Park Visitor Centre	-27,330	-66,580	0	0	0
Allotments	11,260	11,530	11,990		11,990
Cemetery	41,550	39,620	186,430	-143,000	43,430
National Assistance Act	-470	-470	2,080	-2,560	-480
Crematorium	-758,790	-777,750	465,700	-1,252,130	-786,430
Maintenance of Closed Churchyards	5,000	5,680	5,700		5,700
Community Safety	42,770	49,560	44,150		44,150
Police & Crime Commissioner	0	0	30,640	-30,640	0
C C T V	193,310	198,650	229,230	-21,100	208,130
Drainage	31,720	31,720	31,740		31,740
Licences	-3,680	-5,830	23,630	-28,890	-5,260
Licensing Statutory	-69,990	-67,840	75,320	-141,320	-66,000
Licensing Non Chargeable	7,350	7,350	7,530		7,530
Dog Control	24,710	27,975	32,465	-3,900	28,565
Health Improvement Programme	8,980	8,980	9,160		9,160
Pollution Control - General	27,380	263,070	35,520	-9,360	26,160
Contaminated Land	20	20	1,040	-1,000	40
Waste Crime	33,800	66,970	106,980	-98,080	8,900
Food Hygiene	9,050	9,050	11,900	-2,620	9,280
Sampling	3,370	3,370	3,440		3,440
Occupational Health & Safety	24,150	48,230	31,130	-6,370	24,760
Infectious Disease Control	980	1,030	1,030		1,030
Noise Control	1,200	1,200	1,200		1,200
Pest Control	-11,970	-11,970	160	-12,360	-12,200
Public Conveniences	137,400	161,400	160,470		160,470
Licensing - Hackney & Private Hire	-66,050	-66,050	74,640	-139,020	-64,380
Street Cleansing	952,610	1,127,430	1,202,550	-16,140	1,186,410
Household Waste Collection	1,161,100	1,122,490	1,332,760	-149,680	1,183,080
Commercial Waste Services	-70,970	-68,140	163,940	-228,170	-64,230
Recycling Collection	713,630	694,930	2,028,250	-1,315,680	712,570
Medway Conservancy	115,400	115,400	115,400		115,400
Head of Environment and Public Realm	92,090	94,580	97,660		97,660
Bereavement Services Section	153,490	177,000	180,630		180,630
Community Partnerships & Resilience Section	473,340	529,870	502,430		502,430
Licensing Section	107,050	106,130	108,490		108,490
Environmental Protection Section	240,820	240,410	246,420		246,420
Food and Safety Section	249,630	249,140	255,370		255,370
Depot Services Section	653,460	663,520	730,450	-39,310	691,140
Fleet Workshop & Management	679,010	267,905	274,955		274,955
MBS Support Crew	-70,780	-63,250	114,050	-175,250	-61,200
Grounds Maintenance - Commercial	26,900	-24,460	150,730	-172,520	-21,790
Safe, Clean and Green	6,058,850	6,307,550	10,574,040	-4,370,900	6,203,140

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	4,038,220	4,007,330	4,212,180
Employee Direct	3,734,770	3,804,720	3,844,790
Employee Other	48,550	41,250	34,650
Equipment & Furniture	380,950	438,820	387,110
Fees & Charges	-2,641,080	-2,738,060	-2,750,610
General Insurances	14,760	15,110	14,550
Grants & Contributions Paid	20,880	252,420	26,060
Grants & Contributions Received	-32,250	-38,140	-30,640
Income Other	-1,829,380	-1,677,775	-1,531,990
Information & Communications	34,970	29,450	29,880
Leasing & Capital Charges	223,630	0	0
Premises Other	282,870	280,690	268,090
Printing & Stationery	13,910	13,360	12,900
Professional Services	238,400	287,960	224,680
Rent	-84,000	-102,530	-57,660
Repairs & Maintenance	350,420	368,575	270,030
Security & Protection	21,440	79,000	46,680
Subsistence & Training	1,200	2,950	200
Supplies & Services Other	613,240	517,620	484,470
Utilities	255,340	253,070	242,730
Vehicle & Transport	372,010	471,730	475,040
Safe, Clean and Green	6,058,850	6,307,550	6,203,140

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20 (Expenditure)	Estimate 2019/20 (Income)	Estimate 2019/20
	£	£	£	£	£
Homes & Communities					
Social Inclusion	0	5,100	0		0
Public Health - Misc Services	0	2,380	0	0	0
Grants	195,270	195,270	184,270		184,270
Delegated Grants	2,100	2,100	2,100		2,100
Parish Services	127,320	127,320	127,320		127,320
Members Community Grants	0	60,000	60,000		60,000
Parks Dwellings	-50,890	-42,250	34,280	-77,700	-43,420
Chillington House	-24,830	-24,540	8,800	-34,000	-25,200
Granada House - Residential	-106,070	-105,900	1,450	-189,150	-187,700
Strategic Housing Role	13,770	64,790	14,040		14,040
Housing Register & Allocations	10,200	10,200	10,400		10,400
Private Sector Renewal	-47,320	-47,320	2,730	-50,000	-47,270
HMO Licensing	-14,380	-14,380		-20,380	-20,380
Homeless Temporary Accommodation	559,030	589,030	912,900	-336,070	576,830
Homelessness Prevention	284,640	515,950	261,760	0	261,760
Predictive Analysis and Preventing Homelessn	0	0	0		0
Aylesbury House	42,070	36,930	71,680	-69,140	2,540
Magnolia House	-2,220	-8,220	31,480	-49,760	-18,280
St Martins House	0	0	1,640	-1,640	0
Marsham Street	46,720	4,370	77,020	-42,070	34,950
Sundry Temporary Accommodation (TA) Properties	-19,630	-33,310	16,560	-50,930	-34,370
Pelican Court (Leased TA Property)	0	1,150	0	0	0
2 Bed Property - Temporary Accommodation	-11,150	-28,330	37,970	-104,130	-66,160
3 Bed Property - Temporary Accommodation	-9,800	-16,630	23,750	-89,340	-65,590
4 bed Property - Temporary Accommodation	-9,400	-17,770	8,020	-25,660	-17,640
1 Bed Property- Temporary Accommodation	0	100	3,660	-3,520	140
Housing First Project	0	80,000	0	0	0
Marden Caravan Site (Stilebridge Lane)	18,990	19,010	48,610	-29,510	19,100
Ulcombe Caravan Site (Water Lane)	6,880	6,900	45,670	-38,690	6,980
Homechoice	199,990	197,380	250,340	-44,200	206,140
Housing & Inclusion Section	555,420	556,500	697,680	-180,150	517,530
Housing & Health Section	288,790	291,940	252,770	0	252,770
Housing Management	0	194,360	246,800		246,800
Homelessness Outreach	0	41,690	0	0	0
Homes & Communities	2,055,500	2,663,820	3,433,700	-1,436,040	1,997,660

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	116,640	102,580	31,850
Employee Direct	984,690	1,527,370	1,370,020
Employee Other	20,000	39,340	24,880
Equipment & Furniture	2,440	12,930	8,440
Fees & Charges	-82,580	-82,580	-88,580
General Insurances	90	150	120
Grants & Contributions Paid	331,320	355,580	323,000
Grants & Contributions Received	-202,300	-1,025,740	-274,350
Income Other	-23,180	-38,570	-26,700
Information & Communications	15,820	15,820	16,140
Premises Other	99,830	195,060	129,010
Printing & Stationery	150	160	150
Professional Services	946,800	1,033,690	937,300
Rent	-798,930	-914,290	-1,046,410
Repairs & Maintenance	164,010	226,620	211,880
Security & Protection	0	32,130	0
Subsistence & Training	0	11,220	0
Supplies & Services Other	427,900	1,087,610	318,770
Utilities	37,350	54,590	40,430
Vehicle & Transport	15,450	30,150	21,710
Homes and Communities	2,055,500	2,663,820	1,997,660

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20 (Expenditure)	Estimate 2019/20 (Income)	Estimate 2019/20
	£	£	£	£	£
Thriving Place					
Cultural Development Arts	14,800	13,450	13,720		13,720
Museum	277,530	309,020	58,720	-94,300	-35,580
Carriage Museum	35,060	28,680	5,290	-1,600	3,690
Museum-Grant Funded Activities	0	50,880	0	0	0
Museum Cafe	-3,460	-2,640	2,370	-5,130	-2,760
Hazlitt Arts Centre	267,680	267,880	279,460		279,460
Festivals and Events	-12,920	-20,560	29,050	-50,030	-20,980
Lettable Halls	-560	-3,020	7,830	-10,900	-3,070
Community Halls	72,450	77,780	92,740	-16,710	76,030
Leisure Centre	-223,600	-222,060	19,950	-200,000	-180,050
Cobtree Golf Course	-53,300	-53,220	0	-35,000	-35,000
Tourism	18,750	25,520	41,720	-15,450	26,270
Museum Shop	-18,670	-18,670	26,420	-45,530	-19,110
Leisure Services Other Activities	34,440	34,440	5,420		5,420
Sandling Road Site	0	16,650	17,220		17,220
Business Support & Enterprise	0	20,970	0		0
Town Centre Management Sponsorship	0	14,340	0	0	0
Business Terrace	73,220	72,970	171,140	-94,410	76,730
Business Terrace Expansion	440	23,880	72,880	-71,980	900
Market	-136,080	-132,360	96,030	-164,090	-68,060
Economic Dev - Promotion & Marketing	630	105,140	5,010	-3,500	1,510
Leisure Services Section	53,810	50,320	52,600	-21,800	30,800
Cultural Services Section	501,790	502,680	522,170		522,170
Visitor Economy Section	87,800	111,800	111,240	0	111,240
Economic Development Section	278,630	278,510	292,800	-13,630	279,170
Market Section	76,880	77,050	79,290		79,290
Head of Economic and Commercial Development	98,920	105,410	90,920	-10,700	80,220
Thriving Place	1,444,240	1,734,840	2,093,990	-854,760	1,239,230

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	249,920	249,930	261,970
Employee Direct	1,084,010	1,130,570	1,091,700
Employee Other	-6,640	21,810	19,900
Equipment & Furniture	36,600	58,560	32,680
Fees & Charges	-358,000	-357,600	-357,600
General Insurances	30,640	29,950	30,680
Grants & Contributions Paid	14,990	20,660	15,910
Grants & Contributions Received	0	-93,760	0
Income Other	-570,920	-582,350	-462,850
Information & Communications	28,950	36,320	38,510
Premises Other	320,530	378,740	249,670
Printing & Stationery	7,790	6,990	6,090
Professional Services	81,700	158,780	62,830
Rent	-184,080	-187,410	-34,310
Repairs & Maintenance	306,920	299,750	98,550
Security & Protection	0	2,880	0
Subsistence & Training	800	12,910	800
Supplies & Services Other	247,920	391,200	106,870
Utilities	133,370	133,370	58,940
Vehicle & Transport	19,740	23,540	18,890
Thriving Place	1,444,240	1,734,840	1,239,230

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20 (Expenditure)	Estimate 2019/20 (Income)	Estimate 2019/20
	£	£	£	£	£
Embracing Growth and Enabling Infrastructure					
Building Regulations Chargeable	-320,030	-320,030	6,960	-331,850	-324,890
Building Control	-1,020	-1,020	2,050	-3,080	-1,030
Street Naming & Numbering	-49,000	-49,000		-69,000	-69,000
Development Control Advice	-115,000	-73,460	83,920	-151,300	-67,380
Development Control Applications	-1,433,740	0	0	0	0
Development Control Appeals	121,800	121,800	124,240		124,240
Development Control Majors	0	-681,880	20,540	-716,150	-695,610
Development Control - Other	0	-836,900	6,090	-842,910	-836,820
Development Control Enforcement	165,810	67,030	67,130	0	67,130
Planning Policy	200,000	252,340	196,320		196,320
Neighbourhood Planning	0	75,000	0		0
Conservation	-11,470	-11,470	4,130	-15,600	-11,470
Town Centre Opportunity Area Project	0	80,000	0		0
Community Environmental Engagement	0	90,000	0		0
Land Charges	-299,200	-298,370	38,090	-335,550	-297,460
Environment Improvements	16,450	17,440	17,460		17,460
Name Plates & Notices	17,950	17,950	18,310		18,310
On Street Parking	-288,460	-364,420	405,010	-755,830	-350,820
Residents Parking	-222,090	-263,040	88,510	-347,750	-259,240
Pay & Display Car Parks	-1,750,250	-1,776,660	499,210	-2,412,520	-1,913,310
Non Paying Car Parks	9,990	10,590	10,920	-10	10,910
Off Street Parking - Enforcement	-159,970	-74,930	120,620	-190,220	-69,600
Mote Park Pay & Display	-174,380	-174,390	32,110	-206,380	-174,270
Sandling Road Car Park	-111,500	-680	155,400	-152,530	2,870
Park & Ride	197,230	236,930	547,720	-367,740	179,980
Socially Desirable Buses	48,130	48,130	32,590		32,590
Other Transport Services	-9,550	-9,550	25,850	-36,110	-10,260
Development Management Section	864,420	911,850	912,110	0	912,110
Spatial Policy Planning Section	396,470	331,150	361,860		361,860
Head of Planning and Development	104,430	140,180	106,420		106,420
Development Management Enforcement Section	169,160	264,280	174,220		174,220
Building Surveying Section	367,640	365,620	374,880		374,880
Mid Kent Planning Support Service	434,460	420,970	614,510	-217,190	397,320
Heritage Landscape and Design Section	175,700	173,160	184,000		184,000
Planning Business Management	72,220	135,740	142,160	-5,000	137,160
Mid Kent Local Land Charges Section	32,930	46,180	139,260	-107,520	31,740
Parking Services Section	323,630	327,370	448,680	-114,710	333,970
Embracing Growth and Enabling Infrastructure	-1,227,240	-802,090	5,961,280	-7,378,950	-1,417,670

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	601,690	577,230	602,330
Employee Direct	3,131,280	3,132,770	3,176,390
Employee Other	-51,510	82,910	121,280
Equipment & Furniture	76,480	76,890	78,160
Fees & Charges	-6,377,620	-6,745,000	-6,445,640
General Insurances	9,470	11,040	11,470
Grants & Contributions Paid	65,820	124,720	50,030
Grants & Contributions Received	-465,040	-436,830	-455,420
Income Other	-277,270	-110,190	-102,980
Information & Communications	500	190	190
Premises Other	255,980	285,130	293,170
Printing & Stationery	36,220	30,080	29,930
Professional Services	675,400	706,690	547,540
Rent	-7,030	-7,030	-7,170
Repairs & Maintenance	192,650	201,730	201,780
Security & Protection	172,420	102,190	73,870
Subsistence & Training	2,590	24,120	2,630
Supplies & Services Other	208,660	583,330	301,940
Utilities	14,350	14,350	15,790
Vehicle & Transport	507,720	543,590	87,040
Embracing Growth and Enabling Infrastructure	-1,227,240	-802,090	-1,417,670

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20 (Expenditure)	Estimate 2019/20 (Income)	Estimate 2019/20
	£	£	£	£	£
Central & Democratic					
Civic Occasions	36,390	41,440	42,310		42,310
Members Allowances	371,000	371,000	379,970		379,970
Members Facilities	39,940	39,940	40,520		40,520
Subscriptions	7,390	0	0		0
Contingency	248,210	147,000	183,420	0	183,420
Performance & Development	9,240	7,350	7,480		7,480
Corporate Projects	40,450	93,880	40,450		40,450
Press & Public Relations	30,990	34,840	35,450	0	35,450
Corporate Management	102,060	103,430	92,380		92,380
Mid Kent Improvement Partnership	560	700	50,710	-49,960	750
Unapportionable Central Overheads	1,777,370	1,766,000	1,783,370		1,783,370
Council Tax Collection	-301,440	-371,640	89,240	-459,840	-370,600
Council Tax Collection – Non Pooled	0	57,230	57,780	0	57,780
Council Tax Benefits Administration	-158,480	-152,120		-152,120	-152,120
NNDR Collection	-233,850	-244,990	7,800	-252,710	-244,910
NNDR Collection – Non Pooled	0	79,510	7,840		7,840
MBC-BID	0	0	16,920	-16,920	0
Registration Of Electors	46,740	79,390	50,130	-2,340	47,790
Elections	116,870	116,870	164,340	-430	163,910
Emergency Centre	32,960	32,960	33,140		33,140
External Interest Payable	231,610	231,610	310,310		310,310
Interest & Investment Income	-100,000	-100,000		-100,000	-100,000
Palace Gatehouse	-7,650	-5,100	5,000	-10,300	-5,300
Archbishops Palace	-99,750	-96,540	42,890	-141,280	-98,390
Parkwood Industrial Estate	-316,690	-303,510	13,200	-323,050	-309,850
Industrial Starter Units	-22,920	-27,980	23,760	-52,710	-28,950
Parkwood Equilibrium Units	-59,230	-70,450	51,420	-123,470	-72,050
Sundry Corporate Properties	-299,160	-200,740	57,890	-402,750	-344,860
Phoenix Park Units	-216,870	-229,900	19,160	-253,480	-234,320
Granada House - Commercial	-111,980	-104,590	12,760	-120,530	-107,770
Heronden Road Units	-151,430	-152,130	11,950	-165,120	-153,170
Boxmend Industrial Estate	0	-100,740	15,350	-118,180	-102,830
Lockmeadow Complex	0	0	81,020	-148,870	-67,850
Lenworth House	0	1,360	3,770		3,770
Non Service Related Government Grants	-3,218,600	-3,051,325	0	-3,880,840	-3,880,840
Rent Allowances	-222,790	-161,160	43,016,890	-43,178,050	-161,160
Non HRA Rent Rebates	-4,550	-6,710	664,010	-670,720	-6,710
Discretionary Housing Payments	1,210	1,680	349,290	-347,610	1,680
Housing Benefits Administration	-337,220	-389,520	14,000	-403,520	-389,520
Democratic Services Section	162,090	158,560	165,270		165,270
Mayoral & Civic Services Section	105,390	106,580	109,550		109,550
Chief Executive	173,810	173,320	176,790		176,790
Communications Section	198,340	195,600	201,770	-1,900	199,870
Policy & Information Section	220,470	249,060	222,100		222,100
Head of Policy and Communications	107,230	108,730	109,290		109,290
Revenues Section	439,660	460,410	792,800	-317,560	475,240
Benefits Section	438,030	0	0	0	0
Fraud Section	52,290	0	0	0	0
Head of Revenues & Benefits	65,810	0	0	0	0
Revenues & Benefits Business Support	134,870	0	0	0	0
Registration Services Section	134,040	137,620	137,300		137,300
Head of Housing & Community Services	104,760	106,020	106,750		106,750
Benefits Section	0	447,230	722,570	-274,230	448,340
Fraud Section	0	64,503	226,010	-183,680	42,330
Mid Kent Audit Partnership	205,960	212,770	719,150	-507,710	211,440
Director of Finance & Business Improvement	137,330	136,450	139,180		139,180
Accountancy Section	684,750	708,900	730,640	-14,580	716,060
Legal Services Section	491,030	491,030	571,140	-60,000	511,140
Director of Regeneration & Place	136,570	136,460	139,230	-1,600	137,630
Procurement Section	72,040	157,400	171,610	-37,300	134,310
Property & Projects Section	258,710	455,650	410,280	-9,800	400,480
Facilities & Corporate Support Section	418,910	260,860	266,140		266,140
Improvement Section	251,170	340,930	347,470	-25,000	322,470
Executive Support Section	159,900	160,330	164,330		164,330
Head of Commissioning and Business Improvement	126,130	93,030	101,470		101,470
Mid Kent ICT Services	693,220	691,240	1,491,180	-955,290	535,890
GIS Section	104,900	104,910	181,460	-72,570	108,890
Customer Services Section	599,020	641,460	638,860		638,860
Director of Mid Kent Services	38,340	40,440	128,210	-85,440	42,770
Mid Kent HR Services Section	378,930	379,020	641,160	-254,190	386,970
MBC HR Services Section	208,980	93,220	178,610	-530	178,080

Cost Centre/Service	Original Approved Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20 (Expenditure)	Estimate 2019/20 (Income)	Estimate 2019/20
	£	£	£	£	£
Central & Democratic					
Head of Revenues & Benefits	0	61,660	101,240	-36,170	65,070
Revenues & Benefits Business Support	0	150,810	382,690	-228,770	153,920
Dartford HR Services Section	0	-18,510	53,230	-70,830	-17,600
Salary Slippage P&R Committee	0	-221,740	-246,520		-246,520
Salary Slippage SPST Committee	0	-73,530	-81,380		-81,380
Salary Slippage CHE Committee	0	-93,100	-98,600		-98,600
Salary Slippage HCL Committee	0	-49,520	-53,890		-53,890
Town Hall	86,390	94,420	102,620	-3,990	98,630
South Maidstone Depot	136,770	169,160	140,600		140,600
The Link	108,210	99,530	345,550	-243,890	101,660
Maidstone House	1,115,110	1,121,130	1,282,500	-135,530	1,146,970
Museum Buildings	0	15,650	299,270	-1,110	298,160
I.T. Operational Services	244,330	267,930	326,900		326,900
Central Telephones	61,400	61,400	14,620		14,620
Mid Kent ICT Software	187,420	187,420	532,260	-334,400	197,860
Youth Development Programme	48,450	41,440	48,630	-170	48,460
Internal Printing	-86,270	-86,270	50,850	-83,670	-32,820
Debt Recovery Service	-148,450	-8,600	970,140	-980,310	-10,170
Debt Recovery MBC Profit Share	0	-129,210		-127,100	-127,100
Appropriation Account	950,940	979,580	978,880		978,880
Central & Democratic	7,237,360	7,318,428	62,915,830	-56,422,120	6,493,710

SUMMARY ESTIMATE 2019/20 - BY PRIORITY

Subjective Analysis	Original Approved Estimate 2018/19 £	Revised Estimate 2018/19 £	Estimate 2019/20 £
Agency & Contractor	879,850	1,087,300	1,028,180
Allowances	360,910	360,910	369,920
Benefits	45,471,150	44,030,190	44,030,190
Employee Direct	9,154,140	8,773,160	8,859,240
Employee Other	1,750,520	2,083,273	1,949,720
Equipment & Furniture	1,104,140	1,143,150	1,156,400
Fees & Charges	-938,390	-1,096,140	-1,049,300
General Insurances	14,040	15,700	15,850
Grants & Contributions Paid	345,710	351,080	425,630
Grants & Contributions Received	-52,957,960	-51,485,785	-52,198,610
Income Other	-1,116,700	-1,556,110	-1,159,330
Information & Communications	5,840	4,240	4,310
Leasing & Capital Charges	987,370	979,580	978,880
Premises Other	1,341,840	1,363,170	1,495,800
Printing & Stationery	141,360	165,240	149,210
Professional Services	585,910	633,680	461,680
Rent	-1,653,130	-1,669,670	-2,014,880
Repairs & Maintenance	346,960	388,980	556,340
Security & Protection	36,150	37,850	38,590
Subsistence & Training	161,940	117,870	172,930
Supplies & Services Other	791,090	1,135,810	690,870
Utilities	273,940	273,170	349,350
Vehicle & Transport	150,680	181,780	182,740
Central and Democratic	7,237,360	7,318,428	6,493,710

**Maidstone Borough Council
Medium Term Financial Strategy 2018/19**

Estimate of General Fund Balances to 31 March 2019

	Unallocated General Fund	Commercial Risk	Invest to Save	Contingency for Future Funding Pressures	Earmarked Reserves	Grand Total
	£,000	£,000	£,000		£,000	£,000
Balance as at 31st March 2018	8,503	500	500	0	2,418	11,921
2017/18 Carry Forwards Used in 2018/19	-1,486	0	0	0	0	-1,486
Movement in balances during 2018/19	-418	0	0	0	-1,196	-1,614
Estimated Balance as at 31 March 2019	6,599	500	500	0	1,222	8,821
Expected movement in balances during 2019/20	0	0	-30	1589	204	1763
Estimated Balance as at 31 March 2020	6,599	500	470	1,589	1,426	10,584

Estimate of Earmarked Reserves to 31 March 2020

	31/03/2018	Movement in 2018/19	Est. Balance at 31/3/19	Est. Movement in 2019/20	Est. Balance at 31/3/20
	£,000	£,000	£,000	£,000	£,000
Capital Support	1,404	-1,404	0	0	0
Local Plan Review	200	200	400	200	600
Neighbourhood Planning	70	-30	40	-40	0
Business Rates Reserve (50% Pool)	692	-457	235	520	755
Trading Accounts	51	19	70	0	70
Business Rates Pilot	0	476	476	-476	0
Total	2,418	-1,196	1,222	204	1,426

