

# POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday 20 January 2021

Time: 6.30 pm

Venue: Remote Meeting: The public proceedings of the meeting will be broadcast live and recorded for playback on the Maidstone Borough Council Website

Membership:

Councillors Brice, M Burton, Chappell-Tay, Clark, Cox (Chairman), English, Mrs Gooch, Harvey, McKay, Mortimer, Newton, Perry (Vice-Chairman), Round, Springett and de Wiggondene-Sheppard

*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.*

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7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
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**Issued on Tuesday 12 January 2021**

**Continued Over/:**



**Alison Broom, Chief Executive**

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## **INFORMATION FOR THE PUBLIC**

In order to ask a question at this remote meeting, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 18 January 2021).

If your question is accepted, you will be provided with instructions as to how you can access the meeting.

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## **MAIDSTONE BOROUGH COUNCIL**

### **POLICY AND RESOURCES COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON WEDNESDAY 16 DECEMBER 2020**

**Present:** Councillors Brice, M Burton, Chappell-Tay, Clark, Cox (Chairman), English, Mrs Gooch, Harvey, McKay, Mortimer, Perry, Powell, Round, Springett and de Wiggondene-Sheppard

**Also Present:** Councillors J and T Sams

88. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Newton.

89. **NOTIFICATION OF SUBSTITUTE MEMBERS**

Councillor Powell was present as Substitute Member for Councillor Newton.

90. **URGENT ITEMS**

There were two urgent items that had been published within the amended agendas; Item 12 – Committee Work Programme and Item 16a – Appendix 2 – Proposed Design Scheme. These were not available at the time of agenda publication.

91. **CHANGE TO THE ORDER OF BUSINESS**

Item 17 – EU Transition would be taken before Item 16 – King Street Car Park, to ensure that all public proceedings would have taken place prior to the Committee entering private session, if necessary, to discuss Item 18 – Exempt Appendix 2, King Street Car Park, Financial Summary.

92. **NOTIFICATION OF VISITING MEMBERS**

Councillors J and T Sams were present as Visiting Members for Item 15 – Council-Led Garden Community Update.

93. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

94. **DISCLOSURES OF LOBBYING**

All Members had been lobbied on Item 15 – Council-Led Garden Community Update.

Councillors Chappell-Tay, Cox and de Wiggondene-Sheppard had been lobbied on Item 13 – Medium Term financial Strategy – Update.

Councillors Brice, Cox, Chappell-Tay, English and McKay had been lobbied on Item 14 – Fees & Charges 2021/22.

Councillors M Burton, Chappell-Tay and Cox had been lobbied on Item 16 – King Street Car Park.

Councillors Chappell-Tay, Cox and de Wiggondene-Sheppard had been lobbied on Item 17 – EU Transition.

95. EXEMPT ITEMS

**RESOLVED:** That all items be taken in public as proposed unless any Member of the committee indicated a wish to refer to Item 18 – Exempt Appendix 2, King Street Car Park, Financial Summary.

96. MINUTES OF THE MEETING HELD ON 25 NOVEMBER 2020

**RESOLVED:** That the Minutes of the meeting held on 25 November 2020 be agreed as a correct and signed at a later date.

97. PRESENTATION OF PETITIONS

There were no petitions.

98. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

99. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

100. COMMITTEE WORK PROGRAMME

The Director of Finance and Business Improvement requested that a report on Granada House be presented to the Committee in January 2021.

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

101. MEDIUM TERM FINANCIAL STRATEGY - UPDATE

The Director of Finance and Business Improvement introduced the report which provided an update following the presentation of the Medium-Term Financial Strategy at the previous meeting of the Committee. The Local Government Finance Settlement had not yet been released, but a note would be circulated to all Councillors following its announcement.

The Chancellor's spending review and the impacts for the Council were highlighted; financial support for the losses suffered from Covid-19 by

local authorities would be extended into the next year and the cost of borrowing would be reduced by 1% for investment that did not focus solely on generating income.

The Director of Finance and Business Improvement confirmed that the settlement figures would not close the Council's budget gap. The approach remained one of using the New Homes Bonus to bridge the budget gap, alongside the development of savings proposals. Detailed savings proposals would be presented to the Council's service committees in January 2021.

It was noted that all Councillors would have the opportunity to attend briefings on the details of the Chancellor's spending review, the local government finance settlement and draft savings proposals prior to Christmas.

**RESOLVED:** That the report be noted.

#### 102. FEES & CHARGES 2021-22

The Director of Finance and Business Improvement introduced the report and noted that the Fees & Charges were reviewed annually, in accordance with the Charging Policy as set out in Appendix 2 to the report. The Council's other Service Committees had reviewed and agreed the fees and charges relevant to their service area, except the Communities, Housing and Environment Committee which had requested further information on the cemetery and crematorium charges. Where appropriate, the charges had been frozen.

In relation to the Committee, the main increase in fees and charges arose from legal fees that had been increased by inflation.

The publicising of the Town Hall as a venue was questioned, with the Democratic and Electoral Services Manager confirming that the commercial strategy for the building was currently under review and highlighted the importance of the building for Council use given the reduced space available within Maidstone House.

The Director of Finance and Business Improvement confirmed that the landlord accreditation fees applied to houses in multiple occupation. The Director of Regeneration and Place confirmed that research had been undertaken prior to the proposed increase for garden waste collection fees, with the Council remaining cheaper when compared to other Kent authorities. Further information on fly-tipping and the payment methods available within car parks would be provided by email.

**RESOLVED:** That

1. The proposed discretionary fees and charges, as set out in Appendix 1 to the report, be agreed;

2. The expected statutory fees and charges, as set out in Appendix 1 to the report, be noted; and
3. The overall changes in fees and charges, attached within Appendices 3-5 of the report, be noted.

Note: Councillor Brice requested that her dissent with the third resolution be recorded.

103. COUNCIL-LED GARDEN COMMUNITY UPDATE

Mr Steve Heeley addressed the Committee on behalf of the Save Our Heathlands Action Group.

The Director of Regeneration and Place introduced the report and highlighted that as Land Promoter, the Council should submit representations to the current Regulation 18 preferred approaches document public consultation and sustainability appraisal, in which the proposal was included. Further work would be conducted with the Local Planning Authority, Kent County Council, in submitting a third stage submission. This had to occur in the last quarter of the financial year.

The collaboration agreement proposed would include the actions to be undertaken by the Council over the next five years; policy and design code formation and the submission of planning applications, with continued promotion of the scheme through the Local Plan Review. The £3 million allocated for the scheme would then be shared with Homes England. The agreement would outline how the Council and Homes England would work on the delivery phase of the project, with the options outlined in the report having been examined by the Corporate Leadership Team.

Several Members of the Committee did not feel that enough information had been provided on the proposal's finances, nature of the collaboration agreement with Homes England and wastewater and mineral treatment sites. Concerns over the lack of a motorway junction within the proposal was reiterated. The Director of Regeneration and Place highlighted that the £3 million allocated for the proposal had been previously agreed by the Committee, with further restricted financial information provided for the July 2020 meeting of the Committee. The Council's input into the design and place-making of the proposal over the next five years was reiterated, in response to concerns over the Council's control of the proposal. The status and experience of Homes England was highlighted.

The Local Plan Review timeline would not be impacted by the Committee receiving a report on a proposed collaboration agreement, prior to its agreement.

**RESOLVED:** That

1. The Council continue to pursue a collaboration agreement with Homes England for the purposes set out in the report, and for this

agreement to reflect Option 2B; the Council to co-fund the circa £3m (Council share circa £1.5m) required to continue to promote Heathlands through the Local Plan Review, secure planning consent and the land options with the principal landowners and landowners north of the railway line (Land Option(s)) but limit financial exposure to this phase, and recover this investment through a 'Share of Planning Uplift' over the duration of the circa 25-year delivery phase, with any profits realised to be reinvested within the new community itself, be agreed;

2. The collaboration agreement provide both officer and Member input both in the pre and post delivery phases, with those Members of the Committee;
3. The Director of Regeneration and Place be given delegated authority to submit representations to the Regulation 18 consultation of the Local Plan Review in consultation with the Chairman and Vice-Chairman of the Committee; and
4. The Director of Regeneration and Place be given delegated authority to make a third stage submission on the Heathlands proposal by the end of the financial year to the Local Planning Authority in consultation with the Chairman and the Vice-Chairman of the Committee.

Note: Councillor Brice exited the meeting during the item's consideration.

#### 104. EU TRANSITION

The Director of Finance and Business Improvement introduced the report and highlighted the traffic management plans and site locations shown within Appendix 1 to the report. The management plans would have been drafted irrespective of a trade deal between the United Kingdom and the European Union.

The Council and Kent Resilience Forum had been engaging to ensure an integrated approach and response to traffic management and the Covid-19 pandemic. A significant level of uncertainty remained, however the preparations undertaken were positively referenced.

**RESOLVED:** That the report be noted.

#### 105. KING STREET CARPARK

The Housing Development Officer introduced the report, with the development proposed to compromise of 16 residential units with either one or two bedrooms, of which six would be provided at social rent. Four parking spaces would be lost, due to the under-croft parking made available through the scheme's design.

Modern methods of construction were proposed to minimise disruption during construction, through the LHC framework that would be produced

off-site and reduce the amount of parking bays to be temporarily closed. 33 parking bays would be closed for approximately 13 weeks, followed by the facility's full closure for a further three weeks.

ZPODS had been chosen as the preferred contractor following a procurement exercise. It was noted that the homes had been designed to have low energy and carbon usage and low running costs. Solar panels would be fitted on the units.

In response to questions, the Housing Delivery Manager confirmed that residents would be able to park their vehicles for free outside of the car parks operating hours. A contingency budget of between 10-15% had been set aside for the delivery of the scheme.

**RESOLVED:** That

1. The part redevelopment of the King Street Car Park, as per the new proposed design scheme shown in Appendix 1 to the report be agreed and that the indicative financial returns shown at Exempt Appendix 2 to the report, be noted;
2. The Director of Finance and Business Improvement be granted delegated authority to appoint and enter into a Joint Contracts Tribunal (JCT) pre-contract services agreement (PCSA) with the preferred contractor ZPODS for the stage 1 (pre-consultation phase) works to King Street Car Park;
3. The Director of Finance and Business Improvement be granted delegated authority to enter into a JCT design and build works contract with the preferred contractor ZPODS for the stage 2 (construction phase) works to King Street Car Park, subject to satisfactory performance, a viable scheme and planning consent being achieved in Stage 1;
4. The Director of Finance and Business Improvement be granted delegated authority to grant such lease(s) of the property as necessary on terms to be agreed and authorise the completion of such lease(s) and all ancillary deeds and agreements and the Head of Mid Kent Legal Services be authorised to complete the necessary legal formalities for such lease(s) in due course;
5. The Head of Mid Kent Legal Services be authorised to instruct and appoint the solicitors required and to complete the necessary contract documentation and agreements associated with the works and consultancy provided for King Street Car Park, on the terms as agreed by the Director of Finance and Business Improvement; and
6. The relevant Ward Members be involved with the development and delivery of this project in relation to the local community.



106. DURATION OF MEETING

6.30 p.m. to 8.42 p.m.

## 2020/21 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Granada House Update Report	P&R	10-Feb-21	Officer Update	Yes	William Cornall	Andrew Connors
Council Led Garden Community Update	P&R	10-Feb-21	Officer Update	?	William Cornall	William Cornall
Medium Term Financial Strategy & Budget Proposals 2021/22 - Final	P&R	10-Feb-21	Governance	No	Mark Green	Ellie Dunnet
Q3 Budget, Performance and Risk Management 2020/21	P&R	10-Feb-21	Officer Update	No	Mark Green	Ellie Dunnet
Lockmeadow Phase II Improvement Works	P&R	10-Feb-21	Officer Update		Mark Green	Alexa Kersting-Woods
Heather House Update Report	P&R	10-Feb-21	Officer Update		William Cornall	Andrew connors
Strategic Plan Review	P&R	10-Feb-21	Officer Update		Alison Broom	Alison Broom
Financial Hardship Update	P&R	TBC	Officer Update	?	Steve McGinnes	Steve McGinnes
Asset Management Strategy	P&R	TBC	Strategy Update	Yes	Mark Green	Georgia Hawkes
Commissioning and Procurement Strategy	P&R	TBC	Strategy Update	Yes	Mark Green	Georgia Hawkes
Archbishop's Palace Options Appraisal	P&R	TBC	Asset Management	Yes	Mark Green	Lucy Stroud
Office Provision	P&R	TBC - update to be given when available	Officer Update	Yes	Mark Green	Georgia Hawkes

**Strategic Plan – Proposed Areas for Focus 2021-2026 and Key Performance Indicators for Covid-19 Recovery**

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

**Executive Summary**

This report proposes refreshed areas of focus for the Council's Strategic Plan for the period 2021-2026. Consistent with the Council's Vision blended with the continued need for response to and recovery from the Covid-19 health pandemic.

**Purpose of Report**

Decision

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

1. That the proposed refreshed areas of focus for the Council's Strategic Plan for the period 2021-2026, set out in Appendix C be considered and feedback is provided on any changes required before consultation is conducted with the Council's service committees.
2. That the proposed Key Performance Indicators for Covid19 Recovery set out in Appendix D are considered and feedback provided on any changes required before consultation is conducted with the Council's service committees.

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	20 January 2021 10 February 2021
Economic Regeneration and leisure Committee	26 January 2021
Communities Housing and Environment Committee	2 February 2021
Strategic Planning and Infrastructure Committee	9 February 2021
Council	24 February 2021

## Strategic Plan – Proposed Areas for Focus 2021-2026 and Key Performance Indicators for Covid-19 Recovery

### 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> <li>• Embracing Growth and enabling Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <p>This report considers the proposed areas of focus for the Strategic Priorities for the next five years and identifies action for progressing the shaping of the areas of focus for 2021-2026.</p>	Chief Executive
<b>Cross Cutting Objectives</b>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> <li>• Heritage is Respected</li> <li>• Health Inequalities are Addressed and Reduced</li> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul> <p>Consideration has been given to the cross-cutting objectives in formulating the proposed areas of focus for the Strategic Plan</p>	Chief Executive
<b>Risk Management</b>	A review of corporate risk will be undertaken with respect to any changes made to the Strategic Plan areas of focus.	Chief Executive
<b>Financial</b>	The Strategic Plan sets the Council's Priorities and the direction for the Medium-Term Financial Strategy.	Section 151 Officer & Finance Team
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Chief Executive
<b>Legal</b>	The Council has a statutory duty to make arrangements to secure continuous	Team Leader

	<p>improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Council's Strategic Plan demonstrates compliance with this duty.</p> <p>This review of the Council's priorities within the Strategic Plan will enable the Council to deliver services in an efficient and effective manner which meets the needs of the borough and aspirations of local inhabitants and stakeholders.</p> <p>In reviewing the priorities, the Council is obliged to ensure that its financial obligations are adhered to. The Council has a legal duty to set a balanced budget and continue to monitor the budget during the course of each municipal year and take remedial action if at any time.</p> <p>.</p>	Corporate Governance
<b>Privacy and Data Protection</b>	The recommendations do not have an impact on privacy and data protection. If as a result of the update to the milestones and the emerging MTFS for 2021-2026 changes are required to services involving personal data, then Data Protection Impact Assessments will be undertaken.	Policy and Information Team
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require an equalities impact assessment. If as a result of the update to the milestones and the emerging MTFS for 2021-2026 changes are required to services, then an Equalities Impact assessment will be undertaken.	Policy & Information Manager
<b>Public Health</b>	One of the Council's cross cutting objectives is that Health Inequalities are addressed and reduced. The recommendations do not propose a change in service therefore will not require an impact assessment. If as a result of the update to the milestones and the emerging MTFS for 2021-2026 changes are required to services, then a Health Impact assessment will be undertaken.	Public Health Officer
<b>Crime and Disorder</b>	The recommendations include reviewing the areas of focus for 2021-26 for the Safe, Clean and Green Priority and the actions proposed are included in Appendix C	Head of Service or Manager

<b>Procurement</b>	No direct implications	Head of Service & Section 151 Officer
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## **2. INTRODUCTION AND BACKGROUND**

- 2.1 This report proposes refreshed areas of focus for 2021-2026 consistent with the Council's Vision and four priorities; it reflects both the long-term ambitions of the Council blended with the continued need for response to and recovery from the Covid19 health pandemic.
- 2.2 In July 2020 the Head of Policy, Communications and Governance presented a report to this Committee which set out progress made against the 2019-2024 Strategic Plan Outcomes (see Appendix A). The report also included a timetable to refresh the outcomes to ensure they reflected the progress that had been made and to respond to the impact of the Coronavirus pandemic.
- 2.3 The current Strategic Plan was developed involving a wide cross section of Councillors, staff and other stakeholders in 2018 before being adopted in December of that year. The vision and priorities are clear and remain relevant. Considering the pandemic and its significant impact, resources arising from the impacts of the Covid-19 health emergency; the areas of focus for our priorities need to respond to our Covid-19 recovery approach. Work was carried out in the summer of 2020 to enable all Councillors to review our outcomes for 2019-24 and contribute to production of revised priorities and a refreshed set of outcomes for 2021-26.

### Context

- 2.4 Covid-19 has had a major impact for our communities, our economy and on the Council's financial position. The Covid-19 Recovery Consultative Forum have been regularly briefed on the impacts and the Council's support for residents and businesses in the borough. The Policy and Resources Committee has been regularly briefed on the review of council priorities. It has also been briefed on the scale of the financial impact, for the current financial year and over the term of the Medium-Term Financial Strategy (MTFS). A report elsewhere on this agenda sets out the council's current financial position and revised MTFS.
- 2.5 In September the Committee agreed the following in relation to shaping the areas of focus:

- There should be further development of the Council's capital strategy and programme including consideration of partnership funding of large-scale projects and infrastructure including consideration of joint ventures and a development corporation.
- A review of planning and economic development services reflecting on the effectiveness of our current services and reconsidering our service delivery model taking into account the changes in the planning system and looking at: expertise, organisational arrangements, including the synergies between planning policy and economic development, our arrangements for delivering/enabling construction projects, and agility.
- A report concerning a protocol for working strategically with the community and voluntary sectors and parishes is progressed initially via the Communities Housing and Environment Committee.
- That the Council initiates dialogue with the Business Improvement District concerning current challenges and future investment in the town centre.
- Officers review the scope of work undertaken and resources allocated to the Community Safety Unit.
- The direction of travel on modernising the arrangements at the museum is now more modest and focuses on making the best use of existing spaces.
- Review of the contribution of the Hazlitt to the town centre economy and consideration of options for its sustainability.
- Reduction of the priority of raising resident satisfaction with cleanliness to maintaining it.
- References to individual projects e.g. Go Green Go Wild are removed from areas of focus in the Strategic Plan; and
- Climate change becomes a cross cutting issue for all services to consider proactively and that an officer is required to lead this work and be proactive in finding funding streams to complement the Council's commitment.

