

# POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday 15 September 2021  
Time: 6.30 pm  
Venue: Town Hall, High Street, Maidstone

## Membership:

Councillors Mrs Blackmore, Brice, Burton (Chairman), Cooke, Cox, English, Harper, Hastie, Khadka, Kimmance, Munford, Parfitt-Reid, Perry (Vice-Chairman), Mrs Ring and Round

*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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<b><u>AGENDA</u></b>	<b><u>Page No.</u></b>
1. Apologies for Absence	
2. Notification of Substitute Members	
3. Urgent Items	
4. Notification of Visiting Members	
5. Disclosures by Members and Officers	
6. Disclosures of Lobbying	
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
8. Minutes of the Meeting held on 29 July 2021	1 - 4
9. Presentation of Petitions (if any)	
10. Questions and answer session for members of the public (if any)	
11. Questions from Members to the Chairman (if any)	
12. Committee Work Programme	5 - 6
13. Reports of Outside Bodies	7 - 10
14. Appointment of the Deputy Armed Forces Champion - Kent and Medway Civilian-Military Partnership Board	11

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**Issued on Tuesday 7 September 2021**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

15. Public Sector-Led Garden Community Update	12 - 16
16. Recovery and Renewal Actions	17 - 51
17. 1st Quarter Finance, Performance & Risk Monitoring Report 2021/22	52 - 110

## **PART II**

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

### **Head of Schedule 12 A and Brief Description**

18. Minutes (Part II) of the Meeting held on 29 July 2021	Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding	111 - 112
19. Disposal of Land at Staceys Street Maidstone	Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding	113 - 119
20. Property Acquisition	Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding	120 - 149

## **INFORMATION FOR THE PUBLIC**

In order to ask a question at this 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 13 September 2021). You will need to provide the full text in writing.

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

In order to make a statement in relation to an item on the agenda, 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 13 September 2021). You will need to tell us which agenda item you wish to speak on.

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

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## **MAIDSTONE BOROUGH COUNCIL**

### **POLICY AND RESOURCES COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON THURSDAY 29 JULY 2021**

**Present:** Councillors Mrs Blackmore, Burton (Chairman),  
Cooke, Cooper, Cox, English, Harper, Joy, Khadka,  
Kimmance, Munford, Parfitt-Reid, Perry, Purle and  
Mrs Ring

**Also Present:** Councillor J Sams

44. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Brice, Hastie and Round.

45. **NOTIFICATION OF SUBSTITUTE MEMBERS**

The following substitutions were noted:

- Councillor Cooper for Councillor Round
- Councillor Joy for Councillor Hastie
- Councillor Purle for Councillor Brice.

46. **URGENT ITEMS**

There were no urgent items.

47. **NOTIFICATION OF VISITING MEMBERS**

Councillor J Sams was present as a Visiting Member for Item 11 –  
Question from Members to the Chairman.

48. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

49. **DISCLOSURES OF LOBBYING**

There were no disclosures of lobbying.

50. **EXEMPT ITEMS**

**RESOLVED:** That Item 13 – Property Acquisition be taken in private due  
to the possible disclosure of exempt information, having applied the public  
interest test.

51. MINUTES OF THE MEETING HELD ON 21 JULY 2021

**RESOLVED:** That the Minutes of the Meeting (Parts I and II) held on 21 July 2021 be agreed as a correct record and signed.

52. PRESENTATION OF PETITIONS

There were no petitions.

53. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

54. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There was one question from a Member to the Chairman.

Question from Councillor J Sams to the Chairman of the Policy and Resources Committee

*At the recent full council meeting you gave assurances and said "I am not aware of any instance where briefing has been denied." On Monday of this week some members had a briefing on this councils Heathlands proposal. Both myself and the other Ward member are substitute members. The chief executive confirmed that substitutes were precluded. Do you now feel that your statement was therefore actually correct?*

The Chairman responded to the question.

Councillor J Sams asked the following supplementary question:

*'Would you agree with me that all Councillors on this Committee and Substitutes who may serve on the Committee, there are three tonight and there were two last time, should have access to the full information to be able to make an informed decision. Obviously when they are at that Committee meeting, they would have a need to know?'*

The Chairman responded to the supplementary question.

The full responses were recorded on the webcast and made available to view on the Maidstone Borough Council website. The question-and-answer session took place between minutes 6:20 to 9:40 of the recording.

To access the webcast, please use the link below:

[Policy and Resources Committee - 29/07/2021 - YouTube](#)

Note: Councillor Blackmore arrived at 6.36 p.m. at the item's conclusion.

55. COMMITTEE WORK PROGRAMME

The Chief Executive highlighted that the Town Centre Strategy and Financial Hardship reports arose from the Recovery and Renewal Plan, so there would not be a separate report on the plan at the September 2021 meeting. A further report on the Recovery and Renewal Plan would be presented in October 2021.

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

56. EXCLUSION OF THE PUBLIC FROM THE MEETING

**RESOLVED:** That the public be excluded from the meeting for the following item of business because of the likely disclosure of exempt information for the reasons specified, having applied the public interest test:

**Head of Schedule 12A and Brief Description**

Property Acquisition	3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)
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57. PROPERTY ACQUISITION

The Director of Finance and Business Improvement introduced the report, and referenced the options as outlined in the report. The benefits of the preferred option were emphasised.

The Committee sought and received assurances over the process for establishing the condition of the building and expressed support for the preferred option and felt that it contributed to the local area and the Council's financial security and viability.

**RESOLVED:** That

1. Option 2 as outlined in the report, be agreed;
2. Delegated authority be given to the Director of Finance and Business Improvement to negotiate and agree terms for the acquisition of the property with the owner and to complete the acquisition on agreed terms at an agreed target purchase price;
3. Up to the agreed purchase price be borrowed from the Public Works Loan Board to contribute towards the funding of the acquisition;
4. Delegated authority be given to the Director of Finance and Business Improvement to undertake a procurement process for the selection and appointment of managing agents for the property and to procure, award and enter into such contracts for any services,

including building and environmental surveys, covenant review and repair and maintenance contracts as necessary;

5. Delegated authority be given to the Head of Legal Services to negotiate and complete the lease and all necessary legal formalities, agreements and deeds arising from or ancillary to the acquisition of the property and the appointment of managing agents for the property and contracts for the services on the terms agreed by the Director of Finance and Business Improvement or to appoint such solicitors to complete such legal formalities and documents if considered necessary; and
6. The Director of Finance and Business Improvement be granted delegated authority to grant such leases, accept surrenders and to enter into such property transactions in respect of any part of the property on terms to be agreed in order to maximise the economic benefits from the property and that the Head of Legal Services be authorised to complete the necessary legal formalities and all deeds agreements arising from or ancillary to such property transactions.

Note: Councillor Cooper joined the meeting at 6.44 p.m. during the item's consideration.

58. DURATION OF MEETING

6.30 p.m. to 7.26 p.m.

## 2021/22 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Equalities Action Plan Update	P&R	20-Oct-21	Strategy Update		Angela Woodhouse	Orla Sweeney
Council Tax Reduction Scheme 2021-22	P&R	20-Oct-21	Governance	Yes	Sheila Coburn	Sheila Coburn
Public Sector Led Garden Community Update	P&R	20-Oct-21	Officer Update	Yes	William Cornall	William Cornall
Archbishops Palace - Public Consultation Responses	P&R	20-Oct-21	Committee Request	?	Mark Green	Mark Green
Recovery and Renewal Strategy Update	P&R	20-Oct-21	Officer Update		Alison Broom	Angela Woodhouse
Draft Medium Term Financial Strategy 2022/23-2026/27	P&R	24-Nov-21	Governance	Yes	Mark Green	Ellie Dunnet
Q2 Budget, Performance and Risk Monitoring 2021/22	P&R	24-Nov-21	Officer Update	No	Mark Green	Ellie Dunnet
Granada House Update	P&R	24-Nov-21	Officer Update		William Cornall	Andrew Connors
Update Report on Biodiversity and Climate Change Action Plan	P&R	15-Dec-21	Officer Update	Yes	Georgia Hawkes	TBC
Fees and Charges 2021/22	P&R	15-Dec-21	Governance	No	Mark Green	Ellie Dunnet
MTFS Update	P&R	15-Dec-21	Governance	No	Mark Green	Ellie Dunnet
Public Sector Led Garden Community Update	P&R	15-Dec-21	Officer Update	Yes	William Cornall	William Cornall
Collection Fund adjustment 2021/22 and Council Tax Base 2022/23	P&R	19-Jan-22	Governance	No	Mark Green	Ellie Dunnet
Medium Term Financial Strategy - Capital Programme 2022/23 - 2026/27	P&R	19-Jan-22	Governance	Yes	Mark Green	Ellie Dunnet
Medium Term Financial Strategy & Budget Proposals 2022/23 - 2026/27	P&R	19-Jan-22	Governance	Yes	Mark Green	Ellie Dunnet

## 2021/22 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Public Sector Led Garden Community Update	P&R	19-Jan-22	Officer Update	Yes	William Cornall	William Cornall
Public Sector Led Garden Community Update	P&R	09-Feb-22	Officer Update	Yes	William Cornall	William Cornall
Medium Term Financial Strategy & Budget Proposals 2022/23 - Final	P&R	09-Feb-22	Governance	No	Mark Green	Ellie Dunnet
Q3 Budget, Performance and Risk Monitoring 2021/22	P&R	09-Feb-22	Officer Update	No	Mark Green	Ellie Dunnet
Public Sector Led Garden Community Update	P&R	23-Mar-22	Officer Update	Yes	William Cornall	William Cornall
Public Sector Led Garden Community Update	P&R	20-Apr-22	Officer Update	Yes	William Cornall	William Cornall
Recovery and Renewal Strategy Update	P&R	20-Apr-22	Officer Update	Yes	Alison Broom	Angela Woodhouse
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

<b>Policy and Resources Committee</b>
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<b>21/07/21</b>
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<b>Outside Body Report – Upper Medway Internal Drainage Board</b>
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<b>Outside Body</b>	Upper Medway Internal Drainage Board
<b>Councillor(s) represented on the Outside Body</b>	Councillor John Perry Councillor Paul Harper
<b>Report Author</b>	Councillor John Perry
<b>Date of Outside Body Meeting Attended</b>	29/06/21

**Purpose of the Outside Body:**

The Upper Medway Internal Drainage Board’s prime responsibility is to manage and support the complex drainage systems in the area under its control.

The heavy rainfall over the past few years has been a major contributory factor to the increase in flooding, both surface water and fluvial, in areas not previously affected.

One of the Board’s most important roles is to ensure that local landowners exercise their riparian rights to clear ditches, streams and watercourses. This enables the drainage systems to work as effectively and efficiently as possible. As a Board Member I have been out with the teams identifying areas that need improving.

**Update:**

A copy of the Board Agenda has been enclosed at Appendix 1. As you can see it was quite long but in reality, only two items generated any discussion; these were item 9 New Office Update and item 19 Board Amalgamation.

Agenda Item 9: New Office

Both Cllr Harper and I had raised concerns about this matter. The proposal is to move the Board’s offices to Sittingbourne where the Upper and Lower Boards would be together. This would involve moving out and selling Albion Place in Maidstone. And it seemed that a decision had already been made to auction the property, which did not go down too well with some Members as there did appear to have been any prior consultation.

Sharing an office with the Lower Medway Board does make some administrative sense but the choice of Sittingbourne is not ideal and the office accommodation chosen seems too large. Unfortunately, we appear to have been subject to a diktat from the Lower Board who basically presented us with a fait accompli i.e. join us or make other arrangements.

Both Cllr Harper and I had already argued that more due diligence needed to be undertaken but when the final vote was taken this time round only three of us voted against the proposal to move to Sittingbourne.

#### Agenda Item 19: Board Amalgamation

This item also generated a lot of discussion. In principle it seemed to be a good idea to merge the two bodies. And while the work had different emphasises; the Upper Board was dominated by fluvial issues and drainage whereas the Lower Board's work was affected by the Thames and the need for large pumping stations, their work was inter-related and there could be economies of scale and scope in merging the two bodies. However, there is one issue that might prevent this happening and this concerned the precept.

As matters currently stand each body levies its own precept and the Lower Board's precept is higher as a result of the nature of its work, especially the need to invest in and maintain large pumping stations. The Lower Board has laid down a requirement that if the Boards were to merge there must only be a single precept. Clearly there could be operational savings and the Clerk to the Board argued strongly in favour of a merger, but even with these savings the precept would likely be higher for the existing Members of the Upper Board like ourselves. This would in effect be a subsidy to the Lower Board, which is probably why they are arguing for a single precept. And their reasoning that two precepts would be too complicated was not convincing.

Members agreed that the Chairman and Vice-Chairman should meet with the Lower Board to try to resolve these differences.

# UPPER MEDWAY INTERNAL DRAINAGE BOARD



17 Albion Place  
Maidstone  
Kent  
ME14 5EQ

Telephone No. 01622 758345  
Email: oliver@medwayidb.co.uk

## BOARD AGENDA

Dear Member

22 June 2021

### MEETING OF THE BOARD

I would like to inform you that a Meeting of the Upper Medway Internal Drainage Board will be held on **Tuesday 29 June at 1pm via Zoom video conference call.**

The Agenda is given below.

Yours sincerely

Oliver Pantrey  
Clerk

### AGENDA

1. **APOLOGIES**
2. **ITEMS OF INTEREST DECLARATION**
3. **MINUTES** - Meeting of the Board held on 23 March 2021 - **For Information** **Appendix 1**  
(circulated via email on 17 May 2021, requesting any amendments by 18 June 2021)
4. **ACTION LIST & MATTERS ARISING FROM PREVIOUS MINUTES** **Appendix 2**
5. **CHAIRMAN REPORT**
6. **CLERK REPORT**
7. **WORKS SUPERVISOR REPORT NUMBER 162 - For Information** **Appendix 3**
8. **BIODIVERSITY**  
Replacement Biodiversity Representative required
9. **NEW OFFICE UPDATE**
10. **REGISTER OF MEMBERS' INTEREST 2021/2022**  
(7 forms returned out of a possible 16)

- |   |                           |
|---|---------------------------|
| <p><b>11. POLICIES REPORT - For Information</b><br/>         (policies listed below will be emailed separately from the agenda)</p> <p><u>Updated - Approved</u><br/>         Standing Orders</p> <p><u>Updated - Approval Required</u><br/>         Data Protection Compliance Statement<br/>         Data Protection Training Policy<br/>         Data Retention &amp; Disposal Policy<br/>         General Privacy Notice (Website)<br/>         Severe Weather Policy</p> | <p><b>Appendix 4</b></p>  |
| <p><b>12. INTERNAL AUDITORS END OF YEAR REPORT 2020/21 – For Information</b></p>  | <p><b>Appendix 5</b></p>  |
| <p><b>13. END OF YEAR ACCOUNTS – YE MARCH 2021 – For Information</b></p>  | <p><b>Appendix 6</b></p>  |
| <p><b>14. ANNUAL RETURN (AGAR) – YE MARCH 2021 - For Information</b></p>  | <p><b>Appendix 7</b></p>  |
| <p><b>15. JOINT SERVICES MINUTES - JS Meeting held on 2 March 2021 – For Information</b></p>  | <p><b>Appendix 8</b></p>  |
| <p><b>16. HEALTH &amp; SAFETY UPDATES</b></p>   |                           |
| <p><b>17. PLANNING APPLICATIONS &amp; CONSENTS - For Information</b></p>  | <p><b>Appendix 9</b></p>  |
| <p><b>18. ELECTIONS 2021 – approval of Register of Electors required</b></p>  | <p><b>Appendix 10</b></p> |
| <p><b>19. BOARD AMALGAMATION</b></p>  | <p><b>Appendix 11</b></p> |
| <p><b>20. ANY OTHER BUSINESS</b></p>  |                           |
| <p><b>21. DATE OF NEXT MEETING – Tuesday 16 November, 1pm</b></p>   |                           |
| <p><b>22. PRIVATE &amp; CONFIDENTIAL MATTERS</b></p>  |                           |

## NOMINATION FORM TO OUTSIDE BODY

Date ...02-09-2021

<b>NAME:</b>	Cllr Steve Munford
<b>ADDRESS:</b>	4 Forge Bungalows Bottlescrew Hill Boughton Monchelsea Maidstone Kent
<b>TELEPHONE NO:</b>	01622 741310
<b>NAME OF ORGANISATION APPLYING FOR:</b>	Kent and Medway Civilian Military Partnership Board
<b>ROLE APPLYING FOR:</b>	Deputy Armed Forces Champion
<b>REASON FOR APPLYING:</b>	There is a vacancy and I feel I have the skills and experience to fill the role.
<b>WHAT SKILLS AND EXPERIENCE COULD YOU BRING TO THE ORGANISATION?</b>	<p>Medway is the home of the Royal Engineers and the regiment based in Maidstone is also the Royal Engineers.</p> <p>My service career was serving with the Royal Engineers for a period of 25 years, including active service, leaving with the Rank of WO1. So, I am aware of both the military and the challenges facing those serving within it.</p> <p>During my time as a member of MBC I have represent the council on the Armed Forces Covenant. During a time of service redundancies and the council were improving their offering/support.</p>

# Agenda Item 15

<b>POLICY AND RESOURCES      15 SEPTEMBER 2021 COMMITTEE</b>
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<b>PUBLIC SECTOR-LED GARDEN COMMUNITY UPDATE</b>
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<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service</b>	William Cornall, Director of Regeneration & Place
<b>Report Author</b>	William Cornall, Director of Regeneration & Place
<b>Wards affected</b>	All, but in particular Harrietsham & Lenham and Headcorn Wards.
<b>Classification</b>	Public

<b>Executive Summary</b>
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The proposal was last considered by this Committee on 23<sup>rd</sup> June 2021. The purpose of this report is to update the Committee on the progress of the Heathlands Garden Community proposition. 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).