ESTIMATED CAPITAL PROGRAMME RESOURCES 2019/20 - 2023/24

Source of Funding	Estimate					Total £000
	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	
Contribution from Earmarked Reserve (New Homes Bonus)	3,881	0	0	0	0	3,881
Capital Grants (Disabled Facilities)	800	800	800	800	800	4,000
External Capital Grants	810	5,006	0	0	0	5,816
S 106	201	280	63	754	60	1,358
Internal Borrowing	9,650	0	0	0	0	9,650
Prudential Borrowing	7,780	12,820	12,820	11,084	11,020	55,524
TOTAL	23,122	18,906	13,683	12,638	11,880	80,229

PROPOSED FIVE YEAR CAPITAL PROGRAMME 2019/20 - 2023/24

	18/19	Five Year Plan					Total
	Projected £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	
Purchase of Lenworth House	2,228						
Brunswick Street - Net Cost of Scheme	1,641	2,779	-100				2,679
Union Street - Net Cost of Scheme	917	1,887	-1,843				44
Indicative Schemes		4,124	5,426	3,750	3,750		17,050
Housing Delivery Partnership				3,750	3,750	7,500	15,000
Housing - Disabled Facilities Grants Funding	1,348	800	800	800	800	800	4,000
Temporary Accommodation	4,683	3,000					3,000
Housing Incentives	1,041	175	175	175	175	175	875
Gypsy Site Improvement Works		42					42
Commercial Waste	180						
Street Scene Investment	151	25	25				50
Flood Action Plan		1,000	63				1,063
Sub-total Communities, Housing & Environment	12,189	13,832	4,546	8,475	8,475	8,475	43,804
Continued Improvements to Play Areas	574						
Commercial Projects - Crematorium Projects	416	40					40
Commercial Projects - Cemetery Chapel Repairs		100	130				230
Commercial Projects - Mote Park Adventure Zone	1,957						
Mote Park Improvements	391						
Mote Park Visitor Centre	150	2,090					2,090
Mote Park Lake - Dam Works	200	200	1,650	100			1,950
Other Parks Improvements	100						
Museum Development Plan	25		125	200	64		389
Sub-total Heritage, Culture & Leisure	3,814	2,430	1,905	300	64		4,699
High Street Regeneration	2,830						
Asset Management / Corporate Property	844	1,115	467	175	175	175	2,107
Feasibility Studies	74	50	50	50	50	50	250
Infrastructure Delivery	600	600	600	600	600	600	3,000
Software / PC Replacement	159	124	287				411
Digital Projects		20	20	20	20	20	100
Acquisition of Commercial Assets	2,354	2,500	2,500	2,500	2,500	2,500	12,500
Kent Medical Campus - Innovation Scheme	150	750	8,250	1,500			10,500
Maidstone East/Sessions Square	552						
Sub-total Policy & Resources	7,564	5,159	12,174	4,845	3,345	3,345	28,868
Mall Bus Station Redevelopment		1,500					1,500
Bridges Gyratory Scheme	228						
Sub-total Strategic Planning, Sustainability & Transportation	228	1,500					1,500
Sub-Total	23,795	22,921	18,625	13,620	11,884	11,820	78,871
Section 106 Contributions	191	201	280	63	754	60	1,358
TOTAL	23,986	23,122	18,905	13,683	12,638	11,880	80,229

MAIDSTONE BOROUGH COUNCIL
MEDIUM TERM FINANCIAL STRATEGY
2019/20 – 2023/24

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1. OVERVIEW AND SUMMARY OF MEDIUM TERM FINANCIAL STRATEGY

Background

- 1.1 The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Council will deliver its Strategic Plan over the next five years. The Council has developed a new Strategic Plan, intended to take the place of the previous 2015-2020 Strategic Plan, which describes and prioritises our corporate objectives. The MTFS sets out how these objectives will be delivered, given the resources available.
- 1.2 Resources depend first of all on the broad economic environment. The combination of relatively slow economic growth and pressure on government expenditure from other areas of the public sector means that the Council cannot rely on government support to increase spending, and in the worst case may have to cut back. To the extent that it wishes to increase spending, it is likely to have to rely on self-generated resources.
- 1.3 Most of the Council's income already comes from Council Tax and other local sources, including parking, planning fees and property income. This relative self-sufficiency provides a level of reassurance, but there is considerable uncertainty about the position for 2020/21 onwards. The Government offered a four year funding settlement to local authorities in 2016, covering the years 2016/17 to 2019/20, but after this the position is very uncertain.
- 1.4 Capital investment faces a different set of constraints. As set out in section 4 below, funds have been set aside for capital investment and further funding is available, in principle, through prudential borrowing. The challenge is to ensure that capital investment delivers against the Council's priorities, providing the required return on investment for the community.

Financial Projections

- 1.5 The strategic revenue projections underlying the current MTFS suggested that a small budget gap, having taken account of savings already planned, would arise in 2019/20, increasing to £1.5 million by the end of the five year period, as follows. The projections were based on a 'neutral' scenario.

Table 1: Current MTFS Revenue Projections 2018/19 – 2022/23

	18/19	19/20	20/21	21/22	22/23
	£m	£m	£m	£m	£m
Total Funding Available	38.8	38.6	38.1	38.2	39.1
Predicted Expenditure	40.3	39.8	40.1	39.6	39.6
Budget Gap	1.5	1.2	2.0	1.4	0.5
Required Savings – Cumulative	1.5	2.7	4.7	6.1	6.6

Savings identified - Cumulative	1.6	2.6	3.6	4.5	5.1
Still to be identified	-0.1	0.1	1.1	1.6	1.5

- 1.6 It is important to note that projections like these can only represent a best estimate of what will happen. In updating the projections, various potential scenarios have been modelled – adverse, neutral and favourable.
- 1.7 In accordance with legislative requirements the Council must set a balanced budget. Under the 'neutral' scenario there will be a budget gap from 2020/21 onwards, and in the 'adverse' scenario from 2019/20 onwards. The MTFS sets out a proposed approach that seeks to address this.

2. NEW STRATEGIC PLAN

2.1 The Council has developed a new Strategic Plan, intended to take the place of the previous 2015-2020 Strategic Plan. The development of a new Strategic Plan was brought forward in order to inform the refresh of the Local Plan, which sets out the framework for development in the borough and is due to be completed by April 2022. The new Strategic Plan likewise informs the whole range of other Council strategies and policies.

2.2 The new Strategic Plan went through a thorough process of discussion and refinement over the period June – October 2018 and was approved by Council on 12 December 2018. It sets out four objectives, as follows:

- Safe, Clean and Green
- Homes and Communities
- A Thriving Place
- Embracing Growth and Enabling Infrastructure.

The purpose of the MTFS is to describe the how the outcomes associated with these objectives can be delivered, given the financial resources available to the Council, and bearing in mind the prioritisation of objectives. 'Financial resources' include both revenue resources, for day-to-day expenditure, and capital resources, for one-off investment that will deliver benefits over more than a year.

2.3 Resources are described below in section 4 of the MTFS. It will be seen that there are constraints on the funding available for the revenue budget, and there are in any case service pressures which must be accommodated. This implies a process of matching resources against the objectives in the Strategic Plan.

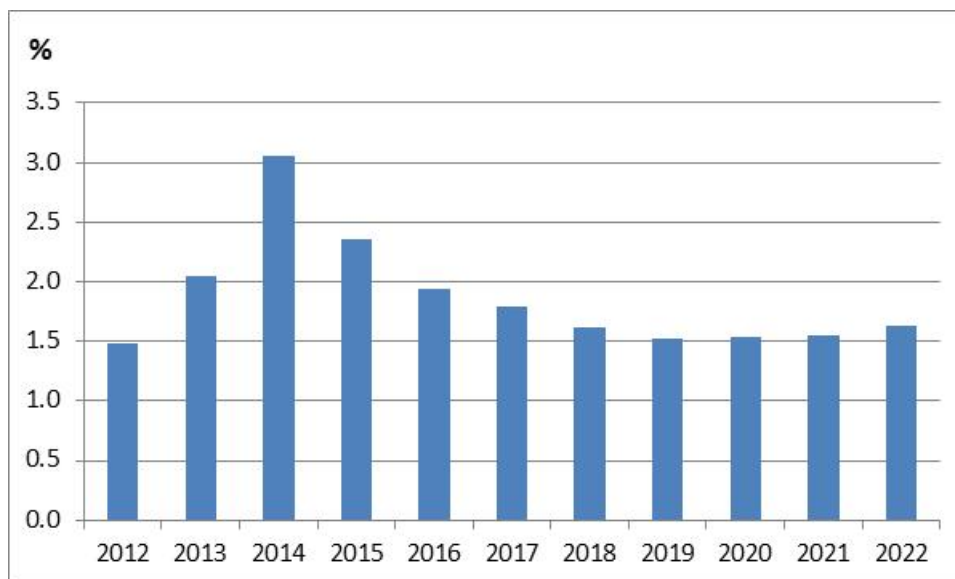
2.4 Capital investment is funded from the New Homes Bonus, borrowing and third party contributions such as Section 106 payments on new developments. The constraints in this case are different from those facing revenue expenditure, because the current local authority funding regime does not set cash limits for borrowing. However, borrowing must be sustainable in terms of the Council's ability to fund interest payments and ultimately repayment of capital. Capital investment plans also depend on having the capacity, in terms of internal resources, to develop projects, work effectively with partners, and secure third party funding.

3. NATIONAL CONTEXT

Economic Outlook 2019 – 2024

- 3.1 The national economy continues to grow, although at a modest rate by historical standards. There was a temporary slowdown in quarter 1 of 2018, but this has now been reversed. The Bank of England expects growth to continue at a rate of between 1.5% - 2% in the medium term.
- 3.2 The Bank expects that growth will be significantly influenced by the reaction of consumers and businesses to EU withdrawal in 2019. This is important, because consumer spending in particular is an important driver of economic growth. Consumer spending continued to grow after the EU referendum in 2016, thus averting the gloomiest predictions about its effects. Whilst this pattern may continue if there is an orderly exit from the EU, there is a risk that the shock from a 'no-deal' exit could impact consumer spending and lead to a downturn in growth.

Figure 1: Real UK gross domestic product (GDP) growth rate

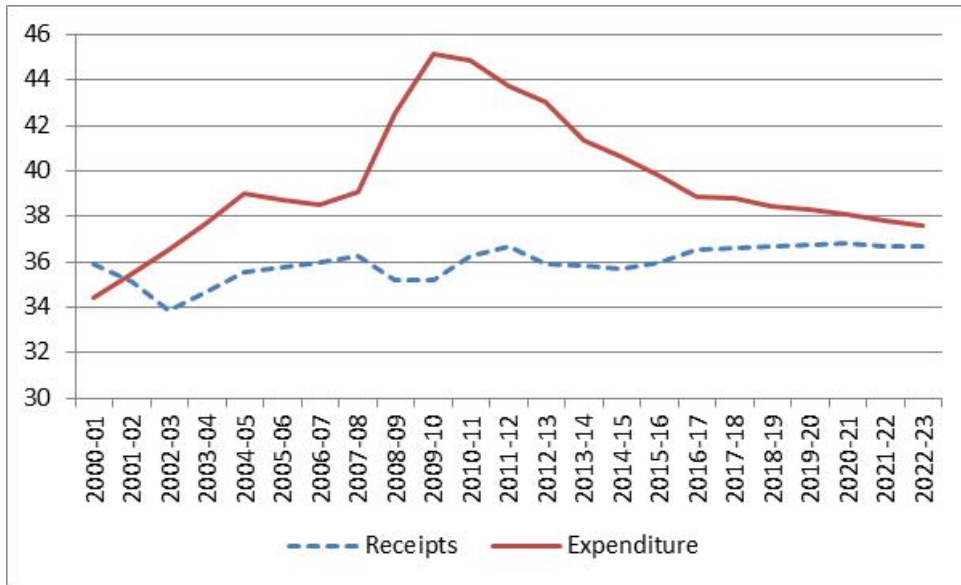


- 3.3 Consumer Price Inflation (CPI) is currently 2.0%, for the year to December 2019, in line with the Bank of England's target rate of 2%. The Bank increased interest rates by 0.25% in August, believing that a modest tightening of monetary policy was needed to return inflation to its target.

Public Finances

- 3.4 Following the financial crisis of 2008 and the demands that it placed on public finances, successive governments have reduced the public sector deficit through an explicit policy of austerity. This has brought public expenditure down to a similar level as a proportion of national income to that in 2007/08, immediately before the financial crisis.

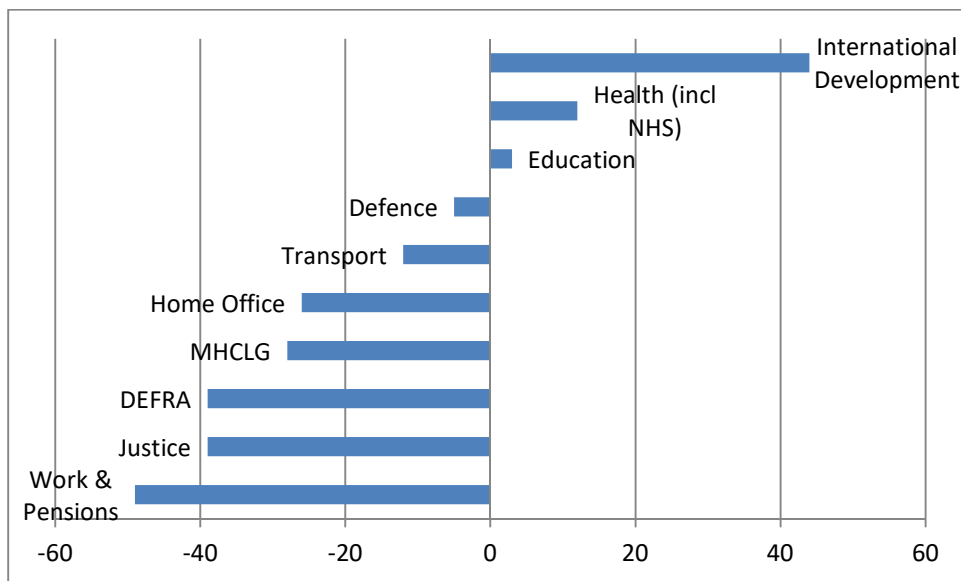
Figure 2: Tax and Spend as a percentage share of national income



The pressure to increase spending, particularly on the NHS and social care, has grown over the past few years. This has led to an overwhelming demand for an end to austerity. It is hard to see how central government can address this pressure without either increasing taxes or borrowing to fund a renewed growth in the deficit.

- 3.5 Within the overall reduction in public expenditure, there has been a widely disparate pattern between different government departments.

Figure 3: Planned real change to Departmental Expenditure Limits 2010-11 – 2019-20 (per cent)



- 3.6 MHCLG, which provides central government funding for local authorities, has seen some of the biggest cuts. Even if the policy of austerity is reversed, it is unlikely that local government will see significant benefits

given the pressures elsewhere on the public purse, in particular from the NHS.

- 3.7 The effects of austerity in local government have not been spread evenly between authorities. The LGA, in its Autumn Budget 2018 submission to the government, stated that the increasing costs of adult social care and children's social care – services delivered by the upper tier of local government - contribute by far the majority of the funding gap faced by the sector. It is likely that any rebalancing of public spending priorities by central government to reflect an 'end to austerity' will focus on these services, and benefit the upper tier authorities that deliver them, rather than lower tier authorities like Maidstone.

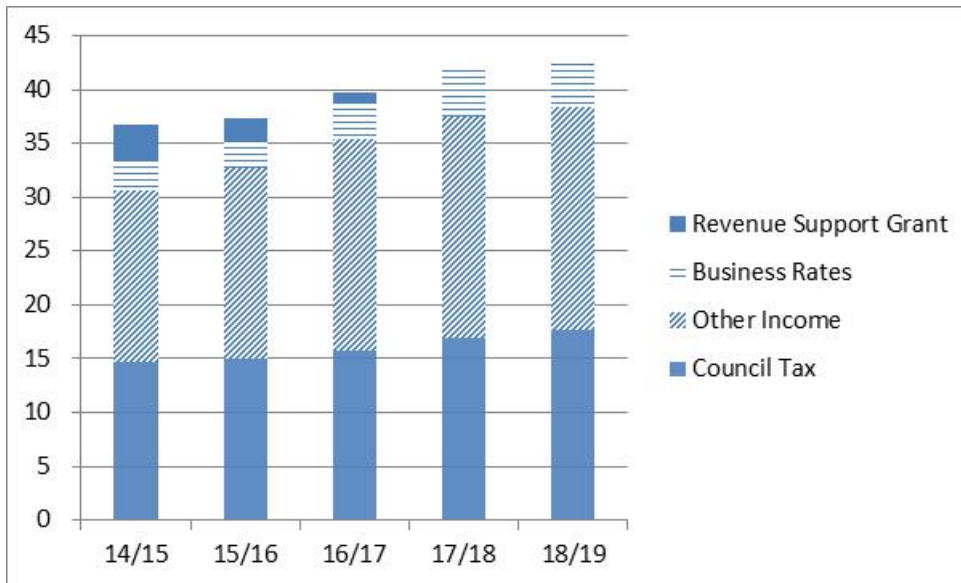
Conclusion

- 3.8 The combination of relatively slow economic growth and pressure on government expenditure from other areas of the public sector means that the Council cannot rely on government support to increase spending, and in the worst case may have to cut back. To the extent that it wishes to grow, it will depend on self-generated resources.

4. FINANCIAL RESOURCES

- 4.1 The Council's main sources of income are Council Tax and self-generated income from a range of other sources, including parking, planning fees and property investments. It no longer receives direct government support in the form of Revenue Support Grant; although it collects around £60 million of business rates annually, it retains only a small proportion of this.

Figure 4: Sources of Income



Council Tax

- 4.2 Council Tax is a product of the tax base and the level of tax set by Council. The tax base is a value derived from the number of chargeable residential properties within the borough and their band, which is based on valuation ranges, adjusted by all discounts and exemptions.
- 4.3 The tax base has increased steadily in recent years, reflecting the number of new housing developments in the borough. See table below.

Table 2: Number of Dwellings in Maidstone

	2014	2015	2016	2017	2018
Number of dwellings	67,178	67,721	68,519	69,633	70,843
% increase compared with previous year		0.38%	1.18%	1.63%	1.74%

Note: Number of dwellings is reported each year based on the position shown on the valuation list in September.

- 4.4 The level of council tax increase for 2019/20 is a decision that will be made by Council based on a recommendation made by Policy and Resources Committee. The Council's ability to increase the level of council tax is limited by the requirement to hold a referendum for increases over a government set limit. The referendum limit for 2018/19 was the greater of

3% or £5.00 for Band D tax payers. Council Tax was increased by the maximum possible, ie £7.29 (3%).

- 4.5 In the Medium Term Financial Strategy 2018/19 – 2022/23, it was assumed that the Council Tax base would increase by 1.5% per annum for the MTFS period, and Band D Council Tax increases would revert to 2% per annum after 2018/19. In fact, the Government announced in August 2018 that it was minded to set a referendum limit for Council Tax increases in 2019/20 of 3%. This gives the Council the opportunity to generate a higher level of income than projected if it chooses to increase Council Tax by the maximum permissible amount.

Other income

- 4.6 Other income is an increasingly important source of funding for the Council. It includes the following sources of income:
- Parking
 - Shared services
 - Commercial property
 - Planning fees
 - Cremations
 - Garden waste collection
 - Income generating activity in parks

Where fees and charges are not set by statute, we apply a policy that guides officers and councillors in setting the appropriate level based on demand, affordability and external factors. Charges should be maximised within the limits of the policy, but customer price sensitivity must be taken into account, given that in those areas where we have discretion to set fees and charges, customers are not necessarily obliged to use our services.

- 4.7 In developing the strategic revenue projection for 2018/19 a broad assumption of a 1% increase in future fees and charges was used for the development of the MTFS, in line with overall inflation assumptions.

Business Rates

- 4.8 Under current funding arrangements, local government retains 50% of the business rates it collects. The aggregate amount collected by local government is redistributed between individual authorities on the basis of perceived need, so that in practice Maidstone Borough Council receives only around 7% of the business rates that it collects.
- 4.9 Prior to the 2017 General Election, the Government was preparing to move to 100% business rates retention with effect from 2020. The additional income would have been accompanied by devolution of further responsibilities to local government. However, the need to accommodate Brexit legislation means that there has been no time to legislate for this. Government therefore intends to increase the level of business rates retention to the extent that it is able to do within existing legislation, and plans to introduce 75% business rates retention with effect from 2020/21.

- 4.10 As with 50% business rates retention, the new 75% business rates retention regime will be linked to a mechanism for rates equalisation to reflect local authorities' needs. These will be assessed based on a 'Fair Funding Review' which is currently under way. The overall amounts to be allocated as part of the Fair Funding Review are also subject to a planned Spending Review covering all government departments in 2019. It is therefore difficult to predict with any degree of accuracy whether the proportion of business rates retained by Maidstone will remain the same, increase or decrease.
- 4.11 The current local government funding regime gives authorities the opportunity to pool their business rates income and retain a higher share of growth as compared with a notional baseline set in 2013/14. Maidstone has been a member of the Kent Business Rates pool since 2014/15. Its 30% share of the growth arising from membership of the pool is allocated to a reserve which is used for specific projects that form part of the Council's economic development strategy. A further 30% represents a Growth Fund, spent in consultation with Kent County Council. This has been used to support the Maidstone East development.
- 4.12 It should be noted that in 2020, the baseline will be reset, so all growth accumulated to that point will be reallocated between local authorities as described in paragraph 4.10 above.
- 4.13 A further element of growth has been retained locally for one year only in 2018/19 as a result of Maidstone's participation in the Kent & Medway 100% Business Rates Retention pilot. Kent & Medway local authorities were successful in bidding for pilot status, which means that 100% of business rates growth, rather than 50%, is retained locally. The additional growth is split between a Financial Sustainability Fund (70%) and a Housing and Commercial Growth Fund (30%).
- 4.14 The Financial Sustainability Fund (FSF) is designed to support local authorities in managing the pressures associated with growth and is distributed according to a formula which provides each authority with a guaranteed minimum amount and then links growth in funding with population increase and business rates increase (as a proxy for commercial growth) over the past five years. Our share of the FSF was estimated to amount to £640,000.
- 4.15 The Housing and Commercial Growth Fund (HCGF) is designed to pool a sufficiently large level of resources to make a significant difference to support future delivery, where outcomes can be better achieved by local authorities working together across a wider area. The HCGF funds have been pooled in three 'clusters', for North Kent, East Kent and West Kent, with the distribution based on each area's share of total business rate receipts. Allocation of the funds is determined by the relevant Council Leaders in each Cluster.
- 4.16 Kent & Medway was unsuccessful with its bid to form a pilot again in 2019/20.

- 4.17 Total projected business rates income for 2018/19 and the uses to which it will be put are summarised in the table below.

Table 3: Projected Business Rates Income 2018/19

	£000	
Business Rates baseline income	3,136	Included in base budget
Growth in excess of the baseline	1,237	Included in base budget
Pooling gain (MBC share)	297	Funds Economic Development projects
Pooling gain (Growth Fund)	297	Spent in consultation with KCC, eg on Maidstone East
Financial Sustainability Fund (initial estimate)	640	Allocated to 13 projects as agreed by Policy & Resources Committee
Housing & Commercial Growth Fund	-	Pooled and allocated by North Kent Leaders
Total	5,310	

- 4.18 Whilst the proportion of total business rates income retained by the Council is relatively small, the amounts retained have grown significantly since the introduction of 50% business rates retention. Pressure on the government to reduce the burden of business rates and the unpredictability of future arrangements for equalising business rates income between Councils place future income growth from this source at risk.

Revenue Support Grant

- 4.19 Maidstone no longer benefits directly from central government support in the form of Revenue Support Grant. Indeed, the existing four year funding settlement contains a mechanism for government to levy a 'tariff / top-up adjustment' – effectively negative Revenue Support Grant – on local councils that are considered to have a high level of resources and low needs. Maidstone was due to pay a tariff / top-up adjustment of £1.589 million in 2019/20. However, the government faced considerable pressure to waive negative RSG and has now removed it in the 2019/20 Local Government Finance Settlement.
- 4.20 The negative RSG of £1.589 million was built into the former MTFS and savings plans developed to offset its impact. Rather than reverse these savings, in the current MTFS the £1.589 million is held as a contingency for future funding pressures, which will be applied to cushion the impact of likely reductions in resources in 2020/21.

Balances and Earmarked Reserves

- 4.21 The Council maintains reserves as a safety net to allow for unforeseen circumstances. There is no statutory definition of the minimum level of reserves: the amount required is a matter of judgement. However, the Council has agreed to set £2 million as the minimum General Fund balance.

- 4.22 Within the General Fund balance, amounts have been allocated for specific purposes. These amounts do not represent formal commitments. Instead, they represent the level of reserves considered to be required for specific purposes, including asset replacement, commercialisation and Invest to Save projects.
- 4.23 In addition to uncommitted General Fund balances, the Council holds reserves that are earmarked for specific purposes. Full details of reserves held are set out below.