2.6 The Policy and Resources Committee was updated in October and November 2020; actions arising from the September decisions which are key to achieving a balanced budget for 2021/22 and beyond have also been incorporated into proposals for the budget and the MTFS.

2.7 In June 2020 the Policy and Resources Committee expressed their thanks to; key workers, volunteers, community organisations, Parish Councils and the Council staff who had responded to the Covid-19 pandemic. These contributions were subsequently recognised in the Compassionate Maidstone awards. The Committee noted actions taken by the Council, in response to the community's and businesses increased needs arising from the pandemic. It was also noted that the Council's relationships with residents, the business



community, parish councils, voluntary sector and various other organisations had been strengthened due to the cooperation shown in recent months.

- 2.8 Officers have continued to deliver increased support to residents through the Community Hub, Housing, Revenues and Benefits services. Increased support has also been provided to businesses through the various grant systems established by central government and administered by local government. This has demonstrated agile and cross disciplinary team working while working from home. Our support has been flexed in terms of scale and detailed arrangements according to the stage of the pandemic. We have continued to deliver all core services with a small number of services, including our leisure and cultural offer, closed where government guidance has required this. We have also supported the health system for example in test and trace, the identification of venues for Covid-19 symptomatic and asymptomatic testing and more latterly with respect to vaccination. There has also been an extensive programme of Communication with the public and businesses regarding key public health messages and specific details of local support arrangements.
- 2.9 In June 2020 the Policy and Resources Committee also considered the Council's approach to recovery from the Covid-19 pandemic and recognised that it was likely that this would be intertwined with episodes of response, and this has proved to be the case. The agreed aim was to deliver a safe, sustainable, managed recovery. The objectives agreed were to:
- To support local businesses to return to successful operation and to survive the significant economic impacts of Covid-19
  - To support residents who have been affected by the pandemic and the restrictions placed upon them and to manage the impact including as protections and support mechanisms are eased and removed.
  - To retain the capability to protect vulnerable people and to react to any move back into response mode if necessary.
  - To maintain and prioritise where necessary the Council's services in line with government advice.
  - To recognise and promote positive outcomes including reduced pollution and congestion, better work/life balance and community spirit
  - To recognise that the Council needs to remain financially solvent and that, with government grant completely removed and Council Tax capped we are increasingly reliant on income generation and there remains the possibility of a tension between this and other objectives.

- To identify long term adverse and positive impacts arising from the Covid-19 pandemic and pick these up through the regular review of MBC strategies for example housing, health and wellbeing and climate change
- To protect the health, safety and well-being of staff and councillors delivering essential public services to our residents and businesses.

2.10 The Council's approach to recovery has been based on four themes: economic recovery, supporting resilience for communities and vulnerable people, adapting the way we work and financial recovery. This has been managed via a core group of officers led by the Chief Executive and both response and the limited work on recovery has been informed by a Member Covid-19 Recovery Consultative Forum chaired by the Leader of the Council.

#### Strategic Plan – Areas of Focus for 2021 to 2026

2.11 In July, Policy and Resources Committee approved a light-touch review of the Strategic Plan to be centred on the areas of focus for each priority for the next five years. It was also proposed to conduct consultation to identify the impact of the pandemic on our residents to help inform our recovery plans. This survey was conducted, and the resulting summary report is attached at Appendix B and the full results can be found here:

<https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/consultations/closed-consultations>

2.12 Appendix C puts forward proposals for reshaped areas of focus for the period 2021 to 2026. This reflects progress made against our priorities since the Strategic Plan was adopted in 2018, changes in circumstances most notably the Covid-19 pandemic (some of which have already led to revised priorities and decisions by service committees) and a rebalancing to reflect the overall level of resources available to the council for the next 5 years period. Members are asked for their feedback. A further report will be presented to the Policy and Resources Committee on 10 February 2021 which will contain a refreshed foreword, narrative and updated contextual information.

2.13 Appendix D puts forward proposals for a suite of specific Key Performance Indicators (KPIs) to enable monitoring of the recovery from the impacts of Covid-19 for residents, businesses, and the council. This takes into account feedback from the member consultative forum. Further feedback is invited from this Committee; the next steps will be consideration by service Committees and subsequently their feedback will come to the Policy and Resources

Committee on 12<sup>th</sup> February before recommendations are made to Full Council on 20<sup>th</sup> February 2021.

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### **3. AVAILABLE OPTIONS**

- 3.1 The Committee can consider and provide feedback with respect to proposed areas of focus arising from the Strategic Plan, for the period 2021-2026. This is the preferred option to ensure that the work of the council reflects both the Council's overall ambitions, what has been achieved to date and the changed operational and financial environment arising from the Covid-19 pandemic.
  - 3.2 The alternative is that no change is contemplated. This option is not recommended as it would produce a situation which is the antithesis of refreshing actions in the Strategic Plan and which would fail to recognise the significantly changed operational and financial environment which in turn would not respond to changed needs and result in sub-optimal use of resources.
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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 Option 1 is recommended for the reasons set out above
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### **5. RISK**

- 5.1 This is referred to within the body of the report. 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.
- 5.2 A review of corporate risk will be undertaken with respect to any changes made to the Strategic Plan areas of focus.

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

- 6.1 Councillors have been consulted concerning priorities for the Strategic Plan areas of focus from July 2020 onwards and have taken a range of subsequent decisions which are also reflected in the proposed areas of focus set out in Appendix C. The member Covid-19 Recovery Forum has been consulted on the draft KPIs set out in Appendix D.

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

- 7.1 Further consultation concerning proposed areas of focus for 2021–2026 and KPIs for Covid-19 recovery with service committees with a subsequent report to the Policy and Resources Committee and recommendations for adoption to Full Council in February 2021.
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## **8. REPORT APPENDICES**

- Appendix A: Progress against outcomes in the Strategic Plan 2019-24
  - Appendix B: Results from the Residents Survey – Impact of Covid-19
  - Appendix C: Strategic Plan Proposed Areas of Focus 2021–2026
  - Appendix D: Proposed Covid-19 KPIs for Recovery
- 

## **9. BACKGROUND PAPERS**

None

**Progress against outcomes in the Strategic Plan 2019-45:**

**Between 2019-24 we will place particular importance on:**

Embracing Growth and Enabling Infrastructure	Actions completed to date
Engaging with our communities on the Local Plan Review	<ul style="list-style-type: none"> <li>• A full public consultation on the Local Plan Review took place over a 10-week period between 19<sup>th</sup> July 2019 and 30<sup>th</sup> September 2019.</li> </ul>
The Council will take a proactive role in creating and consider investing in new places	<ul style="list-style-type: none"> <li>• The Planning service has created Planning Guidelines documents for five town centre opportunity sites. These were approved by the Strategic Planning &amp; Infrastructure Committee and were published in early 2020. The documents have stimulated lots of interest and dialogue with the existing landowners as well as potential investors and developers. The work has also helped stimulate market activity, where by the Len House site was sold to Classicus Estates who have since submitted a Planning application for the site that is consistent with our vision for it. The application is due to be determined in July 2020.</li> <li>• The Planning service has published a Garden Communities prospectus as part of the “call for sites” exercise, early in the Local Plan Review process. This stimulated in the submission of a number of well considered private sector led proposals spanning all four quadrants of the borough, some of which may feature in the Council’s preferred spatial strategy that will become subject to public consultation in the Autumn of 2020.</li> <li>• The Council, acting as master-developer is also promoting its own council-led garden community proposal, Heathlands, which is also gaining traction in the Local Plan Review process, and has attracted Homes England as a partner.</li> </ul>
Expanding the Council’s role in the delivery of affordable and market rent housing	<ul style="list-style-type: none"> <li>• A draft Affordable and Local Needs Housing Supplementary Planning Document has been produced and has been subject to full public consultation. The document notes that the Council is considering playing a role in delivering affordable housing in the</li> </ul>

	form of social rent on S106 sites. The document also seeks to facilitate delivery of affordable homes in Maidstone Borough.
Working with partners to get infrastructure planned, funded and delivered	<ul style="list-style-type: none"> <li>In addition to taking forward the delivery of projects associated with the adopted Local Plan, the Strategic Planning Team has updated the Infrastructure Delivery Plan and Community Infrastructure Levy Regulation 123 list. In respect of the Local Plan Review, there has been consistent and on-going engagement with infrastructure providers as key milestones have been reached in the production process.</li> </ul>
Intervening where necessary in the market, to deliver key employment sites	<ul style="list-style-type: none"> <li>The Council has acquired land at Kent Medical Campus, one of the largest employment allocations in the current Local Plan, and is developing a new Innovation Centre on it that will provide start up accommodation for businesses in the life sciences sector, coupled with wrap around business support. The project is part funded by ERDF monies, and the contractor, Rydon, is on site, with the project due to complete in the summer of 2021. This investment decision has been strengthened by the Council working in partnership with Kent County Council and the Department for Transport to co fund the early provision of road nearby infrastructure improvements.</li> </ul>

Safe, Clean and Green	Actions completed to date
Taking action against those who do not respect our public spaces, streets, green spaces and parks	<ul style="list-style-type: none"> <li>Since the launch of the new waste crime team in 2018 there have been 727 FPNs for littering, 20 FPNs for fly tipping, 30 for Duty of Care offences and 4 for dog fouling,</li> <li>32 vehicle seizures linked to duty of care or fly tipping offences</li> <li>The team have succeeded in 3 prosecutions for fly tipping</li> <li>The number of unauthorised encampments reduced during the year compared to the previous year as a result of a change of approach in the use of community protection notices (<b>6 encampments were dealt with</b>)</li> <li>2 FPNs issued in relation to the Town Centre PSPO</li> <li><b>25 Community Protection Formal Warnings and 6 Community Protection Notices</b></li> </ul>
Improving community safety by working with our partners to make people less vulnerable to crime	<ul style="list-style-type: none"> <li>Between August <a href="#">2019</a> and March 20 there were 41 Rural Surgeries held at 4 locations - Staplehurst, Marden, Coxheath and Headcorn.</li> <li>No. of cases assisted through MARAC/Sanctuary/DA One Stop Shop - 195 cases heard at DA MARACs/ 37 Sanctuary referrals / 262 One Stop Shop attendances (Oct 2018 - Sep 2019)</li> </ul>

Raising resident satisfaction with the cleanliness of the Borough	<ul style="list-style-type: none"> <li>• Review undertaken into the future provision of the service, including a resident survey to understand customer needs and priorities</li> <li>• Investment in four new sweepers and street washer</li> <li>• Delivery of 3 Blitz Days in the Town Centre funded by the Business Improvement District</li> <li>• New mobile technology and online reporting processes in place to enable full management of responsive street cleansing services</li> </ul>
Implementing the “Go Green Go Wild” project to embrace and encourage biodiversity and protect and enhance our green spaces	<ul style="list-style-type: none"> <li>• 7 wildflower meadows planted across the Borough</li> <li>• Tree planting schemes taking place in Allington</li> <li>• 20,000 bulbs planted along A20</li> <li>• £20k community fund implemented to deliver 10 grants to local groups to support their work on Go Green Go Wild initiatives</li> </ul>
Improving air quality	<ul style="list-style-type: none"> <li>• Replacing trimmers and other grounds equipment with battery operated versions</li> <li>• Purchased 2 electric vehicles for Street Cleansing</li> <li>• A20 improvement project has planted 20k bulbs, grasses and trees</li> <li>• Tree planting schemes across several open spaces within the Borough</li> </ul>

A Thriving Place	Milestones completed to date
Development and commencement of delivering the new gallery at the museum	<ul style="list-style-type: none"> <li>• National Lottery Heritage Fund bid submitted in November 2019.</li> <li>• Bid unsuccessful February 2020</li> <li>• Meeting arranged with NLHF to discuss further progress on March 17 2020</li> <li>• Project Partnership Board met monthly between Sept 2019 and March 2020</li> <li>• Project Partnership Board leading review of options to offer proposal of future actions to Economic Regeneration and Leisure Committee.</li> </ul>
Enabling events which assist people in increasing their pride in communities and our environment	<ul style="list-style-type: none"> <li>• Proms in the Park</li> <li>• Community Mela</li> <li>• Brenchley Garden Bandstand concerts</li> <li>• Mote Park events including Ramblin Man</li> <li>• Series of small PR events in support of Elmer</li> </ul>

Reviewing and delivering leisure and cultural services that meet future needs e.g. sports facilities	<ul style="list-style-type: none"> <li>• Launched the Making Maidstone More Active project</li> <li>• Appointed the leisure project officer</li> <li>• Assembled the Making Maidstone More Active project board</li> <li>• Launched the Making Maidstone More Active residents' survey which reached more than 2,000 people and achieved more than 1,250 full responses</li> <li>• Used the survey results to design the Making Maidstone More Active residents' forums</li> <li>• Booked residents on to forums, the first of which is held in late March 2020</li> <li>• Actively working with The FA on future artificial football provision in Maidstone</li> <li>• Actively working with the LTA on increasing access to tennis courts in Maidstone</li> <li>• Undertaking a feasibility study on providing a larger theatre in Maidstone</li> </ul>
Building the innovation centre at Kent Medical Campus, promoting inward investment in the Borough	<ul style="list-style-type: none"> <li>• ERDF funding agreement signed 23.12.2019</li> <li>• Rydon site possession 06.01.2020</li> <li>• Completed MHCLG Project Implementation Meeting 30.01.2020</li> <li>• Business Support Contract signed 31.01.2020</li> <li>• Turf turning ceremony 04.03.2020</li> <li>• Contractors, Rydons started on site 23.03.2020</li> </ul>
Working with partners to redevelop the Maidstone East site and modernise the bus station in the County Town	<ul style="list-style-type: none"> <li>• Bid for Small Sites Fund submitted and successfully through stage 1.</li> <li>• Savills masterplan unviable and new more viable residential scheme on Maidstone East produced.</li> <li>• Commercial terms with Solum and KCC under review as KCC have announced their requirement to build circa 100,000 sq.ft. on the Maidstone East Site.</li> <li>• Bus Station scope of works redefined September 2019. Designs for public consultation to be approved by ERL 31<sup>st</sup> March 2019.</li> </ul>
Developing and delivering plans for the five opportunity sites in the town centre and the Staplehurst regeneration project	<ul style="list-style-type: none"> <li>• Sites promoted at internal lead and external events; MIPIM Kent Construction Expo, Business Forum, MEBP</li> <li>• Planning Guidance adopted by Committee Oct 2019</li> <li>• Business Forum held on the 27<sup>th</sup> January 2020</li> <li>• All Landowners contacted to understand intentions and scope/appetite for MBC intervention</li> <li>• Staplehurst:</li> </ul>



	<ul style="list-style-type: none"> <li>• Identified and engaging with current owners to understand current and future plans – including proposition to change from commercial to residential.</li> <li>• Lobbied Sainsbury's to build their planning permission and successful.</li> <li>• Undertaking research with property services to justify remaining need for commercial space and challenge existing developer research suggesting no commercial demand</li> </ul>
Working with parishes and community groups on neighbourhood plans	<ul style="list-style-type: none"> <li>• Between April 2019 and March 2020 only the Loose Neighbourhood Plan was made (adopted) in September 2019</li> <li>• At the end of 2019/20 a total of 3 neighbourhood plans were made</li> <li>• At the end of 2019/20 a further 13 are in progress (at various stages)</li> <li>• The following have reached significant milestones in the last year <ul style="list-style-type: none"> <li>○ Marden Neighbourhood Plan = subject to referendum in February 2020 which was successful. A report will be taken to SPI in June 2020 and then Council in July to make the plan. This plan is very near to the end</li> <li>○ Lenham Neighbourhood Plan = the final stage of public consultation on the plan took place between February and March 2020. The current position of the plan is it that it is at examination.</li> </ul> </li> </ul>

Homes and Communities	Milestones completed to date
Reducing Rough Sleeping in a sustainable way	<ul style="list-style-type: none"> <li>• Reconfigured outreach service to provide support to clients helped from the street.</li> <li>• Number of rough sleepers fell over the year and last official count in January 2020 was zero.</li> <li>• Discussions with MHCLG to obtain funding for a West Kent support service focused on mental health resulted in successful bid (due to start June 2020).</li> </ul>
Reducing the use of temporary accommodation for homeless families	<ul style="list-style-type: none"> <li>• The number of families in temporary accommodation reduced from 107 in March 2019 to 95 in March 2020.</li> <li>• The number of MBC owned temporary accommodation rose during the year to 97 units, reducing the need for nightly paid accommodation.</li> <li>• The number of successful prevention (472) and relief (615) outcomes increased over the financial year compared to the previous year.</li> </ul>

Improving housing through use of our statutory powers to promote good health and wellbeing	<ul style="list-style-type: none"> <li>• 618 households were assisted through the helping you home scheme (from hospital).</li> <li>• The number of disabled facilities grants approved was 103 equating to £907,390.00 of grant being committed.</li> </ul>
Increasing our interventions with Houses of Multiple Occupation	<ul style="list-style-type: none"> <li>• The number of licences approved was 58 making the total licensed premises to 122, demonstrating compliance with housing standards.</li> </ul>
Supporting the health service to improve access to primary care including local care hubs	<ul style="list-style-type: none"> <li>• Contributing through engagement with health colleagues at various levels, both operational and strategic.</li> </ul>

## APPENDIX B: Results from Residents Survey – Impact of Covid19

### Residents Covid Recovery Summary (Weighted Results – October 2020)

- 1261 weighted responses to the survey.
- Note: not every respondent answered every question. N/A responses have been removed from analysis. Confidence levels, error rate and number of respondents are shown in brackets depending on the question type.
- Data was weighted based on gender and age.