<b>Purpose of Report</b>
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To provide this Committee with an update on progress with respect to the Heathlands Garden Community proposition.

<b>This report makes the following recommendations to this Committee:</b>
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1. That this Committee notes the report.

<b>Timetable</b>
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<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	15 <sup>th</sup> September 2021

# PUBLIC SECTOR-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 Infrastructure</li> <li>• Safe, Clean and Green</li> <li>• Homes and Communities</li> <li>• A Thriving Place</li> </ul> <p>Continuing with the development of the Heathlands Garden Community proposition 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 Heathlands Garden Community proposition supports the achievement of all the cross-cutting objectives.</p> <p>Through delivering much needed homes to include 40% affordable housing. 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 4.	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 noting 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 at Regulation 19 stage.	Equalities and Corporate Policy
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals more broadly. However, the period of uncertainty whilst the opportunity is being explored could negatively affect local residents.	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 area defined by 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 updates this Committee concerning progress since June 2021 in respect of the following areas:
- Homes England (HE) partnership
  - Promotion of Heathlands through the Local Plan Review (LPR)
- 2.3 **Homes England (HE) Partnership.** The Collaboration Agreement was signed on 31<sup>st</sup> March 2021. The main focus since then has been to develop the latest submission of the masterplan documents to the LPA (see below) and to advance the discussions with the 8 principal landowners. In terms of the latter, matters are now very close to reaching a positive conclusion, with the documents in their near final form.
- 2.4 Furthermore, the preliminary work with the appointed communications firm is underway, and programme of engagement activities is due to commence in October 2021.
- 2.5 **Promotion of Heathlands through the Local Plan Review.** The LPA requested additional information (to that submitted in March 2021) to assist in its assessment of the Heathlands proposition. Homes England and the Council made this final submission during the week commencing 30<sup>th</sup> August 2021.
- 2.6 This is part of the normal iterative process in providing the LPA with a comprehensive suite of the technical information to inform their decision making with respect to the emerging Local Plan.
- 2.7 In terms of the latest submission and the overall Heathlands proposal, there is now a greater emphasis on employment provision than previously, with closer to one job per one home built. It also now includes flexibility in terms of on-site secondary school provision if this proves necessary. Furthermore, additional technical evidence has now been commissioned in respect of the ability of the proposal to achieve Nutrient Neutrality, and this has now been provided to the LPA, as this was a topic upon which they were seeking more assurance.
- 2.8 In terms of the railway station proposal, and the strategic outline business case for it, further work for the next level of detail will be instructed if the scheme remains in the local plan review at the next stage. Fee proposals for this next stage of work have already been invited by Homes England.
- 2.9 The submission now also includes proposals around the long-term stewardship and management of the new community, as well as a more detailed delivery plan.
- 2.10 The overall long-term business plan / development appraisal, taking into account all scheme costs and revenues remains sound, this area has been kept under ongoing review by the Homes England consultant team.

### **3. AVAILABLE OPTIONS**

3.1 This report is for noting.

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### **4. RISK**

4.1 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.

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

4.3 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 public sector-led garden community.

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

5.1 Nothing further to report.

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

6.1 The next steps will be to:

- Conclude the commercial negotiations with the principal landowners and for Homes England to enter into the land option deals with them.
  - If the proposal remains in the Local Plan Review process, continue to develop the proposal to respond to any public engagement feedback received and to prepare to defend the proposal at the Examination in Public.
  - Appoint an external consultant team to further develop the outline strategic business case for the delivery of the new railway station / halt.
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### **7. REPORT APPENDICES**

7.1 None

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### **8. BACKGROUND PAPERS**

8.1 None.

<b>POLICY AND RESOURCES COMMITTEE</b>	<b>15 September 2021</b>
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## Recovery and Renewal Action Plan

<b>Final Decision-Maker</b>	Policy and Resources Committee
<b>Lead Head of Service</b>	Alison Broom, Chief Executive
<b>Lead Officer and Report Author</b>	Angela Woodhouse, Head of Policy Communications and Governance Georgia Hawkes, Head of Transformation and Property Steve McGinnes, Director of Mid Kent Services Bal Sandher, Head of Mid Kent HR John Foster, Head of Regeneration and Economic Development Anna Collier, Corporate Insight, Communities and Governance Manager
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

This report details proposed actions for recovery and renewal from the COVID-19 public health emergency that relate to the Policy and Resources Committee’s terms of reference. The actions at Appendix A have been developed following Councillor and Officer input, including briefings, workshops and formal debate at a previous Policy and Resources Committee.

**Purpose of Report**

Discussion and Recommendation: For the Committee to provide feedback along with other committees for consideration at the next Policy and Resources Committee meeting in October.

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

1. Consider the actions at appendices A, B and C and agree feedback to be taken as part of the wider discussions at the Policy and Resources Committee on 20 October 2021.

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>

Communities, Housing and Environment Committee	31 August 2021
Economic Regeneration and Leisure Committee	14 September 2021
Policy and Resources Committee	15 September 2021
Strategic Planning and Infrastructure Committee	21 September 2021
Policy and Resources Committee	20 October 2021 and 6-monthly until October 2023

# Recovery and Renewal Action Plan

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p><b>Impact on Corporate Priorities</b></p>	<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>The actions recommended align with the Council’s ambitions set out in our strategic plan including the areas of focus agreed by Full Council in February 2021 for 2021-26-</p>	<p>Head of Policy Communications and Governance</p>
<p><b>Cross Cutting Objectives</b></p>	<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 action plan is cross-cutting and will have a positive impact on the Council’s cross cutting objectives and in particular that deprivation and social mobility are reduced</p>	<p>Head of Policy Communications and Governance</p>
<p><b>Risk Management</b></p>	<p>The action plan has been put in place to mitigate the risks to our economy and communities and the council.</p>	<p>Head of Policy Communications and Governance</p>
<p><b>Financial</b></p>	<p>In addition to the un-ringfenced grant, the Government has announced the £56 million ‘Welcome Back Fund’, Maidstone’s allocation from this fund is £153,551.</p> <p>Several ringfenced and other grants will continue support specific activities related to the Council’s COVID-19 response. These</p>	<p>Section 151 Officer &amp; Finance Team</p>

	<p>include the Contain Outbreak Management Fund (COMF), from which Maidstone has been allocated £222,043 for 2021-22, in addition to £371,103 devolved from Kent County Council during 2020/21, Test and Trace Grants and New Burdens funding.</p> <p>The Council also has access to other funding streams which may be used to support certain activities linked to recovery planning. These include s106 funding for town centre planning, and income retained through the Kent Business Rates Pool which can be used for activities which support economic development more widely.</p>	
<b>Staffing</b>	Staffing implications have been set out in the action plan where additional staffing resources are needed to deliver the projects.	Head of Policy Communications and Governance
<b>Legal</b>	<p>The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual can do provided it is not prohibited by other legislation.</p> <p>The Local Government Act 1972, section 111(1) also empowers a local authority to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The recommendation and the proposals in this report regarding recovery and renewal from the COVID-19 pandemic are arrangements that can be undertaken under the above legislation.</p> <p>The Council will also be obliged to comply with relevant legislation, such as the Coronavirus Act 2020, related regulations, the Public Health (Control of Disease) Act 1984 and such other updated legislation required to address the continuing impacts of the Covid-19 pandemic on the recovery</p>	Legal Team

	proposals being considered by the Council as part of the "Build Back Better" agenda.	
<b>Privacy and Data Protection</b>	Some of the projects may require data protection impact assessments if they involve new activities and/or personal data. These will be completed prior to activities commencing.	Corporate Insight, Communities and Governance Team
<b>Equalities</b>	Some projects may need an EQIA, these will be completed prior to activities commencing.	Corporate Insight, Communities and Governance Team Manager
<b>Public Health</b>	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Head of Policy Communications and Governance
<b>Crime and Disorder</b>	The report includes actions that may have a positive impact in terms of crime and disorder with actions on community responsibility, resilience and levelling up	Head of Policy Communications and Governance
<b>Procurement</b>	On accepting the recommendations, the Council will then follow procurement exercises in line with financial procedure rules.	Head of Policy Communications and Governance
<b>Biodiversity and Climate Change</b>	The Committee has identified that the green agenda is important in its approval of the build back better principles, the actions will support the Council's Biodiversity and Climate Change Strategy, particularly those set out within the way we work theme.	Head of Policy Communications and Governance

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Council's consideration of its approach to recovery from the COVID-19 pandemic commenced in June 2020. A framework of objectives and themes was agreed by the Policy and Resources Committee at its meeting on 24 June 2020 following consultation with a politically balanced member group. It was agreed that this group would, amongst other things, provide feedback and suggestions for proposed actions for recovery ahead of these being sent to the relevant committees for decision making where this was required.
- 2.2 The Council's initial consideration of recovery was undertaken in the context of significant budgetary constraints and uncertainties. However, as part of the local government financial settlement for 2021/22 councils across the country received additional resources for addressing COVID-19 and its

effects. This was reported to the Policy and Resources Committee on 10 February 2021 where it was noted that Maidstone's share of the un-ringfenced grant was £860,000. In line with government guidance, the first call on this grant was identified as for the immediate COVID-19 response in 2021/22. It was later recognised that it would be appropriate to deploy this funding to support the recovery from COVID-19 and that a further report would be brought to Policy and Resources Committee setting out the recovery strategy and likely funding requirements. As this is a one-off grant, it would not be prudent to use it to offset underlying budget pressures and it is was not therefore included within the Strategic Revenue Projection. The revenue outturn for 2020/21 was better than had been feared at times during the year for the reasons set out in the 4<sup>th</sup> Quarter Finance, Performance and Risk report presented to the Policy and Resources Committee on 23<sup>rd</sup> June 2021. Given this context consideration could be given to applying the £860,000 grant to projects which would help deliver the recovery objectives, KPIs and updated areas of focus already in place.

2.3 Further Councillor engagement took place through a briefing held on 9 June 2021. The briefing covered:

- Updated position on the impact and effect of the pandemic
- Themes previously agreed by Policy and Resources Committee
- Project ideas reflecting the objectives and KPIs previously agreed

Following this, a discussion paper was presented to and debated at Policy and Resources Committee on 23 June and a follow up meeting was then held with Service Committee Chairs and Vice Chairs to continue to work on the Council's approach to recovery and renewal including a distilled list of projects.

2.4 From the discussions with Councillors, Build Back Better principles for Maidstone have been agreed and an Action Plan developed which meets the cross-cutting principles.

2.5 It was identified by Councillors at the workshops and at committee that whilst funding was from a one-off source, it should be put to use in ways to ensure legacy and longevity where possible. Actions have been identified that will ensure we maximise the one-off spend to leave a legacy.

2.6 An Action Plan has been developed for Recovery and Renewal with the following themes:

- Vibrant Economy
- Community Resilience
- The Way we Work
- Responding to Increased Demands

The plan has been considered by Policy and Resources Committee and this Committee is now asked to consider those actions that fall within its terms of reference and provide comment to Policy and Resources Committee.

- 2.7 Policy and Resources Committee have strategic oversight for recovery and renewal and progress on the final plan will be reported to the Committee on a six-monthly basis.
- 2.8 It should be noted that the Council has existing responsibilities in relation to responding the Pandemic and if the current surge continues this may result in an increased demand in support for those affected by COVID-19. The Action Plan is such that not all work will commence at the same time, nor will it require the total resource to be allocated and spent immediately. As such, if further resources were required to respond to the pandemic, actions and spending could be paused and adjusted and reported to this Committee to ensure the Council remains in a state of readiness to respond.
- 2.9 The Council is currently undertaking a number of initiatives in response to the pandemic including:
- Maintaining a community hub and helpline,
  - Identifying and supporting financially vulnerable people
  - Initiatives to re-open the high street safely including digital campaigns and promotions to encourage visitors
  - Making the best use of the Homelessness Prevention Grant to enable households to remain in their homes.
  - COVID-19 compliance checks
  - Agile working
  - Distributing grants to businesses affected by the pandemic.
- 2.10 We have previously reported on our response to the pandemic and these reports are listed as background documents.
- 2.11 There are three appendices to the report containing more information on the actions for this Committee's consideration:
- Appendix A – All the Actions assigned to P&R
  - Appendix B – Financial Inclusion Strategy
  - Appendix C – Town Centre Strategy

#### Open for Business and Ready to Bid for Funding

- 2.12 The new Economic Development Strategy includes a priority to be open for business. Within this priority is an action to "Consider investing in industrial and warehouse premises to help de-risk new employment sites coming forward". The Council has also identified this as an area of action in the Strategic Plan and the new levelling up principle of "Maidstone's Open for Business". The proposal is for this to be developed and funded as part of the capital programme. A second action has been included to create the capacity to develop projects and bids for funding for example the levelling up fund and future towns fund. This is to fund specialist knowledge and advice that we cannot resource currently. Funding has been identified from the business rates pool for a fixed term post to support recovery and renewal work more widely by the Economic Development Team. This item will also be considered by Economic Regeneration and Leisure Committee as well prior to being reported to the Policy and Resources Committee in October

## Community Engagement

- 2.13 Over the past six years the Council has reduced the cost of undertaking consultation by bringing the service in house, at the same time increasing the quality, consistency and response rates. This has enabled the Council to demonstrate informed decision making. Whilst this has been a positive step it is recognised that there is a need provide residents with opportunities to more easily contribute and engage beyond the structure of consultation via surveys and focus group activity.
- 2.14 It is proposed to invest in a community engagement system to enable residents to have a broader overview of and contribute to Council projects in a digital space, whilst also providing officers and Members an immediate picture of public opinion. Projects such as the Town Centre Strategy can benefit from a central digital space which residents can contribute to and refer to for regular updates, reducing the need to directly contact the Council.