Table 4: General Fund balances

	31.3.17	31.3.18
	£000	£000
General Fund		
Commercialisation – contingency	500	500
Invest to Save projects	547	500
Amounts carried forward from 2016/17	456	416
Amounts carried forward from 2017/18	-	1,044
Unallocated balance	5,855	7,041
General	9,329	9,502
Earmarked Reserves		
New Homes Bonus funding for capital projects	7,214	1,404
Local Plan Review	336	200
Neighbourhood Plans	64	70
Accumulated Surplus on Trading Accounts	243	51
Business Rates Growth Fund	158	692
Sub-total	8,014	2,418
Total General Fund balances	17,343	11,920

- 4.24 General Fund balances have fallen from £17.3 million at 31 March 2017 to £11.9 million at 31 March 2018. This arises from deployment of the New Homes Bonus for capital expenditure, including the acquisition of temporary accommodation for homeless people and investment property. This is in line with the Council’s explicit strategy of using New Homes Bonus for capital investment.
- 4.25 The unallocated balance comfortably exceeds the £2 million minimum. It represents 37% of the net revenue budget, which is well in excess of the 10% benchmark that is sometimes cited as a reasonable level. It can therefore be seen that the level of reserves is adequate without being excessive.

Capital Funding

- 4.26 Typically, local authorities fund capital expenditure by borrowing from the Public Works Loan Board, which offers rates that are usually more competitive than those available in the commercial sector. Maidstone Borough Council has so far not borrowed to fund its capital programme,

instead relying primarily on New Homes Bonus to fund the capital programme. Borrowing has not been required so far in 2018/19, but is likely to be in subsequent years. The cost of any borrowing is factored into the MTFS financial projections.

- 4.27 There has been a reduction of the period for which New Homes Bonus would be paid from six years to five in 2017/18 and then to four in 2018/19. An allowance is also now made in calculating New Homes Bonus for the natural growth in housing from 'normal' levels of development. Given other pressures on local government funding, and given the progressive reduction in the level of New Homes Bonus, it is not clear whether New Homes Bonus will continue to exist, at least in its current form. under the new Local Government funding regime to be implemented from 2020.
- 4.28 Many of the external grants that were available to the council for funding capital projects in the past no longer exist. However, external funding is sought wherever possible and the Council has been successful in obtaining Government Land Release Funding for its housing developments and is seeking ERDF funding for the Kent Medical Campus Innovation Centre.
- 4.29 Funding is also available through developer contributions (S 106) and the Community Infrastructure Levy (CIL). The Community Infrastructure Levy was introduced in Maidstone in October 2018.
- 4.30 The current funding assumptions used in the programme are set out in the table below.

Table 5: Capital Programme Funding

Funding Source	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	TOTAL £000
New Homes Bonus	3,200	3,400	0	0	0	6,600
Disabled Facilities Grants	800	800	800	800	800	4,000
Internal Borrowing	18,401	0	0	0	0	18,401
Prudential Borrowing	4,132	17,983	8,086	7,225	7,225	44,651
Total Resources	26,533	22,183	8,886	8,025	8,025	73,652

A review of the schemes in the capital programme took place during the course of Autumn 2018. Proposals were also considered for new schemes to be added to the capital programme. The affordability of the capital programme was considered as part of this review, as it is essential that any borrowing to fund the capital programme is sustainable and affordable in terms of its revenue costs.

- 4.31 Under CIPFA's updated Prudential Code, the Council is now required to produce a Capital Strategy, which is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability.

- 4.32 The outcome of the capital programme review and a proposed Capital Strategy were considered by Policy and Resources Committee in January 2019 and an updated capital programme is to be recommended to Council for approval.

5. FUTURE SCENARIOS

- 5.1 Owing to uncertainty arising from the economic environment, and from the lack of clarity about the government's plans for local government funding, financial projections have been prepared for three different scenarios, as follows.

1. Favourable

The UK achieves an orderly exit from the EU on terms that are widely perceived as favourable. The economy continues to grow, allowing the government to increase public expenditure. Local authorities achieve a positive outcome from the Spending Review and Maidstone shares in the benefits through the Fair Funding Review. Government gives local authorities greater flexibility in setting local taxes.

2. Neutral

The UK negotiates an agreed exit from the EU, but continued slow growth in the national economy compels the government to prioritise public spending in areas of high demand such as the NHS. As a result, local government sees no growth in real terms. Business rates income is distributed to areas of the country and of the local government sector that are perceived as having the greatest need, to Maidstone's detriment. Council Tax increases continue to be capped in line with price inflation.

3. Adverse

Failure to achieve an agreed Brexit deal damages international trade and consumer confidence, leading to a sharp slowdown in the economy. Options for the government to meet spending pressures are severely limited, compelling it to divert business rates income away from local government, leading to a significant budget gap for Maidstone. The amount that local authorities can raise by way of Council Tax is limited in order to limit overall public spending.

Details of key assumptions underlying each of these scenarios are set out below.

Council Tax

- 5.2 It is assumed in the adverse and neutral scenarios that the Council will take advantage of the flexibility offered by Government and will increase Council Tax by 3% in 2019/20, reverting to 2% in 2020/21. In the 'favourable' scenario outlined above the Council would increase Council Tax by 3% per annum for the whole five year period.
- 5.3 The other key assumption regarding Council Tax is the number of new properties. The number of new properties has been increasing in recent years, from a low of 0.38% in 2014 to 1.74% in 2018. The rate of increase nevertheless remains lower than that implied by Local Plan new homes targets. Assumptions are as follows:

Favourable – 3%
Neutral – 2%
Adverse – 1%

Business Rates

- 5.4 As described above, the Council receives only a small proportion of the business rates that it actually collects. After 2020, this proportion will be adjusted to reflect the findings of the Fair Funding Review and the Spending Review. It is very difficult to predict what this will mean in practice. However, for the purposes of revenue projections, a number of assumptions have been made.
- 5.5 Assuming that the starting point in the government’s calculations will be Maidstone’s perceived level of need, it should be noted that the current four year funding settlement, which is likewise based on perceived local authority needs, incorporated a negative revenue support grant payment of £1.6 million in 2019/20. The starting point for future business rates income is therefore assumed to be the current baseline share of business rates income, £3.2 million, less £1.6 million. It is not accepted that this would be a fair allocation of business rates income but it is prudent to make this assumption for forecasting purposes.
- 5.6 A further factor to be considered is the resetting of the government’s business rates baseline in 2020/21. This represents the level above which the Council benefits from a share in business rates growth. It is likely that the government will reset the baseline in order to redistribute resources from those areas that have benefitted most from business rates growth in the years since the current system was introduced in 2013, to those areas that have had lower business rates growth. Accordingly, cumulative business rates growth has been removed from the projections for 2020/21, then is gradually reinstated from 2021/22.
- 5.7 In addition, as provided for in the current MTFs, it is appropriate to include a provision, currently £1.3 million, to allow for additional burdens placed on the Council following the end of the current four year settlement. Originally it was expected that the Council might face additional responsibilities under 100% business rates retention from 2020/21 and a provision of £1.3 million was made in the MTFs to allow for this. Even if 100% business rates retention is not now introduced as originally intended, the pressures on UK-wide public finances mean that the Council risks corresponding burdens, whether in the form of additional responsibilities or an increased tariff / top-up adjustment. This provision is included in 2021/22, rather than in 2020/21, as it is likely that the government will dampen the impact of any adverse changes arising from the new post-2020 financial settlement, and spread them over at least two years.
- 5.8 Given these assumptions, the specific assumptions for business rates growth in each scenario are as follows:

Favourable –3% increase in multiplier plus 2% growth in base
Neutral – 2% increase in multiplier plus 1% growth in base

Adverse – 1% increase in multiplier plus 0% growth in base

Fees and Charges

5.9 The projections imply that fees and charges will increase in line with overall inflation assumptions. For the Council, the main component of inflation is pay inflation. In practice, it is not possible to increase all fees and charges by this amount as they are set by statute. Accordingly, the actual increase in income shown in the projections is somewhat lower than the inflations assumptions.

5.10 Details of inflation assumptions are as follows:

Favourable – 3%

Neutral – 2%

Adverse – 1%

Inflation

5.11 The annual rate of increase in Consumer Price Index inflation (CPI) for the year to September 2018 was 2.4%. Although wage inflation in the public sector has been below this level, there is increasing political pressure to relax the limits on public sector pay increases.

5.12 The following table sets out the assumptions made for the purposes of preparing the initial set of Strategic Revenue Projections.

Table 6: Inflation Assumptions

	Favourable	Neutral	Adverse	Comments
Employee Costs	1.00%	2.00%	3.00%	Neutral assumption is in line with the most recent pay settlement and government inflation targets
	0.50%	0.50%	0.50%	The annual cost of performance related incremental increases for staff
Electricity	8.00%	11.00%	14.00%	Based on guidance from supplier
Gas	8.00%	10.00%	12.00%	Based on guidance from supplier
Water	-2.00%	0.00%	0.00%	Decrease in prices expected from deregulation of the water supply market
Fuel	1.00%	2.00%	3.00%	A predicted average increase based on previous trends as no forward looking information is available.
Insurance	2.00%	3.00%	4.00%	A predicted average increase based on previous trends as no forward looking information is available.
General	1.00%	2.00%	3.00%	2% is the government's target inflation rate but the current level of CPI inflation is 2.4%

Service Spend

- 5.13 Strategic Revenue Projections assume that service spend will remain as set out in the previous MTFS, so savings previously agreed by Council will be delivered and no further growth arising from the new Strategic Plan is incorporated.
- 5.14 The projections include provision for the revenue cost of the capital programme, comprising interest costs (3%) and provision for repayment of borrowing (2%).

Summary of Projections

- 5.15 A summary of the projected budget gaps under each of the scenarios is set out below.

Table 7: Projected Budget Gap 2019/20 – 2023/24

	19/20	20/21	21/22	22/23	23/24
	£m	£m	£m	£m	£m

Scenario 1 – Favourable					
Budget Gap ¹	0.2	0.9	0.2	-1.1	-1.5
Required Savings – Cumulative	0.2	1.1	1.3	0.2	-1.3
Savings identified to date ²	-1.0	-2.0	-2.9	-3.5	-3.5
Budget surplus	-0.8	-0.9	-1.6	-3.3	-4.8

Scenario 2 – Neutral					
Budget Gap ¹	1.1	2.0	1.5	0.4	0.2
Required Savings – Cumulative	1.1	3.1	4.6	5.0	5.2
Savings identified to date ²	-1.0	-2.0	-2.9	-3.5	-3.5
Savings to be identified	0.1	1.1	1.7	1.5	1.7

Scenario 3 – Adverse					
Budget Gap ¹	1.7	2.7	2.4	1.4	1.4
Required Savings – Cumulative	1.7	4.4	6.8	8.2	9.6
Savings identified to date ²	-1.0	-2.0	-2.9	-3.5	-3.5
Savings to be identified	0.7	2.4	3.9	4.7	6.1

¹ A positive figure here indicates a budget gap; a negative figure (-) indicates a surplus

² Savings included in previous 2018/19 – 2022/23 MTFS / Efficiency Plan

For illustrative purposes, the following table shows the equivalent neutral scenario if Council Tax were frozen at 2018/19 levels (£252.90 for Band D):

Table 8: Projected Budget Gap – Council Tax freeze

	19/20	20/21	21/22	22/23	23/24
	£m	£m	£m	£m	£m
Scenario 2 – Neutral but freeze Council Tax					
Budget Gap	1.6	2.3	1.9	0.8	0.6
Required Savings – Cumulative	1.6	3.9	5.8	6.6	7.2
Savings identified to date ²	-1.0	-2.0	-2.9	-3.5	-3.5
Savings to be identified	0.6	1.9	2.9	3.1	3.7

The effect of freezing Council Tax is cumulative, and would lead by the end of the five year MTFS period to a budget gap £2 million greater than in the base case projections.

Conclusion

- 5.16 Under the neutral and adverse scenarios, there is a significant budget gap from 2020/21 onwards. This reflects the assumptions made about the likely outcome for the Council from the new local government funding arrangements that are due to come into effect in that year. Whilst this does not affect the budget position for next year, 2019/20, the Council needs to have credible plans to address projected future budget deficits.

6. CURRENT SPENDING PLANS

- 6.1 This section sets out current budgeted expenditure by strategic objective, and describes planned savings and known budget pressures. The purpose is to allow an assessment of whether current spending plans reflect strategic objectives.
- 6.2 Total spend by strategic objective is summarised below. Corporate expenditure that supports all strategic objectives has been omitted from this analysis, rather than allocated to services using the CIPFA 'full costing' approach set out in its Service Reporting Code of Practice, as this practice tends to obscure the direct cost of service delivery.

Table 9: 2018/19 Revenue and Capital Budgets

Objective	2018/19 Revenue Budget		
	Expenditure	Income	Net
	£000	£000	£000
Safe, Clean and Green	10,594	-4,586	6,007
Homes and Communities	3,316	-1,108	2,208
A Thriving Place	2,557	-1,113	1,445
Embracing Growth and Enabling Infrastructure	5,850	-7,126	-1,275

Objective	2018/19 Capital Programme		
	Expenditure	External Cont'n	Net
	£000	£000	£000
Safe, Clean and Green	1,183	0	1,183
Homes and Communities	14,758	-1,192	13,566
A Thriving Place	8,772	0	8,772
Embracing Growth and Enabling Infrastructure	910	-160	750

Table 10: Safe, Clean and Green

	2018/19 Revenue Budget			Future
	Expenditure	Income	Net	Savings
	£000	£000	£000	£000
Household Waste Collection	3,343	-1,377	1,967	-44
Street Cleansing & Depot	2,423	-208	2,214	0
Parks & Open Spaces	1,867	-966	900	-97
Community Partnerships & Resilience	523	-32	491	0
Regulatory Services	796	-333	463	0
CCTV	214	-21	193	-100
Environmental Enforcement	241	0	241	-125
Floods, Drainage and Medway Levy	141	0	141	0
Grounds Maintenance - Commercial Income	127	-100	27	-50
Commercial Waste Collection	117	-188	-71	0
Bereavement Services	802	-1,361	-559	0
Total Revenue Budget	10,594	-4,586	6,007	-416

	2018/19 Capital Programme			Future
	Expenditure	External contribution	Net	years
	£000	£000	£000	£000
Flood Action Plan	500	0	500	563
Public Realm Capital Improvements	150	0	150	50
Crematorium Development Plan	353	0	353	0
Commercial Waste	180	0	180	0
Total Capital Programme	1,183	0	1,183	613

- 6.3 The core services that deliver this objective are street cleansing and waste collection. Not only are these key statutory services, but they have also been successful in developing income streams to offset costs, including commercial waste collection, household green waste collections and grounds maintenance for third parties. Savings are projected for 2019/20 from growing grounds maintenance and garden waste income. A saving of £125,000 proposed in the existing MFS from consolidating enforcement across the Council (environment, planning and parking) is not now expected to be delivered and alternative savings will have to be sought.
- 6.4 Future expenditure pressures can be expected to arise from the impact of inflation indexation on the waste collection contract. In the longer term,

commissioning a new contract when the current one expires in 2022 will involve one-off costs. The current contract offers very good value and it may not be possible to replicate this with a new contract.

- 6.5 The Council has a number of regulatory duties in this area which are met through shared licensing and environmental health services. Other expenditure that delivers the 'safe' agenda is mainly discretionary in nature; currently a significant portion of the budget is devoted to delivering the CCTV service. Savings are projected in this service, predicated on the recommissioning project which is currently under way.
- 6.6 Projected capital expenditure includes £1.1 million for flood alleviation measures, £180,000 in 2018/19 for a new Commercial Waste vehicle and £200,000 in total for a range of public realm capital schemes. Although no external contributions are shown for the Flood Action Plan in 2018/19, it is likely that in practice schemes will be delivered in partnership with the Environment Agency and/or Kent County Council, thus achieving greater impact from the investment.

Table 11: Homes and Communities

	2018/19 Revenue Budget			Future
	Expenditure	Income	Net	savings
	£000	£000	£000	£000
Homelessness	2,146	-606	1,540	-100
Other Housing Services	321	-133	188	0
Housing Development & Regeneration	35	-217	-182	-1,540
Public Health	441	-152	289	0
Voluntary Sector Grants	246	0	246	-80
Parish Services Scheme	127	0	127	0
Total Revenue Budget	3,316	-1,108	2,208	-1,720

	2018/19 Capital Programme			Future
	Expenditure	External contribution	Net	years
	£000	£000	£000	£000
Housing Development & Regeneration	9,066	0	9,066	25,117
Temporary Accommodation	4,500	0	4,500	2,400
Disabled Facilities Grants	1,192	-1,192	0	3,200
Total Capital Programme	14,758	-1,192	13,566	30,717

- 6.7 The Council's statutory responsibilities under homelessness legislation have led to significant growth in this budget over the past few years. Numbers in temporary accommodation have grown still further with

implementation of the Homelessness Reduction Act. The costs of providing temporary accommodation are offset by housing benefit but this cannot always be recovered. One-off grant funding has been provided by central government to help the Council fulfil its obligations. However, this funding is only temporary.

- 6.8 The capital programme includes £4.5 million for the purchase of units for temporary accommodation in the current financial year. £600,000 per annum is currently included in the capital programme for future years at this stage.
- 6.9 £34 million is included in the capital programme for housing and regeneration schemes. Three schemes – Union Street, Brunswick Street and Lenworth House - are currently under way. Future schemes remain to be identified. Although no external contribution is shown in 2018/19, the overall scheme costs for Union Street and Brunswick Street will be offset by sales of units on the open market and transfer of the social housing component to MHS Homes, and by a Government Land Release Funding grant of £658,000.
- 6.10 The Council’s responsibilities in the area of Public Health and Disabled Facilities Grants are generally exercised on behalf of other authorities, although there is an element of residual discretionary spend within Public Health.

Table 12: A Thriving Place

	2018/19 Revenue Budget			Future
	Expenditure	Income	Net	savings
	£000	£000	£000	£000
Museums & Culture	1,257	-182	1,075	-169
Economic Development	382	-4	378	-7
Market	253	-312	-59	0
Business Terrace	240	-166	74	0
Tourism, Festivals & Events	196	-68	128	-50
Sport & Leisure	229	-381	-151	0
Total Revenue Budget	2,557	-1,113	1,445	-226

	2018/19 Capital Programme			Future
	Expenditure	External contribution	Net	years
	£000	£000	£000	£000
Town Centre Regeneration	2,540	0	2,540	0
Property Investment	2,403	0	2,403	10,000
Mote Park Dam Works	1,300	0	1,300	600
Continued improvements to Play Areas	881	0	881	0
Mote Park Visitor	562	0	562	1,073

Centre				
Mote Park Adventure Zone and Other Improvements	515	0	515	375
Maidstone East	296	0	296	0
Museum Development Plan	175	0	175	260
Other Parks Improvements	100	0	100	0
KMC Innovation Centre	TBA	TBA	TBA	TBA
Total Capital Programme	8,772	0	8,772	12,308

- 6.11 Services in this area are principally discretionary and include the museum, leisure services and economic development.
- 6.12 The area is planning £50,000 of operating savings at the Museum and projects £119,000 from a potential saving on business rates. Further income generation is projected from Mote Park, including £57,000 (£114,000 in a full year) from the Adventure Zone and £50,000 from the new Visitor Centre café. Festivals and Events are projected to reduce expenditure, on the basis that events should be self-funding.
- 6.13 In addition to the revenue budgets shown above, the Business Rates Pool is used to support Economic Development. The Business Rates Pool has been subsumed into the Business Rates Retention Pilot in 2018/19 but a contribution continues to be payable to Economic Development. It remains to be seen whether a similar funding structure will be available under the new local government funding arrangements due to be implemented in 2020/21.
- 6.14 Significant capital investment continues to be planned in Mote Park, including the Visitor Centre and works required to ensure flood safety. Capital investment at the Museum is relatively modest and it is hoped that these will unlock matched funding from other sources.
- 6.15 The capital programme promotes a thriving local economy, both through providing infrastructure and through the council's commercial property investment, which is focused entirely on Maidstone borough, such that it achieves the two-fold purpose both of generating investment returns and supporting the local economy.

Table 13: Embracing Growth and Enabling Infrastructure

	2018/19 Revenue Budget			Future
	Expenditure	Income	Net	savings
	£000	£000	£000	£000
Development Management	1,464	-1,674	-210	0
Planning Policy	606	-21	585	-50
Planning Support (Shared Service)	843	-675	168	0
Planning Enforcement	335	0	335	-40

Building Control	376	-379	-2	0
Parking Services	1,612	-3,985	-2,373	-300
Park & Ride	580	-392	188	-75
Network & Traffic Management	34	0	34	0
Total Revenue Budget	5,850	-7,126	-1,275	-465

	2018/19 Capital Programme			Future years
	Expenditure	External contribution	Net	
	£000	£000	£000	£000
Infrastructure Delivery	600	0	600	2,400
Section 106 Contributions	160	-160	0	1,332
Bridges Gyratory Scheme (residual budget)	150	0	150	0
Total Capital Programme	910	-160	750	3,732

- 6.16 Planning outcomes are delivered primarily through the planning service, which is a statutory service generating fees which cover some, but not all of its costs. The Council's parking infrastructure delivers a strong positive contribution. £150,000 of further income in future years is built into the MTFS arising from expected future growth above and beyond inflation.
- 6.17 Some of Parking income is currently re-invested in the Park and Ride service. This contribution to Park and Ride is planned to reduce by £75,000 next year.
- 6.18 Additional expenditure of £200,000 per annum has been built into the MTFS for work on the Local Plan refresh up to 2021/22, when it is expected to drop out of the budget.

7. MATCHING RESOURCES TO STRATEGIC OBJECTIVES

- 7.1 It is inherent in the Medium Term Financial Strategy that the Council matches available resources to strategic objectives, such that income and expenditure are balanced and any budget gap is eliminated. In addition to the legal requirement to set a balanced budget for 2019/20, the Council needs to have credible plans in place to address any budget gap in subsequent years. In the interests of prudence, these plans need to address not only a neutral set of projections but also the potential adverse scenario outlined above.
- 7.2 Current spending plans, as set out in the previous section, have been reviewed both in the light of the overall budget gap and the proposed new strategic objectives. Current plans reflect service requirements and existing strategic priorities. In many cases, service requirements flow from the Council's statutory responsibilities, but there may be scope for saving where it is felt that the statutory outcomes can be delivered at lower cost, or demand can be managed such that expenditure is reduced.
- 7.3 The distinction between 'statutory' and 'discretionary' services is not always clear-cut. There is usually a discretionary element in the way in which a statutory service is delivered and many discretionary services have developed from a core statutory obligation.
- 7.4 Existing discretionary spending reflects previous strategic decisions, and in these areas, where the Council has no specific statutory responsibilities, there is a measure of flexibility which would allow the Council to re-prioritise spending based on its latest strategic objectives. Areas of spending that fall within this category include CCTV, Park and Ride and Voluntary Sector Grants.
- 7.5 Note that the focus of re-prioritisation here is on the revenue budgets. However, to be effective, it is likely that it would need to be accompanied by significant one-off spending, both in exiting service areas that are no longer supported, and in investing for the future in new priority areas.
- 7.6 There may also be the opportunity to generate additional income to offset expenditure, either by growing existing sources of income or by developing new sources of income. Particularly in the latter case, one-off investment in staff resources or cash is likely to be required, so a clear business case for the investment will be necessary.
- 7.7 Based on the above discussion about strategic priorities and the flexibility afforded offered by a review of discretionary areas of spend, it is proposed that budget proposals are developed according to the following principles.

Revenue savings will be sought in:

- Discretionary services which are not strategic priorities.
- Statutory services which are not strategic priorities, where there is scope for reconfiguring services to reduce costs.

- Improved efficiency in delivering strategic priorities.
- New income generation and identification of external funding.

These principles will be applied both to service expenditure as detailed in section 6 and to corporate overheads.

Revenue growth will be built into the budget where strategic priorities cannot be delivered within existing revenue budgets, provided this can be accommodated by making savings elsewhere.

Capital schemes will be reviewed and developed so that investment is focused on strategic priorities.

- 7.8 It was acknowledged in preparing the MTFs for the five years 2018/19 – 2022/23 that the size of the potential revenue budget shortfall meant that no single initiative could be expected to close the gap. Accordingly, a blend of different generic approaches were taken, each of which have contributed to the £3.5 million of savings in the current projections. It is likely that budget savings will continue to come from a range of different sources. If an individual saving is not delivered, the wide spread of approaches and savings ideas means that overall risk is minimised.
- 7.9 To the extent that additional resources are required to deliver strategic objectives, budget proposals will transfer funding from low priority objectives to higher priority objectives. Budget proposals will be developed during November 2018, prior to consideration by Service Committees and the wider stakeholder group in December 2018 – January 2019. Contingency plans will address the adverse scenario, in order that the Council is suitably prepared for this eventuality. It is currently planned to recommend budget proposals to Council based on the neutral scenario, but this may change depending on developments in the overall economy and local government funding environment.