#### Feelings & Impact

- The average score of respondents, when asked how worried they were about Coronavirus, was 6.05 (error 0.07) The scale was 0 to 10, 0 is not worried at all and 10 is extremely worried. Overall, 30.7% ( $\pm 2.6\%$ ) scoring at 8 or above.
- The majority of residents were identifying as following the rules and guidance put in place to prevent the spread of coronavirus with 97.6% ( $\pm 0.8\%$ ) of respondents saying they completely or mostly follow the rules.
- 26.2% ( $\pm 2.4\%$ ) of people said they felt unsafe when outside of their household due to Coronavirus. 52.6% ( $\pm 2.4\%$ ) of people said they felt safe.
- 98.4% ( $\pm 0.7\%$ ) of people said that Coronavirus has had an impact on their life
- Below were the top three concerns about the coronavirus
  - You or your friends and family Catching Coronavirus
  - Other people not following the guidance
  - The economy
- People were asked about the positive and negative impacts of Coronavirus:
  - 53.0% ( $\pm 2.8\%$ ) said it has had a positive impact on buying more locally
  - 62.6% ( $\pm 2.8\%$ ) said it has negatively impacted, or not impacted at all, their ability to travel more sustainably.
  - 52.9% ( $\pm 2.8\%$ ) said it has negatively impacted their mental health
  - 41.2% ( $\pm 2.8\%$ ) said it has negatively impacted the level of loneliness they feel
  - 70.0% ( $\pm 2.5\%$ ) said it has positively impacted their use of technology to keep in touch with family and friends.
- When asked for comments, the respondents overwhelmingly felt that they had been negatively impacted by Coronavirus and/or lockdown. Impacts they stated they have experienced included: impacts on relationships with friends and family; impacts on health; impacts on jobs/work; and impacts of the Coronavirus restrictions.

#### Economic & Lifestyle

- 17.3% ( $\pm 2.1\%$ ) of the people expect to experience significant financial difficulties in the next few months as a result of disruption from Coronavirus, respondents that said they were retired had the lowest proportion responding 'Yes' to this question at 2.7% ( $\pm 2.2\%$ ) and respondents that told us they had been furloughed had the greatest proportion responding 'Yes' at 45.4% ( $\pm 18.1\%$ ).
- Overall, 2.3% (29 respondents) of all respondents said were currently furloughed and 1.2% (15 respondents) said they were small business owners.
- 60.4% (713) of the respondents said that during lockdown there had been no change to their work circumstances. 11.7% (138) said that they were furloughed at some point during lockdown and 4.4% (52) said they had lost their job (neither furloughed nor made redundant).

## APPENDIX B: Results from Residents Survey – Impact of Covid19

### Residents Covid Recovery Summary (Weighted Results – October 2020)

- 65.2% ( $\pm 2.7\%$ ) of people said they were going to continue to use technology more to keep in touch with family or friends. 58.1% ( $\pm 2.8\%$ ) said they'd like to keep in touch with their neighbours and community.
- 75.6% ( $\pm 2.4\%$ ) of people said they will keep using local parks and open spaces.

#### The Council & Support

- The average score of respondents, when asked how well they felt the Council had responded to the pandemic, was 6.28 (error 0.06). The scale was 0 to 10, 0 is not worried at all and 10 is extremely worried.
- When asked what activities people were aware of, most of the answers came out around 50/50. However, 61.8% ( $\pm 2.7\%$ ) of people did not know that we provided phone support for isolated people. 77.6% ( $\pm 2.3\%$ ) of people did not know that we provided a retail, leisure and hospitality fund.
- When asked how well the respondents thought MBC did at keeping residents informed about:
  - Maidstone local issues, 50.4% ( $\pm 3.2\%$ ) said well or very well
  - Covid19, 46.4% ( $\pm 3.2\%$ ) said well or very well
  - Changes to council services during the pandemic, 47.0% ( $\pm 3.2\%$ ) said well or very well
- Of the 20.1% ( $\pm 2.2\%$ ) of respondents who identified that they needed help during the pandemic (253 people), 51.3% ( $\pm 6.2\%$ ) said they didn't know where to go (130 people).
- Support was identified as coming from a mix of places including, government, the council, local volunteers, parish councils, friends and families and support via supermarkets.
- When asked for comments on how we could improve the way we provide information, respondents mentioned email, direct mail, leaflets and social media.
- Respondents also commented that the most important things the Council could do to help life in our borough recover following the lockdown period would be to ensure the Coronavirus rules are followed/enforced and to support the economy and local businesses.

#### Respondent Profiles

- BME and other ethnic groups are underrepresented in the survey (4.2%)
- 27.4% (343) of respondents are, or live with someone who is, shielded/high risk.
- 45.1% (562) of respondents are in couples without dependent children
- 78.2% (982) of respondents own their home
- 80.9% (834) do not receive any form of benefits

## Appendix C

Strategic Plan – proposed areas of focus for 2021 – 2026

### Priority: Embracing Growth and Enabling Infrastructure

Areas of Focus 2019-24	Proposed areas of focus 2021 – 2026
Engaging with our communities on the Local Plan Review	<p>Retain focus on</p> <ul style="list-style-type: none"> <li>• progressing the Local Plan Review according to the new timetable agreed by the Strategic Planning and Infrastructure Committee in November 2020</li> <li>• adapting to the requirements arising from the White Paper “Planning for the Future” and add</li> <li>• working with parishes and community groups on neighbourhood plans</li> </ul>
The Council will take a proactive role in creating and consider investing in new places	<p>Retain with the focus on</p> <ul style="list-style-type: none"> <li>• the five town centre opportunity sites</li> <li>• the Council’s proposition for a Garden Community at Heathlands</li> <li>• place shaping role and enabling private sector led developments in accordance with Local Plan allocated sites</li> </ul>
Expanding the Council’s role in the delivery of affordable and market rent housing	<p>Retain with the focus on</p> <ul style="list-style-type: none"> <li>• significant investment in housing to meet objectives for managing pressures for housing that people can afford with a greater emphasis on social and affordable rent leveraging investment from Homes England and any other grant providers. This may include further</li> </ul>

	<p>investment in Temporary Accommodation too, for those affected by homelessness</p> <ul style="list-style-type: none"> <li>expanding the council's private rented sector (PRS) portfolio managed by Maidstone Property Holdings in order, amongst other things, to reduce pressure on the housing register.</li> </ul>
Working with partners to get infrastructure planned, funded and delivered	<p>Retain and further develop this priority through</p> <ul style="list-style-type: none"> <li>the Council's Infrastructure Funding Statement and associated actions</li> <li>alternative forward funding models for more timely investment in transport and other community infrastructure needed to support growth</li> <li>working with the Clinical Commissioning Group to improve local health care infrastructure</li> <li>identifying more opportunities for joint funding and "joint venture" arrangements to enable larger scale investment in key priority areas; this would need a greater external focus and redirection of resources to build better partnerships faster. Ie building on the successes being achieved at Brunswick Street and Union Street and more latterly with Homes England at Heathlands</li> <li>Continuing work agreed in principle by the P&amp;R Committee in December 2020 to pursue a collaboration agreement with Homes England in respect of Heathlands to achieve amongst other things securing infrastructure by means of capturing land value uplift governance/democracy and financial consequences.</li> </ul>
Intervening where necessary in the market, to deliver key employment sites	<p>Retain with focus on</p> <ul style="list-style-type: none"> <li>Key employment sites allocated in the Local Plan</li> </ul>

	<ul style="list-style-type: none"> <li>• The Kent Medical Campus Enterprise Zone including the Innovation Centre</li> <li>• Investment to protect employment where appropriate and to develop the council's portfolio of employment generating assets</li> </ul>
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### Priority: Safe, Clean and Green

Areas of Focus 2019-24	Proposed Areas of focus 2021 – 2026
Taking action against those who do not respect our public spaces, streets, green spaces and parks	Retain
Improving community safety by working with our partners to make people less vulnerable to crime	Retain and add to our existing priorities <ul style="list-style-type: none"> <li>• Take a lead role in the Maidstone Taskforce; the aim is to utilise a multi-agency 'One Team' evidence-based approach to tackle crime, social deprivation and health inequality; ensuring that we implement long term permanent changes that improve the quality of life for the community and keep them safe from harm; the current geographical area of focus is Shepway and Parkwood</li> </ul>
Raising resident satisfaction with the cleanliness of the Borough	Amend the area of focus to say  To maintain resident satisfaction with cleanliness and waste collection in the borough and include reference to the re-commissioning of our waste collection and recycling services
Implementing the "Go Green Go Wild" project to embrace and	Delete

encourage biodiversity and protect and enhance our green spaces	See also amended area of focus below which includes implementation of the Biodiversity and Climate Change Strategy agreed by Policy and Resources Committee in October 2020
Improving air quality	<p>Amend to reflect the Council's declaration of climate change and biodiversity emergencies and focus on the action plan agreed by the Policy and Resources Committee in October 2020 and the outcomes from the Environment Bill including</p> <ul style="list-style-type: none"> <li>• A carbon neutral Council estate by 2030</li> <li>• An ambition of a carbon neutral Borough by 2030, if technology and national policy changes allow</li> <li>• Implementation of the Biodiversity and Climate Change Strategy</li> <li>• Ensuring that the Local Plan supports walking, cycling, public transport and the use of electric vehicles where the opportunity arises</li> <li>• Aim to deliver an eco and biodiversity net gain exemplar new community at Heathlands</li> </ul>

### Priority: A Thriving Place

Areas of Focus 2019-24	Proposed areas of focus 2021 – 2026
Deliver key actions for the refreshed Economic Development Strategy focussing on actions to enable economic recovery from the Covid19 pandemic	<p>Addition</p> <p>With the focus on</p> <ul style="list-style-type: none"> <li>• Delivery of business support in response to the Covid19 pandemic</li> <li>• Supporting the recovery of the Maidstone borough economy in accordance with the principles of the refreshed Economic</li> </ul>



	Development Strategy ie – Open for Business, a diverse and productive economic base, a thriving rural economy, opportunities for all, destination Maidstone town centre
Development and commencement of delivering the new gallery at the museum	Replace (see below)
Deliver a sustainable leisure and cultural offer for the Borough	<p>New</p> <ul style="list-style-type: none"> <li>• Reshape the offer from the Hazlitt Arts Centre to match resources available and adapt future service delivery opportunities to improve engagement with the public (subject to further consideration in January 2021 and decisions of the ERL Committee)</li> <li>• Reshape the offer from Maidstone museums to match resources and adapt to future service delivery opportunities to improve access</li> <li>• Reviewing and delivering leisure and cultural services that meet future needs e.g. sports facilities</li> <li>• Invest in Lockmeadow to enhance both the leisure offer to the public and the asset for the council</li> </ul> <p>With respect to the Maidstone Museums amend to reflect the decision of the ERL Committee from November 2020 including</p> <ul style="list-style-type: none"> <li>• secure the future service provision for Maidstone Museums within the reduced revenue funding available in the period 2021-2023</li> <li>• engagement with key and prospective stakeholders including the Maidstone Museum Foundation with respect to the service delivery outcomes to be achieved while working within budget parameters</li> <li>• further consideration of how the existing capital allocation to the Museum can be used to make the best use of our existing spaces,</li> </ul>

	<p>address accessibility to the collections and reduce the net revenue costs of the museum</p> <ul style="list-style-type: none"> <li>• maintaining the museum's accreditation status</li> <li>• putting volunteers at the heart of Maidstone Museum in conjunction with professional officers, along the lines of the National Trust Model.</li> </ul>
Enabling events which assist people in increasing their pride in communities and our environment	Replace – see Community Engagement objective below
Reviewing and delivering leisure and cultural services that meet future needs e.g. sports facilities	Replace (see sustainable leisure and culture offer above)
Building the innovation centre at Kent Medical Campus, promoting inward investment in the Borough	Retain – broaden the focus to promoting inward investment in the Borough to ensure a diverse employment and business offer
Working with partners to redevelop the Maidstone East site and modernise the bus station in the County Town	<p>Retain including</p> <ul style="list-style-type: none"> <li>• updating actions to reflect the work on implementing agreed changes to modernise the bus station</li> </ul>
Developing and delivering plans for the five opportunity sites in the town centre and the Staplehurst regeneration project	Retain
Working with parishes and community groups on neighbourhood plans	Re -locate – see Embracing Growth and Enabling Infrastructure above

<p>Working with community groups and parish councils, to develop more sustainable community resilience</p>	<p>New</p> <p>Proposed actions reflect the experience of the council's response to community needs and the engagement which has occurred as a result of the Covid19 pandemic including decisions of the CHE Committee in November 2020 to</p> <ul style="list-style-type: none"> <li>• build on the experience of creating the Community Hub in response to community needs arising from Covid19 develop the strategic relationship by development of a local compact for Maidstone borough and deliver the commitments arising from adoption of the Compassionate Maidstone decision of P&amp;R in January 2020</li> <li>• Expand the Access to Services Review to include building a repository of community organisations across the Borough</li> <li>• Amend the Parish Charter subject to the agreement of Parish Councils to reflect their important role in emergencies</li> <li>• build on the positive working relationship with parish councils enhanced during the covid19 pandemic to provide newsletters and joint webinars with KALC to ensure regular communication and feedback</li> </ul> <p>and a specific theme that has been accentuated by this experience to</p> <ul style="list-style-type: none"> <li>• support residents in financial difficulty; this is consistent with the decision on the Policy and Resources Committee in February 2020 to adopt the Citizens Advice Bureau/Local Authority protocol for Council Tax debt recovery procedures and support for low income households. To pilot work to identify low income households in financial difficulty and proactively intervene to provide support e.g. maximising income, and through this to both reduce risks around indebtedness and</li> </ul>
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	potentially reduce demand for council services or incurring debt with the Council.
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### Priority: Homes and Communities

Areas of Focus 2019-24	Proposed areas of focus 2021 – 2026
Reducing Rough Sleeping in a sustainable way	Retain and reflect proactively reducing rough sleeping including using our property company to provide accommodation and multi-agency working around the most complex rough sleepers including local health care
Reducing the use of temporary accommodation for homeless families	Retain
Improving housing through use of our statutory powers to promote good health and wellbeing	Retain and add actions to <ul style="list-style-type: none"> <li>• Increase our interventions with Houses of Multiple Occupation</li> </ul>
Increasing our interventions with Houses of Multiple Occupation	Delete but include as an action for the objective above
Supporting the health service to improve access to primary care including local care hubs	Amend <ul style="list-style-type: none"> <li>• working with the Integrated Care Partnership identify opportunities to reduce health inequalities in the borough</li> <li>• See also enabling infrastructure above</li> </ul>



## **Appendix D**

### **Proposed – Covid19 recovery KPIs**

<b>Indicator</b>	<b>Frequency</b>	<b>Reason for Monitoring</b>	<b>Level/comparison</b>	<b>What would recovery look like?</b>
<b>ECONOMY</b>				
Unemployment	Monthly	Economic impact for MBC residents	Kent/SE and GB comparisons	When rates hit March 20 percentage:2.2%
Youth unemployment	Monthly	Economic impact for particularly vulnerable MBC residents	Kent/SE and GB comparisons	When rates hit March 20 percentage: 3.7%
Town Centre Footfall	Monthly	Key measure of town centre and overall MBC economy	Compare with previous month and previous years month.	When footfall figures close on pre covid19 levels
Town Centre vacancy rates	Quarterly	Key measure of town centre and overall MBC economy	Maidstone and National average (collected by One Maidstone)	When figures close on pre-covid19 levels
House prices and sales volumes	Quarterly	Key measure of MBC economy and the construction sector	Maidstone and SE	When figures close on pre-covid19 levels
Number of Business Grants awarded to closed businesses	Weekly	Indication of businesses that will be at risk		When businesses that qualify have been awarded the grant and no more applications are coming in.
<b>COMMUNITY</b>				
Homelessness prevention –	Monthly	Key measure of the availability of	Same month in 2019	When figures close on pre-covid19 levels

prevention duty ended as applicant has suitable accommodation		accommodation/success at prevention		
Number of households in temporary accommodation (excluding rough sleepers)	Monthly	Key measure of cumulative need	Same month in 2019	When figures close on pre-covid19 levels
Number of households newly in temporary accommodation broken down by main reason (excluding rough sleepers)	Monthly	Key measure of pressure within the housing system including loss of tenancy and home ownership	Same month in 2019	When figures close on pre-covid19 levels
Number of rough sleepers in temporary accommodation	Monthly	Key measure of pressure within the housing system	Same month in 2019	When figures close on pre-covid19 levels
Number of rough sleepers newly engaged	Monthly	Key measure of the cumulative impacts of economic and other change for our most vulnerable residents	Same month in 2019	When figures close on pre-covid19 levels
Reports of Anti-social behaviour	Monthly	Indicator of community experience of the impacts of lockdown and other restrictions	Same month in 2019	When figures close on pre-covid19 levels

Reports of noise nuisance	Monthly	Indicator of community experience of the impacts of lockdown and other restrictions	Same month in 2019	When figures close on pre-covid19 levels
Number of Community Protection warnings and notices	Monthly	Measure of the council's response to ASB	Same month in 2019	When figures close on pre-covid19 levels
Reports of Domestic Abuse	Monthly	Relevant measure of risk to vulnerable residents	Same month in 2019	When figures close on pre-covid19 levels
Number of new Council Tax Support (CTS) applications received	Monthly	Indicative of trends in households in financial difficulty	Same month in 2019	When figures close on pre-covid19 levels
Number of live CTS cases	Monthly	Indicative of cumulative level of households in financial difficulty	Same month in 2019	When figures close on pre-covid19 levels
* CHE decisions on 3 <sup>rd</sup> November for Community Resilience implemented	Quarterly	Indicative of further improvement in partnership working with the voluntary and community sector and parish councils		Implementation of Committee decisions completed
<b>COUNCIL'S FINANCIAL POSITION</b>				
Council Tax collection – percentage in year collection Reduction in cash received compared to this time last year	Monthly	Measure of financial resources available to MBC	2020/21 budget	When collection returns to projection for 2020/21



Business Rates collection – percentage in year collection	Monthly	Measure of financial resources available to MBC	2020/21 budget	When collection returns to projection for 2020/21
Council's collection of other income – percentage in year collection	Monthly	Measure of financial resources available to MBC	2020/21 budget	When collection returns to projection for 2020/21
THE WAY WE WORK – Building on the opportunities and risks created/accentuated by covid19				
Office footprint	Bi annual	Aim to reduce permanently by end of 2023/4	Current floorspace at Maidstone House	New smaller accommodation footprint achieved
Cost of office accommodation	Quarterly	Aim to reduce permanently by end of 2023/4	Current floorspace at Maidstone House	New smaller accommodation footprint achieved
Office running costs (post, print, utilities)	Bi annual	Aim to reduce systematically through different ways of working and carbon reduction initiatives	2019/20 running costs	Running costs reduced
Travel costs	Quarterly	Aim to reduce systematically through different ways of working and carbon reduction initiatives	2019/20 travel costs	Mileage costs reduced
Review of contract provisions and Business Continuity for very significant	Annually	Protection for MBC and our customers where outsourced services fail,	Existing Business Continuity Plans	Business Continuity Plans updated and exercised

change in circumstances including change in law, force majeure		are no longer fit for purpose or affordable		
----------------------------------------------------------------	--	---------------------------------------------	--	--

\* CHE decisions on 3<sup>rd</sup> November for Community Resilience working with the Voluntary and Community Sector and Parish Councils

1. Local partners are consulted with the intention to develop a local compact for Maidstone which will include representative roles and mutual support in emergencies.
2. The Access to Services Review expand its remit to include building a repository of community organisations across the Borough.
3. The Parish Charter be amended subject to the agreement of Parish Councils to reflect their important role in emergencies.
4. The provision of Parish Council newsletters and joint webinars with KALC to ensure regular communication and feedback, be noted.
5. A short update report be presented to the Committee in February 2021; and
6. A progress update be presented to the Committee in April 2021.