## The Way We Work

- 2.15 The changing working practices caused by Covid-19 have required the council to consider the workforce culture and technology required for the future within the Way we Work theme. Alongside this work the Council is also developing a digital strategy to ensure we take a rounded approach responding to customers changing needs and maximising the opportunities available to us. This will also include looking at how the Council supports digital inclusion. The Digital Strategy will be brought separately to Policy and Resources Committee. The council wants to ensure that the organisational culture has the capacity to deliver high performing services to embrace innovation and creativity as well as new ways of working. The work we have started in creating a more agile way of working will also require a culture change programme to support and get the most out of the new ways of working.
- 2.16 The outcome of this project will include ensuring that:
- Employees have the right blend of skills and knowledge
  - Leadership behaviours/competencies align with the desired culture
  - We make service delivery decisions at the appropriate level

## Data Analytics

- 2.17 In March 2020 the Council advanced plans to explore the development of performance dashboards to enable monitoring of service performance and COVID-19 cases within the borough throughout the pandemic.
- 2.18 Following successful delivery as a proof of concept, a programme of dashboard development across the authority has been produced and started and seven dashboards have already been developed. These are for:
- Community Safety

- Customer Services
- Development Control
- Information Management
- Planning Enforcement
- Street Cleansing
- Waste Crime

2.19 The performance dashboards have proved a significant benefit for these services, enabling them to swiftly monitor performance, identify trends and plan service delivery across the team, without spending officer time producing reports and undertaking analysis. They also enhance strategic oversight by the Corporate Leadership Team.

2.20 The development of dashboards can be technically complicated and time consuming. Therefore, additional resource is required to invest in order to deliver the programme for the benefit of other teams as well as shape new dashboards for Members and customers.

### Financial Inclusion

2.21 Attached at Appendix B is a proposed financial inclusion strategy for 2021-26. The Strategy has been developed building on previous decisions for example the debt recovery procedures and support for low income households and linked financial inclusion projects already in place. The strategy contains an action plan for financial inclusion with 4 workstreams. In order to deliver this plan successfully there is a need to employ a dedicated resource (additional post grade 7-8) to focus on the agenda and ease some of the pressures on the team. The need for a strategy and to define our approach to financial inclusion has been heightened because of the low levels of financial resilience in the Borough following austerity, welfare reform and then the impact of the pandemic which has increased the support needed for our most vulnerable residents. If we successfully deliver the strategy over the next five years, we will have achieved:

- A coordinated approach across the Council, voluntary sector and key partners to address the underlying causes and impacts of poverty
- A data led approach to identify and target coordinated support to residents in financial crisis or at risk of moving into financial crisis
- A reduction in the number of households living in fuel, water or food poverty
- A reduction in the number of households at risk of eviction or struggling with Council Tax debt because of financial difficulties
- Increased awareness and take up of mainstream financial services amongst low income households
- An increase in the income for those on the lowest income within the borough by ensuring they receive the benefits they are entitled to

2.22 The Citizens Advice Bureau, a key provider of debt advice within Maidstone has reported the loss of a critical income stream (£53,000) following a change in the commissioning of debt and money advice through the Money and Pension Service. The change, which it is understood places a greater

emphasis on more centralised, generic, phone based debt advice and sign posting creates a risk for residents through the loss of specialist and ongoing 1 to 1 debt advice for residents with complex needs/debt issues. The Citizens Advice Bureau has received 263 referrals for debt advice since January 2021, including 53 referrals from Maidstone Borough Council.

- 2.23 Whilst the council currently funds the Citizens Advice Bureau to the value of £133,100 per annum and plans to undertake a further procurement of advice services in advance of the current service level agreement expiring in March 2022, the provision of specialist debt advice is a key element within the financial inclusion strategy and the wider covid recovery plans. It is proposed that officers continue to work with the Citizens Advice Bureau to explore alternative funding options, including scope for the council to provide additional short term funding to maintain the existing specialist service whilst the Citizens Advice Bureau work to identify an alternative funding source or method of delivering the service.

#### Town Centre Strategy

- 2.24 The Town Centre Strategy will be designed to establish, and provide clarity around, the Council's long-term vision and aspirations for the Town Centre and to develop a multi-faceted and multi-agency strategy and delivery plan designed to achieve this. The work will be underpinned by core principles which reflect the vision for both a County Town and business capital of the county at the Heart of Kent and a borough with vibrant and prosperous urban and rural communities where everyone can realise their potential and fulfil their aspirations. Appendix C provides more detail on the Town Centre Strategy setting out the scope of the strategy, workstreams and documents, political leadership, communication and engagement and an indication of the resources required. A significant shortfall has been identified which could be funded via the recovery and renewal resource, S106 monies and underspend from previous financial years.

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### **3. AVAILABLE OPTIONS**

- 3.1 The Committee is asked to consider the actions for recovery and renewal that are outlined in Appendix A for comment. The Committee is asked to comment on the proposals and make recommendations as appropriate.

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### **4. RISK**

- 4.1 The Coronavirus Pandemic has had a severe and long-lasting impact on the lives of Maidstone communities and businesses, not responding and effectively planning for recovery and renewal will increase the risk to our communities and businesses as well as the Council. The Council's corporate risk register contains risks relating to the pandemic the actions proposed will mitigate the risks.

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

5.1 As well as consultation with Councillors through the Member COVID-19 recovery consultative forum, reports were received on a regular basis by Policy and Resources in 2020 and 2021:

24 June 2020: Response to Covid19 Public Health Emergency  
Approach to recovery from the Covid19 Pandemic

16 September 2020: Strategic Plan Review – Update on Priority Milestones

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

10 February 2021: Strategic Plan Refresh

5.2 On the 9 June 2021 a virtual member briefing was held for Members where information was provided on the impact to date of the pandemic, and stimulated discussion on what to 'Build Back Better' would mean for Maidstone, this was followed by a discussion paper on 23 June 2021 and a workshop with the Service Committee Chairs and Vice Chairs all of this feedback has been taken into account in the development of the actions for recovery and renewal.

5.3 A report was taken to Policy and Resources on the 21 July 2021 where the projects and actions for recovery and renewal were agreed for the purpose of engagement with the service committees.

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

6.1 Proposals will be considered by all four Service Committees before being considered by Policy and Resources in October. Work will then commence on the actions when approved, including communication.

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## **7. REPORT APPENDICES**

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

- Appendix A: Recovery and Renewal Actions
- Appendix B: Financial Inclusion Strategy
- Appendix C: Town Centre Strategy

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## **8. BACKGROUND PAPERS**

24 June 2020: Response to Covid19 Public Health Emergency

<http://app07:9080/documents/s71373/Maidstone%20Councils%20Response%20to%20Covid19%20Pandemic.pdf>

24 June 2020: Approach to recovery from the Covid19 Pandemic  
<http://app07:9080/documents/s71374/Maidstone%20Councils%20Approach%20to%20Recovery%20from%20the%20Covid19%20Pandemic.pdf>

16 September 2020: Strategic Plan Review – Update on Priority Milestones  
<http://app07:9080/documents/s72419/Strategic%20Plan%20Review%20-%20Update%20on%20Priority%20Milestones.pdf>

20 January 2021: Strategic Plan – Proposed Areas for Focus 2021-2026 and Key Performance Indicators for Covid-19 Recovery  
<http://app07:9080/documents/s74258/Strategic%20Plan%20-%20Proposed%20Areas%20for%20Focus%202021-2026%20and%20KPIs%20for%20Covid19%20Recovery.pdf>

10 February 2021: Strategic Plan Refresh  
<http://app07:9080/documents/s75590/Strategic%20Plan%20Refresh.pdf>

23 June 2021: Recovery and Renewal Discussion Paper  
<http://app07:9080/ieListDocuments.aspx?CId=577&MId=4624&Ver=4>

21 July 2021: Recovery and Renewal Actions Report to Policy and Resources  
<http://10.201.64.164/documents/s77897/Recovery%20and%20Renewal%20Actions.pdf>

**Appendix A – Policy and Resources Recovery and Renewal Actions**

**A Vibrant Economy**

<b>Action</b>	<b>Resources</b>	<b>Target start and end</b>	<b>Committee and Senior Responsible Officer</b>	<b>Principles</b>
<p>Having business ready premises – move in ready kick start/pump prime linked to the Economic Development Strategy</p> <p>This is set out in Priority 1 Open for Business in the draft Economic Development Strategy. “Consider investing in industrial and warehouse premises to help de risk new employment sites coming forward” and the Strategic Plan areas of focus for 2021/26 “Intervening where necessary in the market, to deliver key employment sites”</p> <p>In addition, any such future activity would be required to meet the minimum targets and parameters set out in the Council’s Capital Programme Medium Term Financial Strategy Report to Policy and Committee (January 2021). This could extend to further investment opportunities on Kent Medical Campus or at Loc8 Maidstone at Junction 8 M20 or the rural employment sites.</p>	<p align="center">Capital programme</p>	<p align="center">September 2021 and going</p>	<p align="center">P&amp;R/JF</p>	<p align="center">Maidstone's Open for business</p>

<p>Transform the Town Centre through the Development of Maidstone Town Centre Strategy.</p> <p>This is a key piece of work given the pivotal role of the town centre for the borough's economy, the significant change occurring, expectations in the Local Plan for significant increases in homes and jobs in the town centre; it is important that there is a clear long term vision, through engagement with the public and stakeholders and a comprehensive approach to planning and delivery. Engagement with members suggests widespread support to creating a town centre strategy in principle, investing in its development and a proactive approach from the council to delivery too.</p> <p>Success will be partly dependent on dedicated programme management resources.</p> <p>A further detailed report would be brought to the Policy and Resources Committee</p>	<p>£90,000 programme management plus S106 – please cross reference to Appendix C</p>	<p>September 2021 and going</p>	<p>P&amp;R/PC</p>	<p>Cross Cutting</p>
<p>Capacity to develop projects and bids for bidding e.g. Levelling Up Fund, Future Towns Fund</p> <p>Large capital and revenue bids often require specialised knowledge to support the business case within the application. This fund would enable us to buy in this technical support at the appropriate time and at the speed needed to respond to short deadlines.</p>	<p>£40,000 Business Rates Pool</p>	<p>September 2021 to September 2025</p>	<p>P&amp;R/JF</p>	<p>Cross Cutting</p>
<p><b>Total from Recovery and Renewal allocation</b></p>	<p><b>£90,000*</b></p>			

\*This figure could be significantly higher based on information in Appendix C

## Resilient Communities

<b>Action</b>	<b>Resources</b>	<b>Target start and end</b>	<b>Committee and Senior Responsible Officer</b>	<b>Principles</b>
Create community participation and involvement space online for real time/dynamic interaction with the public. Online system supply and license to use.	£15,000	September 2021	P&R/AC	Strengthening Community Resilience
<p>Financial Hardship projects</p> <p>In February 2020 the Policy and Resources Committee considered a report on Debt recovery and support for low income households. It was agreed that a pilot piece of work be conducted as part of the council's commitment to an inclusive economy and financial inclusion. The pilot was to take a data led approach to identifying low income households in financial difficulty and proactively intervening to provide support e.g. maximising income, and through this to both reduce risks around indebtedness and through this potentially reduce demand for council services or incurring debt with the council.</p> <p>This work has been done within the existing resources of the revenues and benefits team and resulted in significant additional income for our most financially vulnerable families both through our own efforts and working with others including Southern Water. A more</p>	£34,320		P&R/SMcG	Levelling Up

detailed report on the outputs of this work will be brought to the Policy and Resources Committee in September 2021 and the learning applied to future strategy for supporting families in financial hardship.				
<b>Total from Recovery and Renewal allocation</b>	<b>£49,320</b>			

### The Way We Work

Action	Resources	Target start and end	Committee and Senior Responsible Officer	Principles
<p>Technology and new equipment (e.g. video conferencing) to enable new ways of working</p> <p>Increase capacity and technical support to enable the implementation of the Microsoft 365 (Teams) to include the transfer from Skype telephony and video conferencing to Teams. The cost is broken down into £45,000 call charges, £25,000 consultancy and £15,000 support.</p>	£85,000 Capital Programme	October 2021	P&R/SMcG	New Ways of Working
<p>Desk top equipment (office and home) to enable new ways of working</p> <p>The council has an existing ICT replacement strategy to provide for the upgrade and/or replacement of desktop equipment on a rolling programme.</p>	Capital programme	October 2021	P&R/SMcG	New Ways of Working

<p>Funding is required to meet the following needs to help the council become more efficient and effective:</p> <ul style="list-style-type: none"> <li>• Increased staff capacity in project/programme/change management for 2 years to enable the introduction of new policies, procedures, practices and technology particularly Microsoft 365 with associated training for staff - to support new ways of working and reduce future running costs - £100,000</li> <li>• Additional expertise in office design to help the organisation design smart working spaces that will support and enable new ways of working for our staff. This will build on the work that has already done on amount and type of space the council requires and on the pilot of agile working space in Maidstone House starting in October - £50,000</li> </ul>	£150,000	Oct-23	P&R/GH	New Ways of Working
<p>Increase HR capacity to facilitate agile working and new ways of working</p> <p>The objective of the culture change programme will be to review the work undertaken in this area and to gain feedback from our employees on organisational culture, to change and develop the council to meet future workforce requirements.</p>	£50,000	September 21-22	P&R/BS	New Ways of Working
<b>Total from Recovery and Renewal allocation</b>	<b>£200,000</b>			

<b>Responding to Increased Demands Arising from COVID19</b>				
<b>Action</b>	<b>Resources</b>	<b>Target start and end</b>	<b>Committee and Senior Responsible Officer</b>	<b>Principles</b>
<p>Data Analytics Support for recovery and renewal projects</p> <p>Performance dashboards were introduced to monitor service delivery early on in the pandemic allowing the leadership team real time access to performance information for key services. Following the success of this work, work has begun to introduce dashboards for key services.</p> <p>The performance dashboards have proved a significant benefit for these services, enabling them to swiftly monitor performance, identify trends and plan service delivery across the team, without spending officer time producing reports and undertaking analysis.</p> <p>The development of dashboards can be technically complicated and time consuming. Therefore, additional resource is required to invest in order to deliver the programme for the benefit of other teams as well as shape new dashboards for Members and customers. The data will be used to monitor performance information in relation to the recovery and renewal actions.</p>	<p>£50,000 plus COMF (covering period to July 2022)</p>	<p>July 2022-23</p>	<p>P&amp;R/AC</p>	<p>MBC service resilience</p>
<p><b>Total from Recovery and Renewal allocation</b></p>	<p><b>£50,000</b></p>			

# **Maidstone Borough Council Financial Inclusion Strategy 2021-2026**

## **Introduction**

This document sets out Maidstone Borough Council's strategy for financial inclusion which is underpinned by the vision and cross cutting themes set out within its Strategic Plan.

Our Vision is for a vibrant, prosperous, urban and rural community at the heart of Kent where everyone can realise their potential.

We want a borough that works for everyone so a cross cutting objective for all our work is to create a place where deprivation is reduced and social mobility is improved and health inequalities are addressed and reduced.

The Financial Inclusion Strategy comprises this document and the financial inclusion action plan, appended to this document. The action plan details the activities that will be undertaken to achieve the aims of this strategy together with the lead officer from the Council and key partners to its delivery.

The strategy covers the period July 2021 to July 2026 and will be refreshed annually to ensure the outcomes from the action plan continue to meet the Council's priorities.

A summary of the different poverty metrics and their definitions is provided at the end of this document.