8. RISK MANAGEMENT

- 8.1 As indicated in the previous sections, the Council's MTFS is subject to a high degree of risk and certainty. In order to address this in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each meeting.
- 8.2 The major risk areas that have been identified as potentially threatening the Medium Term Financial Strategy are as follows.
- Failure to contain expenditure within agreed budgets
 - Fees & Charges fail to deliver sufficient income
 - Commercialisation fails to deliver additional income
 - Planned savings are not delivered
 - Shared services fail to perform within budgeted levels.
 - Council holds insufficient balances
 - Inflation rate predications underlying MTFS are inaccurate
 - Adverse impact from changes in local government funding
 - Constraints on council tax increases
 - Capital programme cannot be funded
 - Increased complexity of government regulation
 - Collection targets for Business Rates & Council Tax collection missed
 - Business Rates pool / pilot fails to generate sufficient growth
 - Adverse financial consequences from a disorderly Brexit.
- 8.3 It is recognised that this is not an exhaustive list. By reviewing risks on a regular basis, it is expected that any major new risks will be identified and appropriate mitigations developed.
- 8.4 An assessment of the relative impact and likelihood of the risks identified is set out below.

Table 14: Budget Risk Matrix

Likelihood	5					
	4			L	H,N	
	3		B	G, M		
	2		E	C,F	A,D	J
	1		I,K			
		1	2	3	4	5
		Impact				


Black – Top risk

Red – High risk

Amber – Medium risk

Green – Low risk

Blue – Minimal risk



Key

- A. Failure to contain expenditure within agreed budgets
- B. Fees and Charges fail to deliver sufficient income
- C. Commercialisation fails to deliver additional income
- D. Planned savings are not delivered
- E. Shared services fail to meet budget
- F. Council holds insufficient balances
- G. Inflation rate predictions underlying MTFS are inaccurate
- H. Adverse impact from changes in local government funding
- I. Constraints on council tax increases
- J. Capital programme cannot be funded
- K. Increased complexity of government regulation
- L. Collection targets for Council Tax and Business Rates missed
- M. Business Rates pool / pilot fails to generate sufficient growth
- N. Adverse financial impact from a disorderly Brexit

8.5 For all risks shown on the Budget Risk Register, appropriate controls have been identified and their effectiveness is monitored on a regular basis.

9. CONSULTATION

- 9.1 Each year the Council carries out consultation as part of the development of the MTF5. This year the Council has combined the Residents' Survey on the proposed new Strategic Plan with questions about the Council's budget priorities. The results of this consultation have been used to inform the preparation of detailed budget proposals.
- 9.2 As a second step, consultation was carried out in December 2018 – January 2019 on the detailed budget proposals. Individual Service Committees have considered the budget proposals relating to the services within their areas of responsibility. Full details of the proposals have been published and residents' and businesses' views are welcomed.

Document History

Date	Description	Details of changes
30.10.18	First draft to Service Committees	
28.11.18	Second draft to Policy & Resources Committee	Expenditure analysed over four Strategic Objectives rather than eight as in draft Strategic Plan
12.12.18	Approved by Council	
13.02.19	Approved version to Policy & Resources Committee	<ul style="list-style-type: none"> - Minor wording changes to reflect approval of Strategic Plan and MTFs by Council. - Updates to contextual information (CPI, LG Finance Settlement)

Treasury Management Strategy

Maidstone Borough Council
2019/20

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1 INTRODUCTION

1.1 Background

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

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

The council has adopted the *Treasury Management in Public Services: Code of Practice 2017 Edition* ('the CIPFA Code') issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). CIPFA defines treasury management as:

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

1.2 Reporting requirements

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

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

- the capital plans (including prudential indicators);
- the treasury management strategy (how investments and borrowings are organised) including treasury indicators; and

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

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and determining whether any policies require revision if the assumptions on which this strategy is based were to change significantly. In accordance with guidance issued by Ministry of Housing, Communities and Local Government (MHCLG), the circumstances which may require the council to revise its strategy would include, for example, a large

unexpected change in interest rates, or in the council's capital programme or in the level of its investment balance.

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

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

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

1.3 Treasury Management Strategy for 2019/20

The strategy for 2019/20 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;

Treasury management issues

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

1.4 Treasury management consultants

The Council had been using Arlingclose Limited as its external treasury management advisors. However, after a tendering exercise during 2018/19, the Director of Finance and Business Improvement has decided to appoint Link Asset Services (formally Capita Asset Services) from 1st January 2019.

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

The terms of appointment and value gained through use of treasury management consultants will be subject to regular review by the Director of Finance and Business Improvement.

1.5 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. Training is offered to members of the Audit, Governance and Standards Committee on a regular basis.

Staff regularly attend training courses, seminars and conferences provided by the Council's Treasury Consultants and CIPFA. Relevant staff are also encouraged to study professional qualifications delivered by CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Staff training needs are assessed regularly both as part of the appraisal process and when the responsibilities of individual members of staff change.

2 THE CAPITAL PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION

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

2.1 Capital expenditure

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

2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000	2022/23 £,000
24,066	23,122	18,906	13,683	12,638

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

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

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

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

The Council will be using its own cash to fund the CFR (internal borrowing) until the time where funding will be required externally.

CFR projections are shown in the table below:

2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000	2022/23 £,000
22,302	39,293	57,119	69,939	81,023

2.3 Affordability prudential indicators

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

Ratio of financing costs to net revenue stream

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

2018/19	2019/20	2020/21	2021/22	2022/23
%	%	%	%	%
-0.9	1.0	3.1	4.5	5.5

2018/19	2019/20	2020/21	2021/22	2022/23
£000	£000	£000	£000	£000
-180	208	564	821	1,042

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

2.4 Minimum Revenue Provision

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the DCLG Guidance) most recently issued in 2012.

The broad aim of the Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The Council expects that its Capital Financing Requirement will be positive on 31st March 2019 and in line with the MHCLG Guidance it will therefore charge MRP in 2019/20.

3 **BORROWING**

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

3.1 Treasury Indicators: limits to borrowing activity

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

Operational boundary	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Debt	17,884	35,710	48,530	59,614
Other long term liabilities	3,047	2,527	2,010	1,473
Total	20,931	38,237	50,540	61,087

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

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

Authorised limit	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Debt	36,246	54,592	67,929	79,550
Other long term liabilities	3,047	2,527	2,010	1,473
Total	39,293	57,119	69,939	81,023

3.2 Prospects for interest rates

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

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.17
Arlingclose Central Case	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.17
Downside risk	0.00	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.65
3-mth money market rate														
Upside risk	0.10	0.10	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.17
Arlingclose Central Case	0.80	1.00	1.10	1.20	1.30	1.30	1.25	1.20	1.20	1.20	1.20	1.20	1.20	1.17
Downside risk	0.20	0.50	0.60	0.70	0.80	0.80	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.68
1-yr money market rate														
Upside risk	0.20	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.33
Arlingclose Central Case	1.05	1.25	1.35	1.40	1.50	1.45	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.37
Downside risk	0.35	0.50	0.60	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.69
5-yr gilt yield														
Upside risk	0.15	0.20	0.25	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.32
Arlingclose Central Case	1.15	1.20	1.25	1.35	1.40	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.30
Downside risk	0.30	0.35	0.45	0.50	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.54
10-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.32
Arlingclose Central Case	1.60	1.65	1.65	1.70	1.75	1.75	1.75	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Downside risk	0.30	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.55
20-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.32
Arlingclose Central Case	1.90	1.95	1.95	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.98
Downside risk	0.30	0.40	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.43
50-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.32
Arlingclose Central Case	1.80	1.85	1.85	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.88
Downside risk	0.30	0.40	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.43

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Underlying assumptions:

- The MPC left Bank Rate unchanged at the September meeting, after voting unanimously to increase Bank Rate to 0.75% in August.
- The projected outlook for the UK economy means we maintain the significant downside risks to our interest rate forecast. The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in Q2 2018, but the annual growth rate of 1.2% remains well below the long term average. Our view is that the UK economy still faces a challenging outlook as the country exits the European Union and Eurozone economic growth softens.
- Cost pressures were projected to ease but have risen more recently and are forecast to remain above the Bank's 2% target through most of the forecast period. The rising price of oil and tight labour market means inflation may remain above target for longer than expected. This means that strong real income growth is unlikely in the near future.
- The MPC has a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. We believe that MPC members consider both that: 1) ultra-low interest rates result in

other economic problems, and 2) higher Bank Rate will offer a more effective policy device should downside Brexit risks crystallise and cuts are required.

- The global economy appears to be slowing, particularly the Eurozone and China, where the effects of the trade war has been keenly felt. Despite slower growth, the European Central Bank is adopting a more strident tone in conditioning markets for the end of quantitative easing, the timing of the first rate hike (2019) and their path thereafter. Meanwhile, European political issues, mostly lately with Italy, continue.
- The US economy is expanding more rapidly. The Federal Reserve has tightened monetary policy by raising interest rates to the current 2%-2.25% range; further rate hikes are likely, which will start to slow economic growth. Central bank actions and geopolitical risks have and will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- The MPC has maintained expectations of a slow rise in interest rates over the forecast horizon. The central case provided by Arlingclose is for the Bank Rate is to rise twice in 2019. The risks are weighted to the downside.
- Gilt yields have remained at low levels. We expect some upward movement from current levels based on our interest rate projections, the strength of the US economy and the ECB's forward guidance on higher rates. However, volatility arising from both economic and political events will continue to offer borrowing opportunities.

3.3 Borrowing strategy

Based on current assumptions regarding slippage in the capital programme, it is anticipated that the Council will maintain an under-borrowed position for the current financial year. This means that the capital borrowing need (the Capital Financing Requirement), has been funded using cash supporting the Council's reserves, balances and cash flow as a temporary measure, rather than through loan debt. This strategy is prudent as currently investment returns are low and counterparty risk is relatively high and will be retained for the forthcoming financial year on the assumption that this situation is unlikely to change in the short term. However, if short term cash requirements cannot be met from balances in hand for day to day purposes, the Council has access to a range of sources of short term borrowing options, which includes other local authorities.

The Authorised Limit to borrow up to £36.290m for the financing of capital expenditure and day to day cash flow liquidity within 2019/20 includes the current capital programme and the current prudential

indicators. The 2019/20 strategy includes the continuation of that authority within the calculation of the indicators. If the Council is to borrow then the affordability of the capital programme must include an assessment of the cost of borrowing along with the loss of investment income from the use of capital resources held in cash.

Should rates move more quickly than the forecast predicts, the current and proposed strategies do allow the section 151 officer to take advantage of external borrowing. The Council's policy on borrowing in advance of need is set out at section 3.4 of this strategy.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregoing investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. The Council's Treasury Advisors will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. In addition, the Authority may make use of short-term loans to cover unplanned cash flow.

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

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- capital market bond investors
- any other UK public sector body

- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- UK public and private sector pension funds (except the Kent County Council Pension Fund)

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

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

3.4 Policy on borrowing in advance of need

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

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

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £17.4 and £40.18 million. These investment balances are likely to reduce in 2019/20 due to funding of the capital programme with its own cash balances (internal borrowing).

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

Strategy: Given the increasing risk and continued low returns from short-term unsecured bank investments, the council aims to further diversify into more secure and/or higher yielding asset classes during 2019/20. This is especially the case for the proposed £5m that is estimated to be available for longer-term investment. The majority of council's surplus cash is currently invested in Local Authority borrowing, short-term unsecured bank/building society deposits, certificates of deposit, money market funds and cash enhanced funds. This diversification will represent a continuation of the new strategy.

Negative interest rates: If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

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

Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3m 5 years	£5m 20 years	£5m 50 years	£3m 20 years	£3m 20 years
AA+	£3m 5 years	£5m 10 years	£5m 25 years	£3m 10 years	£3m 10 years
AA	£3m 4 years	£5m 5 years	£5m 15 years	£3m 5 years	£3m 10 years
AA-	£3m	£5m	£5m	£3m	£3m

	3 years	4 years	10 years	4 years	10 years
A+	£3m 2 years	£5m 3 years	£5m 5 years	£3m 3 years	£3m 5 years
A	£3m 13 months	£5m 2 years	£5m 5 years	£3m 2 years	£3m 5 years
A-	£3m 6 months	£5m 13 months	£5m 5 years	£3m 13 months	£3m 5 years
None	£1m 100 days	n/a	£5m 25 years	£50,000 5 years	£3m 5 years
Pooled funds	£8m per fund				

The time limits set out above are consistent with the recommended durations provided by the council's treasury management advisors. The cash limits have been set with reference to this guidance, although the upper limit in certain categories of investment exceeds the limit proposed by its advisors in order to meet the operational requirements of the council. The limits adopted within the strategy remain prudent and consistent with ensuring the security of capital and appropriate levels of liquidity.

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Banks Secured: Covered bonds, Tri Party Repos, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of

the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing and registered social landlords, formerly known as Housing Associations. These bodies are tightly regulated by the Regulator of Social Housing and, as providers of public services, they retain the likelihood of receiving government support if needed.

Pooled Funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £500,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

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

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

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

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports

in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

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

Investment Limits: In order that available reserves will not be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£8m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£5m per country
Registered Providers and registered social landlords	£5m in total
Unsecured investments with Building Societies	£3m each
Loans to unrated corporates	£50,000 each
Money Market Funds	£8m each fund or fund group

Liquidity Management: The council uses a cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the council being forced to borrow on

unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the council's medium term financial plan and cash flow forecast.

Accounting treatment of investments.

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

In-house funds. The majority of investments will be made with reference to the cash flow requirements so invested for short-term interest rates (i.e. rates for investments up to 12 months). However, there is a provision of funds that can be used for longer term investments (greater than 12 months) if it deemed to be prudent by the section 151 officer.

4.2 Treasury Investment strategy

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit score	5.0

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£5m

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£50,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£50,000

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

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

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

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

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

Maximum principal sums invested > 364 days				
	2019/20 £000	2020/21 £000	2021/22 £000	2021/22 £000
Principal sums invested > 364 days	5,000	5,000	5,000	5,000

4.3 End of year investment report

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

4.4 Other Items

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

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

be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

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

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the section 151 officer believes this to be the most appropriate status.

Financial Implications: The budget for investment income in 2019/20 is £150,000, based on an average investment portfolio of £20million at an interest rate of 0.75%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Investment Strategy

Maidstone Borough Council
2019/20

Introduction

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy is new for 2019/20, meeting the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £10.8m and £30m during the 2019/20 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority's policies and its plan for 2019/20 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council lends money to its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth. The Council has made loans to Kent Savers for £25k in 2017/18 which is repayable in 2022/23 at an interest rate of 1% and an interest free loan to One Maidstone CIC Limited for £60,000. However, loans to Maidstone Property Holdings Limited and Cobtree Manor Estates Trust may also be made in the near future.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2018 actual			2019/20
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries				1.000
Local businesses	0.085		0.085	0.085
Local charities				0.310
TOTAL	0.085	0	0.085	1.395

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding service loans by assessing the borrower's ability to repay the loan, based on past financial performance. This is monitored over the period of the loan in line with the agreed repayment terms.

Commercial Investments: Property

Contribution: The Council does not currently have any investments in property that are considered to be purely commercial in nature. Acquisitions are limited to properties situated within the borough, with the intention of supporting the local community, housing and regeneration objectives rather than for the exclusive purpose of generating profits. All property investments are therefore classified as general fund capital projects.

Third Party Loan Commitments and Financial Guarantees

The Authority has contractually committed to repay the loan on behalf of Serco Paisa for works to the leisure Centre which has a balance as at 31st March 2018 of £3.047m.

Capacity, Skills and Culture

Elected members and statutory officers: The Section 151 Officer has ultimate decision making powers on investment decisions and has a number of key officers with the necessary skills to assess such projects, including the Corporate Property Manager, Head of Finance, as well as the use of external consultants.

Each project is evaluated on its affordability and prudence to bear additional future revenue cost associated with each investment. It is established if the use of new or existing revenue resources to finance capital investment over competing needs for revenue expenditure and the scope for capital investment to generate future revenue savings or income, taking into account the risks associated with each proposal.

Commercial deals: The Section 151 Officer is involved with all decision making for capital projects and is aware of the core principles of the prudential framework in regard to the following:

- „service objectives, eg strategic planning for the authority
- „stewardship of assets, eg asset management planning
- „value for money, eg option appraisal
- „prudence and sustainability, eg implications for external debt and whole life costing
- „affordability, eg implications for council tax
- „practicality, eg achievability of the forward plan.

Corporate governance: The investment strategy is reviewed by Audit, Governance and Standards Committee prior to approval by full Council. Investment opportunities will be considered on a case by case basis with reference to the strategy, and a mid-year report will be provided during the year to ensure that the strategy remains fit for purpose.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2018 Actual	31.03.2019 Forecast	31.03.2020 Forecast
Treasury management investments	10.4	11.6	2.0
Service investments: Loans	0.085	0.085	1.395
TOTAL INVESTMENTS	10.485	11.685	3.395
Commitments to lend (Serco Loan – Leisure Centre)	3.047	2.527	2.010
TOTAL EXPOSURE	13.532	14.212	5.405

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2018 Actual	31.03.2019 Forecast	31.03.2020 Forecast
Treasury management investments	0	0	0.000
Service investments: Loans	0	0	1.000
TOTAL FUNDED BY BORROWING	0	0	1.000

The above table does not include investments funded by borrowing which form part of the Council's capital programme. Details of this expenditure are included within the Capital Strategy.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Treasury management investments	0.44%	0.70%	0.70%
Service investments: Loans	1.00%	1.00%	3.00%
ALL INVESTMENTS (Weighted Average)	0.44%	0.70%	0.81%

Capital Strategy

Maidstone Borough Council
2019/20

Introduction

This capital strategy is new for 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

The capital strategy is an overarching document linking the TM Strategy, Investment Strategy and also includes the Medium Term Financial Strategy (MTFS) which was agreed by Council on 12th December 2018.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10k are not capitalised and are charged to revenue in year.

For details of the Council's policy on capitalisation, see: _

https://www.maidstone.gov.uk/_data/assets/pdf_file/0018/190710/Audited-Annual-Accounts-2017.pdf

In 2019/20, the Council is planning capital expenditure of £23.165m. Detailed below is a list of proposed capital expenditure to 2021/22:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
General Fund Services	12.623	24.066	23.122	18.906	13.683

The main General Fund capital projects include:

<u>Project</u>	<u>Total Project Cost (£m)</u>
Disabled Facilities Grant	5.348
Brunswick/Union Street Developments (contr.)	2.810(Net of
Housing Delivery Partnership	15.000
Indicative Schemes: A, B & C	17.000
Mote Park Visitor Centre and Dam Works	4.039
Town Centre Regeneration Works	2.830
Acquisition of Commercial Assets	12.500
Kent Medical Campus - Innovation Centre	10.500

For details of the Council's policy on capitalisation, see: _

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Mote Park Visitor Centre and Dam Works	4.039
Town Centre Regeneration Works	2.830
Acquisition of Commercial Assets	12.500
Kent Medical Campus - Innovation Centre	10.500

Governance: Service managers submit proposals in October to include projects in the Council's capital programme. Bids are collated by Corporate Finance who calculates the financing cost (which can be nil if the project is fully externally financed). Each Committee appraises the proposals based on a comparison of corporate priorities. Policy & Resources recommends the capital programme which is then presented to Council in March each year.

Prior to any capital commitment being entered into, a detailed report setting out a full project appraisal and detailed financial projections would be considered by the relevant service committee.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
External sources	9.815	4.991	6.131	1.08	0.863
Own resources	2.808	19.075	8.099	0.000	0.000
Debt	0	0	8.892	18.798	12.820
TOTAL	12.623	24.066	23.122	18.906	13.683

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Table 3: Replacement of debt finance in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget	
Own resources	0	0	0.446	0.786	1.142	

- The Council's full minimum revenue provision statement is included within the TM strategy item no. 75 of the Agenda: <http://aluminum:9080/ieListDocuments.aspx?CIId=585&MIId=2870&Ver=4>

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £17.035m during 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
TOTAL CFR	3.227	22.302	39.293	57.119	69.939

Asset management: To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place.

Asset disposals The Council has no plans to sell any of its assets in the forthcoming future, however certain schemes within the capital programme are being partially funded through sale of some of the completed units to partner organisations. The capital expenditure figures have been shown net of these receipts.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and

long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Debt (incl. PFI & leases)	0	0	20.931	38.237	50.540
Capital Financing Requirement	3.227	22.302	39.293	57.119	69.939

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances will be fully utilised to fund the capital programme. This benchmark is currently £11m and is forecast to fall to £2m over the next three years.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Outstanding borrowing	0	0	17.884	35.710	48.530
Liability benchmark	0	3.986	17.884	35.710	48.530

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2018/19 limit	2019/20 limit	2020/21 limit	2021/22 limit
Authorised limit – borrowing	10.418	36.246	54.592	67.929
Authorised limit – PFI and leases	3.568	3.047	2.527	2.010
Authorised limit – total external debt	13.986	39.293	57.119	69.939
Operational boundary – borrowing	3.986	17.884	35.710	48.530

Operational boundary – PFI and leases	3.568	3.047	2.527	2.010
Operational boundary – total external debt	7.554	20.931	38.237	50.540

- Further details on borrowing are in pages 8 to 11 of the treasury management strategy_

<http://aluminum:9080/ieListDocuments.aspx?CIId=585&MIId=2870&Ver=4>

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the short term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both short-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments in £millions

	31.3.2018 actual (m)	31.3.2019 forecast (m)	31.3.2020 budget (m)	31.3.2021 budget (m)	31.3.2022 budget (m)
Short-term investments	17.4	9.6	0	0	0
Longer-term investments	0	2.0	2.0	2.0	2.0
TOTAL	17.4	11.6	2.0	2.0	2.0

- Further details on treasury investments are in pages 12 to 19 of the treasury management strategy_

<http://aluminum:9080/ieListDocuments.aspx?CIId=585&MIId=2870&Ver=4>

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and Business Improvement and staff, who must act in line with the treasury management strategy approved by council. Quarterly reports on treasury management activity are included within the budget monitoring reports which are presented to the council Policy & Resources Committee with the half yearly and annual reviews which are scrutinised by Audit, Governance and Standards Committee then recommending to Full council. The Audit, Governance and Standards Committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

The Council can make investments to assist local public services, including making loans to local service providers, local small businesses to promote economic growth, Charities and the Council's subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to provide value for money to the tax payer.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and Business Improvement and relevant committee (where appropriate), must meet the criteria and limits laid down in the investment strategy. Most loans are capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on service investments are in pages 2 to 3 of the investment strategy.

Commercial Activities

The acquisition of commercial investment properties is intended to support the local economy and regeneration objectives so does not qualify as Commercial Investment.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
Financing costs (£m)	(0.145)	(0.180)	0.208	0.564	0.821
Proportion of net revenue stream	(0.8)%	(0.9)%	1.0%	3.1%	4.5%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend beyond 5 years into the future. The Director of Finance and Business Improvement is satisfied that the proposed capital programme is prudent, affordable and sustainable.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance and Business improvement is a

qualified accountant with 12 years' experience in local government, the Corporate Property Manager and the team are experienced in Property Management and The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), and ACCA.

The Council currently employs Link Asset Services as treasury management advisers, a number of property consultants including Harrisons Property Surveyors Limited and Sibley Pares Limited. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

MAIDSTONE BOROUGH COUNCIL

COUNCIL TAX 2019/2020

Schedule of Council Tax Base and Additional Basic Amounts of

Council Tax in parts of the area with Parish Precepts

PARISH	TAX BASE	PRECEPT £	BAND 'D' TAX £
Barming	744.8	27,460	36.87
Bearsted	3,636.2	118,213	32.51
Boughton Malherbe	229.8	5,515	24.00
Boughton Monchelsea	1,572.6	76,963	48.94
Boxley	3,889.2	113,335	29.14
Bredhurst	182.4	16,171	88.66
Broomfield & Kingswood	742.9	57,545	77.46
Chart Sutton	422.2	22,000	52.11
Collier Street	372.8	17,456	46.82
Coxheath	1,647.4	80,000	48.56
Detling	396.7	35,070	88.40
Downswood	846.6	33,000	38.98
East Sutton	144.3	6,434	44.59
Farleigh East	674.8	58,579	86.81
Farleigh West	237.5	25,500	107.37
Harrietsham	1,268.9	120,190	94.72
Headcorn	1,638.8	191,110	116.62
Hollingbourne	468.6	24,419	52.11
Hunton	318.6	26,338	82.67
Langley	511.9	15,000	29.30
Leeds	341.4	33,254	97.40
Lenham	1,455.1	144,300	99.17
Linton	251.5	12,892	51.26
Loose	1,128.0	88,896	78.81
Marden	1,830.5	136,500	74.57
Nettlestead	308.8	18,619	60.30
Otham	313.6	12,268	39.12
Staplehurst	2,424.9	150,650	62.13
Stockbury	322.9	14,657	45.39
Sutton Valence	710.7	51,120	71.93
Teston	308.2	25,000	81.12
Thurnham	578.8	18,600	32.14
Tovil	1,440.9	70,868	49.18
Ulcombe	394.9	20,653	52.30
Yalding	1,000.7	67,500	67.45

APPENDIX B

MAIDSTONE BOROUGH COUNCIL
COUNCIL TAX 2019/2020
Schedule of Council Tax Levels for all Bands
and all Parts of the Area including District Spending and all Precepts.