## Policy & Resources Committee

20 January 2021

### Council Tax Base 2021-22 & Collection Fund Adjustment

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

#### Executive Summary

This report advises members on the estimated tax base for Council Tax purposes. It identifies potential changes to that tax base expected in the forthcoming year and recommends the tax base for 2021-22 for the council and parish areas.

The report also provides the anticipated balance on the Council Tax account as at 31 March 2021 which will be recovered from major preceptors and this Council during the next three financial years, in accordance with the amended regulations on deficit phasing.

The distribution of balances to precepting authorities is an important part of their respective budget setting processes and a decision at this time enables timely advice to those authorities. It also enables timely consideration in relation to the Council's own budget strategy for the coming financial year.

#### Purpose of Report

Decision.

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

That

1. Pursuant to this report and in accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Authority as its Council Tax Base for the year 2021-22 will be 63,550.1;
2. In accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by this Authority as the Council Tax Base for each parish area for the year 2021-22 will be as identified in Appendix 2 to this report.
3. The 2020-21 Council Tax projection and proposed distribution detailed in Appendix 3 of this report is agreed.

<b>Timetable</b>	
<b><i>Meeting</i></b>	<b><i>Date</i></b>
Policy & Resources Committee	20 January 2021
Council	24 February 2021

# Council Tax Base 2021-22 & Collection Fund Adjustment

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<ul style="list-style-type: none"> <li>We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the recommendations do form a statutory part of the process of setting the budget for the forthcoming financial year and support corporate priorities in this respect.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Cross Cutting Objectives</b>	<ul style="list-style-type: none"> <li>We do not expect the recommendations will by themselves materially affect achievement of cross cutting objectives. However, the recommendations do form a statutory part of the process of setting the budget for the forthcoming financial year and support the council's objectives in this respect.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Risk implications are detailed within section 5 of this report.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Financial</b>	<ul style="list-style-type: none"> <li>The results of this decision affect the overall budget strategy process and therefore the pressure on the Council Tax requirement in creating a balanced budget.</li> <li>The setting of the tax base is an essential part of the budget process which is required by legislation.</li> <li>Any increase in the tax base effectively means that the cost of services provided by this Authority and others in the area is being spread over more Council Tax payers which would effectively reduce the Council Tax burden on any individual tax payer.</li> <li>However, this relationship must be realistic in that any underachievement</li> </ul>	Ellie Dunnet, Head of Finance

	on the collection of Council Tax will result in cash flow pressures for this Council as a billing authority.	
<b>Staffing</b>	<ul style="list-style-type: none"> <li>The recommendations do not give rise to any direct staffing implications.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Legal</b>	<ul style="list-style-type: none"> <li>Accepting the recommendations regarding the tax base will fulfil the Council's duties under the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012. Failure to accept the recommendations without agreeing suitable alternatives may place the Council in breach of these regulations.</li> <li>Billing authorities are required by the Local Authorities (Funds) (England) Regulations 1992 to estimate any surplus/deficit on their collection fund for the year. Accepting the recommended projection in Appendix 3 will enable the Council to meet this requirement.</li> <li>The Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020 amend the Local Authorities (Funds) (England) Regulations 1992 and the Non-Domestic Rating (Rates Retention) Regulations 2013 which govern the calculation and apportionment of Collection Fund surpluses and deficits for council tax and non-domestic rates respectively. These amendments amend the way in which billing authorities calculate their estimated surplus or deficit on their collection fund in respect of non-domestic rating income for the relevant years beginning on 1st April 2021 and 1st April 2022. These amendments require billing authorities to spread their exceptional balance for a relevant year over a period of three relevant years ending with the relevant year beginning on 1st April 2023. The</li> </ul>	Team Leader Corporate Governance

	exceptional balance for council tax within appendix 3 has been calculated in accordance with these regulations.	
<b>Privacy and Data Protection</b>	<ul style="list-style-type: none"> <li>The recommendations do not give rise to any direct privacy or data protection implications.</li> </ul>	Policy and Information Team
<b>Equalities</b>	<ul style="list-style-type: none"> <li>The recommendations do not propose a change in service therefore will not require an equalities impact assessment.</li> </ul>	[Policy & Information Manager]
<b>Public Health</b>	<ul style="list-style-type: none"> <li>The recommendations do not give rise to any direct public health implications.</li> </ul>	[Public Health Officer]
<b>Crime and Disorder</b>	<ul style="list-style-type: none"> <li>The recommendations do not give rise to any direct crime and disorder implications.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Procurement</b>	<ul style="list-style-type: none"> <li>The recommendations do not give rise to any direct procurement implications.</li> </ul>	Ellie Dunnet, Head of Finance

## 2. INTRODUCTION AND BACKGROUND

### Tax Base

- 2.1 Setting the tax base is an integral part of the Council tax collection process which is a basic financial function of this Authority. It is essential for the efficient funding of all Local Authorities in the area. The income received from Council Tax, within the overall context of the budget process, provides resources for the achievement of all the Council's priorities.
- 2.2 Regulations prescribe that a decision on the tax base for the forthcoming financial year must be made between 1st November and 31st January.
- 2.3 The basis of the calculation of the tax base is the valuation information received from the Valuation Office on 14 September 2020 and the latest information on exemptions and discounts available as at 5 October 2020.
- 2.4 This information has been collated for the whole of the Borough area and for individual Parish areas. Information for the whole area has been supplied to the Government for their use in the monitoring of:
- The Local Council Tax Support Scheme;
  - This Council's needs baseline for business rates; and
  - Property changes that may be used to calculate any future New Homes Bonus awards.

- 2.5 The tax base figure supplied to central government is given at Appendix 1. This shows a net tax base of 64,089.4 as at 13 October 2020. Starting from this figure an estimate of the tax base for 2021-22 can be made by considering movements that may occur in the factors that influence the tax base over the forthcoming year.
- 2.6 It is necessary that a realistic assessment is made of the potential changes to the tax base for 2021-22 as an under or over recovery of Council tax income will affect the Council's cash flow. If the tax base is overestimated, there will inevitably be a deficit on the collection fund which will need to be recovered through the Council tax in the following financial year. In addition, during the course of the year, any borrowing necessary to cover the under recovery of the tax would need to be paid for by this Council. If the tax base is underestimated there will be a surplus on the collection fund because the Council will have asked tax payers to contribute more than necessary in this financial year. The surplus would then be used to reduce the need for resources in the following year.
- 2.7 It is also necessary at this time to provide the parish Councils, which set a precept, with the element of the tax base of the borough that equates to their area. Attached at Appendix 2 to this report is the detail of the calculation of the tax base for each parish.

### **Collection Fund Adjustment**

- 2.8 As a billing authority, this Council has a statutory obligation to maintain a Collection Fund for transactions relating to the collection of Council Tax and Business Rates from taxpayers and distribution to preceptors.
- 2.9 For proper maintenance of the Collection Fund, it is necessary to assess, on an annual basis, the projected balance as at 31 March of each year. Any balance, either positive or negative, must be taken into account in the following financial year. Under the Statutory arrangements for the Collection Fund, the balance remaining does not become a credit or charge on this Council but requires it to be distributed proportionately across the preceptors.
- 2.10 The regulations provide that, in estimating a surplus or deficit on the Collection Fund at the end of the year, account is taken of any difference between the amount estimated for the previous year and the amount shown as the surplus/deficit for that year in the accounts. Surpluses and deficits will be calculated separately for Council tax and business rates.
- 2.11 These balances (surplus or deficit) will be distributed between the billing authority, i.e. Maidstone Borough Council, and major preceptors during 2021-22. The amounts are apportioned on the basis of the billing authority's demand, and each major precepting authority's precept, based on their respective band D Council tax bases to which the estimate relates i.e. the amounts to be distributed during 2021-22 will be apportioned using the 2020-21 demand and precept amounts.



- 2.12 The Collection Fund Adjustment arising from business rates will be estimated at a later stage due to the statutory timetable for calculating the predicted closing balance. This will be reported to the committee in February as part of the Medium Term Financial Strategy proposals.

### **3. AVAILABLE OPTIONS**

#### **Tax Base - Option 1**

- 3.1 An assessment of the information held by both the Revenues Service and the Planning Service suggests that between October 2020 and March 2022 a total of 1,657 properties will be added to the Council tax records. Distributing this sum evenly over the period and taking the average, to identify the effect on the tax base for 2021-22, the result suggests an increase of 1,206 band D equivalent properties. Adjusting this figure for the current levels of discount and other allowances suggests a net tax base decrease of 539.
- 3.2 This figure is significantly lower than the 1,657 new properties identified because they will not all be band D properties, they will not all start to pay Council tax at the beginning of the year and some will receive the discounts and allowances that are part of the system.
- 3.3 Finally the revised total tax base must be adjusted to allow for non-collection for which has been calculated at 2.5%.
- 3.4 The calculation is set out in the table below:

Tax Base as at Appendix I	64,089.4
New properties (Avg: by band D & time)	1205.8
Adjustment for potential allowances	-120.6
Non-collection allowance (2.5% of above)	-1,624.5
<b>Proposed Tax Base</b>	<b>63,550.1</b>

*Table 1: Proposed tax base 2021-22*

- 3.5 The overall position represents modest year on year growth in the tax base estimate of 0.36%. This results in a favourable impact for the strategic revenue projections, which was based on an estimated 0.5% contraction in the tax base due to forecast increases in irrecoverable debt and increased demand for local council tax support. The government has now recognised the potential loss of income to councils in 2021/22 arising from increased demand for local council tax support, in the form of a Local Council Tax Support grant, which will mitigate the effect of this contraction in income.
- 3.6 Appendix 2 to this report provides details of the tax base for each parish based on an identical calculation.

#### **Tax Base - Option 2**

- 3.7 It would be possible to vary some of the factors set out above. The exception is the figure from Appendix 1 as this is reconciled to the District

Valuers' records and has been reported to central government. The other figures given above are based on current known data and though they could rise or fall during the year.

- 3.8 The risk of making an inaccurate calculation are set out in paragraph 2.6 above and the data used in calculating Option 1 is accurate and evidenced any variation the committee may wish to make should be similarly evidence based.

### **Tax Base - Option 3**

- 3.9 The do nothing option is not available to the Council as it has a statutory obligation to set a tax base each year.

### **Collection Fund Adjustment - Option 1**

- 3.10 A projection for 31 March 2021 based on the current position is provided at Appendix 3. This appendix details the precepts and demands on the fund for 2020-21 totalling £122,391,308.
- 3.11 Appendix 3 also details the current position regarding Council tax bills dispatched, incorporating exemptions and discounts, and an allowance for irrecoverable debt. Total income is now anticipated to be £119,339,842; therefore a deficit of £3,051,466 is anticipated for 2020-21.
- 3.12 A forecast deficit of £130,428 for the current financial year is being recovered from major preceptors and this Council's general fund. The actual outturn position at 31 March 2020 was a surplus of £193,397 in respect of council tax. This brings the forecast cumulative deficit as at 31 March 2021 to £2,858,069.

### **Deficit Phasing**

- 3.13 Ordinarily, this deficit would be apportioned according to preceptors' respective shares of council tax and recovered from the general fund and major preceptors over the next financial year in accordance with the provisions of the Local Government Finance Act 1992 as follows:

<b>Preceptor</b>	<b>£</b>
Maidstone Borough Council	442,419
Kent County Council	1,998,023
Kent Police Authority	300,385
Kent and Medway Towns Fire Authority	117,241
<b>Total projected deficit as at 31 March 2021</b>	<b>2,858,069</b>

*Table 2: Forecast cumulative deficit on the council tax account for 2020-21*

- 3.14 However, as a result of pressures associated with the Coronavirus pandemic, and the significant deficits in council tax and business rates which have resulted from this, the Government has amended secondary legislation to allow authorities to spread the estimated deficit on the 2020-21 Collection Fund over the three years 2021-22 to 2023-24. The provisions do not allow deficits in other financial years to be phased.

- 3.15 Alongside the cumulative estimated deficit as at 31 March 2021, the new regulations require that billing authorities also estimate an 'exceptional balance' for each of council tax and non-domestic rates. This is the estimated overall surplus or deficit net of any 'prior year' elements (the prior year element is the difference between the estimated and actual surplus/deficits for 2019-20 and is calculated as the difference between the 'opening balance' on the Collection Fund at 1 April 2020 and the sums paid to/from the Collection Fund during the course of 2020-21 in respect of the estimated surplus/deficit calculated by authorities in January 2020). The exceptional balance for council tax is estimated to be £3,181,894. This calculation is shown within Appendix 3 and represents the amount that will be recovered from the general fund and preceptors.
- 3.16 As the exceptional balance is in deficit, the deficit phasing provisions are triggered and this amount must be spread in three equal portions across the three financial years 2021-22 to 2023-24. In the interests of reducing potential complication as far as possible, the exceptional balance may not be adjusted should the end of year calculation of actual surplus or deficit for 2020-21 produce a different amount. It should be noted that this will give rise to a short-term cash flow shortfall for this council as a billing authority. There is no provision in the regulations to allow authorities to opt out of the deficit phasing, or to adopt a different payment profile.
- 3.17 The Local Authorities (Funds) (England) Regulations 1992 require collection fund surpluses and deficits to be apportioned on the basis of each billing authority and major preceptor's share of the aggregate council tax requirement for the billing authority's area for the 'preceding year'. This apportions the share of the estimated exceptional balance which will be spread across 2021-22, 2022-23 and 2023-24 as follows:

<b>Preceptor</b>	<b>£</b>
Maidstone Borough Council	492,546
Kent County Council	2,224,404
Kent Police Authority	334,419
Kent and Medway Towns Fire Authority	130,525
<b>Total projected exceptional balance as at 31 March 2021</b>	<b>3,181,894</b>

*Table 3: Forecast exceptional balance on council tax at 31 March 2021*

- 3.18 The phasing provisions detailed within the preceding paragraphs require that two thirds of the exceptional balance be removed from the calculation, leaving the remainder to be recovered during 2022-23 and 2023-24. The impact of this amendment leaves an adjusted deficit for council tax to be recovered in 2021-22 of £736,806, apportioned as follows:

<b>Preceptor</b>	<b>£</b>
Maidstone Borough Council	114,055
Kent County Council	515,088
Kent Police Authority	77,439
Kent and Medway Towns Fire Authority	30,225
<b>Total deficit to be recovered during 2021-22</b>	<b>736,807</b>

*Table 4: Apportionment of council tax deficit to be recovered in 2021-22*

- 3.19 Authorities' shares of the aggregate area council tax requirement can vary from year to year, creating a risk that their shares of the phased exceptional balance could change during the lifetime of the scheme. To prevent this, the regulations require the exceptional balance to be apportioned each year according to the authorities' council tax requirements in 2020-21. All other estimated surpluses or deficits will continue to be apportioned according to the council tax requirements of authorities at the time of the estimate.

### **Collection Fund Adjustment - Option 2**

- 3.20 The committee could choose to vary the figures used in the estimate provided within the appendices. However, these are based on data from the revenues system, projections developed from past experience and known factors. They are considered to represent a reasonable basis for estimating the position on the collection fund at 31 March 2021.
- 3.21 Should the committee choose to vary the data and distribute a different surplus or deficit this could affect the balance on the collection fund and the Council's cash flows.
- 3.22 The apportionment methodology is defined in statute and therefore may not be altered.

### **Collection Fund Adjustment - Option 3**

- 3.23 It is a statutory requirement that any adjustment be calculated annually and the committee cannot choose to ignore this decision.

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

### **Tax Base**

- 4.1 The recommended option is Option 1 (as detailed in paragraph 3.4 above) as this calculation is based on current known data and collection rates.

### **Collection Fund Adjustment**

- 4.2 It is recommended that the committee agrees the projections detailed within option 1 above and within Appendix 3, as they are based on data from the revenues system, projections developed from past experience and known factors. They are considered to represent a reasonable basis for estimating the position on the collection fund at 31 March 2021.