## **What is financial inclusion**

Financial inclusion is the process which ensures a person's income is maximized to ensure that they can meet their basic living costs, support is provided to help ensure their outgoings are controlled and they can exercise informed choices through access to basic financial services. Without this, people are often described as financially excluded. People who are financially excluded are often those in poverty or experiencing disadvantage and as a result might:

- Struggle to meet normal living costs such as their fuel bills
- Struggle to budget, manage money and plan for the future
- Experience difficulties with problem debt
- Experience difficulties with rent arrears and homelessness
- Experience difficulties in accessing mainstream financial services
- Experience worse health and educational outcomes

As the impact of financial exclusion falls more heavily on low-income households, this strategy seeks to ensure sufficient support is provided to these households to maximise their income. This will be achieved through a number of means and will include supporting people of working age to access employment, and in overcoming barriers to work.

## **Why do we need a financial inclusion strategy?**

### National context

There can be little doubt about the importance of financial inclusion at this time. The financial environment was already difficult for many before the effects of the Coronavirus pandemic on our society took hold. There are now millions more people facing economic hardship due to the Covid-19 pandemic. The crisis has laid bare the existing weaknesses, vulnerabilities and structural inequalities that cause detriment for people in our communities.

 **28%**

of adults or 14 million people have experienced a direct negative effect on their income due to the coronavirus pandemic (as of May 2020)

 **12.5 million**

UK adults have little or no confidence in their ability to manage money

**£ 22%**

of all adults in the UK have less than £100 in savings

 **1 in 5**

adults would not be able to cover more than one month of living expenses if they lost their source of income

 **1 million**

people in the UK do not have a bank account

 **16%**

are borrowing to pay for essentials because they have run out of money

Rising costs of living in relation to basic needs such as fuel and food, together with higher housing costs are exacerbating the problems of vulnerable residents and pushing others currently at the 'tipping point' into potential difficulties.

Around four million UK households are in the grip of fuel poverty, unable to afford to heat their homes to the temperature needed to keep warm and healthy. Cold homes can cause or worsen a range of serious health conditions such as heart attacks, strokes, bronchitis, and asthma. Each year around 10,000 people die due to living in a cold home. Fuel poverty can also have a significant impact on mental health and is a known risk factor for suicide.

The national unemployment rate for January to March, when most of the restrictions were still in place was 4.8%. Most economists expect the unemployment rate to rise to 5.5% later this year as furlough ends before the number starts to fall.

In April 2021 there were 2.6 million people seeking either Jobseeker's Allowance or Universal Credit because they were "searching for work". This compares with 1.4 million in March 2020, before the pandemic began to take effect.

It's estimated that 1.6 million pensioners live in poverty, whilst latest annual Department for Work and Pensions (DWP) 'take-up' figures show that over a million pensioner households are missing out on Pension Credit (worth up to £1600pa or £32pw) which they are entitled to receive.

As a means-tested, tax-free benefit for pensioners that would open the door to many other potential benefits including:

- A free TV licence (if also over-75)
- Free NHS dental treatment, help with the cost of glasses/travel to hospital
- A Cold Weather Payment during periods of prolonged cold weather

### Local context

Low levels of financial resilience following the period of austerity and welfare reform combined with the impacts locally of the pandemic have led to an increasing need for support among some of the borough's most vulnerable residents.

Unemployment across the borough has risen from 2.1% (2185) in January 2020 to 5.2% (5445) in April 2021 but this masks the more severe impact felt by people who live in more deprived wards where unemployment is as high as 9.8%.

The corresponding increase in the housing benefit and Council Tax support administered by the Council means that 9,599 households (including 6318 children) are now receiving support with 3550 of those households (2670 children) now living below the poverty line.

4300 households are estimated to be in fuel poverty and 330 households are in food poverty, reflected in the increased presence and usage of food banks by many low-income households.

Whilst the Citizens Advice Bureau has seen reduced demand for debt and other forms of advice throughout the pandemic, primarily due to the temporary restrictions in place on court action, the Council can evidence through analysis of Council Tax debt that the number of households falling into arrears number and level of those arrears are building.

8400 households have fallen behind with their Council Tax payments in the last year, with 836 households on a low income and receipt of Council Tax support in arrears.

## **What we aim to achieve**

If we successfully deliver this strategy over the next five years, we will have achieved:

- A coordinated approach across the Council, voluntary sector and key partners to address the underlying causes and impacts of poverty
- A data led approach to identify and target coordinated support to residents in financial crisis or at risk of moving into financial crisis
- A reduction in the number of households living in fuel, water or food poverty
- A reduction in the number of households at risk of eviction or struggling with Council Tax debt because of financial difficulties
- Increased awareness and take up of mainstream financial services amongst low income households
- An increase in the income for those on the lowest income within the borough by ensuring they receive the benefits they are entitled to

## **Where are we now?**

We are by no means starting from scratch. To create a focus and better coordinate activity in the area of financial inclusion the Council has already created a working group, chaired by the Chief Executive to bring together staff working across the organisation (Housing, Revenues and Benefits, Policy and Information) and external partners (Citizens Advice Bureau and Involve) that support low-income households.

Having introduced new systems to make better use of its data, primarily using housing benefit and Council Tax support data we are now able to better identify and understand those households most affected by changes in the welfare system, those at risk or in financial crisis due to a disparity between their income and expenses and where opportunities exist for interventions to improve the position for those households.

This and a greater focus on households at risk of financial crisis as a result of the pandemic has already led to work in a number of areas.

Pension Credit – the Council was able to identify 77 pensioner households that were living below the minimum income threshold provided by Pension Credit. Working with the Pension Service the Council contacted those households and is supported them in making an application for Pension Credit with 31 households having already been awarded the additional support with an average increase in household income of £36 per week.

Free school meals – The Council are able to identify 2,232 households (4,694 children) with entitlement to free school meals. With low take up rates reported nationally we have started a project to match data with Kent County Council to better understand local take up rates and target support to families currently missing out. The wider aim of the project will be to make better use of data to ensure that whatever route low-income households take for support, housing benefit, Council Tax support or free school meals - that the systems work together to maximise support.

Disability Allowances – The Council has analyzed its housing benefit data to identify where residents with a disability may have had a change in their circumstances which would provide for a higher level of housing benefit and Council Tax support. Making proactive contact with those households the Council has awarded an additional £155,000 in housing benefit and Council Tax support, with an ongoing average increase in individual household income of £1,500pa.

Water - The Council is working with South East Water and using data already held to help low-income households to reduce their water costs by accessing the Social Tariff. The Social Tariff is awarded to customers who have household income of under £16,385. We are able to identify those cases from our benefits data and have set up the sharing agreement to securely pass name/address of those cases to South East Water. New cases that come onto our system that meet that criteria will be automatically notified to South East Water on a monthly basis.

On receipt of notification from us, South East Water will automatically apply the Social Tariff without any application needing to be made and will notify the customer. The Social Tariff caps freshwater charges at a certain amount per year and in addition gives a 25% or 50% discount on wastewater charges.

Homelessness Prevention – through data analysis the Council can identify those households at greatest risk of homelessness and make proactive contact to provide tailored advice on income maximisation, budget management and make referral for specialist support.

Assisting those in Council Tax arrears – a dedicated Financial Inclusion Officer within the Council Tax team assists households in financial difficulty on an individual basis ensures customers are in receipt of the correct benefits and refers for debt advice where appropriate

## **Vision, Principles and Approach to delivery**

### **Vision**

Our vision is for a vibrant, prosperous, urban and rural community at the heart of Kent where everyone can realise their potential. Reducing deprivation, health inequalities and improving social mobility are recognised as key to its delivery.

Whilst this strategy will play an important part in that delivery, it's recognised that success will also be dependent on a strong local economy and communities with the skills and knowledge to reach their potential. This strategy therefore forms part of framework of strategies which include the council's Economic Development, Housing & Homelessness and Digital Strategies.

This strategy will focus activity around four workstreams:

[Workstream 1](#): Maximising income - through identifying and targeting coordinated support to residents in financial crisis or at risk of moving into financial crisis

[Workstream 2](#): Debt- ensuring that residents experiencing problem debt receive appropriate and timely advice and support.

[Workstream 3](#): Fuel and water poverty - supporting residents to lower their energy and other household costs.

[Workstream 4](#): Financial skills and services - supporting residents to gain the necessary skills and access to basic financial services to better manage their money.

## **Workstream 1: Incomes are maximised and households in crisis or at risk of crisis are protected**

The complexity of the welfare system and mix of different agencies involved in providing support is recognized as one of the many challenges facing low income households. Whilst the introduction of Universal Credit aims to improve that, many households fail to claim support available and suffer unnecessary hardship as a result.

With low income households being less resilient when faced with other financial challenges this puts them at greater risk of homelessness, spiraling debt or an inability to meet basic living costs.

### **Initial focus and actions for this workstream include:**

- Work with key partners to share data and best practice with the aim of making the systems and process of claiming support clear and easy to navigate
- Run a series of campaigns to target the take up of unclaimed benefits amongst low income households
- Provide and promote the tools necessary for residents to check and claim the full range of support available to them.
- Identify and target discretionary support and specialist advice to households at risk of moving into a crisis.

## **Workstream 2: Ensuring that residents experiencing problem debt receive appropriate and timely advice and support**

The presence of unmanaged 'problem' debt impacts on the health and wellbeing of families and communities, often leading a cycle of debt or progressive court action from which it's difficult to break free.

This is evident within the collection of Council Tax where many low-income households follow a pattern of repeated arrears, with the additional burden for the individual and Council of court action and fees.

### **Initial focus and actions for this workstream include:**

- Work with key partners to share data and best practice with the aim of identifying and supporting residents experiencing problem debt
- Benchmark current practices against the recently published Debt Management Vulnerability Toolkit aimed at ensure proven best-practice tools are deployed to support to individuals in vulnerable circumstances
- Improving the referral process across partner agencies and take up of specialist debt advice
- Amending the Council's debt recovery processes to support those identified as experiencing a repeated pattern of problem debt
- The targeted use of Discretionary Housing Payments and Exceptional Hardship Payments to support those identified as experiencing a repeated pattern of problem debt

## **Workstream 3: Fuel Poverty**

Fuel poverty can be driven by a combination of low income, high energy costs and poor energy efficiency within the home. The impacts include poor

health outcomes, added financial pressures and an adverse environmental impact.

With workstream 1 to target income maximisation, this workstream focuses on energy costs and efficiency,

**Initial focus and actions for this workstream include:**

- Matching of energy efficiency data and low-income household data to target property improvements based on property and household need
  - Promotion of national and sector-based schemes to increase the take up of energy efficiency measures amongst low-income households
  - Working with utility providers to promote appropriate tariffs and support available to low income households
  - Identify and support households to change to the most appropriate supplier/tariff
- 

## **Workstream 4: Supporting residents to gain access to basic financial services**

Access to basic financial services is key in terms of receiving payments through employment or the welfare systems, being able to access affordable credit through mainstream lenders and accessing the full range of goods and services available online.

Whilst significant progress has been made in reducing the number of people without at least a basic bank account, this remains an issue for many low-income vulnerable households.

**Initial focus and actions for this workstream include:**

- Understanding and removing the barriers to residents accessing a basic bank account and wider financial services

- Working with and promoting the aims of Kent Savers Credit Union and other ethical lenders
  - Support trading standards and other partners in educating residents on the risks of illegal money lenders
  - Promotion of budgeting and money advice services / tools.
- 

## **How we'll measure progress and success**

When designing and delivering change, it is important to recognise what success looks like. We will measure success in terms of the measures set out below

- The number and value of unclaimed benefits that residents are supported to claim
- A reduction in the number of households in financial crisis or at risk of moving into crisis
- Increased take up of debt advice services by households with problem debt
- A reduction in the number of households identified as being in a repeated pattern of Council Tax debt
- The number of low-income households supported with energy efficiency measures
- The number of low-income households supported to access a more appropriate tariff

## **Poverty metrics**

### Relative poverty

This metric developed by The Social Metrics Commission, an independent and non-partisan organisation dedicated to helping policy makers and the public understand and take action to tackle poverty defines a household as

being in relative poverty if their total resources available are less than 60% of median income equivalised for their household composition.

#### Food poverty

The Minimum Income Standard (MIS) provides a minimum acceptable level of food expenditure based on household composition. Households are categorised as being in food poverty if their residual income after priority costs is less than the minimum income standard (MIS) of food expenditure, based on the number of occupants in the household.

#### Fuel poverty

Households are categorised as being in fuel poverty if their income is already below the relative poverty line, or if fuel expenditure at the median UK level would bring their income below the relative poverty line.

#### Water poverty

Households are categorised as being in water poverty if their estimated water costs account for 3% or more of their disposable income.

## **Appendix C: Maidstone Town Centre Strategy**

### **Introduction**

Maidstone Town Centre is the Social and Economic Heart of the Borough, providing employment, leisure, retail and business/professional service facilities for communities throughout the Borough and beyond as part of its role as the County Town of Kent. The Town Centre and the wider urban area are also home to a very significant residential population. However, in recent years like many others around the country, the Town Centre has witnessed some decline because of changes in retailing patterns, a shift in the nature of demand for offices, competition for inward investment from other locations, viability challenges in the delivery of new housing and difficulty in ensuring that important infrastructure keeps pace with the needs of resident communities, businesses and visitors. Again, in common with many other areas, these issues have been exacerbated over the last 18 months by the impact of the COVID19 Pandemic.

To continue the Council's work in securing the early recovery of the Town Centre, and to prepare a programme for longer term regeneration and renaissance, it is now proposed that the Council should take the lead role in the preparation of a comprehensive and ambitious Town Centre Strategy. This strategy would be focused around a 30-year vision to attract and embed new investment in jobs, infrastructure, housing, leisure and culture within a framework which will seek to establish Maidstone as model of urban sustainability.

The Town Centre Strategy will be based around a number of key projects, including those with the scope to bring about social, economic and environmental transformation, and will be designed to reflect the Council's long-term aspirations for the Town Centre. The delivery plan will comprise a multi-faceted and multi-agency programme of works designed to achieve this. The work will be underpinned by core principles which reflect the vision for a contemporary County Town sustaining its position as the Business Capital of Kent and at the heart of both the county and Maidstone borough enabling vibrant and prosperous urban and rural communities where everyone can realise their potential and fulfil their aspirations.

The Strategy will help to guide investment, regeneration, development, provision of infrastructure, the use of our town centre spaces and, in the short/medium term the provision of support to town centre communities in responding to the impact of the COVID19 pandemic and a post Brexit economy. This work will also seek to manage potential change resulting from the relaxation of planning rules around the transition of business premises between uses.

Central to the approach will be the reinvention and renaissance of Maidstone Town Centre as a centre of excellence for urban sustainability with a strong focus around arts, culture, leisure and visitor economy, creating a place where people want to live, feel safe, and which prides itself upon being a town centre which is relevant to all of the borough's residents and to which all of the borough's residents can relate.

## **Scope of Strategy**

The scope of the strategy will include:

- The reaffirmation of Maidstone as the county town of Kent through physical regeneration and new infrastructure, cultural renaissance and the further development of diverse and high-quality employment, retail and leisure opportunities.
- Consideration of future land / building uses and the achievement of high-quality and sustainable design that respects and celebrates Maidstone's heritage, whilst improving the quality and character of the town, its green and blue infrastructure, and its permeability and functionality.
- Cross-cutting principles to ensure that the town centre is resilient to the effects of climate change and is a flagship of the Council's aspiration to achieve carbon neutrality by 2030.
- A phased approach which continues to build upon current post pandemic recovery work, but also identifies short-, medium- and long-term projects and interventions, including those around key factors such as environment and community safety.
- Integration of the Council's commitments to a Maidstone Borough that works for everyone and incorporates reduction in deprivation and health inequalities and improvement in social mobility.
- Ensuring the town centre and the wider urban area can continue to play a significant role in meeting the borough's housing need through the enablement of development and investment, together with support for the delivery of quality homes across the housing market to develop sustainable communities.
- Implementing emerging borough wide policies for inclusive growth which aim to tackle education and skills differentials across all sectors of the community to ensure that local residents are equipped to compete for employment and training opportunities resulting from investment and reinvestment.
- Considering how Maidstone could become a "smart town" by bringing together the use of new and emergent technologies and data capture techniques in tackling a range of issues ranging from traffic and air quality, to the efficient use of buildings and spaces and the ability of all partners to reach target audiences more easily.