	£	£	£	£	£	£	£	£
Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Barming	1,245.11	1,452.63	1,660.14	1,867.66	2,282.69	2,697.73	3,112.77	3,735.32
Bearsted	1,242.20	1,449.24	1,656.27	1,863.30	2,277.36	2,691.43	3,105.50	3,726.60
Boughton Malherbe	1,236.53	1,442.62	1,648.70	1,854.79	2,266.96	2,679.14	3,091.32	3,709.58
Boughton Monchelsea	1,253.16	1,462.01	1,670.87	1,879.73	2,297.45	2,715.16	3,132.89	3,759.46
Boxley	1,239.96	1,446.61	1,653.27	1,859.93	2,273.25	2,686.56	3,099.89	3,719.86
Bredhurst	1,279.64	1,492.91	1,706.18	1,919.45	2,345.99	2,772.53	3,199.09	3,838.90
Broomfield & Kingswood	1,272.17	1,484.20	1,696.22	1,908.25	2,332.30	2,756.36	3,180.42	3,816.50
Chart Sutton	1,255.27	1,464.48	1,673.69	1,882.90	2,301.32	2,719.74	3,138.17	3,765.80
Collier Street	1,251.74	1,460.37	1,668.99	1,877.61	2,294.85	2,712.10	3,129.35	3,755.22
Coxheath	1,252.90	1,461.72	1,670.53	1,879.35	2,296.98	2,714.61	3,132.25	3,758.70
Detling	1,279.46	1,492.71	1,705.95	1,919.19	2,345.67	2,772.16	3,198.65	3,838.38
Downswood	1,246.52	1,454.27	1,662.02	1,869.77	2,285.27	2,700.77	3,116.29	3,739.54
East Sutton	1,250.26	1,458.63	1,667.01	1,875.38	2,292.13	2,708.88	3,125.64	3,750.76
Farleigh East	1,278.40	1,491.47	1,704.53	1,917.60	2,343.73	2,769.86	3,196.00	3,835.20
Farleigh West	1,292.11	1,507.46	1,722.81	1,938.16	2,368.86	2,799.56	3,230.27	3,876.32
Harrietsham	1,283.68	1,497.62	1,711.57	1,925.51	2,353.40	2,781.29	3,209.19	3,851.02
Headcorn	1,298.28	1,514.65	1,731.03	1,947.41	2,380.17	2,812.92	3,245.69	3,894.82
Hollingbourne	1,255.27	1,464.48	1,673.69	1,882.90	2,301.32	2,719.74	3,138.17	3,765.80
Hunton	1,275.64	1,488.25	1,700.85	1,913.46	2,338.67	2,763.88	3,189.10	3,826.92
Langley	1,240.06	1,446.74	1,653.41	1,860.09	2,273.44	2,686.79	3,100.15	3,720.18
Leeds	1,285.46	1,499.71	1,713.95	1,928.19	2,356.67	2,785.16	3,213.65	3,856.38
Lenham	1,286.64	1,501.08	1,715.52	1,929.96	2,358.84	2,787.72	3,216.60	3,859.92
Linton	1,254.70	1,463.82	1,672.93	1,882.05	2,300.28	2,718.51	3,136.75	3,764.10
Loose	1,273.07	1,485.25	1,697.42	1,909.60	2,333.95	2,758.31	3,182.67	3,819.20
Marden	1,270.24	1,481.95	1,693.65	1,905.36	2,328.77	2,752.18	3,175.60	3,810.72
Nettlestead	1,260.73	1,470.85	1,680.97	1,891.09	2,311.33	2,731.57	3,151.82	3,782.18
Otham	1,246.61	1,454.38	1,662.14	1,869.91	2,285.44	2,700.98	3,116.52	3,739.82
Staplehurst	1,261.95	1,472.27	1,682.60	1,892.92	2,313.57	2,734.21	3,154.87	3,785.84
Stockbury	1,250.79	1,459.25	1,667.72	1,876.18	2,293.11	2,710.03	3,126.97	3,752.36
Sutton Valence	1,268.48	1,479.90	1,691.31	1,902.72	2,325.54	2,748.37	3,171.20	3,805.44
Teston	1,274.61	1,487.04	1,699.48	1,911.91	2,336.78	2,761.64	3,186.52	3,823.82
Thurnham	1,241.96	1,448.95	1,655.94	1,862.93	2,276.91	2,690.89	3,104.89	3,725.86
Tovil	1,253.32	1,462.20	1,671.09	1,879.97	2,297.74	2,715.51	3,133.29	3,759.94
Ulcombe	1,255.40	1,464.63	1,673.86	1,883.09	2,301.55	2,720.01	3,138.49	3,766.18
Yalding	1,265.50	1,476.41	1,687.33	1,898.24	2,320.07	2,741.90	3,163.74	3,796.48
Basic Level of Tax	1,220.53	1,423.95	1,627.37	1,830.79	2,237.63	2,644.47	3,051.32	3,661.58

Agenda Item 19

Council

27 February 2019

Strategic Plan 2019-45

Final Decision-Maker	Council
Lead Head of Service/Lead Director	Alison Broom Chief Executive
Lead Officer and Report Author	Angela Woodhouse Head of Policy Communications and Governance and Anna Collier Policy and Information Manager
Classification	Public
Wards affected	All

Executive Summary

Following agreement of a new vision, priorities and outcomes by Council in December 2018 this report sets out the proposed high level key actions the Council will take in the short term to deliver against the outcomes.

This report makes the following recommendation to Council

That the Strategic Plan 2019-45 (Appendix A to this report) is adopted.

Timetable

Meeting	Date
Heritage, Culture and Leisure Committee	29 January 2019
Strategic Planning, Sustainability and Transportation Committee	5 February 2019
Communities Housing and the Environment Committee	12 February 2019
Policy and Resources Committee	13 February 2019
Council	27 February 2019

1. INTRODUCTION AND BACKGROUND

- 1.1 In December 2018 Council agreed the new vision, priorities and outcomes for the Borough until 2045.
- 1.2 The formation of the new vision, priorities and outcomes has been reached following an intensive process of engagement, research and involvement which included a number of councillor workshops and public and partner consultation to ensure what was developed reflects the key issues facing the borough in the long term.
- 1.3 This report identifies proposed high level key actions that the Council will take in the short to medium term to ensure that the Council is on course to achieve the agreed outcomes. The focus is on significant projects and changes to the Council's approach and work programmes. The intention is not to include every business as usual activity in the high level key action plan. Each council service produces an operational service plan and this is where actions to maintain or evolve these services is articulated.





Key Actions

- 1.4 Proposed key actions can be seen in the sections beginning with "between 2019-24 we will place particular importance on" under each priority in Appendix A.
- 1.5 The vision in the Strategic Plan is to 2045, so key actions reflect the Council's focus of resources in the short to medium term (1-5 years). Actions will be regularly reviewed to ensure that the Council's resources are always focused in the right areas, reflecting the needs of the borough at the time.
- 1.6 The actions identified are brief and strategic, following assessment of the Council's current plans, our ambitions and the resources needed. It should be noted that not every outcome will have actions at this point in time as the Council has finite resources and the plan stretches until 2045 allowing some topics to be addressed now and others to be considered at a later date, in other words the action plan acknowledges that the Council will not be able to tackle all the outcomes straight away. The proposed actions reflect current promises and outcomes where current issues are most acute for example housing. Some areas for example community development currently have limited resource and will require careful planning and further work as well as looking at funding before we can progress.
- 1.7 The Council has a comprehensive range of topic specific strategies each of which has an associated action plan. Our Strategic Plan document will include a full strategy map. As noted above operational actions will be covered in departments' service plans which will be refreshed (as is our usual practice) in February/March 2019 to coincide with the new municipal year; they will

reflect the budget provision for 2019/20 and any preparations needed for operational changes or budget changes agreed for the period beyond.

Cross cutting objectives

1.8 Where actions will have an impact on a cross cutting objective/s this has been identified by the use of a symbol. A key of the symbol can be seen in the table below, this is also reflected on the Council’s one page summary of the visions and priorities in the plan for consistency.

Heritage is respected	
Health inequalities are addressed and reduced	
Deprivation is reduced and social mobility is improved	
Biodiversity and Environmental sustainability is respected	

As projects progress impact on crosscutting objectives may change. This will be assessed as part of the Council’s existing decision making process.

Monitoring of Actions

1.9 Members will be able to keep oversight of progress of these key actions through the service Committees in a number of ways:

- Quarterly and annual key performance indicators
- Strategy and briefing updates
- 6 monthly strategic plan updates.

2. AVAILABLE OPTIONS

2.1 The Vision, Priorities and Outcomes have already been approved by Council and cannot be amended. Feedback from all three service committees will be submitted at the meeting as at time of report publication only one committee has given feedback.

2.2 A number of options are open to Council:

- Review and make amendments.
This would allow the Council to identify additional actions or amendments
- Approve the Plan
This would demonstrate that Council is content with the document.

- Do not approve the Plan
This would mean the Council does not have in place actions from April 2019 to deliver the vision and priorities it has already approved.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 Council is recommended to approve the Strategic Plan 2019-45. This would enable the delivery of the vision and priorities that have already been approved by Council.

4. RISK

- 4.1 The Strategic Plan sets out the Council's priorities and how they will be delivered informing the council's risk register which will pick up any actions from the Strategic Plan. A Member and Officer corporate risk workshop was delivered on 22 January 2019 to review and identify risks in relation to the new plan and the product of this will be reported to the Policy and Resources Committee with monitoring by Audit, Governance and Standards Committee in the usual way.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 As the Committee will be aware from previous reports and discussions on the new Strategic Plan, consultation has been undertaken with residents, Parish Councils, Councillors and Committees to develop the agreed vision, priorities and outcomes. The four Service Committees have all had the opportunity to comment and recommend amendments which have been incorporated into the plan.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Service Committees have all had an opportunity to comment on and influence the strategic plan actions.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The plan sets out the short to medium term high level key actions to achieve the outcomes associated with	Head of Policy, Communications and Governance

	Council's corporate priorities.	
Risk Management	Refer to section 4.	Head of Policy, Communications and Governance
Financial	This report sets out the key actions the Council will take in the short term to deliver Strategic Plan outcomes. The Medium Term Financial Strategy (MTFS), approved by Council on 12 December 2018, sets out how the Strategic Plan will be delivered in financial terms. The actions described here are consistent with the MTFS.	Section 151 Officer & Finance Team
Staffing	The Plan will inform the Council's Service Plans which in turn inform individual appraisals setting out the direction and key tasks for staff.	Head of Policy, Communications and Governance
Legal	The new Strategic Plan aligns with the Council's general duty, as a best value authority, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness – section 3 of the Local Government Act 1999. Once adopted by the Council as recommended, the Strategic Plan and the high level actions will enable the Council to monitor its performance against the agreed objectives.	Head of Mid Kent Legal Services
Privacy and Data Protection	We recognise the plan actions will impact what information the Council holds on our residents. As projects are developed which involve the	Head of Policy, Communications and Governance

	collection and/or processing of personal data the project managers/owners of specific tasks will ensure that privacy impact assessments have been undertaken	
Equalities	As decisions are made on each of the projects and actions equality impact assessments will be undertaken as needed	Head of Policy, Communications and Governance
Public Health	The plan has actions to improve health and wellbeing of our residents	Head of Policy, Communications and Governance
Crime and Disorder	The plan sets out high level priorities for community safety	Head of Policy, Communications and Governance
Procurement	No implications	

8. REPORT APPENDICES

- Appendix A: Draft Strategic Plan 2019-2045
-

9. BACKGROUND PAPERS

Report to Council: New Strategic Plan Vision, Priorities and Outcomes 2019-2045
<http://aluminum:9080/documents/s63863/New%20Strategic%20Plan%20Vision%20Objectives%20and%20Outcomes%202019-45.pdf>

Front Cover: Strategic Plan 2019-2045

Artwork to be added

Contents

Page 3: Leader and Chief Executive's introduction

Page 4: Vision and priorities on a page

Page 5: Embracing Growth and Enabling Infrastructure

Page 6: Safe, Clean and Green

Page 7: Homes and Communities

Page 8: Thriving Place

Page 9: Strategy Map – TBC

Leader and Chief Executive's Introduction

Maidstone Borough Council's responsibility is to make every effort to deliver its services and produce cohesive plans for – economic, environmental, social and cultural prosperity. We have stewardship for our future, and it's important that we get it right. The ambitious priorities set out in this plan recognise the potential in Maidstone Borough whilst setting long-term aspirations that will benefit our residents, businesses and partners now and in the future.

Despite huge and unprecedented cuts in central Government funding, prudent investment by the Council will lead to significant improvements to enable delivery of our vision.

We will achieve our ambitions by being good stewards and ensuring we take a long-term view. The choices we make today will impact on the state of our environment, and the quality of life enjoyed by our residents, decades from now. That's why it's so important for the Council to have a long-term strategic plan and vision to lead us towards a planned future where we embrace controlled growth.

Fundamental to our success is understanding what matters most to our communities. We invest in regular consultation, engaging with our residents, parish councils, businesses and partners on important issues and decisions that affect and benefit us all. This underpins our decision making and the direction and journey we will take together.

This document sets out our aspiration for Maidstone through to 2045, and how we're going to achieve it. Of course, we can't do it alone. It should come as no surprise that a key feature of this plan is collaboration. We value the relationships with partners, both in the private and public sector. We will continue to collaborate so that we use our finite resources to get the best results particularly in meeting our communities' housing needs, improving health and employment opportunities and delivering sustainable transport and infrastructure solutions.

We recognise each member of staff and Councillor for their contribution to our success. Over time we will reap the benefit of our long-term plans and should soon be able to function without being at the continual mercy of the ebb and flow of funding from Central Government. The work we do together today is supported by all political groups, which now puts us in an excellent position to attract investment and opportunities for Maidstone that will help us deliver each milestone and goal we challenge ourselves with to deliver our Strategic Plan.

Our Strategic Plan 2019-2045

PRIDE IN OUR BOROUGH
A Borough that works for everyone



- Cross Cutting Objectives:**
- Heritage is respected
 - Health inequalities are addressed and reduced
 - Deprivation is reduced and social mobility is improved
 - Biodiversity and Environmental sustainability is respected



Embracing Growth and Enabling Infrastructure

We want Maidstone Borough to work for the people who live, visit and work; now and in the future. We want a Borough where there is a variety of jobs, housing need is met and infrastructure is in place to meet the growing needs of our residents and economy. We also want to ensure we lead and shape our place as it grows, including leading master planning and investing to bring about high quality housing and jobs in the Borough.


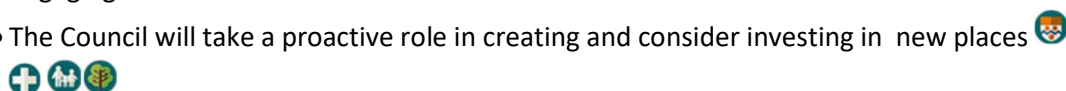
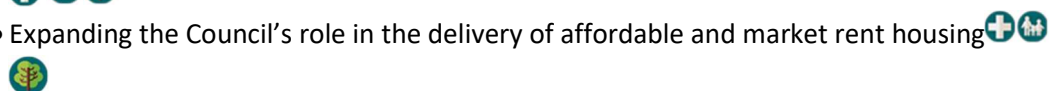


Snapshot

- As of 2017 we had 167,700 people living in the Borough
- Our population is forecast to grow by 24.3% between 2016 and 2036
- From 2011/12-2017/18 a total of 5,291 new homes have been built in the Borough
- In 2017/18 the employment rate was 78.5% (83,400 people) up from the same period in the previous year by 3.9%
- In 2018 the average home broadband speed was around 46.2Mbps, up from 36.2Mbps in 2017. We do recognise that in the rural areas there are substantial problems with broadband.
- Better transport systems is the second highest priority for our residents

Our Outcomes:

- The Council leads master planning and invests in new places which are well designed
- Key employment sites are delivered
- Housing need is met including affordable housing
- Sufficient infrastructure is planned to meet the demands of growth

Between 2019-24 we will place particular importance on:

- Engaging with our communities on the Local Plan review 
- The Council will take a proactive role in creating and consider investing in new places 
- Expanding the Council's role in the delivery of affordable and market rent housing 
- Working with partners to get infrastructure planned, funded and delivered 
- Intervening where necessary in the market, to deliver key employment sites 

Safe, Clean and Green

We will keep Maidstone an attractive and clean place for all. Maidstone is a safe place to live and we want our residents to feel safe. We want to protect and where possible enhance our environment and make sure our parks, green spaces, streets and public areas are high quality by ensuring they are looked after, well managed and respected.

Snapshot

- Over 50% of waste is recycled
- The town centre and its immediate surrounds have been designated as an Air Quality Management Area
- Maidstone has 30 large parks, four of which are Green Flag parks and 80 Neighbourhood greenspaces
- Just over 40% of residents use amenity green space once a week
- Overall, 70.5% of respondents were very or fairly satisfied with their local area as a place to live
- 93% of residents feel safe in their own home, but 22% don't feel safe walking in their local area at night

Our Outcomes:

- People feel safe and are safe
- A Borough that is recognised as clean and well cared for by everyone
- An environmentally attractive and sustainable Borough
- Everyone has access to high quality parks and green spaces

Between 2019-24 we will place particular importance on:

- Taking action against those who do not respect our public spaces, streets, green spaces and parks 🏰+🌿
- Improving community safety by working with our partners to make people less vulnerable to crime 🏰+👤
- Raising resident satisfaction with the cleanliness of the Borough 🏰+🌿
- Implementing the "Go Green Go Wild" project to embrace and encourage biodiversity and protect and enhance our green spaces 🏰+🌿
- Improving air quality 🏰+🌿

Homes and Communities

We want to have a place that people love and where they can afford to live. This means ensuring that there is a good balance of different types of homes, including affordable housing. We will have safe and desirable homes that enable good health and wellbeing for our communities. We will address homelessness and rough sleeping to move people into settled accommodation. We will work with our partners to improve the quality of community services and facilities including for health care and community activities. Residents will be encouraged and supported to volunteer and play a full part in their communities.






Snapshot

- In 2018 we provided emergency accommodation for in excess 30 people sleeping rough
- On average people could expect to pay 9 times their annual earnings in 2018 compared to 7 times in 2007
- Only 22% of residents agree their neighbourhood is a place where homes are affordable
- Three of our wards rank in the top 10% for deprivation in Kent

Our Outcomes:

- A diverse range of community activities is encouraged
- Existing housing is safe, desirable and promotes good health and well-being
- Homelessness and rough sleeping are prevented
- Community facilities and services in the right place at the right time to support communities

Between 2019-24 we will place particular importance on:

- Reducing rough sleeping in a sustainable way 
- Reducing the use of temporary accommodation for homeless families 
- Improving housing through use of our statutory powers to promote good health and wellbeing 
- Increasing our interventions with Houses of Multiple Occupation 
- Supporting the health service to improve access to primary care including local care hubs 

A Thriving Place

Maidstone is a Borough that is open for business, attractive for visitors and is an enjoyable and prosperous place to live for our residents. Maidstone is the Business Capital of Kent; we will continue to grow our local economy with high employment, good local jobs and thriving local businesses. We want our town and village centres to thrive and be fit for the future. We will lead investment in the County town and rural service centres through our regeneration projects and working with partners. We are proud of our heritage and will continue to grow our leisure and cultural offer.




















Snapshot

- We attract over 4.5 million visits a year with over £284 million spend in the local economy
- 45% of residents view the economy as thriving or on the way up
- Maidstone has the biggest economy of all the Kent districts
- Unemployment (job seeker allowance claimants) is 1.1% (Nov 2018)
- 1160 more businesses have started up or located to the Borough since 2010

Our Outcomes:

- A vibrant leisure and culture offer, enjoyed by residents and attractive to visitors
- Our town and village centres are fit for the future
- Skills levels and earning potential of our residents are raised
- Local commercial and inward investment is increased

Between 2019-24 we will place particular importance on:

- Development and commencement of delivering the new gallery at the Museum 
- Enabling events which assist people in increasing their pride in communities and our environment   
- Reviewing and delivering leisure and cultural services that meet future needs e.g. sports facilities   
- Building the innovation centre at Kent Medical Campus, promoting inward investment in the borough  
- Working with partners to redevelop the Maidstone East site and modernise the bus station in the County Town   
- Developing and delivering plans for the five opportunity sites in the town centre and the Staplehurst regeneration project   
- Working with parishes and community groups on neighbourhood plans    

How we do things

- Community Engagement and Leadership
- Partnership working
- Proactive Investment
- Outcome focussed commissioning and service delivery

We recognise that our vision is ambitious and the outcomes we are seeking to achieve will require us to work with our partners and key stakeholders in the Borough. We have a key role in the Borough through our direct service delivery as well as the services we commission. We are keen to take an active role in shaping the Borough through investing our resources in housing and regeneration as well as leading the development of new communities. We will do all this whilst engaging and listening to our communities.

We are a confident organisation, so whilst central government funding has reduced, we are prepared to generate resources locally to fulfil our ambitions and aspirations to deliver our priorities. Building on our strengths - assets, knowledge and expertise and our track record for innovation and improvement we are creating a financially sustainable future so that we can continue with our undiminished plans.

Our Values:

Service

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

Teamwork

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

Responsibility

Knowing that we work in an environment that encourages us to take ownership for our actions. Making the right choices and decisions that lead to a satisfactory outcome for all.

Integrity

Having the courage to act on our convictions to build trust and honesty within the organisation. Working with our partners and customers to create a feeling of openness and transparency in all that we do.

Value

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

Equality

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

Strategy Map – to be added

Agenda Item 20

Council

27 February 2019

CIL Governance and Administration

Final Decision-Maker	Full Council
Lead Head of Service/Lead Director	Rob Jarman, Head of Planning and Development
Lead Officer and Report Author	Tay Arnold, Planning Projects Delivery Manager. Isabel Elder, Principal Planning Officer
Classification	Public
Wards affected	All

Executive Summary

Since the last Community Infrastructure Levy (CIL) report to Full Council on 25 October 2017, SPST have successfully overseen the administrative and governance arrangements required for the CIL implementation date of 1 October 2018.

SPST have received reports on 13 March 2018, 11 September 2018 and 8 January 2019 regarding the administration and governance arrangements for CIL. This report will update Council on progress to date and seek the appropriate delegations for SPST.

The current constitutional wording states that the function of SPST (amongst other functions) is to oversee the development, review and implementation of The Community Infrastructure Levy (subject to approval by Council). This report is in line with the constitution for Council to note progress and also recommends amending the wording of the constitution for appropriate delegations to be made to SPST.