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## **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 within section 2. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

- 5.2 The main risks relate to an over optimistic estimate of the tax base and/or balance on the Council Tax account at 31 March 2021. Although any deficit arising on the Collection Fund would be recouped in subsequent years, the impact of this risk materialising could be flow problems during the year. As a direct consequence this would reduce interest income generated on the Council's cash balances or, in extreme cases, result in a need to borrow on a temporary basis.
- 5.3 Over pessimistic estimates would lead to increased balances on the Collection Fund. When fed into the overall budget process this can produce yearly variations which need to be managed as part of the Budget Strategy and place unnecessary burdens on tax payers in advance of need.
- 5.4 Monthly monitoring of collection rates and growth seen in the tax base over recent years help the Council to mitigate this risk.
- 

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

- 6.1 No consultation is necessary on this specific issue but consultation has occurred with the public and with service committees on the wider issues relating to the budget and Council tax for 2021-22. This was shared with service committees during December.
- 

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

- 7.1 The tax bases approved as part of this decision will be provided, as appropriate, to relevant preceptors.
- 7.2 The Council will use this tax base in setting its 2021-22 budget on 24 February 2021.
- 7.3 The Council is required to notify preceptors of the estimated Council Tax surplus/deficit as at 31 March 2021 by 15 January 2021.
- 

## **8. REPORT APPENDICES**

- Appendix 1 - Calculation of Council Tax Base (CTB1 Return)
- Appendix 2 - Calculation of Individual Parish Tax Bases 2021-22
- Appendix 3 - Council Tax Projection to 31 March 2021

## **9. BACKGROUND PAPERS**

None

## CTB(October 2020)

## Calculation of Council Tax Base

Please e-mail to : [ctb.stats@communities.gov.uk](mailto:ctb.stats@communities.gov.uk)

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

Please select your local authority's name from this list

Maldstone
Maldon
Maldern Hills
Manchester
Mansfield
Medway

Check that this is your authority :

Maldstone

E-code :

E2237

Local authority contact name :

Local authority contact telephone number :

Local authority contact e-mail address :

CTB(October 2020) form for a Maldstone

Completed forms should be received by MHCLG by Friday 16 October 2020

Dwellings shown on the Valuation List  
for the authority on  
Monday 14 September 2020Band A entitled  
to disabled relief  
reduction  
COLUMN 1Band A  
COLUMN 2Band B  
COLUMN 3Band C  
COLUMN 4Band D  
COLUMN 5Band E  
COLUMN 6Band F  
COLUMN 7Band G  
COLUMN 8Band H  
COLUMN 9TOTAL  
COLUMN 10

Part 1

1. Total number of dwellings on the Valuation List		4,362	9,213	19,897	19,062	10,119	5,810	4,281	381	73,125.0
2. Number of dwellings on valuation list exempt on 5 October 2020 (Class B & D to W exemptions)		208	157	442	263	102	63	35	5	1,275.0
3. Number of demolished dwellings and dwellings outside area of authority on 5 October 2020 (please see notes)		1	1	0	1	0	0	0	0	3.0
4. Number of chargeable dwellings on 5 October 2020 (treating demolished dwellings etc as exempt) (lines 1-2-3)		4,153	9,055	19,455	18,798	10,017	5,747	4,246	376	71,847.0
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 5 October 2020		3	16	57	103	80	48	34	18	359.0
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	3	16	57	103	80	48	34	18		359.0
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	3	4,166	9,096	19,501	18,775	9,985	5,733	4,230	358	71,847.0
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 5 October 2020	1	2,523	4,401	6,845	4,989	2,103	889	573	32	22,356.0
9. Number of dwellings in line 7 entitled to a 25% discount on 5 October 2020 due to all but one resident being disregarded for council tax purposes	0	18	75	196	215	109	49	28	0	690.0
10. Number of dwellings in line 7 entitled to a 50% discount on 5 October 2020 due to all residents being disregarded for council tax purposes	0	1	3	13	19	7	10	21	10	84.0
11. Number of dwellings in line 7 classed as second homes on 5 October 2020 (b/fwd from Flex Empty tab)		24	15	31	44	22	21	29	7	193.0
12. Number of dwellings in line 7 classed as empty and receiving a zero% discount on 5 October 2020 (b/fwd from Flex Empty tab)		90	152	215	166	66	41	33	2	765.0
13. Number of dwellings in line 7 classed as empty and receiving a discount on 5 October 2020 and not shown in line 12 (b/fwd from Flex Empty tab)		0	0	0	0	0	0	0	0	0.0
14. Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 5 October 2020 (b/fwd from Flex Empty tab)		15	31	32	24	14	15	4	2	137.0
15. Total number of dwellings in line 7 classed as empty on 5 October 2020 (lines 12, 13 & 14).		105	183	247	190	80	56	37	4	902.0
16. Number of dwellings that are classed as empty on 5 October 2020 and have been for more than 6 months. NB These properties should have already been included in line 15 above.		63	118	126	108	55	41	22	4	537.0
16a. The number of dwellings included in line 16 above which are empty on 5 October 2020 because of the flooding that occurred between 1 December 2015 and 31 March 2016 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0.0
16b. The number of dwellings included in line 16 above which are empty on 5 October 2020 because of the flooding that occurred between November 2019 and February 2020 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0.0
17. Number of dwellings that are classed as empty on 5 October 2020 and have been for more than 6 months and are eligible to be treated under empty homes discount class D (formerly Class A exemptions). NB These properties should have already been included in line 15 above. Do NOT include any dwellings included in line 16a above.		0	0	0	0	0	0	0	0	0.0
18. Number of dwellings that are classed as empty and have been empty for more than 6 months excluding those that are subject to empty homes discount class D or empty due to flooding (Line 16 - line 16a - line 16b - line 17) (equivalent to Line 18 in previous forms).		63	118	126	108	55	41	22	4	537.0
19. Number of dwellings in line 7 where there is liability to pay 100% council tax before Family Annexe discount	2	1,609	4,585	12,415	13,528	7,752	4,769	3,604	314	48,578.0
20. Number of dwellings in line 7 that are assumed to be subject to a discount or a premium before Family Annexe discount	1	2,557	4,511	527,086	5,247	2,233	964	626	44	23,269.0

## CTB(October 2020)

**Calculation of Council Tax Base**Please e-mail to : [ctb.stats@communities.gov.uk](mailto:ctb.stats@communities.gov.uk)

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

21. Reduction in taxbase as a result of the Family Annexe discount (b/fwd from Family Annexe tab)	0.5	20.5	4.5	3.3	1.3	1.4	0.0	0.0	0.0	31.4
22. Number of dwellings equivalents after applying discounts and premiums to calculate taxbase	2.3	3,527.8	8,011.5	17,776.0	17,494.3	9,445.1	5,511.0	4,074.3	347.0	66,189.1
23. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
24. Total number of band D equivalents (to 1 decimal place) (line 22 x line 23)	1.3	2,351.8	6,231.2	15,800.9	17,494.3	11,544.0	7,960.3	6,790.4	694.0	68,868.2
25. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2020-21 (to 1 decimal place)										196.0
26. Tax base (to 1 decimal place) (line 24 col 10 + line 25)										69,064.2

**Part 2**

27. Number of dwellings equivalents after applying discounts and premiums to calculate tax base (Line 22)	2.25	3,527.75	8,011.50	17,776.00	17,494.25	9,445.10	5,511.00	4,074.25	347.00	66,189.1
28.Reduction in taxbase as a result of local council tax support (b/fwd from CT Support tab)	0.74	913.93	1,544.81	2,017.58	901.41	250.98	76.88	29.28	0.98	5,736.6
29. Number of dwellings equivalents after applying discounts, premiums and local tax support to calculate taxbase	1.5	2,613.8	6,466.7	15,758.4	16,592.8	9,194.1	5,434.1	4,045.0	346.0	60,452.5
30. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
31. Total number of band D equivalents after allowance for council tax support (to 1 decimal place) (line 29 x line 30)	0.8	1,742.5	5,029.6	14,007.5	16,592.8	11,237.3	7,849.3	6,741.6	692.0	63,893.4
32. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2020-21 (to 1 decimal place)(line 25)										196.0
33. Tax base after allowance for council tax support (to 1 decimal place) (line 31 col 10 + line 32)										64,089.4

**Certificate of Chief Financial Officer**

I certify that the information provided on this form is based on the dwellings shown in the Valuation List for my authority on 14 September 2020 and that it accurately reflects information available to me about exemptions, demolished dwellings, disabled relief, discounts and premiums applicable on 5 October 2020 and, where appropriate, has been completed in a manner consistent with the form for 2019.

Chief Financial Officer : .....

Date : .....

**Policy and Resources Committee**  
**Tax Base Calculation for Parish Councils 2021-22**

<b>Parish</b>	<b>Tax Base October 2020</b>	<b>Adjustment Net Changes</b>	<b>Non Collection Allowance</b>	<b>Net Tax Base 2021/22</b>
Barming	768.7	13.3	-18.9	763.1
Bearsted	3,671.3	1.2	-91.8	3,580.8
Bicknor	43.2	0.6	-1.1	42.8
Boughton Malherbe	239.8	4.9	-5.9	238.8
Boughton Monchelsea	1,732.2	66.7	-41.6	1,757.3
Boxley	3,983.6	32.3	-98.8	3,917.1
Bredhurst	194.5	3.7	-4.8	193.5
Broomfield & Kingswood	722.3	1.8	-18.0	706.1
Chart Sutton	425.5	0.6	-10.6	415.5
Collier Street	370.3	13.1	-8.9	374.4
Coxheath	1,768.2	47.7	-43.0	1,772.9
Detling	436.0	2.5	-10.8	427.6
Downswood	852.5	0.6	-21.3	831.8
East Sutton	139.2	0.6	-3.5	136.4
Farleigh East	671.7	2.4	-16.7	657.4
Farleigh West	244.3	1.9	-6.1	240.1
Frinsted	74.4	0.0	-1.9	72.5
Harrietsham	1,330.4	24.7	-32.6	1,322.5
Headcorn	1,740.4	67.7	-41.8	1,766.3
Hollingbourne	485.3	6.8	-12.0	480.2
Hucking	37.4	0.6	-0.9	37.1
Hunton	325.1	0.0	-8.1	317.0
Langley	521.2	22.8	-12.5	531.5
Leeds	342.5	1.8	-8.5	335.8
Lenham	1,482.2	22.3	-36.5	1,468.0
Linton	264.9	6.1	-6.5	264.6
Loose	1,145.4	0.6	-28.6	1,117.4
Marden	2,025.1	71.1	-48.8	2,047.4
Nettlestead	318.1	0.6	-7.9	310.7
Otham	395.5	38.6	-8.9	425.2
Otterden	94.5	0.0	-2.4	92.1
Staplehurst	2,570.7	122.2	-61.2	2,631.7
Stockbury	328.5	1.8	-8.2	322.2
Sutton Valence	738.7	7.9	-18.3	728.4
Teston	319.7	0.6	-8.0	312.3
Thurnham	571.9	25.1	-13.7	583.3
Tovil	1,446.0	4.2	-36.0	1,414.2
Ulcombe	400.0	3.6	-9.9	393.7
Wichling	59.5	0.0	-1.5	58.0
Wormshill	103.9	0.6	-2.6	101.9
Yalding	1,021.7	34.2	-24.7	1,031.2



**Appendix 3**

**Maidstone Borough Council**  
**Policy and Resources Committee**  
**20 January 2021**  
**Collection Fund 2020-21 - Council Tax Adjustment**

	£	%
<b><u>Demands on the fund (2020/21)</u></b>		
Maidstone Borough Council budget requirement	18,945,751	15.48%
Kent County Council (including adult social care charge)	85,561,513	69.91%
Kent Police	12,863,417	10.51%
Kent Fire & Rescue	5,020,627	4.10%
<b>Line 1 Council Tax requirement</b>	<b>122,391,308</b>	<b>100.00%</b>

	<b><u>Debit raised</u></b>	
	Charges raised	144,642,878
	Less:	
	Council Tax Support	-10,678,899
	Single Persons Discount	-9,936,783
	Disabled Relief	-121,109
	Empty Relief	-130,736
	Other exemptions and disregards	-2,772,281
	Other Local Discounts	-95,078
	Plus:	
	Second Home Premium	210,398
		<b>121,118,390</b>
	Transfer from general fund for s13A reliefs	1,118,983
	Less allowance for bad and doubtful debts	-3,027,960
<b>Line 2</b>	Less anticipated deficit recovered during 2020/21	130,429
<b>Line 3</b>	<b>Projected Council Tax Income for 2020/21</b>	<b>119,339,842</b>
<b>Line 4 (Line 3 - Line 1)</b>	<b>Projected deficit for the year</b>	<b>-3,051,466</b>

	<b><u>Utilisation of fund balance</u></b>	<b>£</b>
<b>Line 5</b>	Actual Surplus at 31 March 2020 (b/f)	193,397
<b>Line 6 (Line 4 + Line 5)</b>	<b>Cumulative deficit as at 31 March 2021</b>	<b>-2,858,069</b>

<b>Line 7 (Line 2 + Line 5)</b>	Prior year elements of the cumulative deficit	323,826
<b>Line 8 (Line 6- Line 7)</b>	<b>Exceptional balance to be spread across 2020/21, 2021/22 and 2022/23</b>	<b>-3,181,895</b>
<b>Line 9 (Line 2 + 2/3 Line 8)</b>	<b>Cumulative deficit plus 2/3 exceptional balance</b>	<b>-736,806</b>

<b><u>Share of adjusted deficit, to be recovered in 2021/22</u></b>		
Maidstone Borough Council	-114,055	15.48%
Kent County Council	-515,087	69.91%
Kent Police	-77,439	10.51%
Kent Fire & Rescue	-30,225	4.10%
	<b>-736,806</b>	<b>100.00%</b>

# Agenda Item 15

## Policy and Resources Committee

20 January 2021

### Medium Term Financial Strategy – Capital Programme

<b>Final Decision-Maker</b>	Council
<b>Lead Head of Service/Lead Director</b>	Mark Green, Director of Finance and Business Improvement
<b>Lead Officer and Report Author</b>	Paul Holland, Senior Finance Manager (Client)
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### Executive Summary

This report forms part of the process of agreeing a budget for 2021/22 and setting next year's Council Tax. It develops the outline of the capital programme and reconfirms the principles behind the Council's capital strategy, explains how the capital programme will be funded, and describes the individual projects that comprise the programme.

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

It is recommended that the Committee:

1. Agrees the capital strategy principles set out in paragraph 2.6;
2. Agrees the capital funding projection set out in Appendix 2 to this report;
3. Agrees the capital programme 2021/22 onwards as set out in Appendix 3 to this report;
4. Notes that in agreeing recommendations 2 and 3 above the Committee will set a prudential borrowing limit of £103.428 million over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2021/22;
5. Agrees that in assessing the viability of capital schemes, the hurdle rate of return is reduced from 5% to 4% as set out in paragraph 2.13.

#### Timetable

<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	20 January 2021
Council	24 February 2021

## Medium Term Financial Strategy – Capital Programme

### 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. Specifically, the capital programme allows for investment in long term projects that support the strategic plan objectives.	Section 151 Officer & Finance Team
<b>Cross Cutting Objectives</b>	The MTFS supports the cross-cutting objectives in the same way that it supports the Council's other strategic priorities.	Section 151 Officer & Finance Team
<b>Risk Management</b>	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
<b>Financial</b>	Set out in the report.	Section 151 Officer & Finance Team
<b>Staffing</b>	Staffing implications are taken into account when developing individual capital schemes.	Section 151 Officer & Finance Team
<b>Legal</b>	<p>Under Section 151 of the Local Government Act 1972 (LGA 1972) the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management. The Medium Term Financial Strategy demonstrates the Council's commitment to fulfilling its duties under the Act.</p> <p>The Council is required to set a council tax by the 11 March in any year and has a statutory obligation to set a balanced budget. The budget requirements and basic amount of Council Tax must be calculated in accordance with the requirements of sections 31A and 31B to the Local Government Finance Act 1992 (as amended by sections 73-79 of the Localism Act 2011).</p> <p>The Council is required to determine whether the basic amount of council tax is excessive as</p>	Mid Kent Legal Services

	<p>prescribed in regulations - section 52ZB of the 1992 Act as inserted under Schedule 5 to the Localism Act 2011. The Council is required to hold a referendum of all registered electors in the borough if the prescribed requirements regarding whether the increase is excessive are met.</p> <p>Approval of the budget is a matter reserved for full Council upon recommendation by Policy and Resources Committee on budget and policy matters.</p>	
<b>Privacy and Data Protection</b>	Privacy and Data Protection is considered as part of the development of new capital schemes. There are no specific implications arising from this report.	Policy and Information Team
<b>Equalities</b>	This report sets out the overall capital programme. When an individual capital scheme is developed, changed or reviewed, an evidence based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.	Equalities and Corporate Policy Officer
<b>Public Health</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy which sets the overall priorities for the capital programme.	Public Health Officer
<b>Crime and Disorder</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy which sets the overall priorities for the capital programme.	Section 151 Officer & Finance Team
<b>Procurement</b>	Procurement of the capital schemes described in section 2 of this report will be in accordance with the procurement provisions within the Council's constitution.	Section 151 Officer & Finance Team

## **2. INTRODUCTION AND BACKGROUND**

### **Background**

- 2.1 The capital programme plays a vital part in the Council's Strategic Plan, since long term investment is required to deliver many of the objectives of the plan. The capital programme is a rolling five year programme, so sets out over the medium term how the Council will invest its capital resources.
- 2.2 The current capital programme 2020/21 – 2024/25 was approved by Council at its meeting on 26<sup>th</sup> February 2020 and totals £123 million over five years. Details are set out in Appendix 1.
- 2.3 The largest elements of the capital programme by value comprise (a) housing development and regeneration and (b) corporate property investment, and support respectively the strategic priorities 'Homes and Communities' and 'A Thriving Place'.

### **Capital Strategy**

- 2.4 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.
- 2.5 The Capital Strategy is being considered by Audit, Governance & Standards Committee at its meeting on 18<sup>th</sup> January 2021. The Strategy describes how the Capital Programme is developed and the key points are set out below.
- 2.6 The Council has defined certain core principles for the inclusion of schemes within the capital programme. Schemes may be included in the capital programme if they fall within one of the four following categories:
  - (i) Required for statutory reasons, e.g. to ensure that Council property meets health and safety requirements;
  - (ii) Self-funding schemes focused on Strategic Plan priority outcomes;
  - (iii) Other schemes focused on Strategic Plan priority outcomes; and
  - (iv) Other priority schemes which will attract significant external funding.
- 2.7 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code and the following locally set principles:
  - (a) Where schemes fit within a specific strategy and resources are available within the capital programme for that strategy, such as the Asset Management Plan, the schemes would also be subject to appraisal and

prioritisation against the objectives of that strategy. These schemes must be individually considered and approved by the relevant service committee.

b) Where schemes can be demonstrated to be commercial in nature and require the use of prudential borrowing, a business case must first be prepared.

2.8 Where schemes do not fit within the criteria above but an appropriate option appraisal has been completed, they may still be included within the programme if they fall within one of the four categories set out above.

2.9 If, following all considerations, there are a number of approved schemes that cannot be accommodated within the current programme, a prioritised list of schemes that can be added to the programme as future resources permit will be created and approved by Policy and Resources Committee, thus allowing officers to focus funding efforts on delivering schemes that are next in priority order.

2.10 The Medium Term Financial Strategy (MTFS) requires the Council to identify actual funding before commencement of schemes. Accordingly, while schemes may be prioritised for the programme, ultimately commencement of any individual scheme can only occur once all the necessary resources have been identified and secured.