## **What will the strategy include?**

The strategy will comprise a number of interrelated, interdependent and complementary workstreams:

- Production of a Master Plan to guide future development of the town centre and investment in infrastructure
- A site assembly and implementation framework designed to assist strategic acquisitions by the Council and other partners, together with relocation strategies to ensure that existing jobs and investment are protected.
- Drawing on the Maidstone borough Integrated Transport Strategy development of a detailed transport movement and infrastructure plan designed to facilitate the well-managed movement of traffic with minimum impact on pedestrian safety and air quality, together with safe and legible pedestrian routes throughout the town centre, attractive public transport options and cycle routes based on logical desire lines with business cases for key infrastructure elements.
- An economic development and visitor economy plan based around the current economic development strategy and seeking to secure reinvestment from existing stakeholders in the town, and the provision of opportunities for new investment in diversifying Maidstone's visitor offer through development in arts, culture, events and leisure opportunities.
- A sustainable town plan designed to ensure that all aspects of the town's transport system, built and natural/semi-natural environments, make a positive contribution to the achievement of the boroughs 2030 carbon neutrality target.
- A housing and community plan to ensure that the town's housing stock is of a good standard and of a sufficiently broad nature in terms of both type and tenure to provide for existing and future residents.
- A smart town plan to ensure that technology and data capture is harnessed in the context of the easy movement of vehicles and public transport, improvements in air quality, and the ability of the business community and other stakeholders to maximise dwell time and spend capture in the town centre.
- A proactive approach to inward investment based around the identification of investors, developers and end-users in order to ensure the realisation of the overall strategy.
- A marketing and communications strategy designed to manage community business and stakeholder engagement in the process, whilst simultaneously marketing the town to investors, developers, occupiers and visitors.

At the appropriate point, consideration will be given to the preparation of a new Development Plan Document (DPD) if it is felt that this is necessary to enable the more efficient delivery of key projects or other elements of the Strategy. Equally, and dependent upon the timing and content of new guidance anticipated around the national planning system, it may be more appropriate for the Town Centre to provide a key focus for the Borough's first Local Plan prepared under the new system.

### **Political Leadership**

It is proposed that the Policy and Resources Committee should take the lead role in terms of political oversight of the strategy and that post May 2022 executive political leadership will be provided by the Cabinet.

It is also proposed that this should be supported through an officer project board, chaired by the Chief Executive, and with the operational lead taken by the Interim Director for the Local Plan Review. The Board would comprise the workstream leads for the various activities.

### **Stakeholder Engagement and Management**

It is proposed that as an early action work begins with elected members in the formation of a multi-agency Town Centre Partnership Board to work alongside the Council in coordinating the strategy.

It is also proposed that at both developmental and implementation stages, the strategy will include a comprehensive programme of community and stakeholder engagement in order to ensure the broadest possible input and influence from across the borough.

### **Resources Needed**

<b>Town Centre Strategy</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
Stage 1 – establishing vision and scoping of Issues, options challenges – establishing what our town centre strategy needs to address	20	50	0
Stage 2 - finding the way forward/solutions producing a credible draft masterplan for consultation and adoption	20	200	0
Stage 3 – consultation and adoption		15	
Stage 4 – initial period of delivery	15	60	70
Staff Resource (excluding establishment)	65	115	115
<b>TOTAL</b>	<b>120</b>	<b>440</b>	<b>185</b>

The approach set out here does not include the creation of a Development Plan Document. To do so now or at a point in the future would require

resources to update the technical evidence base and to fund the statutory processes required for plan adoption. With respect to the evidence base the Town Centre Strategy would partly meet this requirement with the spatial aspects feeding into a future Local Plan; there would be additional requirements for example to update housing, employment and transport evidence to varying degrees. It is difficult to estimate the cost of this in a vacuum from the remainder of work being required for the Local Plan itself; the cost of a town centre housing market assessment for example is estimated at £20k. Employment and transport work has been incorporated into the proposition for the town centre strategy and may need to be updated. The cost of the necessary statutory assessments prior to examination including for habitat regulations and sustainability appraisal would, at current costs, be in the region of £60k. The costs of examination would be in the region of £115k.

### **Resources supply**

#### Resources Available

Source	Amount £'000
Sense of Place Project	22
S106s	270
Total	292
Shortfall	453

#### Potential sources for the balance

- Recovery and Renewal un-ringfenced resources
- Underspend from 2020/21

# Agenda Item 17

## **POLICY & RESOURCES COMMITTEE**

**15 September  
2021**

### **1<sup>st</sup> Quarter Finance, Performance and Risk Monitoring Report 2020/21**

<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service</b>	Mark Green, Director of Business Improvement
<b>Lead Officer and Report Authors</b>	Ellie Dunnet, Head of Finance Paul Holland, Senior Finance Manager (Client) Carly Benville, Senior Business Analyst Russell Heppleston, Deputy Head of Audit Partnership
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### **Executive Summary**

This report sets out the 2021/2022 financial and performance position for the Council, including services reporting directly into the Policy & Resources Committee (PRC) as at 30<sup>th</sup> June 2021 (Quarter 1). The primary focus is on:

- 2021/22 Revenue and Capital budgets;
- 2021/22 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045;
- Corporate Risk Register

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked. The report for this quarter has a particular focus on the impact the Covid-19 pandemic has had on the Council's financial position and performance.

#### Budget Monitoring

At the Quarter 1 stage, the Council has incurred net expenditure of £0.007m against a profiled budget of £1.634m, representing an underspend of £1.627m. For the services reporting directly to PRC, net expenditure of -£0.233m has been incurred against a profiled budget of £0.749m, representing an underspend of £0.982m. The large underspends for the year to date arise mainly from timing differences, principally receipt of government grants which have not yet been spent. The projected out-turn for the Council for the year as a whole as at the end of Quarter 1 is an underspend of £0.144m.

With regard to capital, at the Quarter 1 stage, the Council has incurred overall expenditure of £3.794m against a budget allocation within the Capital Programme of £54.600m. Expenditure for services reporting directly to PRC of £1.507m has been incurred against the budget of £22.850m.

#### Performance Monitoring

A number of targets were missed due to the impact of Covid-19, although there were improvements in a number of other areas.

#### Corporate Risk Update

The risk register is forward looking and seeks to capture uncertainties on the horizon, in addition to addressing key risks directly linked to the delivery of our priorities. The risk profile has been updated to reflect the impact and uncertainties resulting from Covid-19, lockdown restrictions and the challenges facing our residents and local businesses. The risk register (appendix 3) details how the Council is responding to these risks and undertaking necessary preparations and actions to reduce likelihood and impact where possible to do so.

#### **Purpose of Report**

The report enables the Committee to consider and comment on the issues raised and actions being taken to address budget pressures, performance issues and corporate risks as at 30<sup>th</sup> June 2021.

#### **This report makes the following Recommendations to the Committee:**

1. That the Revenue position as at the end of Quarter 1, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted.
2. That the Capital position at the end of Quarter 1 be noted.
3. That funding of £0.9m is transferred from the Affordable Housing Programme capital scheme to the Gypsy & Traveller Sites Refurbishment scheme to cover the additional costs following the receipt of tenders for the works.
4. That the write off of £34,956.95 in uncollectible business rates debt be approved.
5. That the Performance position as at Quarter 1, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.
6. That the Risk Update, attached at Appendix 3 be noted.

<b>Timetable</b>	
<b><i>Meeting</i></b>	<b><i>Date</i></b>
Policy & Resources Committee	15 September 2021

# 1<sup>st</sup> Quarter Financial Update & Performance Monitoring Report 2020/21

## CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p><b>Impact on Corporate Priorities</b></p>	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The Key Performance Indicators and strategic actions are part of the Council's overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	<p>Director of Finance and Business Improvement (Section 151 Officer)</p>
<p><b>Cross Cutting Objectives</b></p>	<p>This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.</p>	<p>Director of Finance and Business Improvement (Section 151 Officer)</p>
<p><b>Risk Management</b></p>	<p>This is addressed in Section 3 of this report.</p>	<p>Director of Finance and Business Improvement (Section 151 Officer)</p>

Issue	Implications	Sign-off
<b>Financial</b>	<p>Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p> <p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium-Term Financial Strategy and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p>	Senior Finance Manager (Client)
<b>Staffing</b>	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>	Director of Finance and Business Improvement (Section 151 Officer)
<b>Legal</b>	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p>	Principal lawyer (Corporate Governance), MKLS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Privacy and Data Protection</b>	The performance data is held and processed in accordance with the data protection principles contained in the Data Protection Act 2018 and in line with the Data Quality Policy, which sets out the requirement for ensuring data quality. There is a program for undertaking data quality audits of performance indicators.	Policy and Information Team
<b>Equalities</b>	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change should one be identified.	Equalities and Communities Officer
<b>Public Health</b>	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
<b>Crime and Disorder</b>	There are no specific issues arising.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Procurement</b>	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Biodiversity &amp; Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

## **1. BACKGROUND AND INTRODUCTION**

- 1.1 The Medium-Term Financial Strategy for 2021/22 to 2025/26 - including the budget for 2021/22 - was approved by full Council on 24th February 2021. This report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 1.2 The report particularly focuses on the impact of the Covid-19 pandemic on the financial position and performance of the service areas that fall under this committee, and provides some further detail around particular areas of concern.

- 1.3 This report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs), and an update covering corporate risks.
- 1.4 Attached at **Appendix 1**, is a report setting out the revenue and capital spending position at the Quarter 1 stage. Attached at **Appendix 2**, is a report setting out the position for the KPIs for the corresponding period. Attached at **Appendix 3**, is a report providing an update on corporate risks, in response to the committee's previous request for regular updates on this subject.

## **2. AVAILABLE OPTIONS**

- 2.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.

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

- 3.1 In considering the current position on the Revenue budget, the Capital Programme, KPIs and Corporate Risks at the end of June 2021, the Committee can choose to note this information or could choose to take further action.
- 3.2 The Committee is requested to note the content of the report as no further action is necessary at this stage.

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## **4. RISK**

- 4.1 The Council agreed a balanced budget for both revenue and capital income and expenditure for 2021/22 in February 2021. This budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Committee the best opportunity to take actions to mitigate such risks.

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

- 5.1 The KPIs update ("Performance Monitoring") is reported to service committees quarterly: Communities, Housing & Environment Committee, Economic Regeneration & Leisure Committee and the Strategic Planning & Infrastructure Committee. Each committee will receive a report on the relevant priority action areas. The report is also presented to the Policy & Resources Committee, reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".

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

- 6.1 The Quarter 1 Budget & Performance Monitoring reports are being considered by the relevant Service Committees during September and October 2021, including this full report to the Policy & Resources Committee today.
- 6.2 Details of the discussions which take place at Service Committees regarding financial and performance management will be reported to the next Policy and Resources Committee where appropriate.
- 6.3 The Council could choose not to monitor its budget and/or the Strategic Plan and/or make alternative performance management arrangements, such as the frequency of reporting. This is not recommended as it could lead to action not being taken against financial and/or other performance during the year, and the Council failing to deliver its priorities.
- 6.4 There remains uncertainty regarding the Council's financial position beyond 2021/22, arising from the impacts of the Covid-19 crisis and the Council's role in responding to this. Future finance reports to this committee will ensure that members are kept up to date with this situation as it develops.

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## **7. REPORT APPENDICES**

- Appendix 1: First Quarter Budget Monitoring 2021/22
- Appendix 2: First Quarter Performance Monitoring 2021/22
- Appendix 3: First Quarter Corporate Risks Update 2021/22

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## **8. BACKGROUND PAPERS**

None.

# First Quarter Financial Update 2021/22

Policy & Resources Committee

15<sup>th</sup> September 2021

Lead Officer: Mark Green

Report Authors: Ellie Dunnet/Paul Holland

# Contents

<b>Part A: Executive Summary &amp; Overview</b>	<b>Page 2</b>
<b>Part B: First Quarter Revenue Budget 2021/22</b>	
B1) Revenue Budget: Council	Page 6
B2) Revenue Budget: Policy & Resources (PRC)	Page 7
B3) PRC Revenue Budget: Significant Variances	Page 9
B4) Other Revenue Budgets: Significant Variances	Page 10
B5) Virements	Page 13
<b>Part C: First Quarter Capital Budget 2021/22</b>	
C1) Capital Budget: Council	Page 15
C2) Capital Budget: Policy & Resources (PRC)	Page 15
C3) Capital Budget Variances	Page 17
<b>Part D: First Quarter Local Tax Collection 2021/22</b>	
D1) Collection Fund	Page 20
D2) Collection Rates	Page 20
D3) Business Rates Retention (BRR)	Page 21
<b>Part E: Reserves &amp; Balances 2021/22</b>	
E1) Reserves & Balances	Page 23
<b>Part F: Treasury Management 2021/22</b>	
F1) Introduction	Page 25
F2) Economic Headlines	Page 25
F3) Council Investments	Page 25
F4) Council Borrowing	Page 26
<b>Part G: Maidstone Property Holdings</b>	
G1) Maidstone Property Holdings Ltd. (MPH)	Page 28
G2) MPH Headlines	Page 28

# Part A

# Executive Summary & Overview



This report provides members with the financial position as at 30 June 2021, covering activity for both the Council as a whole and this committee's revenue and capital accounts for the first quarter of 2021/22.

Members will be aware of the significant uncertainty in the 2021/22 budget estimates arising from the ongoing impact of the Covid-19 pandemic, both in relation to demands on the Council to respond and the speed of local economic recovery. Financial support from central government received during 2020/21 continues to support specific activities, and the unringfenced Covid-19 grant of £860,000 will be used to support recovery and renewal activities.

In addition, the Council will shortly be applying for the final round of funding under the government's sales, fees and charges compensation scheme covering income losses between April – June 2021 measured against the 2020/21 income budget. This is expected to be the final allocation of unringfenced Covid-19 funding from central government.

The first quarter monitoring report provides the forecast year end position for revenue and capital and updates the Committee on a range of other inter-related financial matters including Local Tax Collection, Reserves and Balances, Treasury Management and Maidstone Property Holdings.

The headlines for Quarter 1 are as follows:

#### Part B: Revenue Budget – Q1 2021/22

- At the Quarter 1 stage, the Council has incurred net expenditure of £0.007m against a profiled budget of £1.634m, representing an underspend of £1.627m.
- For the services reporting directly to PRC, net expenditure of -£0.233m has been incurred against a profiled budget of £0.749m, representing an underspend of £0.982m. The large underspends for the year to date arise mainly from timing differences, principally receipt of government grants which have not yet been spent. The projected out-turn for the Council for the year as a whole as at the end of Quarter 1 is an underspend of £0.144m.

#### Part C: Capital Budget – Q1 2021/22

- At the Quarter 1 stage, the Council has incurred overall expenditure of £3.794m against a budget allocation within the Capital Programme of £54.600m.
- Expenditure for services reporting directly to PRC of £1.507m has been incurred against the budget of £22.850m.

#### Part D: Local Tax Collection 2021/22

- Adjusted target collection rates have been met for Council Tax but missed for Business Rates.
- It is anticipated that the Council will retain £0.35m through the Kent Business Rates Pool in 2021/22.

#### Part E: Reserves & Balances 2021/22

- The unallocated balance on the General Fund at 1 April 2021 was £9.2m. It is anticipated that balances will remain above the minimum level set by Council.

Part F: Treasury Management 2021/22

- The Council held short-term investments of £16.16m and had £11.0m in outstanding borrowing as at 31<sup>st</sup> March 2021.