This report makes the following recommendations to Full Council that:

1. Progress on the implementation and delivery of the Community Infrastructure Levy (CIL) be noted.
2. Delegated responsibility be given to the Strategic Planning, Sustainability and Transportation Committee to be the final decision maker for spending CIL funds.
3. The following additional/revised wording be agreed for incorporation into Part 2.2 of the Constitution (Responsibility for Functions):

2.1 FUNCTIONS OF FULL COUNCIL

COUNCIL

- ~~(22) Any other function which must, by law, be reserved to the full Council.~~
 (22) *Approving the Community Infrastructure Levy (CIL) Charging Schedule.*
 (23) *Any other function which must, by law, be reserved to the full Council.*

2.2.3 STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORTATION COMMITTEE

FUNCTIONS	DELEGATION OF FUNCTIONS
<p>Strategic Planning and Performance Management – to oversee the development, review and implementation of the Council’s:</p> <p>Development Plan, including the Maidstone Borough Local Plan and Neighbourhood Plans (subject to approval by Council); Spatial planning documents such as supplementary planning documents and planning policy advice notes; Master Plans and development briefs; The Infrastructure Delivery Plan; <i>and</i> The Community Infrastructure Levy (CIL) (subject to approval by Council) <i>including being the final decision maker for spending strategic CIL funds. (Note: the CIL Charging Schedule must be approved by a meeting of full Council).</i></p>	<p>Head of Planning and Development</p>

Timetable	
Meeting	Date
Full Council	27 February 2019
SPST	8 January 2019

CIL Governance and Administration

1. INTRODUCTION AND BACKGROUND

- 1.1 Following consideration of the CIL Examiner's Report and the modified Charging Schedule at the 12 September 2017 Strategic Planning, Sustainability & Transportation Committee (SPST) meeting, Full Council resolved to approve the Maidstone Borough CIL Charging Schedule at its meeting on 25 October 2017. It was agreed the Charging Schedule would come into effect on 1 October 2018.
- 1.2 On 7 November 2017, SPST received a report outlining the key issues which would need to be addressed as the Council established its administrative and governance arrangements for the Community Infrastructure Levy (CIL) in Maidstone borough. On 13th March 2018, officers presented further details on the proposals for the administrative arrangements as these needed to be in place by the implementation date of 1st October 2018. The report also informed members as to how Parishes could spend the neighbourhood (non strategic) portion of CIL as set out in the CIL Regulations.
- 1.3 SPST subsequently received a report on 11th September 2018, updating them on the progress that had been achieved for the administration and engagement arrangements and set out the parameters of what the strategic CIL portion could be spent on. By 1st October 2018, the administrative requirements necessary for the Council to be able to collect were in place.
- 1.4 On 8th January 2019, SPST received the latest report which focused on the governance arrangements for CIL and made recommendations on how decisions regarding the strategic portion of CIL would be made. CIL must be spent on infrastructure to support the development needs of the borough. Strategic CIL is the larger portion of CIL. It will be either 70% or 80% of the total CIL receipt depending on how much is taken for the neighbourhood area who either have a plan or do not. This is set out in legislation.
- 1.5 SPST resolved at the January meeting that they should be the final decision maker and be responsible for assessing the recommendations brought to them by an officer steering group in respect of the allocation of the strategic CIL. It was agreed, as per the constitution that the appropriate delegations should be sought from Full Council.
- 1.6 Strategic CIL can only be spent on infrastructure as identified in the 2008 Planning Act. It must be spent on infrastructure which is needed to support the delivery of the adopted Maidstone Borough Local Plan and schemes identified on the Regulation 123 list.
- 1.7 The Council's Infrastructure Delivery Plan (IDP) is a key supporting document for both the Local Plan and the CIL. It identifies the individual infrastructure schemes required to sustainably deliver the plans

objectives. The IDP is a 'living' document and will be reviewed on an annual basis, alongside the Regulation 123 list, as new projects come forward to support the current plan and those projects identified in the document are delivered. It acts as a tool for identifying the appropriate funding mechanism for each project. It states what CIL will be expected to contribute towards and what other funding sources, such as S106, will pay for.

- 1.8 It is critical therefore, that the Council makes effective decisions on the allocation of CIL monies, to facilitate the delivery of infrastructure in a timely manner to support planned growth, and to ensure that infrastructure delivery does not become a constraint to planned development, or adversely affect the Council's five year housing land supply position.

Update on administrative and governance issues from 7th November 2017

- 1.9 The initial report on administration and governance in November 2017 outlined the key issues that needed to be addressed for the two areas of administration and governance. These have provided a framework for subsequent report updates to SPST. They are illustrated in the table below and an outline of the actions taken and progress made, provided in the accompanying text.

- 1.10 Table:

Key administration issues
A1: How responsibility for the day-to-day operational tasks of CIL implementation is distributed within the Planning Department: whether to a single bespoke section, or whether some elements are allocated more widely for instance across validation, development management, enforcement or building control.
A2: Whether or not the CIL Additional Information Form should be added to Part1 of the Local Validation List and whether the Assumption of Liability Form should be added to Part 2 of the List.
A3: How the Council should approach applications submitted during the transitional period, in the weeks and months leading up to 1 October 2018.
A4: How the Council should engage with infrastructure providers ahead of and during the transition, to ensure that requests for developer contributions are compliant with the CIL Regulations and the Council's Regulation 123 List.
A5: How the Council administers the neighbourhood portion within parish council areas.
Key governance issues
G1: Who will be the final decision making body, with responsibility for

the allocation of CIL monies and the regularity of their decision making.
G2: The process by which recommendations on the allocation of CIL monies are reached, and the involvement of infrastructure providers, corporate leadership, members, officers and other stakeholders in this process.
G3: The extent to which the overall CIL “pot” is sub-divided in some predetermined manner, either between infrastructure types/projects, between geographical areas or between large/long term infrastructure and smaller/short term infrastructure.
G4: The nature of the delivery agreement with an infrastructure provider, on allocation, and the extent to which conditions and clawback mechanisms are imposed.
G5: How the Council works with Parish Councils to develop local infrastructure priorities for neighbourhood portion spend.
G6: How the Council works with local communities in non-parished areas to develop local infrastructure priorities for neighbourhood portion spend

Update on progress on key administration issues:

- 1.11 **KEY ISSUE A1: How responsibility for the day-to-day operational tasks of CIL implementation is distributed within the Planning Department/Council: whether to a single bespoke section, or whether some elements are allocated more widely for instance across validation, development management, enforcement or building control.**
- 1.12 **Response to A1:** The prescriptive nature of CIL requires co-ordination of responsibilities and services in order to oversee the day to day operation of the CIL. To facilitate this, two specific CIL administrative officers were recruited in the summer of 2018 to create a CIL team reporting to the Principal Projects and Delivery Manager within the Strategic Planning team. In the short term, these posts are funded from existing revenue budgets. As CIL income is generated, the costs will be offset from the 5% administrative fee, which can be taken from the CIL collected.
- 1.13 A process map to identify the individual stages of the CIL collection process was produced which aided inter departmental discussions and assisted with identifying symmetry with other Council functions in order to allocate tasks in the most efficient way. The map has been subsequently updated to include all the internal processes required for the CIL team to deliver the CIL administrative requirements. Officers have requested that internal audit reviews these processes to ensure all opportunities for efficiencies have been taken.

- 1.14 **KEY ISSUE A2: Whether or not the CIL Additional Information Form should be added to Part 1 of the Local Validation List and whether the Assumption of Liability Form should be added to Part 2 of the List.**
- 1.15 **Response to A2:** Following the introduction of CIL, all applications for full planning permission (including householder), reserved matters (following an outline application) and applications for lawful development certificates are required to complete and submit an Additional Information Form (Form 0). This form identifies whether the development is CIL liable and is a necessary part of the CIL process. Following a 6 week notice period, Form 0 was added to Part 1 of the local validation list. MBC started asking for Form 0 from 11 June 2018. This allowed a generous lead in time to ensure all potential liable applications had a Form 0 submitted with the application. Until a Form 0 is received, the planning application is not validated.
- 1.16 Submission of an Assumption of Liability (Form 1) has been added to Part 2 of the local validation list which will encourage the form to be submitted with the planning application but will still allow an application to be validated without it. The CIL monitoring officer sends out a request during the planning application assessment process to encourage an early submission but Form 1 can be sent to the Council at any point up until the day of commencement.
- 1.17 **KEY ISSUE A3: How the Council should approach applications submitted during the transitional period, in the weeks and months leading up to 1 October 2018.**
- 1.18 **Response to A3:** From 1 October 2018, any planning permission for development meeting the CIL charging schedule eligibility criteria are CIL liable. Prior to this date a review of the number of undetermined major applications identified those that need to be approved before 1 October 2018. All applicants with outstanding S106's were contacted regarding the cut off date of 1st October. Planning and Legal Officers worked closely with applicants to get those in the system approved before 1st October.
- 1.19 CIL Officers worked closely with others to raise awareness with key stakeholders, such as developers, of the CIL implementation date. The date was widely publicised as were key details of the CIL eligibility criteria and the Council's processes. These were published on the Council's website to make clear the statutory determination dates. Due to there being a potential spike in the number of applications received before the CIL was implemented, applicants were encouraged to make their submission earlier so that it could be assessed within the statutory time frame.
- 1.20 When applications were submitted and validated by the Council, in the lead up to CIL, applicants were informed by the validation team, in their receipt acknowledgement that their application could become CIL liable if it wasn't determined prior to 1 October 2018.

- 1.21 **KEY ISSUE A4: How the Council should engage with infrastructure providers ahead of and during the transition, to ensure that requests for developer contributions are compliant with the CIL Regulations and the Council's Regulation 123 List.**
- 1.22 **Response to A4:** Prior to CIL implementation there was engagement with key infrastructure providers to inform them of the introduction of CIL. The one year lead in time allowed a length of time for providers to be aware of the date and to adapt accordingly. Specific training took place for development management to assist them in being able to offer advice both to infrastructure providers and developers of the CIL implementation date. Liaison with legal ensured that the correct CIL interpretation was being followed. Training has also been provided for Councillors (September 2018) to be aware of the change to the process of securing developer contributions, this was open to all but specifically members from planning and SPST committees were encouraged to attend.
- 1.23 Pursuant to the 8 January 2019 report to SPST, infrastructure providers will be able to access CIL funds through an annual bidding process. Projects must be included in the IDP and on the Regulation 123 list to be eligible and must meet the specified criteria:
- Does the project align with an infrastructure type or project included in the adopted Regulation 123 list?
 - Is the infrastructure identified in the current IDP?
- 1.24 Officers engaged with infrastructure providers earlier this year to request project updates and new additions to the IDP. This ongoing dialogue will ensure that infrastructure providers will be engaged with and they will understand the CIL allocation process.
- 1.25 **KEY ISSUE A5: How the Council administers the neighbourhood portion within Parish Council areas.**
- 1.26 **Response to A5:** The non strategic portion of CIL is also known as the neighbourhood portion. The specific process of allocating the neighbourhood portion is set out in legislation and was brought to SPST on 13 March 2018. Parishes will be allocated 15% or 25% of the CIL collected from development within their area, depending on whether there is a 'made' neighbourhood plan in place or not. Those with a plan receive 25%. The legislation is clear on how the money is to be passed to parish councils, what it must be spent on and how it must be accounted for.
- 1.27 A meeting for all Parish Councils (to which members were also invited to attend) was held in June 2018 to inform them of how they could access CIL and what it could be spent on. A further meeting will be held on 20 February 2019 for Parish Council representatives (members have also been invited). The meeting has been scheduled to take place before the first possible payment date to them on 28 April 2019 to support them through this process.

Update on progress on key governance issues

- 1.28 **KEY ISSUE G1: The final decision making body, with responsibility for the allocation of CIL monies and the regularity of their decision making.**
- 1.29 **Response to G1:** The 8 January 2019 report to SPST recommended that SPST be the final decision making body for allocating the strategic CIL money and that there should be an annual bidding and decision making process. Infrastructure providers will be invited to complete a proforma outlining their project proposal. This will be assessed by officers against specified criteria, who will then make recommendations to SPST for them to make the final decision.
- 1.30 **KEY ISSUE G2: The process by which recommendations on the allocation of CIL monies are reached, and the involvement of infrastructure providers, corporate leadership, members, officers and other stakeholders in this process.**
- 1.31 **Response to G2:** SPST agreed at its meeting on 8 January 2019 that a CIL steering group of officers will be established. This steering group will be chaired by the Director of Regeneration and Place. This steering group will meet initially to assess the bid proposals and then make recommendations to SPST as the final decision maker. The reasons for each recommendation will be included in the report to ensure full transparency in the decision making process. Officers will use their technical expertise and make an initial assessment of whether the bid meets the criteria for funding. There will be no new delegation of authority to officers.
- 1.32 Details of all the submissions which meet the minimum criteria will be included in the report to SPST which will, in the ordinary course of events, be publically available prior to the committee meeting. All meetings are webcast, so stakeholders will have the opportunity to view the meeting and see how decisions have been made and their outcome. All those who submitted bids will be informed after the committee meeting of the outcome.
- 1.33 Stakeholders, infrastructure providers, other non-SPST members, officers and members of the general public will be kept informed by information published in the CIL annual report. This report will be for the previous financial year and will be published on the Councils website no later than 31 December each year.
- 1.34 **KEY ISSUE G3: The extent to which the overall CIL “pot” is subdivided in some predetermined manner, either between infrastructure types/projects, between geographical areas or between large/long term infrastructure and smaller/short term infrastructure.**

- 1.35 **Response to G3:** It is not proposed that there will be a predetermined split of the CIL into different categories. The evidence for MBC's CIL charging schedule was based on projects identified in the IDP, which is directly related to the delivery of the adopted Local Plan. CIL receipts should therefore be spent on projects which are in the IDP and on the Regulation 123 list. The amount of CIL received will influence the precise allocation process. Schemes that are the most critical will be prioritised as well as the impact they will have on the borough
- 1.36 SPST, as final decision maker, could choose not to allocate CIL to any schemes in that year either because of
- a lack of funds or
 - wanting to choose a different scheme in the future and it wanted to wait until a larger reserve of CIL had been received or
 - being unsatisfied that the schemes were the best use of CIL receipts or
 - no bids having been received.
- 1.37 **KEY ISSUE G4: The nature of the delivery agreement with an infrastructure provider, on allocation and the extent to which conditions and clawback are imposed.**
- 1.38 **Response to G4:** An agreement will be put in place stipulating the terms and conditions of the release of the strategic CIL funds. Officers have met with legal to start drafting this agreement. A copy of the agreement will be issued with the bid proforma application pack so that infrastructure providers will know what will be expected from them in return for the CIL funds. The agreement will include clauses on such issues as clawback, milestones with agreed dates and CIL fund release dates. Funds can only be used for the purposes agreed. Any amendments will need the Councils approval.
- 1.39 **KEY ISSUE G5: How the Council works with Parish Councils to develop local infrastructure priorities for the neighbourhood portion spend.**
- 1.40 **Response to G5:** This was reported in the 13 March 2018 report, whereby officers recommended (for good practice) that Parishes develop a detailed Infrastructure Spend Plan (ISP) for their area. Officers have made a commitment to work closely with Parishes to support them and have devised specific pages on the Councils CIL webpages to assist Parishes. An initial workshop was held in June 2018 and a further workshop is scheduled for 20 February 2019. Members are also invited to attend this workshop, which is designed to ensure Parish Councils have all the information they require before the first possible payment date of 28 April 2019.
- 1.41 Parishes will have the choice not to receive CIL and may ask the Council to spend it on their behalf. Should the Parish choose this option; the Council will spend the CIL in consultation with the community. The level of consultation will be proportionate to the amount of CIL to be spent as agreed by SPST in the report on 11 September

- 1.42 **KEY ISSUE G6: How the Council works with local communities in non parished areas to develop local infrastructure priorities for neighbourhood portion spend.**
- 1.43 **Response to G6:** The report to SPST on 11 September 2018 outlined how the Council will work within the non-parished areas. Legislation states that CIL can only be passed to Parish Councils. For all other areas, such as parish meeting areas, town centre wards and neighbourhood forums, CIL will be administered by the Council in consultation with that community.
- 1.44 CIL money will be collected by ward. Each ward will then be dealt with on an individual basis and, where appropriate and reflecting the community needs, CIL funds could be combined should it felt that this constitutes the best use of CIL to achieve the delivery of relevant infrastructure. If a ward/wards chooses to become a Forum or Parish/Town Council and develop their own plan then this will be supported by the Council.
- 1.45 When planning the relevant schemes for the year, officers will have regard to priorities and smaller non strategic schemes identified in the IDP and any other locally consulted upon and publically supported schemes.
- 1.46 The CIL Regulations require consultation to be proportionate with the amount of CIL received and the scale of the development to which the neighbourhood funding relates. Maidstone will achieve this by using existing consultation mechanisms already used by the Council, such as the Councils website, libraries, press etc. and liaising with neighbourhood groups and other interested parties. Ideas could, for example also be submitted via the Council's website. The Council will have a dialogue with Ward members before consulting the community on any projects over £5,000. Ward members will have an important role to play in assisting the Council with the consultation process by using their usual forms of engagement with their constituents to inform a wider audience.
- 1.47 Maidstone borough currently has only one non-parished area with an adopted Neighbourhood Plan, the North Loose Residents Association. The Council has met with the Forum separately and will continue to engage with them to ensure that the neighbourhood portion of CIL is spent in accordance with their Neighbourhood Plan and reflects the community's priorities.

Delegation required from Full Council

- 1.48 SPST resolved at its meeting on 8 January 2019 that:
1. The SPST Committee agrees the governance proposals for managing the strategic portion of CIL as follows:
 - A. That a CIL steering group be established comprising the Director of Regeneration and Place (as Chair) and other appropriate Council officers;

- B. That the SPST Committee should be the final decision making body for the strategic portion of CIL.
2. The SPST Committee agrees that the processes, as set out in the report, for the allocation of the strategic portion of CIL be agreed.
 3. The governance arrangements to be reviewed at an appropriate time.
 4. These recommendations are referred to Full Council for approval, so that the appropriate delegations can be made to the SPST Committee.
- 1.49 MBC's constitution sets out that SPST is responsible for overseeing the development, review and the implementation of the Council's Community Infrastructure Levy (subject to approval by Council). This report updates Full Council on progress to date and seeks the appropriate delegation for SPST Committee to oversee the CIL (with the exception of approving the charging schedule) This will also include being the final decision maker for the strategic CIL spend.
- 1.50 SPST will also be responsible for reviewing the governance arrangements, specifically those for the strategic spend, at the most appropriate time. The earliest date this first review could take place would be after the first round of the bidding and allocation process.
- 1.51 To achieve this delegation of responsibility to SPST, it is proposed that the Council's Constitution is amended to reflect the following:
- Strategic Planning and Performance Management – to oversee the development, review and implementation of the Council's:
- Development Plan, including the Maidstone Borough Local Plan and Neighbourhood Plans (subject to approval by Council); Spatial planning documents such as supplementary planning documents and planning policy advice notes; Master Plans and development briefs; The Infrastructure Delivery Plan; *and* The Community Infrastructure Levy (CIL) ~~(subject to approval by Council)~~ *including being the final decision maker for spending strategic CIL funds. (Note: the CIL Charging Schedule must be approved by a meeting of full Council).*

2. AVAILABLE OPTIONS

- 2.1 **Option 1:** Full Council notes progress to date and agrees to make the appropriate delegation to SPST and reflect the associated changes in the Councils Constitution. SPST committee has responsibility for CIL and the delivery of the Local Plan and the production of the IDP. All of which are inter related. A consistent approach will be achieved by having the same committee responsible for all aspects of each of these as they will be aware of other projects and schemes that are taking place. This will ensure the best use of resources and, where available, matched funding.

SPST committee also receives specialist training in CIL and other planning matters which will assist their decision making.

- 2.2 **Option 2:** Full Council chooses to note progress to date but does not agree to amend the Council's Constitution and continues to have decisions brought to them for approval. This could have significant resource implications for members of Full Council. Additional training would be required in CIL and planning related issues. There could also be a risk that the context of other planning decisions and projects would be missed as this detail would have been discussed in SPST meetings such as progress on the Local Plan and the IDP.
- 2.1 **Option 3:** Full Council chooses to note progress to date and resolves to reconsider this request at some point in the future when the CIL has been in operation for longer. This could lead to uncertainty and a lack of ownership by a specific committee. Although there is nothing set out in the legislation about which committee should be responsible, the Government will be expecting the Council to follow what has been laid out in law regarding the process.

3 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 The preferred option is **Option 1**, that SPST are granted delegation from Full Council to deliver the Community Infrastructure Levy including being the final decision making body to spend the strategic CIL. Full Council will retain the function of approving the CIL Charging Schedule. Working with officers, SPST would have overarching responsibility for the Community Infrastructure Levy. Having all the appropriate measures in place will give confidence to the public, developers, Parish Councils, local ward members and other stakeholders such as statutory infrastructure providers.

4 RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy. If the Council chooses options 2 or 3 then there could be delays in approving strategic CIL fund expenditure. This could affect delivery of infrastructure in the borough.

5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No formal consultation has taken place on the implementation however extensive consultation took place regarding the Charging Schedule.
-

6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 If Option 1 is selected, this will be published on the Council’s website under the Community Infrastructure Levy pages.

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Accepting the recommendations will materially improve the Council’s ability to achieve corporate priorities. We set out the reasons other choices will be less effective in section 2.	Rob Jarman Head of Planning and Development
Risk Management	Already covered in the risk section	Rob Jarman Head of Planning and Development
Financial	<p>This report proposes governance arrangements for CIL. Given the potential amounts to be collected via CIL, it is important that robust Financial decision making processes are put in place. Administrative costs associated with CIL can be recouped through a top-slice of CIL income.</p> <p>The proposals to note in the report are all within already approved budgetary headings and so need no new funding for implementation.</p>	Paul Holland, Senior Finance Manager
Staffing	We will deliver the recommendations with our current staffing.	Rob Jarman Head of Planning and Development
Legal	Accepting the recommendations will fulfil the Council’s duties	Susan Mauger

	under The Planning Act 2008. Failure to accept the recommendations without agreeing suitable alternatives may place the Council in breach of the Planning Act 2008.	Senior Planning Lawyer (Locum)
Privacy and Data Protection	Accepting the recommendations will increase the volume of data held by the Council. We will hold that data in line with the Councils privacy policy on GDPR.	Susan Mauger Senior Planning Lawyer (Locum)
Equalities	Equalities will be a key consideration of communication and engagement plans. Particularly in relation to engaging the wider community as part of key issue G6.	Equalities and Corporate Policy Officer
Public Health	Health inequalities will be a key consideration particularly in relation to key issue G5 and G6 when working with Parish Councils and communities in non parished areas	Rob Jarman Head of Planning and Development
Crime and Disorder	N/A	Rob Jarman Head of Planning and Development
Procurement	On accepting the recommendations, the Council will then follow procurement exercises. We will complete those exercises in line with financial procedure rules.	Rob Jarman Head of Planning and Development

8 APPENDICES - None

9 BACKGROUND PAPERS

8 January 2019

<https://meetings.maidstone.gov.uk/documents/s64101/CIL%20Governance%20Report.pdf>

11 September 2018

<https://meetings.maidstone.gov.uk/documents/s62411/Maidstone%20Community%20Infrastructure%20Levy%20Administration%20and%20Governance.pdf>

13 March 2018

<https://meetings.maidstone.gov.uk/documents/s59715/CIL%20administration%20and%20engagement.pdf>

7 Nov 2017 SPST report

<https://meetings.maidstone.gov.uk/documents/s57649/CIL%20Administrative%20and%20Governance%20Arrangements.pdf>

Council

27 February 2019

Business Rates Retail Relief

Final Decision-Maker	Council
Lead Head of Service/Lead Director	Stephen McGinnes Mid Kent Services Director
Lead Officer and Report Author	Sheila Coburn Head of Revenues and Benefits Shared Service
Classification	Public
Wards affected	All

Executive Summary

The Government announced in the Budget on 29 October 2018 that it will provide a Business Rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21.

The purpose of this report is to approve a Policy for awarding relief with effect from 1 April 2019 in line with the guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG).

This report makes the following recommendations to this Committee:

That the Retail Relief Policy (Appendix 1) for the award of Business Rates Retail Relief in line with the guidance provided by the Ministry of Housing, Communities and Local Government (MHCLG) is agreed

Timetable

Meeting	Date
Policy & Resources Committee	23 January 2019
Council	27 February 2019

1. INTRODUCTION AND BACKGROUND

- 1.1 The Government recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and is taking action to help the high street evolve.
- 1.2 The Government announced in the Budget on 29 October 2018 that it will provide a Business Rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21.
- 1.3 Retail properties are described as those that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.
- 1.4 Examples of properties that are considered eligible for Retail Relief are included in the Retail Relief Policy in Appendix 1.
- 1.5 Examples of properties that are not considered eligible for Retail Relief are also included in the Retail Relief Policy in Appendix 1.
- 1.6 As this is a measure for 2019-20 and 2020-21 only, the Government is not changing the legislation around the reliefs available to properties.
- 1.7 Whilst the relief is to be awarded at the discretion of the council, the Government expects local authorities to include details of the relief to be provided to eligible ratepayers for 2019-20 in their bills for the beginning of that year.
- 1.8 The value of the relief will be one third of the net Business Rates bill, after mandatory reliefs and other discretionary reliefs have been applied.
- 1.9 The eligibility criteria is set out in the Ministry of Housing, Communities and Local Government (MHCLG) guidance, which has been incorporated into the Retail Relief Policy.
- 1.10 Authorities should determine for themselves whether particular properties are eligible for the relief.
- 1.11 It is estimated up to 1,000 businesses could be eligible for the relief, the cost of which will be fully reimbursed by Central Government.
- 1.12 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.

2 CONSIDERATION BY POLICY AND RESOURCES COMMITTEE

- 2.1 This policy was considered by the Policy and Resources Committee on 23 January 2019. The Committee resolved to recommend the policy to Council for adoption. An extract of the minutes can be found in Appendix 2 to this report.

3 AVAILABLE OPTIONS

- 3.1 Option 1 – do nothing option. This option would not assist those businesses that the Government intends should benefit from relief.
- 3.2 Option 2 - The council could restrict the scheme to only apply in certain parts of the borough, fewer categories of properties or provide a lower level of reduction. In doing so it would limit the level of central government funding that is being brought into the borough to support retailers.
- 3.3 Option 3 - The council could extend the scheme to include those retailers the government is not recommending for relief, but the additional cost would need to be met by the borough council.
- 3.4 Option 4 – Award relief as described in the Retail Relief Policy in Appendix
-

3 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 Option 4 is the preferred option as the council will be fully compensated for any relief given.
- 3.2 Applying Option 4 will mean the relief is awarded in line with the intentions of central government to assist retailers.
-

4 RISK

- 4.1 In introducing a scheme which is limited for 2 years, the council risks ratepayers perceiving a disproportionate increase in their rate liability when the scheme ends.
- 4.2 The restrictions on state aid are complex and are likely to be unfamiliar to many small businesses, resulting in an increase in enquiries.
- 4.3 To mitigate this risk, an explanatory note will be issued to those businesses that qualify for relief.
-

5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No consultation is necessary.