2.11 The MTFS principles require that the Council will maximise the resources available to finance capital expenditure, in line with the requirements of the Prudential Code, through:

a) The use of external grants and contributions, subject to maintaining a focus on the priority outcomes of its own strategies;

b) Opportunities to obtain receipts from asset sales as identified in the asset management plan and approved for sale by Policy and Resources Committee;

c) The approval of prudential borrowing when the following criteria also apply to the schemes funded by this method:

i. they are commercial in nature;

ii. the outcome returns a financial benefit at least equal to the cost incurred by borrowing to fund the schemes;

iii. after covering the cost of funding, a further financial or non-financial benefit accrues to the Council that directly or indirectly supports the objectives of the strategic plan or the medium term financial strategy.

d) The use of New Homes Bonus for capital purposes in line with the Council's strategic plan priorities;

e) The implementation of a community infrastructure levy (CIL) and the management of its use, along with other developer contributions (S106), to deliver the objectives of the infrastructure delivery plan.

- 2.12 Service managers submit proposals to include projects in the Council's capital programme. Bids are collated by Corporate Finance who calculate the financing cost (which can be nil if the project is fully externally financed). Each Committee appraises the proposals based on a comparison with corporate priorities. Policy & Resources Committee recommends the capital programme which is then presented to Council in February each year.
- 2.13 In determining whether a project can cover its financing costs, service managers have been required in recent years to demonstrate that it generates a rate of return of at least 5%. As borrowing rates are expected to remain at historically low levels for some time to come, and as the cost of PWLB borrowing has recently reduced by 1% (see paragraph 2.17 below) it is now recommended that the hurdle rate be reduced to 4%.
- 2.14 Prior to any capital commitment being entered into, a detailed report setting out a full project appraisal and detailed financial projections is considered by the relevant service committee.

### **Funding the Capital Programme**

- 2.15 All capital expenditure must be financed, either from external sources (grant funding and other contributions), the Council's own resources (revenue contributions, earmarked reserves, internal borrowing and capital receipts) or debt (external borrowing and other forms of corporate finance).
- 2.16 The Council currently has short term borrowing from other local authorities of £9m, however with internal resources being fully utilised by the end of 2020/21, this borrowing will look to increase to a maximum Prudential Borrowing of £103.428m. Over this time the Council will seek a mixture of long term and short term debt to minimise the risk of refinancing.
- 2.17 On 25<sup>th</sup> November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates, these having increased by 1% in October 2019; the standard and certainty margins were reduced back by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme (Commercial Investments). 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, which will enable the Council to access the lower rate funding. Other options will also be explored, like Municipal Bonds Agency and corporate markets to see what are the best fit for the Council at the time.

- 2.18 To the extent that New Homes Bonus continues to be available, the Council will continue to use it to fund capital expenditure. 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 and 2019/20. The government announced allocations of New Homes Bonus for 2021/22 as part of the Provisional Local Government Funding Settlement in December 2020, but the allocations were for one year only with no ongoing legacy payments.
- 2.19 External funding is sought wherever possible and the Council has been successful in obtaining Government Land Release Funding for its housing developments and ERDF funding for the Kent Medical Campus Innovation Centre.
- 2.20 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.
- 2.21 The resource available for the capital programme, based on the detail above, is given in Appendix 2. The appendix shows total resources expected in the period 2021/22 to 2025/6 as £128.722m.

### **Capital Programme Proposals**

- 2.22 Capital Programme proposals have been developed based on the principles set out above and reflect the strategic priorities agreed by Council when it set the current Strategic Plan.
- 2.23 Appendix 3 to this report sets out the recommended programme. This includes schemes that already form part of the existing capital programme together with new schemes that it is now proposed to include within the capital programme. Further details are set out below.

#### *Communities, Housing and Environment*

##### **2.24 Disabled Facilities Grants - £5.0 million**

The Council works with Kent County Council Social Services to deliver adaptations and facilities to enable disabled people to remain at home. This element of the capital programme therefore has a directly beneficial impact for individual local residents. Assistance under this budget is not funded by the Council but is funded from the Department of Health Better Care Fund (BCF) as a specific capital grant.

##### **2.25 Temporary Accommodation - £4.1 million**

The Council has a programme to acquire housing on the open market for temporary accommodation, as it is more cost-effective to use our own property for this purpose. It is proposed to buy a further 20 units in 2021/22 and 2022/23.



## 2.26 Springfield Mill Phases 1 & 2 - £2.2million

The proposal for phase 2 is to acquire block 6 (14 apartments for market rent) under a 'package deal' arrangement with Redrow Homes for the land acquisition and works. On completion the intention is that the properties will be leased to Maidstone Properties Limited (MPH) for ongoing management. We have had a conditional offer accepted (subject to committee approval, RICS valuation and contract.)

## 2.27 Granada House Extension - £1.8 million

Granada House has been identified as an opportunity site for a roof top extension to the existing building. Following emerging planning guidance, it is considered that a single storey scheme on top of the roof is acceptable in principle, subject to design.

The Council are seeking a high-quality roof top extension design solution to Granada House to create additional residential units for market rent. Any market rent properties delivered would be retained by the Council, within its property company Maidstone Property Holdings Limited (MPH). This represents a good opportunity to expand the market rented portfolio for MPH on a building the Council already own.

## 2.28 Private Rented Sector Housing Programme - £30.1 million

This incorporates a new funding request for £18 million for indicative schemes which come forward that represent opportunities to grow the market rented portfolio. Some schemes have already been identified and exploratory talks and early negotiations have been undertaken.

This is in addition to the £10.9 million that is already in the programme for schemes that are currently being developed. These will be the subject of separate committee reports at the point a decision to proceed or not is required.

## 2.29 Affordable Housing Programme - £31.4 million

In 2018 the Communities Housing and Environment Committee endorsed a plan to set up a Housing Delivery Partnership with a registered social housing provider. Following market testing, the Committee agreed to modify the plan by establishing a 'Council Affordable Housing Programme', under which the Council itself would deliver 200 affordable homes over a five year period. A separate line in the capital programme envisages the recruitment of an Acquisitions Officer to ensure delivery of these homes, with the costs of the post and ancillary costs capitalised and charged to the programme.

## 2.30 Granada House Refurbishment Works - £1.0 million

In addition to the rooftop extension that is planned Granada House is also in real need of refurbishment upgrade works to improve the external façade and visual appearance as well as internally to the communal areas and residential flats.

### 2.31 Medway Street Car Park - £7.2 million

This scheme is not currently in the approved capital programme for 2020-2025 so is a new proposal. The site is allocated in the Local Plan for residential development. An Employers Agent and Architect has been appointed and some early survey, feasibility and financial appraisal work has been undertaken with a total scheme cost estimate of £7,234,090. This is for around 46 dwellings of which 36 would be for market rent and 10 for social rent.

### 2.32 Street Scene Investment - £250,000

This capital programme item allows for items such as the provision of new bins.

### 2.33 Flood Action Plan - £950,000

The Council works with the Environment Agency and Kent County Council as part of the Medway Flood Partnership to develop measures to manage and reduce flood risk. A capital budget of £1 million was set aside for a flood action plan following the last major floods in the Maidstone area in winter 2013/14. No large scale flood mitigation scheme was found to be feasible and individual household flood mitigation measures have been funded through central government grants. The residual budget is therefore being carried forward to fund further schemes that may be developed, including natural flood management schemes.

### 2.34 Vehicle Telematics & Camera Systems - £35,000

Environmental Services operates 52 fleet vehicles, and these vehicles collectively travelled 278,000 miles last year and the services spent £144,000 on fuel including for machinery. Therefore, there is a significant opportunity to monitor fuel usage and therefore reduce emissions and cost through improved driver behaviour and route efficiencies. In addition, it is projected accident rates will reduce and this may have a positive impact on insurance premiums.

It is very difficult at this stage to quantify the payback on the equipment and the financial savings likely to be achieved. However, some reports suggest an 8.9% reduction in fuel usage. Therefore, a trial is being carried out to identify the actual benefits for our fleet. The full cost for the entire fleet would be £171,000. This request is to cover the costs of the trial.

### 2.35 Crematorium and Cemetery Development Plan - £170,000

In 2018, the Heritage, Culture and Leisure Committee approved a two-phase programme of improvements to Maidstone Cemetery. This included a new welfare facility for staff and extension of the cremated remains sections which is already underway and the refurbishment and reopening of the Chapel.

Survey work has now been undertaken to confirm the costs for the repairs to the Chapel, which is currently in a dangerous state and therefore is fenced off. The anticipated cost including refurbishment of the toilets on site and

extension of the car park is almost £400,000, however capital funding of only £230,000 had been previously set aside. Therefore, this requests a further £170,000 to fund the whole of Phase 2 of the project.

#### 2.36 Continued Improvements to Play Areas - £174,000

This is the residual budget from the major refurbishment and replacement programme that has now been completed, and this allows for any ongoing works that need to be undertaken.

#### 2.37 Parks Improvements - £250,000

This an annual budget to allow for any works that are identified in the parks to be undertaken, particularly where there is a health and safety issue to be addressed.

#### 2.38 Gypsy & Traveller Sites Refurbishment - £1,000,000

The Council owns two sites at Stilebridge Lane & Water Lane. These sites have not been adequately maintained over the years and now extensive catch up repairs and refurbishment are required to bring them back up to an acceptable standard. The intention is to then transfer the sites over to the control of Kent County Council in 2022/23.

#### *Economic Regeneration & Leisure*

#### 2.39 Mote Park Visitor Centre and Estate Services Building - £2.8 million

The project consists of three parts: 1. The demolition of the existing café and construction of a new larger one nearby 2. The demolition of the existing toilets serving Mote Park and the construction of a new toilet block with more capacity and a changing places facility, 3. The demolition of the existing Parks buildings and construction of a new Estates Services Building behind the Leisure Centre.

All parts of the project have planning permission. An Employers Agent has been appointed. An Invitation to Tender was sent out in late October and contractor prices were expected before Christmas. If costs are within the budget the contractor could start in April 2021 with the aim that the new Café would be open by April 2022.

#### 2.40 Mote Park Dam Works - £682,000

Mote Park Lake is effectively a reservoir retained by a dam at its western end. A review of dam safety under the Reservoirs Act 1975 included a mandatory recommendation that the spillway capacity be increased to reduce the risk of dam failure due to overtopping. This work therefore comes under the first heading set out in paragraph 2.6, 'required for statutory reasons'. These works are now substantially completed.

#### 2.41 Mall Bus Station Redevelopment - £690,000

£400,000 has been allocated for this scheme in 2020/21 and this is the residual budget. The scheme is being progressed with an employer's agent and architect now appointed. Works are planned to commence in February/March 2021 with the bus station being closed for 12 weeks to ensure the works are completed within the agreed timeframe.

#### 2.42 Museum Development Plan - £389,000

The project stems from the work on the Museum's 20 year plan. In 2019 Innes Architect was appointed to set out how this vision could be realised within the building. After extensive consultation, this formed the basis of a National Lottery Heritage Fund bid, which although unsuccessful, is still accepted by ERL Committee as the preferred long term aspiration for the Museum. The vision is achievable in discrete phases. The first phase is estimated to cost £1.5m. Due to Covid, uncertainty over the availability of external funding source and the need to resolve the concerns of the Bentrif Trust, the capital project has been deferred, although a budget is being retained for 2022/23 for any works that are identified.

#### *Policy & Resources*

#### 2.43 Corporate Property Acquisitions - £21.8 million

It is envisaged that the Council will continue to seek further suitable opportunities to acquire assets, following the acquisition of the Lockmeadow Leisure Complex in November 2019 and the Wren Industrial Estate in August 2020, which support the Council's strategic priorities. The capital programme includes this fund which is intended to give the capacity to pursue opportunities to enhance the corporate property portfolio. The Council continues to work with selected agents to identify suitable opportunities and these will be brought forward for member approval when identified.

#### 2.44 Kent Medical Campus - Innovation Centre - £4.4 million

Following the successful application for ERDF funding and the procurement of a main contractor, work is now under way on the construction of the centre, with completion anticipated in early Summer 2021.

#### 2.45 Lockmeadow ongoing investment - £1.5 million

There is £1 million for ongoing investment in Lockmeadow in the existing capital programme, scheduled for 2021/22. The purpose of this funding is for work required to incentivise new tenants or existing tenants whose leases

are coming to an end, and to fund work on the proposed Food Hall and access improvements.

The £500,000 for 2022/23 is for a potential further phase of improvements if positive returns can be demonstrated from investments at the centre.

#### 2.46 Garden Community - £1.7 million

This project was agreed in principle by Policy and Resources Committee in September 2019, and this position has been ratified through a series of incremental decisions since then. Since September 2019, the Council has been successful in continuing to promote the scheme through the Maidstone Local Plan Review to Regulation (LPR) 18B stage. Furthermore, the Council has tentatively secured Homes England as a partner for this project and a collaboration agreement is expected to be signed between both parties by the end of January 2021. The Collaboration agreement will in the first instance set out the terms and activities of this partnership over the next five years, to include continuing to promote the proposal through the LPR to "allocation" stage, securing an outline Planning consent plus design code, and option fees to the principal landowners. The costs incurred in this first phase are expected to be circa £3m and will be shared 50:50 with Homes England. It is now envisaged that Homes England may lead the project thereafter in terms of the master-developer (delivery phase) and that the Council will recover its investment over the duration of the project through a share in any planning value uplift achieved.

#### 2.47 Infrastructure Delivery - £4.8 million

Infrastructure schemes as outlined in the Local Plan are in general funded directly from the benefits gained from the development. However, in some cases, it is appropriate for the Council to invest directly in infrastructure, for example where viability assessments indicate a funding gap and where it is appropriate for the Council to meet the shortfall in order to enable strategic priorities to be met. An annual amount of £600,000 has been set aside within the capital programme for this purpose. Including rolled up unspent budget from previous years, this gives a total allocation of £4.8 million over the lifetime of the capital programme.

#### 2.48 Asset Management / Corporate Property - £2.2 million

The Property Services section carries out a 5 year cycle of condition surveys of Council property which provide a costed programme of essential replacement or refurbishment of building elements to ensure the proper, compliant and efficient operation of the buildings in accordance with the Asset Management Plan. There is no financial return from the projects, but they do eliminate the accumulation of a backlog of maintenance, reduce the risk of failure and interruption of service and the cost of reactive maintenance.

#### 2.49 Biodiversity and Climate Change funding - £950,000

In April 2019 the Council declared twin emergencies in Biodiversity and Climate Change. P&R then set up a Member led working group to produce an action plan for agreement in April 2020. In order to fund that action

plan directly and to provide pump prime funding and funds for embedding biodiversity and climate change actions across the authority, a pot of funding was approved last year, and an officer appointed to support the work. This pot will fund the action plan items directly, each of which will be costed where relevant, and will provide a reserve pot for other initiatives to bid into.

#### 2.50 Feasibility Studies - £250,000

An allowance has been included in the capital programme for feasibility works on schemes that are not yet ready to be included in the main programme.

#### 2.51 Digital Projects - £100,000

This programme is for hardware and software development carried out in-house by the Digital team, such as website re-design, new webcasting facilities, and investment to streamline ways of working.

#### 2.52 Software/PC Replacement - £1.0 million

This is an annual budget to allow replacement of ICT resources on an ongoing basis.

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### **3. AVAILABLE OPTIONS**

- 3.1 Agree the capital strategy principles, funding arrangements and detailed proposals as set out in section 2 above.
- 3.2 Amend or delete some or all of the proposals, and agree alternative proposals.
- 3.3 Defer a decision on the proposals to this Committee's meeting on 10 February 2021.

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

- 4.1 The preferred option is that the Committee agrees the proposals set out in section 2. Whilst a final decision is not required until Council sets a budget on 24 February 2021, an early decision by this Committee will allow advance planning to commence and will potentially allow the benefits of investment to be realised more quickly.

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### **5. RISKS**

- 5.1 From now on, the capital programme will primarily be funded through prudential borrowing. Many of the schemes outlined above are projected to be self-funding. However, this assumes that the income assumptions on

which they are based are reliable. In an uncertain economic environment, there is a significant risk that the cost of borrowing and the requirement to make provision for repayment will not be covered.

- 5.2 The scale of the capital programme – over £100 million - will require considerable capacity for delivery and project management.
  - 5.3 At present it is anticipated that funding will be available for the capital programme. In the past, local authorities have relied for funding on the Public Works Loan Board. PWLB borrowing has recently become more expensive, and whilst alternative sources of finance are currently available at lower rates, there is a risk that funding could become more expensive generally, thus putting at risk the viability of more marginal schemes.
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 Policy and Resources Committee received an initial report on the MTFS at its meeting on 16 December 2020.
  - 6.2 Consultation is currently being carried out on the broader budget proposals for 2021/22. Individual Service Committees are considering the budget proposals relating to capital schemes within their areas of responsibility. There will be an opportunity for Policy and Resources Committee to consider the outcomes of consultation at its meeting on 10th February 2021, before submitting final budget proposals to Council.
  - 6.3 Public consultation on the budget has been carried out, as described in the report on revenue budget proposals elsewhere on the Committee's agenda. This identified that the most popular area amongst respondents for new investment was infrastructure, with flood prevention and the street scene cited as examples in the survey to illustrate what 'infrastructure' means.
  - 6.4 As can be seen, the capital programme includes a significant sum for flood prevention. So far as the street scene is concerned, the Council has just completed a £2.8 million project to upgrade Week Street and Gabriels Hill. In general, the capital programme will make a significant contribution to the borough's infrastructure in its own right, as well as unlocking further investment in infrastructure from partners.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 The timetable for setting the budget for 2021/22 is set out below.

<b><i>Date</i></b>	<b><i>Meeting</i></b>	<b><i>Action</i></b>
January 2021	All Service Committees	Consider 21/22 budget proposals
10 February 2021	Policy and Resources Committee	Agree 21/22 budget proposals for recommendation to Council
24 February 2021	Council	Approve 21/22 budget

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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: Existing Capital Programme 2020/21 to 2024/25
- Appendix 2: Estimated Capital Resources 2021/22 to 2025/26
- Appendix 3: Proposed Capital Programme 2021/22 to 2025/26

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## **9. BACKGROUND PAPERS**

There are no background papers.