Part G: Maidstone Property Holdings Ltd. (MPH)

- MPH net rental income for the first quarter of 2021/22 was £78,820. Rent arrears as at 30 June totalled £10,928.

# Part B

# First Quarter Revenue Budget 2021/22



## B1) Revenue Budget: Council

B1.1 At the Quarter 1 stage, the Council has incurred net expenditure of £0.007m against a profiled budget of £1.634m, representing an underspend of £1.627m.

B1.2 Tables 1, 2 and 3 below provide further insight into the Council's income and expenditure position for Quarter 1 2021/22 by providing alternative analyses: by Committee, Priority and Subjective Heading.

**Table 1: Net Expenditure 2021/22 (@ 1<sup>st</sup> Quarter): Analysis by COMMITTEE**

Committee	Full Year Budget £000	To 30 June 2021 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Policy & Resources	10,803	749	-233	982	11,053	-250
Strategic Planning and Infrastructure	-384	348	280	68	-462	78
Communities, Housing & Environment	8,212	209	-350	558	7,896	316
Economic Regeneration & Leisure	1,064	328	309	19	1,064	0
<b>Net Revenue Expenditure</b>	<b>19,695</b>	<b>1,634</b>	<b>7</b>	<b>1,627</b>	<b>19,551</b>	<b>144</b>

**Table 2: Net Expenditure 2021/22 (@ 1<sup>st</sup> Quarter): Analysis by PRIORITY**

Priority	Full Year Budget £000	To 30 June 2021 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Safe, Clean and Green	6,335	1,347	780	567	6,112	222
Homes and Communities	1,090	-1,313	-1,356	43	996	94
Thriving Place	1,191	369	374	-5	1,191	0
Embracing Growth and Enabling Infrastructure	-291	371	280	91	-369	78
Central & Democratic	11,370	859	-71	930	11,620	-250
<b>Net Revenue Expenditure</b>	<b>19,695</b>	<b>1,634</b>	<b>7</b>	<b>1,627</b>	<b>19,551</b>	<b>144</b>

**Table 3: Net Expenditure 2021/22 (@ 1<sup>st</sup> Quarter): Analysis by SUBJECTIVE SPEND**

Subjective	Full Year Budget £000	To 30 June 2021 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Employees	21,636	5,451	5,524	-73	21,636	0
Premises	5,953	2,637	2,391	247	5,953	0
Transport	678	152	124	28	678	0
Supplies & Services	14,074	2,711	2,033	678	13,909	166
Agency	6,232	1,503	1,499	4	6,232	0
Transfer Payments	41,314	9,461	8,093	1,368	41,314	0
Asset Rents	1,106	0	0	0	1,106	0
Income	-71,299	-20,282	-19,657	-625	-71,277	-21
<b>Net Revenue Expenditure</b>	<b>19,695</b>	<b>1,634</b>	<b>7</b>	<b>1,627</b>	<b>19,551</b>	<b>144</b>

## B2) Revenue Budget: Policy & Resources (PRC)

B2.1 Table 4 below provides a detailed summary of the budgeted net expenditure position for the services reporting directly into PRC at the end of Quarter 1. The financial figures are presented on an accruals basis (i.e. expenditure for goods and services received, but not yet paid for, is included).

**Table 4: PRC Revenue Budget: NET EXPENDITURE (@ 1<sup>st</sup> Quarter 2021/22)**

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 31 December 2020 £000	Actual £000	Variance £000	Forecast 31 March 2021 £000	Forecast Variance 31 March 2021 £000
Civic Occasions	43	27	12	14	43	0
Members Allowances	397	99	87	12	397	0
Members Facilities	30	7	8	-1	30	0
Contingency	-357	-979	-1,406	426	-357	0
Performance & Development	13	4	1	3	13	0
Corporate Projects	38	10	2	8	38	0
Press & Public Relations	25	5	-4	9	25	0
Corporate Management	601	35	34	1	601	0
Unapportionable Central Overheads	1,459	345	332	13	1,459	0
Council Tax Collection	55	16	14	2	55	0
Council Tax Collection - Non Pooled	-357	12	24	-12	-357	0
Council Tax Benefits Administration	-152	-152	-160	7	-152	0
NNDR Collection	2	1	1	-0	2	0
NNDR Collection - Non Pooled	-234	2	38	-36	-194	-40
MBC- BID	1	4	0	4	1	0
Registration Of Electors	50	10	6	5	50	0
Elections	311	168	145	22	311	0
KCC Elections	0	0	0	-0	0	0
PCC Elections	0	0	-34	34	0	0
General Elections	0	0	0	-0	0	0
Emergency Centre	26	10	19	-10	26	0
Medway Conservancy	126	63	63	-0	126	0
External Interest Payable & Minimum Revenue Provision	2,263	0	5	-5	2,263	0
Interest & Investment Income	-100	-25	1	-26	-50	-50
Palace Gatehouse	-9	-2	-2	0	-9	0
Archbishops Palace	-95	-22	-31	9	-95	0
Parkwood Industrial Estate	-278	-63	-67	3	-278	0
Industrial Starter Units	-16	1	-4	5	-16	0
Parkwood Equilibrium Units	-70	-19	-29	10	-70	0
Sundry Corporate Properties	-531	-133	-23	-110	-341	-190
Phoenix Park Units	-204	-51	-65	13	-204	0
Granada House - Commercial	-95	-24	-55	31	-95	0
MPH Residential Properties	-842	-210	-185	-26	-842	0
Heronden Road Units	-151	-41	-48	7	-151	0
Boxmend Industrial Estate	-93	-23	-43	20	-93	0

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 31 December 2020 £000	Actual £000	Variance £000	Forecast 31 March 2021 £000	Forecast Variance 31 March 2021 £000
Lockmeadow	165	41	4	37	165	0
NEW Lockmeadow Complex	-1,378	-887	-757	-130	-1,248	-130
Wren Industrial Estate	-128	12	-37	49	-128	0
Pensions Fund Management	1,688	0	0	0	1,688	0
Non Service Related Government Grants	-3,995	-999	-1,015	16	-3,995	0
Rent Allowances	-125	-25	-202	177	-125	0
Non HRA Rent Rebates	-11	267	207	59	-11	0
Discretionary Housing Payments	1	75	79	-3	1	0
Housing Benefits Administration	-354	-92	-84	-8	-354	0
Innovation Centre Section	-3	-1	-1	-0	-3	0
Democratic Services Section	191	48	45	3	191	0
Mayoral & Civic Services Section	116	29	25	4	116	0
Chief Executive	184	46	47	-1	184	0
Communications Section	189	47	45	2	189	0
Policy & Information Section	289	72	68	4	289	0
Head of Policy and Communications	113	28	27	1	113	0
Revenues Section	515	250	240	10	515	0
Registration Services Section	93	23	26	-3	93	0
Benefits Section	491	212	218	-6	491	0
Fraud Section	43	-77	-74	-3	43	0
Mid Kent Audit Partnership	233	65	22	43	233	0
Director of Finance & Business Improvement	145	36	35	1	145	0
Accountancy Section	727	197	182	15	727	0
Legal Services Section	483	122	107	15	483	0
Director of Regeneration & Place	143	36	36	0	143	0
Procurement Section	110	-4	0	-4	110	0
Property & Projects Section	466	117	77	40	466	0
Corporate Support Section	267	67	69	-2	267	0
Improvement Section	361	90	87	3	361	0
Executive Support Section	174	43	38	6	174	0
Head of Commissioning and Business Improvement	107	27	41	-14	107	0
Mid Kent ICT Services	551	138	128	10	551	0
GIS Section	117	29	30	-1	117	0
Customer Services Section	653	164	151	13	653	0
Director of Mid Kent Services	46	-57	-58	1	46	0
Mid Kent HR Services Section	391	98	67	31	391	0
MBC HR Services Section	167	42	2	39	167	0
Head of Revenues & Benefits	72	39	36	3	72	0
Revenues & Benefits Business Support	98	32	31	0	98	0
Dartford HR Services Section	-23	-6	-6	0	-23	0
IT Support for Revenues and Benefits	30	11	11	-0	30	0
Emergency Planning & Resilience	26	6	-12	19	26	0
Salary Slippage 1PR	-261	-65	0	-65	-261	0
Town Hall	109	38	29	9	109	0
South Maidstone Depot	154	82	103	-21	154	0
The Link	97	105	100	5	97	0
Maidstone House	1,189	659	504	156	1,029	160
Museum Buildings	347	193	182	10	347	0
I.T. Operational Services	593	164	167	-3	593	0
Central Telephones	15	4	2	2	15	0
Apprentices Programme	75	12	4	8	75	0
Internal Printing	-5	-1	2	-3	-5	0
Debt Recovery Service	-17	38	-2	41	-17	0
Debt Recovery MBC Profit Share	-73	-18	-12	-6	-73	0
General Balances	-1,071	-1,071	-1,071	0	-1,071	0
Earmarked Balances	4,940	1,174	1,187	-14	4,940	0
Invest To Save	10	0	0	0	10	0
Appropriation Account	1,106	0	0	0	1,106	0
Pensions Fund Appropriation	-1,688	0	0	0	-1,688	0
<b>Totals</b>	<b>10,803</b>	<b>749</b>	<b>-233</b>	<b>982</b>	<b>11,053</b>	<b>-250</b>

B2.2 The table shows that, at the Quarter 1 stage, for the services reporting directly to PRC, net expenditure of -£0.233m has been incurred against an annual budget of £0.749m, representing an underspend of £0.982m. The large underspends for the year to date arise mainly from timing differences, principally receipt of government grants which have not yet been spent. The projected out-turn for the Council for the year as a whole as at the end of Quarter 1 is an underspend of £0.144m.

### **B3) PRC Revenue Budget: Significant Variances**

- B3.1 Within the headline figures, there are a number of both adverse and favourable net expenditure variances for individual cost centres. It is important that the implications of variances are considered at an early stage, so that contingency plans can be put in place and, if necessary, be used to inform future financial planning. Variances will be reported to each of the service committees on a quarterly basis throughout 2021/22.
- B3.2 Table 5 below highlights and provides further detail on the most significant variances at the end of Quarter 1.

**Table 5: PRC Variances (@ 1<sup>st</sup> Quarter 2021/22)**

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
<b>Policy &amp; Resources Committee</b>	<b>£000</b>		
<b>Contingency</b> - The various grants received for Covid-19 are held in this budget, and it is anticipated that they will be utilised over the remainder of the year.	426		0
<b>Interest &amp; Investment Income</b> – Interest rates continue to be lower than forecast and are projected to stay low for the remainder of the year.		-26	-75
<b>Sundry Corporate Properties</b> – There is an income target of £0.440m in the Medium-Term Financial Strategy from the acquisition of new properties. There have not been any acquisitions yet in the current financial year but this position is expected to change.		-109	-190
<b>Lockmeadow Complex</b> – There are still vacant units in the complex. There will be adjustments to the budget when the new food hall is operational.		-129	-130
<b>Rent Allowances &amp; Rent Rebates</b> - The variances are due to the rent allowances/rebates awarded and the income received from the government. These are an estimated cost until the year-end subsidy claim is submitted.	236		0
<b>Maidstone House</b> – This variance reflects additional income received from the sub-letting of the 4 <sup>th</sup> floor.	156		160

**B4) Other Revenue Budgets: Significant Variances**

B4.1 Tables 6, 7 and 8 below highlight and provide further detail on the most significant variances.

**Table 6: SPI Variances (@ 1st Quarter 2021/22)**

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
<b>Strategic Planning &amp; Infrastructure Committee</b>	<b>£000</b>		
<b>PLANNING SERVICES</b>			
<b>Building Regulations Chargeable</b> – The budget figure was reduced by 10% for this year, and income has been higher than expected so far, and is forecast to continue to be for the rest of the year.	38		61
<b>Development Control (Majors)</b> – The number of major applications remains low and is not expected to improve significantly for the remainder of the year.		-37	-160
<b>Development Control (Minors)</b> The positive variance is due to a high level of income being generated coupled with the 10% decrease in income budget. The excess in income is due to a substantial increase in principally householder applications.	53		277

## Local Plan Review

B4.1 The Local Plan Review (LPR) process is an important, high profile and continuous task undertaken by the Planning Services team. The associated revenue spending profile however is cyclical and does not fit the conventional 12-month financial planning process for general revenue expenditure. Instead, spending tends to follow the five-year production period of each Local Plan with various peaks and troughs over that time period.

B4.2 The LPR process is therefore funded through an annual £200,000 revenue contribution, in addition to the existing service budget, with any remaining unspent balances at year end automatically rolled forward into the following financial year. The table below shows the available revenue resources currently allocated to fund LPR activities, and the spend as at 30<sup>th</sup> June 2021.

Opening Balance 01/04/2021 (including 2021/22 allocation)	Spending April - June 2021	Forecast Spending July - March 2022	Forecast Spending Balance 31/03/2022
£'s	£'s	£'s	£'s
374,320	138,633	443,726	-208,039

Table 6a, Local Plan Review budget (Q1, 2021/22)

B4.3 The above forecast excludes expenditure on the Town Centre Strategy, which is covered by a separate report to this committee.

B4.4 The residual overspend, currently estimated to be £207,000 will be funded from corporate contingency budgets, as agreed by Policy and Resources Committee on 24 March 2021.

B4.5 In addition to the resources and planned expenditure outlined above, £140,000 was allocated from the 2020/21 underspend for non-spatial planning policy development. This will be overseen by the Interim Local Plan Review Director in consultation with the Chairman and Vice-Chairman of the Strategic Planning and Infrastructure Committee. Planned expenditure on these activities has not been included within the table above.

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
<b>Strategic Planning &amp; Infrastructure Committee</b>	<b>£000</b>		
<b>PARKING SERVICES</b>			
<b>Pay &amp; Display Car Parks</b> - The adverse variance is due to a continuing reduction in income. Short Stay car parks are over budget for the 1st quarter, with Long Stay and Lockmeadow under budget. However, Lockmeadow income has recovered significantly in recent weeks, this trend is expected to continue. There is no evidence that long stay income will improve with the continuation of home working. Season ticket income has also been affected with a 50% drop against budget.		-61	-100

**Table 7: CHE Variances (@ 1st Quarter 2021/22)**

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
<b>Communities, Housing &amp; Environment Committee</b>	<b>£000</b>		
<b>Crematorium</b> – There continues to be a higher than normal level of demand for the service, and memorial sales are also higher than forecast.	40		80
<b>Homeless Temporary Accommodation</b> – Costs have reduced due to the increase on the Council's own properties that were specifically purchased to deal with homeless families. Use has also been made of other Council and Maidstone Property Holdings properties.	36		94
<b>Food &amp; Safety Section</b> – A number of Covid-related grants are held in this section that have yet to be spent. These are Test & Trace Support, Compliance & Enforcement and Test & Trace Door Knocking Service.	162		0

**Table 8: ERL Variances (@ 1st Quarter 2021/22)**

There are no significant variances to report for this committee at the end of the first quarter.

## **B5) Virements**

- B5.1 In accordance with the Council's commitment to transparency and recognised good practice, virements (the transfer of individual budgets between objectives after the overall budget has been agreed by full Council) are reported to the Policy & Resources Committee on a quarterly basis.
- B5.2 Virements may be temporary, meaning that there has been a one-off transfer of budget to fund a discrete project or purchase, or permanent, meaning that the base budget has been altered and the change will continue to be reflected in the budget for subsequent years.
- B5.3 The virements made in Quarter 1 are presented in Table 9 below. These were all temporary virements.