5.2 This policy was considered by the Policy and Resources Committee at its meeting of 23 January 2019. Please see Appendix 2 for a minutes extract.

6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Details of the relief will be made available on the Council’s website and issued with Business Rates bills

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Securing a successful economy for Maidstone borough	Sheila Coburn, Head of Revenues and Benefits Partnership
Risk Management	Risk implications are set out in section 4 of the report.	Sheila Coburn, Head of Revenues and Benefits Partnership
Financial	None as the amount of relief awarded will be fully met by Central Government	Finance Team
Staffing	Relief will be awarded using existing resources	Sheila Coburn, Head of Revenues and Benefits Partnership
Legal	<p>Section 47 of the Local Government Act 1988 gives billing authorities discretionary rate relief powers that enable the Council to operate the proposed scheme.</p> <p>Central government will fully reimburse local authorities for the local share of the discretionary relief through a grant under section 31 of the Local Government Act 2003.</p> <p>There are no consequences</p>	Keith Trowell, Team Leader (Corporate Governance), Legal Services

	arising from the recommendation that adversely affect or interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.	
Privacy and Data Protection	Accepting the recommendation may increase the volume of data held by the Council. The data will be held and processed in accordance with the data protection principles contained in the Data Protection Act 2018.	Keith Trowell, Team Leader (Corporate Governance), Legal Services
Equalities	Equalities have been considered and no impact has been identified.	Equalities and Corporate Policy Officer
Public Health	No impact identified	Sheila Coburn, Head of Revenues and Benefits Partnership
Crime and Disorder	No impact identified	Sheila Coburn, Head of Revenues and Benefits Partnership
Procurement	No impact identified	Sheila Coburn, Head of Revenues and Benefits Partnership

8 REPORT APPENDICES

Appendix 1 – Retail Relief Policy

Appendix 2 – Policy and Resources Committee Minutes Extract from 23 January 2019

9 BACKGROUND PAPERS

None

Business Rates

Retail Relief Policy

www.maidstone.gov.uk



1. Introduction and Purpose

The Government announced in the Budget on 29 October 2018 that it will provide a Business Rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21.

This document provides guidance about the operation and delivery of the policy, including:

Factors that should be considered when making a decision to award or refuse relief;

Arrangements to delegate authority to award relief in appropriate circumstances;

Appeals procedure for customers dissatisfied with the Council's decision;

If you would like further advice on application of the scheme please contact the Business Rates section at businessrates@midkent.gov.uk .

To view the guidance supplied by the Ministry of Housing, Communities & Local Government which has been incorporated into this document, please go to www.gov.uk/mhclg

2. How the relief will be provided

As this is a measure for 2019-20 and 2020-21 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this guidance, reimburse the Council where it uses its discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief.

It is for the Council to decide on the scheme which they chose to adopt and decide in each individual case when to grant relief under section 47.

3. Which properties will benefit from the relief

Properties that will benefit from the relief will be occupied properties listed for rating (a hereditament) with a rateable value of less than £51,000 that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

We consider shops, restaurants, cafes and drinking establishments to mean:

Hereditaments that are being used for the sale of goods to visiting members of the public:

Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)

Charity shops

Opticians

Post offices

Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)

Car/ caravan show rooms

Second hand car lots

Markets

Petrol stations

Garden centres

Art galleries (where art is for sale/hire)

Hereditaments that are being used for the provision of the following services to visiting members of the public:

Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)

Shoe repairs/ key cutting

Travel agents

Ticket offices e.g. for theatre

Dry cleaners

Launderettes

PC/ TV/ domestic appliance repair

Funeral directors

Photo processing

Tool hire

Car hire

Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:

Restaurants

Takeaways

Sandwich shops

Coffee shops

Pubs

Bars

To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation.

Hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses.

The list is intended to be a guide as to the types of uses that the Council considers for this purpose to be retail.

The Council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief.

Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

4. Properties that will NOT qualify for relief

The list below sets out the types of uses that the Council does not consider to be retail use for the purpose of this relief. Again, the Council will determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

Hereditaments that are being used for the provision of the following services to visiting members of the public:

Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)

Other services (e.g. estate agents, letting agents, employment agencies)

Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)

Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)

Post office sorting offices

Hereditaments that are not reasonably accessible to visiting members of the public:

Cinemas

Theatres

Museums

Nightclubs

Music venues

Gyms

5. How much relief will be available

The total amount of retail relief available for each property for each of the years under this scheme is 1/3rd of the net Business Rates payable.

There is no relief available under this scheme for properties with a rateable value of £51,000 or more.

The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

The following formula should be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

Amount of relief to be granted =

$\frac{V}{3}$ where

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs.

The relief will be applied against the net bill after all other reliefs.

This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de minimis limits.

6. State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid.

Retail Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid.

Where the Council makes an award based on an assumption that the undertaking will not be in receipt of more than €200,000 of De Minimis aid, an explanatory note will be provided and the undertaking requested to contact the Council where they believe they have may or have reached the De Minimis threshold. In such instances the council reserves the right to withdraw.

7. Period of Award and Backdating

This is a measure for 2019-20 and 2020-21 only. Where the Council has reason to believe (based on the information held) that the criteria for relief has been met, it will make an annual award at the start of each financial year 2019-20 and 2020-21.

Where liability starts, ends or changes part way through a year entitlement to relief will be reviewed in line with the guidance set out above.

The council will not accept any backdated requests for relief beyond the end of financial year for which relief is being claimed.

8. Decision making and appeals

Where the Council has reason to believe (based on the information held) that the criteria for relief has been met, it will award relief without the need for an application.

In all other circumstances an application will be required in writing setting out how the criteria for relief have been met.

In the interests of efficiency, the authority to consider applications is delegated to the Revenues Manager, who will ensure that a decision is notified in writing within 21 days of receipt of application or as soon as is reasonably practical thereafter.

Any appeal against the decision to award or not award relief or against the level of relief must be made in writing within four weeks of notification of the decision.

Authority to consider appeals is delegated to the Head of Revenues and Benefits Partnership who will notify the applicant of the final decision in writing within 10 days as to whether an appeal is refused or accepted, with a full explanation of the reasons for the decision.

POLICY AND RESOURCES COMMITTEE

23 JANUARY 2019

ITEM 153 – BUSINESS RATES RETAIL RELIEF

Mr Stephen McGinnes, Director of Mid Kent Services, gave a presentation to the Committee outlining a policy awarding Business Rates Relief to retailers within the Borough. Mr McGinnes explained that this relief was fully funded by the government, and had been announced in the 2017 budget. Instead of making changes to business rates legislation to assist small retailers, the government had announced a fully funded relief for local authorities to implement. The policy drawn up was compliant with the government guidance, and would be applied automatically to all eligible businesses in the Borough.

The Committee stated its support for the policy in order to assist small retailers across the Borough.

RESOLVED: That Council is recommended to agree the Retail Relief Policy (Appendix 1) for the award of Business Rates Relief in line with the guidance provided by the Ministry of Housing, Communities and Local Government.

Voting: Unanimous

Agenda Item 22

COUNCIL

27 February 2019

Council Tax Long Term Empty Property Premium

Final Decision-Maker	Council
Lead Head of Service/Lead Director	Stephen McGinnes Mid Kent Services Director
Lead Officer and Report Author	Sheila Coburn Head of Revenues and Benefits Shared Service
Classification	Public
Wards affected	All

Executive Summary

In general, properties that are unoccupied and substantially unfurnished do not benefit for any discount from Council Tax from the date they become unoccupied. Full Council Tax is payable.

Regulations were introduced in 2013 so councils had discretion to charge a 50% premium on properties which had been empty for more than 2 years.

Maidstone Borough Council made the decision to charge 50% Council Tax premium on properties that have been unoccupied for more than 2 years.

New regulations have now been introduced to allow authorities to vary the percentage of Council Tax premium that is charged over the next 3 years for 2019-20, 2020-21 and 2021-22.

The purpose of this report is to seek approval to introduce the new changes for each of these financial years.

This report makes the following recommendations to Committee:

That revised Council Tax premium for the financial years beginning on 1 April 2019, 1 April 2020 and 1 April 2021 be implemented.

Timetable

Meeting	Date
Policy & Resources Committee	23 January 2019
Council	27 February 2019

Council Tax Long Term Empty Property Premium

1. INTRODUCTION AND BACKGROUND

- 1.1 In April 2013 the Council introduced a premium of 50% on properties that have been empty for a period of more than 2 years.
- 1.2 The definition of an empty property for Council Tax purposes is one that is unoccupied and is substantially unfurnished.
- 1.3 New regulations have been introduced to allow authorities to vary the percentage of premium that is charged.
- 1.4 From 1 April 2019 councils may charge a 100% premium for properties that have been empty for more than 2 years.
- 1.5 From 1 April 2020 councils may charge a 100% premium for properties that have been empty more than 2 years and less than 5 years and 200% for properties empty for over 5 years.
- 1.6 From 1 April 2021 councils may charge a 100% premium for properties that have been empty for more than 2 years and less than 5 years, 200% for properties that have been empty between 5 & 10 years, and 300% for properties that have been empty for over 10 years.
- 1.7 Any adjustment of the premium will be reflected in the Council Tax Base, increasing the amount of Council Tax to be generated by the Borough Council, Kent County Council, Police, Fire & Rescue and Parish Councils in line with their individual proportion of the overall Council Tax set.
- 1.8 In making that decision, the following considerations were taken into account:
 - Increasing pressures on housing and local government finance
 - Providing greater incentive for empty properties to be returned to use
 - Providing an important tool to encourage the use of empty properties
- 1.9 Council Tax is not charged on the basis that residents or non resident owners will use every service and many services such as planning, highways, street cleaning, local policing and fire services are essential in maintaining the local environment for both residents and non resident owners. Those services do not stop or become cheaper when a property becomes empty with the cost of awarding discounts currently subsidised by the wider Council Tax payer
- 1.10 The Secretary of State has through regulations prescribed classes of property for which a premium cannot be charged:

- A dwelling which is the sole or main residence of a member of the armed forces, who is absent from the property as a result of such service.
- An annexe deemed unoccupied because it is being treated by the occupier of the main dwelling, as part of the main dwelling.

1.11 Although there is nothing prescribed in regulations, councils are expected to consider whether they wish to charge a premium for properties that are being actively marketed for sale.

1.12 If the council did choose to do this, it would increase administration in checking how long a property had been up for sale and whether the sale price had been reduced to try and effect a sale.

1.13 Using the current position for properties that have been empty for more than 2 years, the additional income per band is shown below for 2019-20, 2020-21 and 2021-22:

	Current numbers of Long Term Empty Premium Cases	Additional premium to be charged at 100% from 1 April 2019	Additional premium to be charged April 2020		Additional premium to be charged April 2021	
100%	143	£231,522	86	£139,234	86	£139,234
200%			57	£184,566	31	£150,567
300%					26	£126,282
Total		£231,522		£323,800		£416,083

2 AVAILABLE OPTIONS

2.1 Option 1 – Do nothing. Do not implement any changes and leave the Long Term Empty premium as it currently is at 50%. This would mean there is no additional incentive for owners to bring back empty properties into use or further income generated.

2.2 Option 2 – Implement the changes, except for those owners who are actively marketing their property for sale. This option would require investigation as to how long properties have been on the market and a judgement as to whether the sale price and steps taken to sell the property were reasonable. This would be complex and administratively onerous.

2.3 Option 3 – Implement the changes outlined in 1.4, 1.5 and 1.6 by introducing the addition premiums on 1 April 2019, 1 April 2020 and 1 April 2021.

3 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 The preferred option is Option 3. By introducing the changes, this will be an important tool to encourage owners to bring empty homes back into use.
-

4 RISK

- 4.1 The risks associated with this proposal, including the risks if the council does not act as recommended, have been considered in line with the Council's Risk Management Framework.
-

5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No consultation is necessary for these changes to take effect. However, a consultation that took place in 2012 as a wider review of Council Tax discounts supported the introduction to introduce a premium for empty properties.
- 5.2 The Policy and Resources Committee considered this item at its meeting of 23 January 2019. An extract from the minutes of the meeting are attached as Appendix 2 to this report.
-

6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Information will be made available on the Council's website and with the Council Tax bills that will be sent in March each year. We will also write to those owners where their properties will have been empty for 2 years in advance of the next financial year to advise them of the changes.
-

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Securing a successful economy for Maidstone Borough – a home for everyone	Sheila Coburn, Head of Revenues and Benefits Partnership
Risk Management	Behavioural change – owners changing the way they leave properties empty	Sheila Coburn, Head of Revenues

		and Benefits Partnership
Financial	Significant pressure on budgets means that the council needs to use available income generation legislation to deliver the services desired by the residents of the borough.	Finance Team
Staffing	No impact	Sheila Coburn, Head of Revenues and Benefits Partnership
Legal	The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 came into force on 1 November 2018 and amends Section 11B of the Local Government Finance Act 1992. Section 11B of the 1992 Act sets out the higher amounts of council tax payable from April 2019 for long-term empty dwellings as detailed in paragraphs 1.4 to 1.6 above.	Keith Trowell, Team Leader (Corporate Governance), Legal Services
Privacy and Data Protection	Accepting the recommendation may increase the volume of data held by the Council. All data will be held and processed in accordance with the data protection principles contained in the Data Protection Act 2018 and in line with the Data Quality Policy, which sets out the requirement for ensuring data quality.	Keith Trowell, Team Leader (Corporate Governance), Legal Services
Equalities	Equalities have been considered and no impact has been identified.	Equalities and Corporate Policy Officer
Crime and Disorder	No impact	Sheila Coburn, Head of Revenues and Benefits Partnership

Procurement	No impact	Sheila Coburn, Head of Revenues and Benefits Partnership
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8 REPORT APPENDICES

Appendix 1 – Council Tax Empty Property Policy

Appendix 2 – Extract of Minutes of the Policy and Resources Committee held on 23 January 2019

9 BACKGROUND PAPERS

None

COUNCIL TAX

EMPTY PROPERTY POLICY

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1. Introduction and background

The Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012, The Council Tax (Exempt Dwellings) Order 1992, The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 allow for Council Tax discounts and exemptions to be awarded for empty properties.

The statutory exemptions are:

- Property owned by charity (maximum 6 months)
- Property where the liable person has died and awaiting probate/transfer to beneficiaries
- Property where occupation is prohibited by law (e.g. Planning/Housing/Environmental Health reasons)
- Property that is held empty for minister of religion to take up residence
- Property that is left unoccupied by a student
- Property where the mortgagee is in possession
- Property that has been left empty by a bankrupt
- Property where the unoccupied annexe cannot be let separately due to planning restrictions
- Property left empty by a person in prison
- Property left empty by a person living in a hospital/care home
- Property left empty by a person who needs personal care elsewhere
- Property left empty by a person who is providing care elsewhere
- An empty caravan pitch or empty boat
- A dwelling left empty because an individual is living in another dwelling provided for the purposes of armed forces accommodation

2. Discretionary Discounts

In addition to the above exemptions, the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 amended discretionary discounts for unoccupied properties

1. Where a property becomes unoccupied and substantially unfurnished

2. Where a property is requiring or undergoing major repairs or structural alterations to render it habitable

In the case of 1, any discount is applicable for a maximum continuous period of 6 months. The billing authority may set the discount of between 100% and 0%.

In the case of 2, any discount is applicable for a maximum continuous period of 12 months. The billing authority may set the discount of between 100% and 0%.

Maidstone Borough Council has decided the discount for properties in 1 and 2 will be 0% effective from 1 April 2017.

Maidstone Borough Council will only consider a discount of 100% where a property is uninhabitable because of a natural disaster, flooding, fire or malicious damage which can be substantiated by a police report number. The amount of this discount will be no longer than 12 months. Evidence will need to be supplied upon request.

3. Long Term Empty Premium

Changes were introduced that allowed authorities to charge a 50% Council Tax premium on properties that have been unoccupied and substantially unfurnished for more than 2 years.

From 1 April 2013, Maidstone Borough Council adopted this change.

New regulations have been passed which allow councils to charge additional premiums from 1 April 2019 as follows:

1 April 2019 – properties that have been empty for more than 2 years – 100% premium

1 April 2020 – properties that have been empty for more than 5 years – 200% premium

1 April 2021 – properties that have been empty for more than 10 years – 300% premium

Maidstone Borough Council adopted these changes to take effect from 1 April 2019 and subsequent years.

4. Appeal rights

If a person feels they have not been awarded an exemption or discount to which they should be entitled, there is a right of appeal.

In the first instance an appeal should be made to the Council for the decision to be reconsidered.

If the original decision is not changed, the Council will advise you of how to appeal to an independent Valuation Tribunal.

POLICY AND RESOURCES COMMITTEE

23 JANUARY 2019

ITEM 154 – COUNCIL TAX EMPTY PROPERTY PREMIUM

Mr McGinnes introduced a policy requiring that owners of properties that were empty and substantially unfurnished paid additional Council Tax premiums. The current policy added a premium of 50% to those properties that had been empty and unfurnished for 2 or more years. The proposed policy added an escalating premium onto properties the longer they remained empty, with a maximum additional premium of 300% additional Council Tax of those that had remained empty for 5 years or more. Mr McGinnes confirmed that the phrase 'substantially unfurnished' was present in Council Tax legislation, and therefore there was no discretion for this to be changed by the Council.

RESOLVED: That Council is recommended to implement the revised Council Tax premium for the financial years beginning 1 April 2019, 1 April 2020 and 1 April 2021.

Voting: For - 12 Against - 1 Abstentions – 0

Council

27 February 2019

MBC Policy for Safeguarding Children & Adults at Risk

Final Decision-Maker	Council
Lead Head of Service	John Littlemore, Head of Housing and Community Services
Lead Officer and Report Author	Matt Roberts, Community Partnerships & Resilience Manager
Classification	Public
Wards affected	All

Executive Summary

At its meeting on 12 February 2019, the Communities, Housing and Environment Committee considered and adopted a renewed Policy for Safeguarding Children and Adults at Risk. Along with this policy, the Committee suggested some amendments to the Constitution to clarify the roles and responsibilities of the Head of Housing and Community Services, as well as designating the Chairman of the Communities, Housing and Environment Committee as the Member Safeguarding Champion.

This report makes the following recommendations to Council: That

1. The Constitution be amended to automatically appoint the Chairman of the Communities, Housing and Environment Committee to the role of Member Safeguarding Champion, as outlined in Appendix 1.
2. The Constitution be amended to include specific reference to responsibility for Safeguarding within the delegations to the Head of Housing and Community Services, as outlined in Appendix 2.

Timetable

Meeting	Date
Communities, Housing & Environment	12 February 2019
Council	27 February 2019

MBC Policy for Safeguarding Children & Adults at Risk

1. INTRODUCTION AND BACKGROUND

1.1 On the 12th February 2019 the Communities, Housing and Environment Committee approved a draft version of the revised MBC Safeguarding Policy for consultation. In addition to this, the issue of Member Safeguarding Champion was debated, and recommendations were made to Council to establish a process for appointing a Councillor to this role. Furthermore, it was resolved that Council be recommended to explicitly include reference to safeguarding in the role of the Head of Housing and Community Services.

2. Member Champion for Safeguarding

2.1 The role of Member Safeguarding Champion was defined as to act as a champion for the organisation and to promote awareness of safeguarding practices amongst fellow elected members.

2.2 Cllr Shellina Prendergast was chosen to be the previous Member Safeguarding Champion due to her position as an elected member for Kent County Council, and Deputy Cabinet Member for Children, Young People and Education. However the role has been vacant since Cllr Prendergast resigned as a Maidstone Borough Councillor.

2.3 The role of Member Safeguarding Champion is critical to ensuring members are aware of their safeguarding responsibilities. To ensure that the function of Member Safeguarding Champion does not become vacant for any length of time in future it is proposed that the Chairman of the Communities, Housing and Environment Committee takes on the function as Champion.

2.4 Recognising that the Chairman of the Communities, Housing and Environment Committee holds a number of responsibilities, it is proposed that the Chairman has the ability to delegate this responsibility to another Member if the Chairman sees fit.

2.5 If the Committee agrees to adopt this proposal to fill the Member Champion role, full Council must make the final decision and appropriate appointment. The necessary adjustments to the Constitution will be made and will be appended to the Council report as tracked changes. It is also recommended that specific reference is made to the responsibility for Safeguarding within the delegations to the Head of Housing and Community Services, as currently this is implied but not specifically stated.

Head of Housing and Community Services

2.6 To ensure that safeguarding was treated seriously, and to ensure clarity in roles and responsibilities, the Committee also proposed to ensure that the Constitution makes reference to the Head of Housing and Community Services' responsibility for safeguarding. Therefore a proposed addition to the Head of Housing and Community Services' responsibilities is proposed in the Constitution under the Responsibility for Functions relating to Officers.

3. AVAILABLE OPTIONS

- 3.1 Option one: Do nothing. This is not recommended as the issues of appointing a Member Safeguarding Champion and clarifying the role of the Head of Housing and Community Services would remain unresolved.
- 3.2 Option two: Agree amendments to the Constitution, as recommended by the Communities, Housing and Environment Committee.
- 3.3 Option three: Agree different amendments to the Constitution to achieve the same end result.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option two is recommended. This would ensure that a clear process for appointing a Councillor to the role of Member Safeguarding Champion is established. Furthermore, it would ensure for clarity regarding the role of the Head of Housing and Community Services.

5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. That consideration is shown in this report. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Once amendments to the Constitution are agreed the changes will be made and published by the Democratic Services Team.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	This policy will contribute towards the corporate priorities by ensuring that all staff, contractors and elected Members understand the Council's Safeguarding obligations, children and	Head of Housing & Communities

	vulnerable adults who are at risk harm can be referred to the appropriate agencies.	
Risk Management	The adopted policy will contribute to reducing the risk of the Council failing to achieve the standard of safeguarding required.	Communities Partnerships & Resilience Manager
Financial	There are no specific financial implications arising from the recommendations in this report.	S 151 Officer and Finance Team
Staffing	Contained within the report	Communities Partnerships & Resilience Manager
Legal	The Policy covers a number of areas of legislation and responsibility for the Council. These include the Care Act 2014, which covers responsibilities on local authorities for safeguarding adults and the Children Act 2004 as amended by the Children and Social Work Act 2017, which impose duties on councils and agencies to work together to promote the welfare and safeguarding of children in their area.	Principal Solicitor (Contentious and Corporate Governance).
Privacy and Data Protection	N/A	Communities Partnerships & Resilience Manager
Equalities	The additions to the Policy as detailed in the report, for example, Clare’s Law, are likely to have a positive impact on groups with protected characteristics, However, it is important that the EqIA is revisited to ensure that the implementation of the policy changes fully considers the needs of those affected and	Equalities and Corporate Policy Officer

	most vulnerable in its processes, with appropriate practices put in place	
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Senior Public Health Officer
Crime and Disorder	The policy supports the priorities identified by the Safer Maidstone Partnership, particularly gangs and child sexual exploitation.	Communities Partnerships & Resilience Manager
Procurement	N/A	Communities Partnerships & Resilience Manager

8. REPORT APPENDICES

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

- Appendix 1: Constitutional Changes – CHE Terms of Reference
- Appendix 2: Constitutional Changes – Head of Housing and Community Services Delegated Authority

2.2.1 COMMUNITIES, HOUSING AND ENVIRONMENT

Membership: 9 Councillors

Purpose: To take the lead within the Council for ensuring that the Council delivers its strategic objectives with regard to Communities, Housing and the Environment; to ensure inclusive and productive community engagement, Public Health, licensing, housing, other community services and to be the Council's Crime and Disorder Committee.