## EXISTING CAPITAL PROGRAMME 2020/21 - 2024/25

	Five Year Plan					Total 20/21 to 24/25 £000
	2020/21 (Adjusted)	2021/22	2022/23	2023/24	2024/25	
	£000	£000	£000	£000	£000	
Housing - Disabled Facilities Grants Funding	1,577	800	800	800	800	4,777
Temporary Accommodation	2,343					2,343
Brunswick Street - Costs of Scheme	4,233	252				4,485
Brunswick Street - Receipts	-1,502	-831				-2,333
Union Street - Costs of Scheme	5,201	179				5,381
Union Street - Receipts	-2,100	-2,320				-4,420
Springfield Mill	1,807	36				1,843
Granada House extension	1,664					1,664
Private Rented Sector Housing Programme	8,042	11,212	6,796			26,050
Affordable Housing Programme	1,315	5,075	5,175	10,175	10,175	31,915
Acquisitions Officer - Social Housing Delivery P/ship	80	80	80	80	80	400
CCTV Upgrade and Relocation						
Commercial Waste						
Street Scene Investment	96					96
Flood Action Plan	400	300	300			1,000
Electric Operational Vehicles	100					100
Rent & Housing Management IT System	50					50
Installation of Public Water Fountains	15					15
Continued Improvements to Play Areas	297					297
Commercial Projects - Cemetery Chapel Repairs	230					230
Other Parks Improvements	99					99
Sub-total Communities, Housing & Environment	23,947	14,783	13,151	11,055	11,055	73,991
Mote Park Visitor Centre	2,053	740				2,793
Mote Park Lake - Dam Works	1,723	100				1,823
Museum Development Plan	125	225	39			389
Sub-total Economic Regeneration & Leisure	3,901	1,065	39			5,005
Asset Management / Corporate Property	1,748	175	175	175	175	2,448
Biodiversity & Climate Change	1,000					1,000
Feasibility Studies	150	50	50	50	50	350
Infrastructure Delivery	1,800	600	600	600	600	4,200
Software / PC Replacement	231	200	200	200	200	1,031
Digital Projects	20	20	20	20	20	100
Acquisition of Commercial Assets	7,069	2,500	2,500	2,500	2,500	17,069
Kent Medical Campus - Innovation Centre	7,365	1,500				8,865
Garden Community	1,613	340	465	425	425	3,268
Lockmeadow Refurbishment	4,000	1,000				5,000
Sub-total Policy & Resources	24,996	6,385	4,010	3,970	3,970	43,331
Mall Bus Station Redevelopment	1,037					1,037
Bridges Gyratory Scheme	86					86
Sub-total Strategic Planning & Infrastructure	1,123					1,123
<b>Sub-total</b>	<b>53,968</b>	<b>22,233</b>	<b>17,200</b>	<b>15,025</b>	<b>15,025</b>	<b>123,451</b>
Section 106 Contributions	57	63	480	59	69	728
<b>TOTAL</b>	<b>54,025</b>	<b>22,296</b>	<b>17,680</b>	<b>15,084</b>	<b>15,094</b>	<b>124,179</b>

**ESTIMATED CAPITAL PROGRAMME RESOURCES 2021/22 - 2025/26**

Source of Funding	Estimate					Total £000
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	
New Homes Bonus	3,995	1,373	1,373	1,373	1,373	9,487
Capital Grants (Disabled Facilities Grant)	1,800	800	800	800	800	5,000
External Capital Grants	2,264	50	50	50	50	2,464
Internal Borrowing	3,114	336	803	1,080	1,050	6,383
Prudential Borrowing	37,838	25,311	14,655	16,305	11,280	105,388
<b>TOTAL</b>	<b>49,011</b>	<b>27,870</b>	<b>17,681</b>	<b>19,608</b>	<b>14,553</b>	<b>128,722</b>

## PROPOSED CAPITAL PROGRAMME 2021/22 - 2025/26

		Five Year Plan					
	Projected Budget 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total 21/22 to 25/26
	£000	£000	£000	£000	£000	£000	£000
Housing - Disabled Facilities Grants Funding	591	1,786	800	800	800	800	4,986
Temporary Accommodation	1,887	2,526	1,560				4,086
Brunswick Street - Costs of Scheme	4,233						
Brunswick Street - Receipts	-1,502						
Union Street - Costs of Scheme	5,201						
Union Street - Receipts	-2,100						
Springfield Mill - Phase 1	1,807						
Springfield Mill - Phase 2	1,322	2,089	37				2,126
Granada House Extension	125	890	890				1,781
Private Rented Sector Housing Programme	742	11,123	9,795	4,631	4,500		30,050
Affordable Housing Programme	800	1,600	3,200	6,400	9,958	9,958	31,115
Acquisitions Officer - Social Housing Delivery P/ship	80	80	80	80	80		320
Granada House Refurbishment Works		976	30				1,006
Medway Street Car Park	80	577	5,078	1,500			7,155
Street Scene Investment	96	50	50	50	50	50	250
Flood Action Plan	50	200	200	200	200	150	950
Electric Operational Vehicles	100						
Vehicle Telematics & Camera Systems		35					35
Rent & Housing Management IT System	50						
Installation of Public Water Fountains	15						
Crematorium & Cemetery Development Plan	230	170					170
Continued Improvements to Play Areas	123	174					174
Parks Improvements	99	50	50	50	50	50	250
Gypsy & Traveller Sites Refurbishment		1,000					1,000
<b>Sub-total Communities, Housing &amp; Environment</b>	<b>14,029</b>	<b>23,327</b>	<b>21,771</b>	<b>13,711</b>	<b>15,638</b>	<b>11,008</b>	<b>85,453</b>
Mote Park Visitor Centre & Estate Services Building	20	2,773					2,773
Mote Park Lake - Dam Works	1,041	682					682
Mall Bus Station Redevelopment	400	690					690
Museum Development Plan			389				389
<b>Sub-total Economic Regeneration &amp; Leisure</b>	<b>1,461</b>	<b>4,145</b>	<b>389</b>				<b>4,534</b>
Corporate Property Acquisitions	1,983	11,833	2,500	2,500	2,500	2,500	21,833
Kent Medical Campus - Innovation Centre	5,800	4,440					4,440
Lockmeadow Ongoing Investment	4,000	1,000	500				1,500
Garden Community	200	340	465	425	425		1,655
Infrastructure Delivery		1,200	1,800	600	600	600	4,800
Asset Management / Corporate Property	437	1,486	175	175	175	175	2,186
Biodiversity & Climate Change	50	950					950
Feasibility Studies	150	50	50	50	50	50	250
Digital Projects	20	20	20	20	20	20	100
Software / PC Replacement	231	220	200	200	200	200	1,020
<b>Sub-total Policy &amp; Resources</b>	<b>12,871</b>	<b>21,539</b>	<b>5,710</b>	<b>3,970</b>	<b>3,970</b>	<b>3,545</b>	<b>38,734</b>
Bridges Gyrotory Scheme	86						
<b>Sub-total Strategic Planning &amp; Infrastructure</b>	<b>86</b>						
<b>Sub-total</b>	<b>28,447</b>	<b>49,011</b>	<b>27,870</b>	<b>17,681</b>	<b>19,608</b>	<b>14,553</b>	<b>128,722</b>
Section 106 Contributions	62	44	447	58	49	242	841
<b>TOTAL</b>	<b>28,509</b>	<b>49,056</b>	<b>28,317</b>	<b>17,739</b>	<b>19,656</b>	<b>14,795</b>	<b>129,563</b>

# Agenda Item 16

## **POLICY AND RESOURCES COMMITTEE**

**20 January 2021**

### **Medium Term Financial Strategy and Budget Proposals**

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

#### **Executive Summary**

This report forms part of the process of agreeing a budget for 2021/22 and setting next year's Council Tax. Following consideration by this Committee at its meeting on 25 November 2020 of the draft Medium Term Finance Strategy for 2021/22 – 2025/26, this report sets out budget proposals for services within the remit of the Committee and the other Service Committees. This Committee will then consider at its meeting on 10 February 2020 comments from other Service Committees and will finalise the budget proposals for submission to Council.

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

1. That the revenue budget proposals for services within the remit of this Committee, as set out in Appendix A, be agreed.
2. That the revenue budget proposals for services within the remit of the other Service Committees, as set out in Appendix B, be noted.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	20 January 2021
Policy and Resources Committee	10 February 2021
Council	24 February 2021

# Medium Term Financial Strategy and Budget Proposals

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Section 151 Officer & Finance Team
<b>Cross Cutting Objectives</b>	The MTFS supports the cross-cutting objectives in the same way that it supports the Council's other strategic priorities.	Section 151 Officer & Finance Team
<b>Risk Management</b>	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
<b>Financial</b>	The budget strategy and the MTFS impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Section 151 Officer & Finance Team
<b>Staffing</b>	The process of developing the budget strategy will identify the level of resources available for staffing over the medium term.	Section 151 Officer & Finance Team
<b>Legal</b>	Under Section 151 of the Local Government Act 1972 (LGA 1972) the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management. The legal implications are detailed within the body of the report which is compliant with statutory and legal regulations such as the CIPFA Code of Practice on Treasury Management in Local Authorities.  The Council is required to set a council tax by the 11 March in any year and has a statutory obligation to set a balanced budget. The budget requirements and basic amount of Council Tax must be calculated in accordance	Principal Solicitor Corporate Governance

	<p>with the requirements of sections 31A and 31B to the Local Government Finance Act 1992 (as amended by sections 73-79 of the Localism Act 2011).</p> <p>The Council is required to determine whether the basic amount of council tax is excessive as prescribed in regulations - section 52ZB of the 1992 Act as inserted under Schedule 5 to the Localism Act 2011. The Council is required to hold a referendum of all registered electors in the borough if the prescribed requirements regarding whether the increase is excessive are met.</p> <p>Approval of the budget is a matter reserved for full Council upon recommendation by Policy and Resources Committee on budget and policy matters.</p> <p>Appropriate remedial action should be taken if at any time it appears likely that expenditure will exceed available resources. The S151 Officer has a personal duty under Section 114(3) of the Local Government Finance Act 1988 to report to the Council if it appears that the set budget will be exceeded. Having received a S114 report, members are obliged to take all reasonable practical measures to bring the budget back into balance.</p>	
<b>Privacy and Data Protection</b>	Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report.	Policy and Information Team
<b>Equalities</b>	The MFTS report scopes the possible impact of the Council's future financial position on service delivery. When a policy, service or function is developed, changed or reviewed, an evidence-based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.	Equalities and Corporate Policy Officer
<b>Public Health</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Public Health Officer
<b>Crime and Disorder</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team

<b>Procurement</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
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## **2. INTRODUCTION AND BACKGROUND**

### **Medium Term Financial Strategy**

- 2.1 At its meeting on 25 November 2020, this Committee considered a draft Medium Term Financial Strategy (MTFS) for the next five years. No material amendments were proposed to the Strategy by this Committee or the other Committees which considered it in December, so it will now go forward to Council for approval at its meeting on 24 February.
- 2.2 The MTFS sets out in financial terms how the Strategic Plan will be delivered, given the resources available. The MTFS builds on the previous year's MTFS, but reflects the impact of Covid-19 by incorporating a re-prioritisation of Strategic Plan objectives, together with proposals for transformational budget savings to address the financial challenges that the Council now faces.
- 2.3 The financial projections underlying the MTFS were prepared under three different scenarios – adverse, neutral and favourable. All three scenarios assumed that budget proposals for future years which have already been agreed by Council will be delivered, and that Council Tax is increased by 2% in 2021/22. Existing budget savings proposals are shown in Appendix A for this Committee and in Appendix B for the other Service Committees. They total £1.7 million for all Committees over the MTFS period.

### **Local Government Finance Settlement 2021/22**

- 2.4 The Provisional Local Government Finance Settlement for 2021/22 was announced on 17 December 2020. This confirmed several of the key assumptions incorporated in the MTFS.
- The Council Tax referendum limit will be 2%.
  - The existing Business Rates regime will remain in place. Whilst the business rates multiplier will be frozen for ratepayers, local authorities will be compensated for the consequent loss of an inflationary increase.
  - There will be no negative Revenue Support Grant.
- 2.5 Additionally, the Finance Settlement recognised the likely continuing impact of Covid-19 in 2021/22, and included a number of measures intended to support local government:
- a further £1.55 billion unringfenced grant to manage the immediate and long-term impacts of the pandemic;
  - £670 million to help address the loss of Council income arising from more taxpayers requiring Council Tax Support;

- ongoing compensation for 75% of lost sales, fees and charges for the first three months of 2021/22.

The government expects councils to use the £1.55 billion unringfenced grant for priority pressures such as household waste collection, homelessness and rough sleeping, support for re-opening the country and the additional costs associated with local elections in May 2021. Councils have been told to plan on the basis of not receiving any additional funding for these pressures, so a careful assessment is needed of the financial impact of the pressures before concluding that any of the grant can be released to support general spending.

- 2.6 As announced in the Chancellor's Spending Review on 25 November, Public Works Loan Board (PWLB) lending terms have been altered to prevent the use of PWLB borrowing for investment property bought primarily for yield. In return lending rates have been reduced by 1%, reducing the cost of borrowing.
- 2.7 There will be a new round of New Homes Bonus (NHB) payments in 2021/22, but there will be no ongoing payments in future years (as envisaged when NHB was introduced originally). In Maidstone's case, this means that New Homes Bonus will fall from £4.4 million in 2020/21 to £3.8 million in 2021/22. Other authorities have seen much bigger reductions, so to prevent those authorities seeing an overall reduction in their Core Spending Power, the government is using a new grant, the Lower Tier Services Grant (LTSG), to cushion the impact.
- 2.8 The outcomes for the Council's budget gap of the above measures, before allowing for any further growth or savings, are set out below.

	21/22	21/22	22/23	23/24	24/25
	£m	£m	£m	£m	£m
<b>Budget gap (-) / surplus as reported on 01/12/20</b>	<b>-2.4</b>	<b>0.0</b>	<b>0.2</b>	<b>0.7</b>	<b>0.3</b>
Adjustments:					
Local Council Tax Support grant (note A)	0.3	-0.3			
Sales Fees and Charges compensation (note A)	0.1	-0.1			
Business Rates indexation	0.2				
Reduction in borrowing costs (note B)	0.2	0.1	0.1	0.1	0.1
<b>Updated budget gap (-) / surplus</b>	<b>-1.6</b>	<b>-0.3</b>	<b>0.3</b>	<b>0.8</b>	<b>0.4</b>

Notes:

- A. See para 2.5 above. One-off grants are shown as reversing out in 21/22, to reflect the fact that they will only offset the ongoing budget gap for one year.



- B. The reduction in borrowing costs is assumed to be sustained over the five year MTFS planning period. It benefits every year, reflecting the fact that further borrowing is planned every year.
- C. The above table does not include Maidstone's share of the £1.55 bn unringfenced Covid-19 grant, amounting in our case to £860,000, on the basis that it will be required to deal with Covid-19 related pressures. The position will be monitored carefully during the course of the year to confirm whether this is in fact the case. If not, the Council may decide to release some of the grant to address general budget pressures.
- D. It is assumed that Maidstone's share of the LTSG, amounting to £139,000, is treated in the same way as New Homes Bonus, ie it is ringfenced for capital expenditure unless required to bridge the budget gap over the coming three years.
- E. Final projections for the MTFS planning period will be set out in a Strategic Revenue Projection, to accompany the budget proposals to be considered by P & R Committee on 10 February 2021.

2.9 It can be seen from the table above that the effect of the government's announcements is to reduce the budget gap and to defer some of the impact to future years. It remains the case that the Council needs to continue planning for a significant reduction in resources over the next three years.

2.10 As explained in the draft MTFS, it may take 3 – 4 years to deliver savings to cover the budget gap. It is therefore proposed that any budget gap not covered within the year that it arises will be covered by other revenue resources.

### **Revenue Budget Proposals**

2.11 The MTFS outlined an approach to addressing the budget gap that combined a re-prioritisation of Strategic Plan objectives, together with proposals for transformational budget savings. Members considered at Policy and Resources Committee on 16th September 2020 a number of ways in which the Strategic Plan could be re-prioritised, including:

- A more modest direction of travel in developing the museum
- Reconsidering the sustainability of the Hazlitt Theatre
- Reviewing the scope of our community safety work.

At the same time, a number of lines of inquiry, to include radical initiatives to change the way the Council works, would be explored, as follows:

1. Review of office accommodation
2. Better use of technology
3. Better use of external grant funding
4. Identifying further opportunities for income generation
5. Capital investment to generate revenue savings
6. Service improvements, eg better service commissioning
7. Review of shared service arrangements
8. Review of staff reward packages
9. Review of the structure of democratic representation

## 10. Exploit synergies between service areas.

In pursuing these lines of inquiry, it was made clear that no service could be exempt from the requirement to consider the need for transformation. Budget savings in relation to 1, 2, 6, 7, 8 and 9 have been identified within the remit of this Committee and are described below. Additionally, two further savings have been identified under the heading 'Other savings'. All proposed revenue budget savings are also set out in in Appendix A.

### 2.12 Review of office accommodation

The Council's lease on its office premises at Maidstone House comes to an end in October 2023. This provides an opportunity to re-appraise our office requirements. The proposed saving makes no assumption about the location of our offices after 2023, but assumes that it will be possible to reduce the amount of space occupied by one third arising from more flexible working. In the meantime, a modest saving is assumed from being able to continue letting out space not required within Maidstone House to sub-tenants.

### 2.13 Better use of technology

Amongst the services within Policy & Resources Committee's direct remit, it has been identified that there is scope for improvement in the use of technology in Corporate Services (post room, printing) and in the Mid-Kent Services shared Planning Support service (in the latter case, only Maidstone's share of the saving is accounted for within the budget proposals).

### 2.14 Service improvements

The Council carries out regular service design reviews. A review of our Corporate Property service has identified that, following the growth of the property portfolio in recent years, there is scope for improvement in management of the portfolio, by strengthening the client side of property management and getting more value from external managing agents.

### 2.15 Review of shared services

A review of savings opportunities in Mid Kent Services has identified the following.

**Revenues and Benefits** – Although there have been increased demands placed on the service with an increasing benefits caseload and growing level of unpaid Council Tax and NNDR, there is scope for a rationalisation of management roles.

**ICT** – This service is also faced with increased demands and a requirement to support transformation activity, but here again there is scope for rationalisation.