**Table 9: Virements (@ 1st Quarter 2021/22)**

Reason	From	To	Value £	Perm/Temp*
Funding for Cultural Arts Officer from Business Rates Pool	Earmarked Balances	Cultural Services Section	40,130	Temporary
Establish Business Rates Pilot Projects Budgets as per P&R Committee on 02/02/21	Business Rates	Sundry Corporate Properties, Phoenix Park Units, Archbishops Palace & Corporate Property	92,000	Temporary
Budget for DCLG Council Tax Support Grant to Earmarked Reserve	Contingency	Earmarked Balances	326,730	Temporary
Fund Tractivity Licence	Earmarked Balances	Town Centre Management Sponsorship	4,500	Temporary
Fund Contribution to Midsummer Nights Dream	Earmarked Balances	Economic Development - Promotion & Marketing	3,000	Temporary
Fund Final Invoice for Economic Development Strategy	Earmarked Balances	Economic Development - Promotion & Marketing	6,490	Temporary
			<b>472,850</b>	

# Part C

# First Quarter Capital Budget 2021/22



## **C1) Capital Budget: Council**

- C1.1 The overall five-year Capital Programme for 2021/22 to 2025/26 was approved by the Council on 24th February 2021. Some capital funding will now come from prudential borrowing as other sources of funding are not sufficient to cover the costs of the programme, although funding does continue to be available from the New Homes Bonus (NHB).
- C1.2 The 2021/22 element of the Capital Programme (including unused resources brought forward from 2020/21) has a revised budget of £54.600m. At the Quarter 1 stage, capital expenditure of £3.794m had been incurred, with budget remaining of £50.762m.

## **C2) Capital Budget: Policy & Resources Committee (PRC)**

- C2.1 Progress towards the delivery of the 2021/22 PRC element of the Capital Programme at the Quarter 1 stage is presented in Table 10 below.
- C2.2 At the Quarter 1 stage, expenditure of £1.507m has been incurred against an adjusted budget of £22.850m million for PRC. This leaves a remaining budget of £21.343m.

**Table 10: Capital Expenditure (@ 1st Quarter 2021/22)**

Capital Programme Heading	Adjusted	Actual to	Budget	Projected			Projected	Budget Not
	Estimate	June 2021	Remaining	Q2 Profile	Q3 Profile	Q4 Profile	Total Expenditure	
	2021/22	2021	2021	2021	2021	2021	2021/22	Required
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Communities, Housing &amp; Environment</b>								
Housing - Disabled Facilities Grants Funding	1,717	163	1,553	200	200	250	813	903
Temporary Accommodation	3,008	4	3,003		1,000	2,003	3,008	
Brunswick Street	233	183	50	50			233	
Union Street	217	167	50	50			217	
Springfield Mill - Phase 1 & 2	3,066	1,121	1,945	843	964	120	3,049	17
Granada House Extension	954	2	952				2	952
Private Rented Sector Housing Programme	12,366	19	12,347	80	322	42	463	11,903
Affordable Housing Programme	2,384	5	2,379	300	930		1,235	1,149
Acquisitions Officer - Social Housing Delivery P/ship	74	47	28	56	48	53	204	-129
Granada House Refurbishment Works	976		976		25	25	50	926
Street Scene Investment	50		50	20	15	15	50	
Flood Action Plan	244		244	80	80	84	244	
Electric Operational Vehicles	84		84	84			84	
Vehicle Telematics & Camera Systems	35		35	35			35	
Rent & Housing Management IT System	19	4	15	15			19	
Installation of Public Water Fountains	15		15			15	15	
Crematorium & Cemetery Development Plan	378	21	357		157	200	378	
Continued Improvements to Play Areas	200		200	75	50	75	200	
Parks Improvements	149		149	50	50	49	149	
Gypsy & Traveller Sites Refurbishment	1,000	2	998	50	100	250	402	598
<b>Total</b>	<b>27,166</b>	<b>1,737</b>	<b>25,430</b>	<b>1,989</b>	<b>3,941</b>	<b>3,181</b>	<b>10,848</b>	<b>16,319</b>
<b>Economic Regeneration &amp; Leisure</b>								
Mote Park Visitor Centre & Estate Services Building	2,776	8	2,768	375	500	500	1,383	1,393
Mote Park Lake - Dam Works	672	25	647	100	50		175	497
Mall Bus Station Redevelopment	1,006	511	495	495			1,006	
<b>Total</b>	<b>4,453</b>	<b>543</b>	<b>3,910</b>	<b>970</b>	<b>550</b>	<b>500</b>	<b>2,563</b>	<b>1,890</b>
<b>Policy &amp; Resources</b>								
Corporate Property Acquisitions	11,809		11,809		8,500		8,500	3,309
Kent Medical Campus - Innovation Centre	5,500	1,235	4,266	3,000	1,266		5,500	
Lockmeadow Ongoing Investment	932	26	906	906			932	
Garden Community	232		232	75	75	82	232	
Infrastructure Delivery	1,200		1,200					1,200
Asset Management / Corporate Property	1,653	77	1,577	100	100	100	377	1,277
Biodiversity & Climate Change	1,000		1,000		250	250	500	500
Feasibility Studies	162	52	109	38	38	34	162	
Digital Projects	20		20			20	20	
Software / PC Replacement	342	117	225	75	75	75	342	
<b>Total</b>	<b>22,850</b>	<b>1,507</b>	<b>21,343</b>	<b>4,193</b>	<b>10,303</b>	<b>561</b>	<b>16,565</b>	<b>6,286</b>
<b>Strategic Planning &amp; Infrastructure</b>								
Bridges Gyrotory Scheme	86	7	80			80	86	
<b>Total</b>	<b>86</b>	<b>7</b>	<b>80</b>			<b>80</b>	<b>86</b>	
Section 106 Contributions	44							
<b>TOTAL</b>	<b>54,600</b>	<b>3,794</b>	<b>50,762</b>	<b>7,152</b>	<b>14,794</b>	<b>4,321</b>	<b>30,061</b>	<b>24,495</b>

### **C3) Capital Budget Variances (@ 1st Quarter 2021/22)**

#### **Policy and Resources Committee**

C3.1 The most (financially) notable PRC items in the table above are as follows:

Infrastructure Delivery – At this stage there are no plans to spend this budget during 2021/22.

Asset Management/Corporate Property – This is indicative spend for the year and is likely to change as further works are identified during the remainder of the year.

#### **Communities, Housing and Environment Committee**

C3.2 The most (financially) notable CHE items in the table above are as follows:

Granada House Extension and Refurbishment Works – The rooftop extension is no longer going ahead. Some of this budget may be required for the refurbishment works should the cost of the works be greater than currently anticipated. These works are not scheduled to commence until towards the end of the year.

Private Rented Sector Housing and Affordable Housing Programmes – The housing team are working on various projects which are currently at different stages. Expenditure is very much indicative at this stage and expected to increase during the last two quarters of the year once schemes have progressed further and new ones are potentially secured.

Acquisitions Officer Social Housing Delivery Partnership – The overspend is due to an extra resource being required with two acquisition officers now being in post to help deliver the housing capital programme, both of which have had contract extensions. Funding for this will be identified.

Gypsy & Traveller Sites Refurbishment – The tenders for work have come in at £1.8m, which is significantly above the budget for the scheme. It is recommended that additional funding of £0.9m, which will include an allowance for an increase in the employer's agents costs of £0.1m comes from the affordable housing programme budget.

#### **Economic Regeneration and Leisure Committee**

C3.3 The most (financially) notable ERL items in the table above are as follows:

Mote Park Visitor Centre & Estate Services Building – Construction works are now underway, and the new centre will open in 2022.

Mote Park Lake Dam Works – This scheme is now substantially complete, although some works to a sluice gate are yet to be completed. The figures in the appendix for these works are indicative pending an update on the actual costs of these works.

# Part D

# First Quarter Local Tax Collection 2021/22



## D1) Collection Fund

- D1.1 A large proportion of the Council's income is generated through local taxation (Council Tax and Business Rates), which is accounted for through the Collection Fund.
- D1.2 Due to the risk in this area, including the risk of non-collection and the pooling arrangements in place for Business Rates growth, the Council monitors the Collection Fund very carefully.
- D1.3 There are statutory accounting arrangements in place which minimise the in-year impact of collection fund losses on the general fund revenue budget, however, losses incurred in one year must be repaid in subsequent years so there is a consequential impact on future budgets and the medium-term financial strategy.

## D2) Collection Rates & Reliefs

- D2.1 The collection rates achieved for local taxation are reported in the table below, alongside the target and the equivalent position for the previous financial year.

**Table 11: Local Tax Collection Rates (Q1 2021/22)**

Description	Target	Actual 2020/21
Council Tax	27.48%	28.22%
Business Rates	30.97%	27.72%

- D2.2 Targets have been adjusted in light of what is considered to be collectible. The amount of Council Tax collected is in line with the revised targets. The first council tax liability order hearing took place in August for 1000 targeted cases with 2020-2021 arrears as in-year recovery tentatively resumes.
- D2.3 Collection rates for business rates has increased in volatility over the first quarter of 2021-22. The main contributory factors have been closures and the delay in lifting of Covid-19 restrictions, the termination of business support grants and withdrawal of 100% relief for many ratepayers, replaced by a 66% tapered reduction for some ratepayers. The tapering of the relief from July will increase the amount collectible from ratepayers by £8m. In-year recovery remains suspended for business rates, although ratepayers with arrears will be written to, to encourage contact with the department to make arrangements (potentially over longer periods of time) to avoid the need for recovery action.

## D3) Kent Business Rates Pool

- D3.1 The council has continued to participate with other Kent authorities during 2021/22 in order to maximise the proportion of business rates growth it is able to retain. Forecast pooling gains for Maidstone Borough Council amount to £0.35m for 2021/22. As in previous years, this funding is allocated to spending which supports the delivery of the council's Economic Development Strategy.
- D3.2 As part of the pooling arrangements, pool members share the risks, as well as the rewards of pool membership. The eventual impact of Covid-19 on the business rates retention

scheme is extremely difficult to forecast, due to the number of unknowns e.g. the impact of the removal of expanded reliefs to businesses affected by Covid-19, and the longer term impacts on local, national and global economies.

#### **D4) Write-Offs**

D4.1 The Committee is asked to approve the write off of £34,956.95 in unpaid business rates debt for Monsoon Accessorize Limited relating to the 2019/20 financial year. This business was under a Company Voluntary Arrangement (CVA) for the period 3rd July 2019 to 9th June 2020 and the Council has received the CVA payments for revised business rates due.

D4.2 As there is no prospect of collecting the outstanding amounts from the ratepayer, it is recommended that these amounts are written off to reflect this. In accordance with the constitution, individual write offs exceeding £12,000 require the approval of Policy and Resources Committee.

D4.3 Notwithstanding the current hiatus on recovery action for business rates, the Council takes a robust approach to recovery of Business Rates. This involves progressive action which would typically include:

- Reminder for non-payment
- Final notice for non-payment
- Summons for non-payment
- Application to Magistrates Court for a Liability Order
- Instruction of Enforcement Agent to recover
- Bankruptcy or liquidation, where appropriate
- Proceeding to seek committal to prison (individuals).

D4.4 However, throughout the process the Council actively encourages contact from any business experiencing difficulty in order to negotiate arrangement for payment.

D4.5 The Council could continue to hold these debts as outstanding, but this option is not recommended where there is no prospect of recovery as this would distort the financial position of the Council. The Council maintains a provision for bad debts, and there is sufficient resource available within this balance to cover the value of the proposed write offs

# Part E

# Reserves & Balances 2021/22



## E1) Reserves & Balances

E1.1 The combined total of the General Fund balance and Earmarked Reserves as at 1 April 2021 was £33.5 million, including £14.8 million set aside to fund future collection fund deficits. Please note that since the external audit of the 2020/21 accounts is ongoing, these figures should be treated as provisional. The makeup of the balance, and the forecast movements during 2021/22 are presented in Table 13 below.

E1.2 The closing balance enables a minimum general fund balance of £4.0 million to be maintained, as agreed by full Council in February 2021.

**Table 13: Reserves & Balances Quarter 1 2021/22**

	Balance at 1 April 2021	Forecast movement in 2021/22	Estimated Balance at 31 March 2022
	£000		
<b>General Fund</b>			
Unallocated balance	9,196	0	9,196
<b>Sub-total</b>	<b>9,196</b>	<b>0</b>	<b>9,196</b>
<b>Earmarked Reserves</b>			
Local Plan	200	-200	0
Neighbourhood Plans	96	-30	66
Planning Appeals	286	0	286
Civil Parking Enforcement	155	0	155
Homelessness Prevention & Temporary Accommodation	773	170	943
Business Rates Earmarked Balances	3,774	-649	3,125
Lockmeadow Complex	0	0	0
Future Funding Pressures	970	0	970
Trading Accounts	33	-33	0
Future Capital Expenditure	1,131	-1,131	0
Invest to Save Reserve	500	0	500
Commercial Risk Reserve	500	0	500
Funding for future collection fund deficits	14,797	-13,357	1,440
Resources carried forward from 2020/21 to 2021/22	1,077	-1,077	0
<b>Sub-total</b>	<b>24,292</b>	<b>-16,307</b>	<b>7,985</b>
<b>Total General Fund Balances</b>	<b>33,488</b>	<b>-16,307</b>	<b>17,181</b>
<b>Total excluding collection fund deficits</b>	<b>18,691</b>	<b>-2,950</b>	<b>15,741</b>

*Table 13: General Fund and Earmarked Balances at Q1 2021/22*

# Part F

## Treasury Management 2021/22



## F1) Introduction

- The Council has adopted and incorporated into its Financial Regulations, the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code).
- The CIPFA Code covers the principles and guidelines relating to borrowing and investment operations. On 24<sup>th</sup> February 2021, the Council approved a Treasury Management Strategy for 2021/22 that was based on this code. The strategy requires that Policy & Resources Committee should formally be informed of Treasury Management activities quarterly as part of budget monitoring.

## F2) Economic Headlines

- During the Quarter ended 30<sup>th</sup> June 2021, the Council's Advisors, Link Asset Services, reported:
  - The 24 June Monetary Policy Committee (MPC) meeting voted unanimously to keep the bank rate unchanged at 0.10%. They voted by a majority of 8-1 to continue unchanged the existing programme of UK government bond purchases of £875bn which is due to end by the end of this year.
  - The MPC noted the developing upside risks in the UK to both activity and inflation. It said that the news on activity "had predominantly been to the upside" and that Bank staff had "revised up their expectations for 2021 Q2 GDP growth to 5½% from 4¼%". For the first time, the policy statement noted that "there are increasing signs of recruitment difficulties for some businesses" and the minutes said, "it was possible that the near-term upward pressure on prices could prove somewhat larger than expected". By saying that inflation "is likely to exceed 3% for a temporary period" the MPC admitted the Governor will have to write to the Chancellor later this year explaining why inflation is more than 1% above the 2% target.
  - The annual inflation rate in the United Kingdom rose to 2.1% year on year in May from 1.5% year on year in April: this is the first time that the measure has been above the Bank of England's 2% target since July 2019.
  - The key point is that the MPC still appears willing to ride out the inevitable spike in inflation over the next six months as it thinks it will be short-lived and caused by one-off reopening price rises and supply shortages relative to demand - boosted by consumers having built up huge savings of around £145bn during lockdown.

## F3) Interest Rates

- The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View		10.5.21											
	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25	
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.30	0.30	0.30	
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.30	0.40	0.40	0.40	
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.50	0.50	0.50	
5 yr PWLB	1.20	1.20	1.30	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	
10 yr PWLB	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	2.00	2.00	2.00	2.00	
25 yr PWLB	2.20	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.50	2.60	
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.30	2.40	

- The coronavirus outbreak has had huge economic impact on the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings.
- As shown in the forecast table above, one tentative increase in Bank Rate from 0.10% to 0.25% has now been pencilled in for quarter 2 of 2023/24 as an indication that the Bank of England will be moving towards some form of monetary tightening around this time. However, it could well opt for reducing its stock of quantitative easing purchases of gilts as a first measure to use before increasing Bank Rate so it is quite possible that we will not see any increase in Bank Rate in the three-year forecast period shown
- As the interest forecast table for PWLB certainty rates, (gilts plus 80bps), above shows, there is likely to be little upward movement in PWLB rates over the next three years as the Bank of England is not expected to raise Bank Rate above 0.25% during that period as inflation is not expected to be sustainably over 2%.