FUNCTIONS	DELEGATION OF FUNCTIONS
To take the lead within the Council for ensuring that the Council delivers its strategic objectives with regard to Communities, Housing Public Health and the Environment	N/A
To take the lead within the Council in ensuring that the Council achieves inclusiveness and productive community engagement	N/A

To act as the Council's Crime and Disorder Committee under section 19 Police and Justice Act 2006 and to meet at least once per annum in this capacity.	N/A
To submit to Policy and Resources (P&R) Committee all revenue estimates and capital programmes within the remit of the Committee with a view to P&R determining the budget for submission to Council	N/A
To be responsible for all strategic budget related staffing matters within this Committee's Remit	N/A
To appoint Members to the outside bodies assigned to the Committee and listed at Part 5 Schedule 2 of the Constitution and to receive annual reports from the appointed outside body representative.	N/A
Strategic Planning and Performance Management – to oversee the development, review and implementation of the Council's:	
Housing Strategy	Head of Housing and Community Services
Community Development Strategy	Head of Housing and Community Services
Climate Change Framework	Head of Housing and Community Services
Parish Charter, Parishes and Community Governance	Head of Housing and Community Services
Crime and Disorder Reduction Strategy (and recommend changes to full Council); and Community Safety Strategy to include CCTV	Head of Housing and Community Services
Compact with Voluntary and Community Sector	Head of Housing and Community Services
Public Health, Healthy Living and Health Inequalities Strategy	Head of Housing and Community Services
Waste Management, Waste minimisation and Recycling Strategy	Head of Environment and Public Realm
Private Water Management	Head of Housing and

District flood risk management functions	Community Services Director of Finance & Business Improvement Head of Housing & Community Services
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Licensing Strategy and Policies (including making recommendations to Council)	
Public Conveniences	Head of Environment and Public Realm
Street Scene and Environmental Strategy (to include Clean Neighbourhood Enforcement, monitoring.	Director of Regeneration and Place/Head of Environment & Public Realm
Enforcement of Air Quality Policies	Head of Housing and Community Services
Renewable Energy Strategy	Director of Regeneration and Place
Contaminated Land Strategy	Head of Housing & Community Services
Community Safety in consultation with the Safer Maidstone Partnership; reviewing the exercise of crime and disorder functions by responsible authorities (Police and Crime Commissioner, Chief Constable, probation, health etc) and to make reports and recommendations with regard to the discharge of those functions – NB any Councillor may refer such a matter to this Committee.	Head of Housing and Community Services

ROLE OF THE CHAIRMAN OF COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE

- Taking the lead within this Committee of working with others in building a vision for the Council and community
- To take the lead within this Committee for external relationships with properly constituted Tenants and Resident's Groups and Parish Councils including the Parish Services Scheme
- To take the lead within this Committee for all aspects of community engagement
- To work with groups such as the Older Person's Forum and the Voluntary Sector including organisations such as the Citizens Advice Bureau, Voluntary Action Maidstone, Maidstone Mediation and other important community organisations
- To represent the Council on all relevant partnerships including the Kent Waste Partnership, the Kent Community Safety Partnership and the Kent Health Overview & Scrutiny Committee. (Health scrutiny shall be

undertaken in accordance with the agreed Kent Protocols for NHS Overview and Scrutiny from time to time.)

- To act as Member Safeguarding Champion and attend the MBC Maidstone Safeguarding Champions Group and Internal Safeguarding Board meetings. This responsibility may be delegated to another Councillor.
- To take the lead on this Committee for ensuring good relationships with funders including Kent County Council and Waste & Resources Action Programme (WRAP), service delivery partners including contractors, voluntary sector and community groups.

2.3.1 Head of Housing and Community Services

46. All aspects of community safety and crime and disorder reduction.
47. The provision of a sport play and youth development service.
48. Ensure the Council's duties and obligations in relation to homelessness and the operation of the Council's allocation scheme are fulfilled.
49. Manage all forms of temporary accommodation in connection with the Council's homelessness duties including entering into lease agreements and service of any related notices.
50. The development of policies on social inclusion, community development and community planning.
51. Undertaking any special housing initiatives that might arise.
52. Ensuring that private sector housing standards are achieved, in particular as they relate to houses in multiple occupation and unfit dwellings.
53. Operation of the grants system for renovating private sector properties.
54. Perform the Council's duties and obligations in connection with private sector housing including enforcement measures.

55. The management of Gypsy and traveller caravan sites.
56. The drafting and implementing of the Council's Housing Strategy, including the preparation of the Housing Investment Programme and its submission to the Secretary of State.
57. To liaise and negotiate with government bodies and their appointees, third parties and housing providers in order to promote the priorities identified in the Council's Housing Strategy.
58. Compact, relationships and funding with the voluntary and community sector.
59. The various halls used for recreational purposes throughout the Borough.
60. Advice to the Council and other organisations on all matters relating to grants and lottery applications.
61. The Sustainable Community Strategy and renewable energy strategy.
62. All licensing functions (not otherwise delegated or prohibited).
63. All gambling functions (not otherwise delegated or prohibited).
64. To ensure that sustainable development policies and good environmental working practices are widely promoted and integrated into the day to day working practices of the Council and publicised to all sectors of the wider community.
65. The hygiene and control of food including the provision of safe food, control of standards, meat inspection and education.
66. The control of infectious diseases and the general health and wellbeing of the local population.
67. The provision of a health promotion service, including home and water safety.
68. The enforcement of the Sunday Trading Act 1994.
69. Road closure orders.
70. The provision of advice and taking actions to further the aim of sustainability and tackle climate change both internally within the Council and externally throughout the Borough.
71. The inspection of the authority's area to detect any statutory nuisance and the investigation of any complaints as to the existence

of a statutory nuisance.

72. To be responsible for the enforcement of Street Trading Legislation (including the Maidstone Borough Act 2006 and any other functions arising under the Act).
73. To be responsible for the Enforcement of Smoke Free Legislation.
74. Responsibility for pest control service, enforcement against pest concerns and the cleansing of filthy or verminous property.
75. To be responsible for the development and provision of animal welfare and dog control including enforcement.
76. Inspection of the authority's area to detect any statutory nuisance (including relating to noise in the street and waste) and the service of any abatement notice in respect of a statutory nuisance.
77. To be responsible for taking action to remove gypsies and travelers from Council land.
78. To promote Maidstone Borough Council's (MBC) commitment and intent towards its statutory and moral duties to safeguard children and adults who come into contact with its services and activities and ensure that they are protected from harm, exploitation and abuse.
79. Enforcement of Health and Safety at work legislation, including the appointment of Inspectors.
80. Deal with issues arising from contaminated land.
81. The discharge of any function relating to pollution control (including noise, air, land, water and private drainage) and the management of air quality.
82. Pollution control including noise, air, land, water and private drainage and the service of any abatement notice in respect of a statutory nuisance.
83. To make Public Space Protection Orders and Orders under the Antisocial Behaviour Act 2003.

Agenda Item 24

COUNCIL

27 February 2019

Calendar of Meetings 2019/20

Final Decision-Maker	Council
Lead Head of Service	Angela Woodhouse, Head of Policy, Communications and Governance
Lead Officer and Report Author	Debbie Snook, Democratic Services Officer
Classification	Public
Wards affected	All

Executive Summary

The proposed Calendar of Meetings for 2019/20 is attached as Appendix A to this report for approval by the Council.

This report makes the following recommendations to Council:

1. That the Calendar of Meetings 2019/20, attached as Appendix A to this report, be approved.

Timetable

Meeting	Date
Council	27 February 2019

Calendar of Meetings 2019/20

1. INTRODUCTION AND BACKGROUND

- 1.1 The proposed Calendar of Meetings for 2019/20 is attached as Appendix A. It sets out the proposed dates for meetings of the Council and Service, Regulatory and other Committees within the existing Committee Structure.
- 1.2 In preparing the Calendar, the following assumptions have been made:

Four Service Committees currently shown as P&R, HCL, SPS&T and CHE;
A reduction in the number of meetings of the Planning Committee to one per month with a scheduled adjourned meeting date except for the 19 December 2019 meeting; and
The amalgamation of the Democracy and Employment Committees as discussed by the Democracy Committee with scheduled meetings in January and July for the Pay Policy Statement (January) and the Workforce Strategy Update Reports (January and July).
- 1.3 It is proposed to hold the Annual Meeting of the Council on Saturday 18 May 2019, commencing at 9.30 a.m.
- 1.4 It is proposed to hold snap meetings of all Committees except the Joint Transportation Board on 21 May 2019. The purpose of these meetings is to elect the Chairman and Vice-Chairman for each Committee other than the Chairman of the Policy and Resources Committee who will be elected at the Annual Meeting of the Council.
- 1.5 With the exception of the proposed meeting of the Planning Committee there will be no other meetings during August.
- 1.6 Extraordinary meetings of the Council can be called if necessary.
- 1.7 Provision has been made for two briefing sessions per month to be allocated as required.

2 AVAILABLE OPTIONS

- 2.1 The Council could amend the proposed Calendar of Meetings, but the dates are broadly in line with the usual pattern of meetings based on the current Committee structure except that the number of meetings of the Planning Committee has been reduced to reflect the current volume of applications and provision has also been made to incorporate potential changes arising from the review of the Committee structure.
-

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 That the Calendar of Meetings for 2019/20 be approved. Setting the dates for future meetings of the Council and Committees enables advance notice to be given to the public and internal timetables and work programmes to be organised.
-

4. RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated (both organisational and reputational) will be managed as per the Risk Management Policy.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Corporate Leadership Team and Heads of Service have been consulted on the proposed Calendar of Meetings for 2019/20, and their suggestions to meet organisational requirements have been incorporated. The Chairman and Vice-Chairman of the Planning Committee have been consulted on the proposed reduction in the number of meetings of the Planning Committee, and raise no objection.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Calendar of Meetings, once approved, will be published on the Council's website.
-

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The aim is to ensure that meetings of the Council and Committees are scheduled to consider business regarding the Council's priorities.	Head of Policy, Communications and Governance
Risk Management	See section 4 above.	Head of Policy, Communications and Governance
Financial	Provision is made within the Council's budget for democratic representation and the decision making process.	Section 151 Officer and Finance Team

Staffing	None identified.	Head of Policy, Communications and Governance
Legal	<p>In accordance with the Local Government Act 1972 the Council must give proper notice and summons of its decision making meetings, and if a proper notice and summons are not issued, then the meeting may not be properly convened and the business transacted of no effect.</p> <p>The Calendar of Meetings 2019/20 assists in the efficient organisation of publication of the notices and summons of meetings, and gives Officers, Members and the public advanced notice (although not legal notice) of meeting dates.</p> <p>Under Schedule 12 of the Local Government Act 1972 the Council must hold its Annual Meeting within 21 days of the retirement of the Councillors in an ordinary election.</p>	Legal Team
Privacy and Data Protection	No specific issues arise.	Legal Team
Equalities	The Calendar of Meetings will be published on the Council's website. Reports can be made available in alternative formats and provisions made to ensure meetings are accessible and all attendees can be engaged in the proceedings.	Equalities and Corporate Policy Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of Policy, Communications and Governance
Crime and Disorder	As required, the Communities, Housing and Environment Committee will meet as the Crime and Disorder Committee.	Head of Policy, Communications and Governance

Procurement	None identified.	Head of Policy, Communications and Governance
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8. REPORT APPENDICES

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

- Appendix 1: Calendar of Meetings 2019/20

9. BACKGROUND PAPERS

None.

APPENDIX 1 - CALENDAR OF MEETINGS 2019/20

	MAY 2019	JUNE	JUL	AUG	SEPT	OCT	NOV	DEC	JAN 2020	FEB 2020	MAR 2020	APR 2020
Council (Wed)	18 (Sat)		17		25			11		26		8
P&R (Wed)	21 (Tue)	26	23 (Tue)		18	23	20	4	22	12	25	22
Planning (Thurs)	21 (Tue)/ 23	27	25	22	26	24	28	19	23	27	26	23
Adjourned Planning (Thurs)	30		4	1 / 29		3 / 31		5	30		5	2 / 30
Licensing (Thurs)	21 (Tue)	20			19		21		16		19	
SPS&T (Tue)	21	11	9		10	8	5	3	7	4	10	7
CHE (Tue)	21	18	16		17	15	12	10	14	11	17	14
HCL (Tue)	21	4	2		3	1 / 29	26	17	28		3 / 31	
JTB (Wed)			10			16			15			15
AGS (Mon)	21 (Tue)	10 Briefing	30 (Tue)		16		18		13		16	
Democracy/ Employment (Wed)	21 (Tue)		3		4		13		29		11	
QORWKRMT	21 (Tue)		29 (Mon)						21 (Tue)			
Cobtree	21 (Tue)		11 (Thurs)		11 (Wed)		6 (Wed)		20 (Mon)		18 (Wed)	
Briefings (Mon/Thurs)		3 (Mon) 13 (Thurs)	1 (Mon) 18 (Thurs)		2 (Mon) 12 (Thurs)	7 (Mon) 17 (Thurs)	4 (Mon) 14 (Thurs)	2 (Mon) 12 (Thurs)	9 (Thurs) 27 (Mon)	3 (Mon) 20 (Thurs)	12 (Thurs) 23 (Mon)	6 (Mon) 16 (Thurs)

P&R = Policy and Resources; SPS&T = Strategic Planning, Sustainability and Transportation; CHE = Communities, Housing and Environment; HCL = Heritage, Culture and Leisure; JTB = Joint Transportation Board; AGS = Audit, Governance and Standards; QORWKRMT = Queen's Own Royal West Kent Regiment Museum Trust

Agenda Item 25

COUNCIL

27 February 2019

Review of Allocation of Seats on Committees/Membership of Committees

Final Decision-Maker	Council
Lead Head of Service	Angela Woodhouse, Head of Policy, Communications and Governance
Lead Officer and Report Author	Sam Bailey, Democratic and Administration Services Manager (Lead Officer) Debbie Snook, Democratic Services Officer (Report Author)
Classification	Public
Wards affected	All

Executive Summary

A review has been undertaken of the allocation of seats on Committees. The Council is asked to agree that the allocation of seats on Committees be as set out in Appendix 1 to this report and that the wishes of the Leaders of the Conservative and Independent Groups with regard to the consequential and other changes to the membership of Committees be accepted.

This report makes the following recommendations to Council:

1. That the allocation of seats on Committees be as set out in Appendix 1 to this report.
2. That the wishes of the Leaders of the Conservative and Independent Groups with regard to the consequential and other changes to the membership of Committees, as set out in Appendix 2 to this report, be accepted.

Timetable

Meeting	Date
Council	27 February 2019

Review of Allocation of Seats on Committees/Membership of Committees

1. INTRODUCTION AND BACKGROUND

1.1 The Council has a statutory requirement under the Local Government and Housing Act 1989 to ensure political proportionality in the membership of Committees. Following the decision of Councillor Garland to leave the Conservative Group and join the Independent Group, a review has been undertaken of the allocation of seats on Committees.

1.2 The following adjustments are required to achieve political balance:

Party	Adjustment Required
Conservative	-2
Independent	+2

1.3 The following adjustments have been proposed and accepted for submission to the Council:

Audit, Governance and Standards Committee	1 seat from Conservative to Independent
Heritage, Culture and Leisure Committee	1 seat from Conservative to Independent

2. AVAILABLE OPTIONS

2.1 The allocation of seats on individual Committees which achieves political balance is set out in Appendix 1.

2.2 Section 17 of the Local Government and Housing Act 1989 provides for exceptions to the political balance requirements. Essentially, the Council can amend the political balance of a Committee provided that notice of the intention to give such consideration has been given to all Members of the Council and that when the alternative arrangements are put to the vote at the Council meeting, no Member of the Council votes against them.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

3.1 It is proposed that the Employment Committee and the Urgency Committee should continue to be not politically balanced, as, in accordance with the Council's Constitution, the membership of these Committees must include the Leaders of the five largest Political Groups represented on the Council, and that the allocation of seats which now achieves each Political Group's overall entitlement be as set out in Appendix 1. (These arrangements are currently under review and it is a recommendation of the Committee Structure Review that all Committees are politically proportionate).

3.2 The wishes of the Leaders of the Conservative and Independent Groups with regard to the consequential and other changes to the membership of Committees are set out in Appendix 2.

4. RISK

4.1 Following the change in the composition of the Council arising from the decision of Councillor Garland to leave the Conservative Group and join the Independent Group, the review of the allocation of seats on Committees will ensure an appropriate political balance in membership of Committees.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The Leaders of the Conservative and Independent Groups have been consulted on the allocation of seats on Committees and the adjustments required.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Once the allocation of seats has been decided upon, there is a duty to give effect to the allocation by making appointments to them in accordance with the wishes of the appropriate Group Leaders on behalf of their respective Political Groups.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	There are no direct impacts on corporate priorities arising from this, but the Committees when in place discharge the functions delegated to them having regard where appropriate to the Council's strategic objectives.	Head of Policy, Communications and Governance
Risk Management	See section 4 above.	Head of Policy, Communications and Governance
Financial	The Committees appointed having regard to the political balance requirements form part of the original plan for the committee system of governance and as such there are no additional financial implications.	Section 151 Officer

Staffing	There are no staffing implications	Head of Policy, Communications and Governance
Legal	The allocation of seats and the appointment of councillors to committees is a statutory requirement, set out in the Local Government and Housing Act 1989, section 15. The Council has a duty to allocate seats to certain committees and ensure that the allocation is proportional to the seats attained for the Council. The appointment to these committees should reflect the wishes of the political groups – Local Government (Committees and Political Groups) Regulations 1990 (as amended).	Team Leader (Corporate Governance), MKLS
Privacy and Data Protection	No specific issues arise. There are no specific privacy or data protection issues to address.	Team Leader (Corporate Governance), MKLS
Equalities	The review will ensure an equitable political representation in membership of Committees.	Equalities and Corporate Policy Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of Policy, Communications and Governance
Crime and Disorder	No specific issues arise.	Head of Policy, Communications and Governance
Procurement	No specific issues arise.	Head of Policy, Communications and Governance

8. REPORT APPENDICES

- Appendix 1: Review of Allocation of Seats on Committees
- Appendix 2: Membership of Committees

9. BACKGROUND PAPERS

None

APPENDIX 1

ADJUSTED ALLOCATION OF SEATS ON COMMITTEES

	Service Committees												
	Policy and Resources	Strategic Planning, Sustainability and Transportation	Communities, Housing and Environment	Heritage, Culture and Leisure	Planning Committee	Licensing Committee	Employment Committee	Joint Transportation Board	Democracy Committee	Audit, Governance and Standards Committee	Urgency Committee	Total of entitlement on individual Committees etc.	Overall entitlement
Seats to be Allocated	15	9	9	9	13	12	12	9	9	9	5	111	111
Conservative Party	7	4	4	3	6	6	6	4	4	4	1	49	49
Liberal Democrat	5	4	4	4	5	4	3	4	4	4	1	42	42
The Independent Group	1	1	0	1	1	1	1	1	1	1	1	10	10
Labour Party	1	0	0	1	1	1	1	0	0	0	1	6	6
Independent Maidstone	1	0	1	0	0	0	1	0	0	0	1	4	4
Total Allocated	15	9	9	9	13	12	12	9	9	9	5	111	111

COMMITTEE (AND SUBSTITUTE) MEMBERSHIP 2018/2019

POLICY AND RESOURCES COMMITTEE

MEMBERS

CON x 7	LIB DEM x 5	IND x 1	LAB X 1	IND MS X 1
BLACKMORE	CLARK	GOOCH	MCKAY	NEWTON
BRICE	COX			
BURTON M	FIELD			
MCCLOUGHLIN	HARVEY			
PERRY	MORTIMER			
PURLE				
SPRINGETT				

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BURTON D	ENGLISH	MUNFORD	ADKINSON	POWELL
CHAPPELL-TAY	FERMOR	SAMS J	HARPER	
GARTEN	GRIGG	SAMS T		
RING	HASTIE			
ROUND	JOY			
	WILSON			

STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORTATION COMMITTEE

MEMBERS

CON X 4	LIB DEM X 4	IND X 1	LAB X 0	IND MS X 0
BURTON D	CLARK	MUNFORD		
GARTEN	COX			
PARFITT-REID	FIELD			
DE WIGGONDENE-SHEPPARD	GRIGG			

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BRICE	ENGLISH	GOOCH		
PERRY	FERMOR	SAMS J		
RING	HARWOOD	SAMS T		
ROUND	MORTIMER			
SPOONER	WILBY			
SPRINGETT	WILSON			

COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE

MEMBERS

CON X 4	LIB DEM X 4	IND X 0	LAB X 0	IND MS X 1
BURTON M	JOY			POWELL
GARTEN	MORTIMER			
PURLE	ROBERTSON			
ROSE	WEBB			

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
CUMING	COX			NEWTON
HINDER W	FERMOR			
PARFITT-REID	FIELD			
PERRY	FISSENDEN			
RING	HARVEY			
SPRINGETT	KIMMANCE			

HERITAGE, CULTURE AND LEISURE COMMITTEE

MEMBERS

CON X 3	LIB DEM X 4	IND X 1	LAB X 1	IND MS X 0
CUMING	FERMOR	GOOCH	HARPER	
FORT	HASTIE			
HINDER W	LEWINS			
	WILSON			

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BLACKMORE	COX	GARLAND	ADKINSON	
BOUGHTON	FISSENDEN		MCKAY	
PERRY	HARVEY			
RING	JOY			
SPOONER	MORTIMER			
STOCKELL	NAGHI			

PLANNING COMMITTEE**MEMBERS**

CON X 6	LIB DEM X 5	IND X 1	LAB X 1	IND MS X 0
BARTLETT	ENGLISH	MUNFORD	ADKINSON	
BOUGHTON	HARWOOD			
PARFITT-REID	KIMMANCE			
PERRY	VIZZARD			
ROUND	WILBY			
SPOONER				

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BRICE	CLARK	GOOCH	HARPER	
BURTON M	COX			
CHAPPELL-TAY	FIELD			
STOCKELL	HASTIE			
	LEWINS			
	WILSON			

LICENSING COMMITTEE**MEMBERS**

CON X 6	LIB DEM X 4	IND X 1	LAB X 1	IND MS X 0
GARTEN	GRIGG	SAMS J	MCKAY	
HINDER B	HARVEY			
HINDER W	JOY			
MCLOUGHLIN	ROBERTSON			
PURLE				
SPRINGETT				

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BLACKMORE	FIELD	SAMS T	HARPER	
BURTON M	FISSENDEN			
GREER	LEWINS			
RING	NAGHI			
ROSE	WILSON			

EMPLOYMENT COMMITTEE**MEMBERS**

CON X 6	LIB DEM X 3	IND X 1	LAB X 1	IND MS X 1
BLACKMORE	COX	GOOCH	MCKAY	POWELL
BURTON D	FISSENDEN			
MCLOUGHLIN	GRIGG			
PERRY				
RING				
SPRINGETT				

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BOUGHTON	ENGLISH	MUNFORD	ADKINSON	NEWTON
BURTON M	KIMMANCE	SAMS J	HARPER	
GREER	MORTIMER	SAMS T		
	ROBERTSON			
	VIZZARD			
	WILSON			

MAIDSTONE JOINT TRANSPORTATION BOARD**MEMBERS**

CON X 4	LIB DEM X 4	IND X 1	LAB X 0	IND MS X 0
BURTON D	CLARK	SAMS T		
CUMING	FERMOR			
HINDER B	MORTIMER			
SPRINGETT	WILBY			

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BLACKMORE	COX	GOOCH		
BOUGHTON	ENGLISH	MUNFORD		
FORT	GRIGG	SAMS J		
GARTEN	HASTIE			
PERRY	LEWINS			
SPOONER	VIZZARD			

DEMOCRACY COMMITTEE

MEMBERS

CON X 4	LIB DEM X 4	IND X 1	LAB X 0	IND MS X 0
BLACKMORE	FISSENDEN	GOOCH		
BOUGHTON	JOY			
PERRY	LEWINS			
RING	WILSON			

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BARTLETT	COX	MUNFORD		
CHAPPELL-TAY	DALEY	SAMS J		
CUMING	ENGLISH	SAMS T		
GARTEN	FERMOR			
MCCLOUGHLIN	HARVEY			
ROSE	VIZZARD			

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

MEMBERS

CON X 4	LIB DEM X 4	IND X 1	LAB X 0	IND MS X 0
BARTLETT	COX	GARLAND		
MCCLOUGHLIN	DALEY			
PERRY	HARVEY			
PURLE	WEBB			

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BLACKMORE	ENGLISH	GOOCH		
BOUGHTON	FISSENDEN			
BURTON M	GRIGG			
CUMING	LEWINS			
GARTEN	MORTIMER			
ROUND	WILSON			

URGENCY COMMITTEE**MEMBERS**

CON X 1	LIB DEM X 1	IND X 1	LAB X 1	IND MS X 1
PERRY	COX	GOOCH	MCKAY	POWELL

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BLACKMORE	MORTIMER	MUNFORD	ADKINSON	NEWTON
BURTON D	WILSON	SAMS J	HARPER	
MCCLOUGHLIN		SAMS T		

COBTREE MANOR ESTATE CHARITY COMMITTEE**MEMBERS**

CON X 2	LIB DEM X 2	IND X 1	LAB X 0	IND MS X 0
MCCLOUGHLIN	COX	GOOCH		
PERRY	DALEY			

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BLACKMORE	JOY	MUNFORD		
HINDER W	WILSON	SAMS J		
RING		SAMS T		

QUEEN'S OWN ROYAL WEST KENT REGIMENT MUSEUM TRUST COMMITTEE**MEMBERS**

CON X 2	LIB DEM X 2	IND X 1	LAB X 0	IND MS X 0
CUMING	COX	GOOCH		
ROUND	WILSON			

SUBSTITUTES

CON	LIB DEM	IND	LAB	IND MS
BURTON M	NAGHI	MUNFORD		
PERRY	VIZZARD	SAMS J		
PURLE		SAMS T		