**Audit** – A new collaboration agreement is due to be implemented which will build greater flexibility with regards to the annual usage and recharge by

partners. This is likely to benefit Maidstone, which went into the shared service making a fixed contribution which no longer reflects our service requirements.

Legal – A saving is envisaged arising from some rationalisation of staffing arrangements. To the extent that in-house staffing is reduced, there may be a greater requirement to buy in legal services externally, which would lead to the service instructing the work bearing the cost.

HR – There are potential savings depending on adjustments to the size of the workforce and level of recruitment undertaken across the partnership. In addition, the service has successfully sold payroll services to a third party authority and has the potential to expand this business.

Planning support – The proposed saving represents an earlier change to the management structure and deletion of the planning support manager role. A separate transformation review is currently being undertaken with the aim of identifying efficiencies (see 'Better Use of Technology' above).

## 2.16 Review of staff reward packages

Given likely changes to working arrangements following Covid-19, and given the Council's commitment to achieving carbon neutrality across the borough, it is appropriate to put in place measures which promote greener staff travel. The Council currently pays Essential Car User Allowances to over 100 staff and Leased Car Allowances to a smaller number, in lieu of the leased car scheme that was terminated a number of years ago. A review of these benefits will be carried out with the objective of reducing the subsidy for travel by car, thereby promoting working arrangements that generate fewer carbon emissions.

## 2.17 Review of the structure of democratic representation

This area has been addressed in line with the strategy of seeking savings across the board, with no Council functions being exempt from the requirement to cut costs. The proposed saving encompasses two measures.

- Most district councils now hold whole council elections every four years. This reduces the cost of holding elections over the four year electoral cycle. Assuming a boundary review is initiated in 2021, the first whole council elections could take place in 2023, to coincide with District Council elections elsewhere in the country.
- The opportunity exists, as part of the boundary review, to consider the number of members of the council. Other authorities, in Kent and elsewhere, have reduced the number of members, and Maidstone currently has over 10% more members than the 20 councils defined by CIPFA as being our 'nearest neighbours' in terms of the borough's profile.

## 2.18 Other savings

Electoral services – following the retirement of a member of the electoral services team, a restructure has been carried out which takes advantage of synergies between the democratic and electoral services teams, which are now under common management.

Finance and Procurement – Savings can be achieved by deleting a vacant post and from the shared service approach to procurement which was adopted earlier in 2020/21.

- 2.19 Budget proposals have been developed, following the same principles, for services within the remit of the other Service Committees. These savings are set out in Appendix B and are being considered in the January cycle at these Committees' meetings. Taken in total, it is projected that the savings proposals will allow the budget to be balanced over the three years 2021/22 to 2023/24.

### **Capital Programme proposals**

- 2.20 The capital budget proposals for services within the remit of this Committee are set out in a separate report on this evening's agenda.

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## **3. AVAILABLE OPTIONS**

- 3.1 Agree the budget proposals relating to this Committee as set out in Appendix A.
- 3.2 Propose changes to the budget proposals.
- 3.3 Make no comment on the budget proposals.

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

- 4.1 The Policy and Resources Committee must recommend to Council at its meeting on 10 February 2021 a balanced budget and a proposed level of Council Tax for the coming year. The budget proposals included in this report will allow the Policy and Resources Committee to do this. Accordingly, the preferred option is that this Committee agrees the budget proposals at Appendix A.

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## **5. RISK**

- 5.1 The Council's MTFS is subject to a high degree of risk and uncertainty. 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

of its meetings.

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

- 6.1 Policy and Resources Committee received an initial report on the MTFS at its meeting on 21 July 2020 and it agreed the approach set out in that report to development of an MTFS for 2021/22 - 2025/26 and a budget for 2021/22.
- 6.2 Policy and Resources Committee and the other Service Committees then considered a draft MTFS at their meetings in November and December 2020.
- 6.3 Public consultation on the budget has been carried out. Details were reported to this Committee at its meeting in November 2020.
- 

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

- 7.1 The timetable for developing the budget for 2021/22 is set out below.

<b><i>Date</i></b>	<b><i>Meeting</i></b>	<b><i>Action</i></b>
January 2021	All Service Committees	Consider 21/22 budget proposals
10 February 2021	Policy and Resources Committee	Agree 21/22 budget proposals for recommendation to Council
24 February 2021	Council	Approve 21/22 budget

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## **8. REPORT APPENDICES**

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

- Appendix A: Revenue Budget Proposals 2021/22 – 2025/26 – Policy and Resources Committee
  - Appendix B: Revenue Budget Proposals 2021/22 – 2025/26 – Other Service Committees
- 

## **9. BACKGROUND PAPERS**

There are no background papers.

## Revenue Budget Proposals 2021/22 - 2025/26

Service	Proposal	21/22	22/23	23/24	24/25	25/26	Total
		£000					
New commercial investments	Income from new acquisitions	-143	-143				<b>-286</b>
Elections	Spread elections cost over 4 years	-28					<b>-28</b>
Housing & Regeneration	Income from new MPH developments	-598	-400	-200			<b>-1,198</b>
Asset management	Implement recommendations of Gen2 review	-25					<b>-25</b>
<b>Total Existing Savings</b>		<b>-794</b>	<b>-543</b>	<b>-200</b>	<b>0</b>	<b>0</b>	<b>-1,537</b>

Service	Proposal	21/22	22/23	23/24	24/25	25/26	Total
		£000					
Transformation Savings:							
Corporate Support	Better use of technology		-30				<b>-30</b>
MKS Planning Support	Better use of technology	-20					<b>-20</b>
Corporate Property	Reconfigure office accommodation	-20		-125	-125		<b>-270</b>
Corporate Property	Service improvements		-25	-25			<b>-50</b>
Revenues and Benefits	Review of management roles	-28					<b>-28</b>
ICT	Review of structure			-20			<b>-20</b>
Internal Audit	New collaboration agreement		-17				<b>-17</b>
Legal	New staffing arrangements	-35					<b>-35</b>
HR	Income generation		-18				<b>-18</b>
Planning Support	Change in management structure	-19					<b>-19</b>
All	Green Travel - Changes to essential user & lease car allowances		-40	-40	-40		<b>-120</b>
Democratic Services	Structure of democratic representation			-120			<b>-120</b>
Other:							
Electoral Services	Restructure of team	-23					<b>-23</b>
Finance & Procurement	Delete vacant post / shared service savings	-25					<b>-25</b>
<b>Total Amendments and New Savings</b>		<b>-170</b>	<b>-130</b>	<b>-330</b>	<b>-165</b>	<b>0</b>	<b>-795</b>

<b>OVERALL CHANGE IN BUDGET (£000)</b>	<b>-964</b>	<b>-673</b>	<b>-530</b>	<b>-165</b>	<b>0</b>	<b>-2,332</b>
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Negative figures shown above represent a reduction in expenditure budgets, or increased income targets.  
Positive figures indicate increased expenditure, or a reduction in the income budget.

## Revenue Budget Proposals 2021/22 - 2025/26

Service	Proposal	21/22	22/23	23/24	24/25	25/26	Total
		£000	£000	£000	£000	£000	£000
Voluntary Sector Grants	Phased reduction of grants	-11					<b>-11</b>
Gypsy & Caravan Sites	Transfer of sites to KCC	-25					<b>-25</b>
Climate Change	Permanent appointment of a climate change officer	30					<b>30</b>
<b>Total Existing Savings</b>		<b>-6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-6</b>

Service	Proposal	21/22	22/23	23/24	24/25	25/26	Total
		£000	£000	£000	£000	£000	£000
Gypsy & Caravan Sites	Transfer of sites to KCC	25	-25				<b>0</b>
Housing	Better use of external grant funding	-190					<b>-190</b>
Garden Waste Collection	Additional income from increased charge	-145					<b>-145</b>
Housing	Capital investment to reduce cost of TA	-25	-50	-75			<b>-150</b>
Fleet workshop	Service improvements	-20					<b>-20</b>
Community Partnerships	Uncommitted budget	-23					<b>-23</b>
Community Partnerships	Restructure of community liaison	-34					<b>-34</b>
Housing	Changes to Home Finder scheme	-80					<b>-80</b>
Parks Grounds Maintenance	Operational Changes	-30					<b>-30</b>
Heritage & Landscape	Additional local nature reserves	12					<b>12</b>
<b>Total Amendments and New Savings</b>		<b>-510</b>	<b>-75</b>	<b>-75</b>	<b>0</b>	<b>0</b>	<b>-660</b>

<b>OVERALL CHANGE IN BUDGET (£000)</b>	<b>-516</b>	<b>-75</b>	<b>-75</b>	<b>0</b>	<b>0</b>	<b>-666</b>
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Negative figures shown above represent a reduction in expenditure budgets, or increased income targets.  
Positive figures indicate increased expenditure, or a reduction in the income budget.

## Revenue Budget Proposals 2021/22 - 2025/26

Service	Proposal	21/22	22/23	23/24	24/25	25/26	Total
		£000					
Mote Park Centre	New Café construction deferred	-40					<b>-40</b>
Museum	NNDR saving currently subject to appeal	-119					<b>-119</b>
	Savings shortfall funded from service reserves (reversal of one-off)	159					<b>159</b>
<b>Total Existing Savings</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Service	Proposal	21/22	22/23	23/24	24/25	25/26	Total
		£000					
Economic Development	Delete vacant posts	-72					<b>-72</b>
Regeneration	Capitalisation of staff costs	-38					<b>-38</b>
Mote Park Adventure Zone	Reduce income target	36					<b>36</b>
Mote Park Café	Adjust income target	64		-30			<b>34</b>
Museum	Remove existing saving (NNDR)	119					<b>119</b>
Museum	Reduction in running costs	-138	-14				<b>-152</b>
Parks Leisure Activities	Reduce income target	22					<b>22</b>
Visitor Economy	Increased digital marketing	-10					<b>-10</b>
<b>Total Amendments and New Savings</b>		<b>-17</b>	<b>-14</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>-61</b>

<b>OVERALL CHANGE IN BUDGET (£000)</b>	<b>-17</b>	<b>-14</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>-61</b>
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Negative figures shown above represent a reduction in expenditure budgets, or increased income targets. Positive figures indicate increased expenditure, or a reduction in the income budget.



**Strategic Planning and Infrastructure Committee  
Revenue Budget Proposals 2021/22 - 2025/26**

**Appendix B**

Service	Proposal	21/22	22/23	23/24	24/25	25/26	Total
		£000	£000	£000	£000	£000	£000
Planning Policy	Offset staff costs with CIL	-15					<b>-15</b>
Planning	Adoption of commercial business practices	-15					<b>-15</b>
Parking Services	Increase income budget	-30					<b>-30</b>
<b>Total Existing Savings</b>		<b>-60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-60</b>

Service	Proposal	21/22	22/23	23/24	24/25	25/26	Total
		£000	£000	£000	£000	£000	£000
Parking Services	Increase income budget - reprofiled	30	-30				<b>0</b>
Parking Services	Loss of parking bays in King Street	26					<b>26</b>
Planning	Better use of technology		-75				<b>-75</b>
Planning	Service improvements			-75			<b>-75</b>
<b>Total Amendments and New Savings</b>		<b>56</b>	<b>-105</b>	<b>-75</b>	<b>0</b>	<b>0</b>	<b>-124</b>

<b>OVERALL CHANGE IN BUDGET (£000)</b>	<b>-4</b>	<b>-105</b>	<b>-75</b>	<b>0</b>	<b>0</b>	<b>-184</b>
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Negative figures shown above represent a reduction in expenditure budgets, or increased income targets.  
Positive figures indicate increased expenditure, or a reduction in the income budget.

# Agenda Item 17

## **POLICY AND RESOURCES COMMITTEE**

**20 JANUARY 2021**

### **COUNCIL-LED GARDEN COMMUNITY UPDATE**

<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service</b>	William Cornall, Director of Regeneration & Place
<b>Lead Officer and Report Author</b>	William Cornall, Director of Regeneration & Place
<b>Classification</b>	Public
<b>Wards affected</b>	All, but in particular Harrietsham & Lenham and Headcorn Wards. Lenham Parish Council and Boughton Malherbe Parish Council are affected.

#### **Executive Summary**

The proposal was last considered by this Committee on 16th December 2020. The purpose of this report is to provide an update in respect of the progress made since then in pursuing a council-led garden community, near Lenham Heath (Heathlands). As in the case of previous reports to this Committee, the contents of this report relate to the Council's position as a potential property owner/developer and not as Local Planning Authority (LPA).

#### **Purpose of Report**

For information.

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

1. To note the contents of this report.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	20 January 2021

# COUNCIL-LED GARDEN COMMUNITY UPDATE

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> <li>• Embracing Growth and Enabling</li> <li>• Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <p>Accepting the recommendations will materially improve the Council's ability to achieve all the corporate priorities.</p>	Director of Regeneration & Place
<b>Cross Cutting Objectives</b>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> <li>• Heritage is Respected</li> <li>• Health Inequalities are Addressed and Reduced</li> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul> <p>The report recommendations support the achievement of all the cross cutting objectives.</p> <p>Through delivering much needed homes to include 40% affordable housing of which 70% would be for affordable rent. The emerging masterplan is landscape led with up to 50% of the total proposed as green space. Led by the ambitions set out in the Strategic Plan the Council can ensure that the design principles of development where it is the master planner reflect the commitment to reduce health inequalities amongst other things.</p>	Director of Regeneration & Place
<b>Risk Management</b>	See section 5.	Director of Regeneration & Place

<b>Financial</b>	Investment in the Garden Community forms part of the Council's five-year capital programme and budgetary provision exists for the expenditure described in the report and the plans outlined here.	Section 151 Officer & Finance Team
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Director of Regeneration & Place
<b>Legal</b>	There are no legal implications arising from this report as it is for information only.	Principal Solicitor - Commercial
<b>Privacy and Data Protection</b>	No impact identified	Policy and Information Team
<b>Equalities</b>	An Equalities Impact Assessment will be completed if the proposal forms part of the draft spatial strategy of the Local Plan Review.	Equalities and Corporate Policy
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
<b>Crime and Disorder</b>	The recommendation will not have a negative impact on Crime and Disorder.	Head of Service or Manager
<b>Procurement</b>	N/A.	Head of Service & Section 151 Officer
<b>Biodiversity</b>	The revised masterplan brief seeks a biodiversity net gain within the proposed redline.	Head of Policy Communications & Governance

## 2. INTRODUCTION AND BACKGROUND

2.1 The Council is pursuing this project as it is consistent with its Strategic Plan priority of "embracing growth and enabling infrastructure" and the desired outcomes within it:

- 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.

- 2.2 This report will provide an update on the progress made since the last report to this Committee on 16<sup>th</sup> December 2020 and addresses the following areas:
- Promotion of Heathlands through the Local Plan Review (LPR)
  - Homes England (HE) partnership update
  - Principal Landowners
  - Spend to date
- 2.3 **Promotion of Heathlands through the LPR.** In line with the decision at the December meeting of this Committee, representations were produced and duly submitted in respect of the Regulation 18b consultation of the L P R. Both the Chair and Vice Chair were consulted prior to submission. The scope of the third stage submission to the LPA, to be submitted by 31<sup>st</sup> March 2021, is currently being finalised, but the current quarter will certainly be an intensive period.
- 2.4 **Homes England (HE) Partnership update.** In line with the decision at the December meeting of this Committee, draft Heads of Terms for the proposed collaboration agreement with HE have been received, which reflect the principles that were set out in the December report. At the time of writing, these are being reviewed with Pinsent Mason (solicitors). It is envisaged that the document will be ready for consideration by this Committee in February 2021.
- 2.5 **Principal Landowners.** Constructive dialogue continues with the five principal landowners (to the south of the railway line). As per the LPA's request that some development be explored to the north of the railway line, preliminary discussions have taken place with those additional landowners affected, and these discussions will continue over the coming weeks. Therefore, it is possible that the overall redline may be refined during the current quarter and this next iteration of the redline (and masterplan) will be an integral element of the third stage submission.
- 2.6 This change (to consider some development to the north of the railway), signalled by the LPA, does create the possibility of reducing the overall number of landownerships within the eventual redline. Indeed, in previous reports, this Committee has been made aware that there are some (circa 18) landowners within the current redline who object to the current proposal, and so these changes signalled by the LPA could bring benefits in this respect too. Regardless, officers are attempting to engage with the objecting landowners to understand their individual concerns and the extent to which these can be addressed. The third stage masterplan will refer to any remaining objections, and reasonable endeavours will be made to keep these to a minimum.
- 2.7 **Spend to date.** As at 31<sup>st</sup> December 2020, £321,100 has been spent on the project. Furthermore, the report authors' time spent on Heathlands (circa 2 days per week over the current financial year) will be "charged to" the capital cost of the project at year end too. Given the extensive nature of the stage 3 submission, further expenditure over the current quarter will be required for: legal advice, planning advice, master-planning work, transport advice and further survey work (this will also include land north

of the railway). A budget is being prepared, but given the imminent collaboration agreement, these further costs will largely be shared with H E who will also lead on making the new consultancy appointments required. It is possible that the Council's share could be up to a further £100,000 of expenditure over this period.

- 2.8 **Summary.** Very good progress continues to be made with the project, and the increasing input from HE has been very beneficial.
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### **3. AVAILABLE OPTIONS**

- 3.1 The report is for noting.
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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 N/A.
- 

### **5. RISK**

- 5.1 When this proposal was presented to this Committee in September 2019, the likely risks were set out as follows:

- At risk consultancy expenditure.
- A period of uncertainty for the community affected.
- Possible negative perceptions of a broader role for the Council in the context of acting as master developer.
- Maintaining cohesion amongst the landowner group.

- 5.2 These risks have to some degree crystallised and largely remain. However, the level of cohesion amongst what is a now smaller landowner group, is now strong.

- 5.3 Further risks that have since been added and remain are:

- Terms cannot be agreed with the principal landowners.
- Challenge from individuals or organisations that oppose the principle and/or the specific details of the Council's council-led garden community.

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

- 6.1 Nothing further to report.

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

7.1 The next steps will be to:

- Advance the commercial negotiations with the five principal landowners and landowners north of the railway line.
  - Enter into the collaboration agreement with HE subject to approval by this Committee.
  - Engage with the LPA to refine and evolve the Heathlands concept.
  - Make the third stage submission to the LPA by 31<sup>st</sup> March 2021.
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## **8. REPORT APPENDICES**

None.

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## **9. BACKGROUND PAPERS**

None.