#### F4) Council Investments

- The council held investments totaling £16.16m at the start of the year, this has now risen to £26.37m at 30<sup>th</sup> June 2021. A full list of investments held at this time is shown at Table 14 below. All investments are held in either short term notice accounts or money market funds, to be readily available to fund the Council's liabilities, including the capital programme.

**Table 14: Short-Term Investments (1<sup>st</sup> Quarter 2021/22)**

Counterparty	Type of Investment	Principal £	Start Date	Maturity Date	Rate of Return	MBC Credit Limits	
						Maximum Term	Maximum Deposit
Svenska Handelbanken	Call account	5,000,000			0.10%	12 Months	£5,000,000
Goldman Sachs International Bank	Call account	2,000,000			0.23%	6 Months	£5,000,000
Santander Bank Plc	Call account	5,000,000			0.55%	6 Months	£5,000,000
Lloyds Bank Plc	Call account	1,000,000			0.10%	6 Months	£5,000,000
Aberdeen Standard Liquidity Fund Sterling Fund	Money Market Fund	3,210,000			0.01%		£10,000,000
CCLA Public Sector Deposit Fund	Money Market Fund	5,520,000			0.03%		£10,000,000
Federated Hermes Short-Term Sterling Prime Fund	Money Market Fund	4,640,000			0.01%		£10,000,000
		21,730,000					

- Investment income to 30<sup>th</sup> June 2021 totals £10k against a budget of £25k with an average rate of 0.17%. As the interest rate table in F3 above shows, rates are at

historically low levels and as the Council's Treasury Management Strategy 2021/22 states investments will be kept short term to meet liabilities, these are kept in low yielding short term instruments.

#### F4) Council Borrowing

- The Council held external borrowing amounting to £11m on 31<sup>st</sup> March 2021, all with Local Authorities, total borrowing as at 30<sup>th</sup> June 2021 was £9m. A list is shown at Table 15 below. Short term borrowing rates have been extremely low and cash has been readily available from local authorities, which has been the preferred type of borrowing to date. Interest paid on borrowing in 2021/22 has been £5k. The Council is currently looking at other borrowing options such as UK Municipal Bonds Agency, PWLB (after the positive result of the consultation) and other financial institutions. It is the Council's aim to have a mixture of short and long term borrowing in order to spread the risks associated with interest rates and refinancing.

**Table 15: Council Borrowing (1<sup>st</sup> Quarter 2021/22)**

Counterparty	Type of Institution	Principal £	Start Date	Maturity Date	Rate of Return
West of England Combined Authority	Local Authority	4,000,000	20/05/2021	20/08/2021	0.02%
South Gloucestershire Council	Local Authority	2,000,000	30/06/2021	30/12/2021	0.05%
Bridgend County BC	Local Authority	3,000,000	30/06/2021	30/12/2021	0.05%

9,000,000

# Part G

## Maidstone Property Holdings 2021/22



## **G1) Maidstone Property Holdings Ltd. (MPH)**

- G1.1 MPH is a wholly-owned subsidiary of the Council and was incorporated on 30th September 2016. It is primarily a vehicle for letting residential properties on assured short-hold tenancies. The company currently holds two properties on 22 year leases from the council.
- G1.2 An Internal Audit review identified that there should be a mechanism in place to enable the company to formally report to the Council. Given the current level of activity within the company is relatively low, it was decided that this would be done via the quarterly budget monitoring process (to the Policy and Resources Committee). This section of the report provides an overview of the activity and performance of the company for the year to date.
- G1.3 The MPH financial year-end was changed to 31 March, in order to align with the Council's financial reporting period. The external audit of the 2020/21 accounts is currently under way.
- G1.4 On 18th December 2019, full Council accepted the Policy and Resources Committee recommendations and formally adopted the new Articles of Association, Operational Agreement, Services Agreement and Business Plan. The Services Agreement and Operational Agreement have subsequently been signed and sealed, and the amended Articles of Association submitted to Companies House.

## **G2) MPH Headlines**

- G2.1 Since the beginning of the financial year, management of residential accommodation has transferred from an external agent to the Council's in-house accommodation team. MPH also took on the lease of 54 new flats at Tower Hill (Brunswick Street), Tylers Place (Union Street) and Springfield Place. All 54 flats have been let and the final tenant is due to move in later this month.
- G2.2 Net rental income for the first quarter of 2021/22 totals £78,820(2020/21 £34,551) This represents rent collected, less running costs, maintenance costs and recharges for staff time.
- G2.3 As at 30 June 2021, rent arrears totalled £10,928. Payment plans are in place for tenants in arrears and the accommodation team will continue to pursue recovery of the amounts which remain outstanding. There were two vacant flats at Lenworth House at 30 June, however both have since been occupied.
- G2.5 The Council receives income from the company through charges made for services provided, and the property lease. After these charges and other expenses, it is expected that the company will achieve a breakeven position for 2021/22.
- G2.6 As company activity increases over time, governance and reporting arrangements will be kept under review to ensure that they remain appropriate and commensurate with the scope of activity and associated risks.

## P&R: Quarter 1 Performance Report

### Key to performance ratings

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

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

### Communities

Performance Indicator	Q1 2021/22				
	Value	Target	Status	Short Trend	Long Trend
Number of new Council Tax Support (CTS) applications received	777	-		N/A	N/A
Total number of live Council Tax Support (CTS) cases as of the end of the quarter	9,550	-		N/A	N/A

### The Council's Financial position

Performance Indicator	Q1 2021/22				
	Value	Target	Status	Short Trend	Long Trend
Percentage of Non-domestic Rates Collected (BV 010)	27.72%	30.97%			
Percentage of Council Tax collected (BV 009)	28.22%	27.48%			

The '**Percentage of Non-domestic Rates Collected**' KPI achieved an outcome of 27.72% in Q1, against a target of 30.97%. The Revenues Manager comments that NNDR collection has increased in volatility throughout the latter part of 2020 and now into 2021/22 as a direct result of Covid. Collection rates have been impacted by the government closures throughout lockdowns, the delays to the lifting of restrictions, and the termination of the Business Grant Support Schemes. The termination of the scheme is responsible for the dip in the rate during June, with the withdrawal of the 100% NNDR Holiday for many ratepayers, which has been replaced by a 66% reduction in some cases from July onwards.

With the change to the scheme in June, the team performed a re-billing exercise to remove the 100% award and charge 33% liability from July. This resulted in £8m being instantly added to the Net Collectible Debit (NCD).

In-year recovery remains suspended for NNDR as the situation is still so uncertain, and at the time of writing this report, there is no word from the Government on the Covid Relief discretionary award scheme that has been proposed to recompense ratepayers economically

affected by Covid (those who were unable to claim Support Grants because they were outside of the retail, leisure and hospitality sectors).

**Q1 2021/22 Targets that were missed by more than 10%**

Performance Indicator	Q1 2021/22				
	Value	Target	Status	Short Trend	Long Trend
Percentage of Priority 2 enforcement cases dealt with in time	73.79%	90%			
Percentage of successful Relief Duty outcomes	38.04%	60%			
Number of youths unemployed (18-24) (April 2021)	1045	373			

**Embracing Growth & Enabling Infrastructure (20/21 Priority)**

The 'Percentage of Priority 2 enforcement cases dealt with in time' KPI achieved a figure of 76.79%, missing its target of 90% by more than 10%. This performance looks at the period from April to June, where the team started off the quarter understaffed. The team then had two new officers join them in May. And whilst performance on priority 2 cases remains below target, the enforcement team have seen cases almost double over the last year, from 219 live cases in April 2020 to over 400 cases in July. In addition to this, there is one staff member off on long term sick.

Case numbers continue to rise and, whilst the number of cases closed has increased month on month, there is still a significant backlog of cases from the lockdown period. Whilst these are being progressed, this is taking time.

**Communities**

The 'Percentage of successful relief duty outcomes' KPI achieved a outcome of 38.04% in quarter one, against its target of 60%. The Housing Options team continue to note that the target of 60% successful Relief Duty outcomes is a fairly ambitious target, significantly higher than national figures on the percentage of successfully relieving homelessness. The performance of 38.04% of homelessness relieved in the quarter is slightly below the national average for the quarter of 40.4%, taken from the new MHCLG interactive data dashboard.

It is recognised that relieving homelessness is more difficult than preventing homelessness and this has been seen in the previous quarter, which saw significant challenges with accessing the private rented sector, as there is an ever-growing demand on the sector. Additionally, applicants who are in priority need and unintentionally homeless, can only be owed the relief duty of 56 days, before they become owed the main housing duty, giving only a short window of opportunity to relieve homelessness.

The changes to the Council's Allocations Scheme, which went fully live in August 2020, has seen significant increases in the number of households prevented from becoming homelessness and helped to reduce overall numbers of homelessness, but has also meant a decrease in the number of homelessness households being successful in being allocated accommodation through the Council's Housing Register.

## **Economy**

The '**Number of youths unemployed (18-24)**' KPI achieved a figure in April 2021 of 1,045, against a target of 373. Unemployment in youths has been consistently above 1,000 since May 2020. In April 2020 the figure was 745. The number of unemployed youths has started to fall in quarter one for the first time since the start of the pandemic. The target of 373 is taken from an average monthly number of youths employed in 2019/2020 (pre-pandemic).

# **FIRST Quarter Risk Update 2021/22**

**September 2021**

**Maidstone Borough Council**

## Introduction

Risk management is concerned with the **impact of uncertainties on objectives**. Effective risk management is a key principle of corporate governance and its importance is recognised explicitly in our Local Code of Governance, the Annual Governance Statement, Internal Audit Charter and through the Risk Management Framework. By being aware of risks, and actively seeking to manage risks to acceptable levels, we are more likely to achieve objectives, safeguard our resources and be better prepared in the event of major uncertainty.

The risk management framework is the guide that sets out how the Council identifies, manages, and monitors risks. This includes the risk appetite statement, which articulates the Council's appetite for and tolerance of risk.

In summary, the risk management process for the Council can be broken down into the following key components:



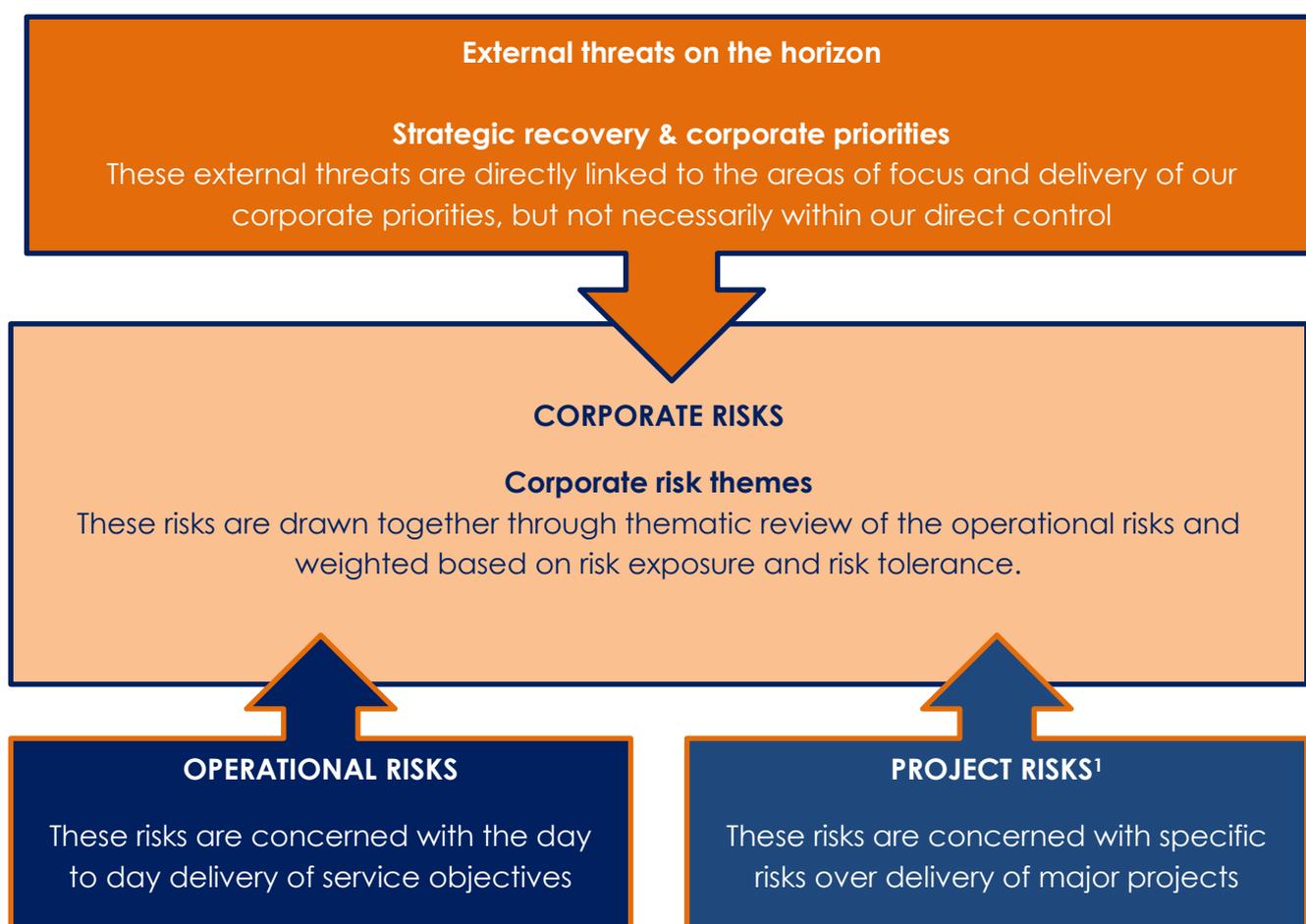
In our last quarterly update, we reported the outcomes and insights from our work to refresh and renew our operational risks. In parallel to this work we have been working with Wider Leadership Team (WLT) to look ahead over the next 12 months and identify future threats and risks to our ambitions and priorities. This work has included seeking to add new risks, from the horizon, onto our corporate risk register, and more clearly understand our internal risk themes arising from our operational risk registers.

In July 2021 WLT (which includes the Chief Executive, Directors, and statutory officers) participated in a corporate risk workshop. This workshop sought to achieve the following:

1. To horizon scan and identify potential risks and threats to the delivery of our corporate priority areas of focus
2. To review and assess the corporate risk themes and individual risks analysed from the operational risk registers

This report provides details of the updates and changes to the corporate and operational risk landscape following the workshop and subsequent review of key risks.

The illustration below shows how the horizon scanning of threats links directly with our corporate and operational risk processes. By taking this approach, the Council moves closer to enterprise risk management, which seeks to better integrate risk management with service delivery, decision making and effective use of resources:



<sup>1</sup> Project and programme risk management is yet to be fully integrated into the risk management framework, but the aim will be for this to be incorporated in the future

## Corporate risk profile

Our corporate risks are reported to Corporate Leadership Team on a quarterly basis to ensure effective oversight and monitoring. The highest rated risks are reviewed and updated by risk owners and any related risk actions are followed up. By their very nature, corporate risks have a broader and more strategic impact, as such, they are inherently riskier (and are scored higher as a result).

As the table below summarises the **14** risks on the corporate risk register. Further detail on the corporate risks, including a description of the risk and details of existing and planned key controls can be found in **Appendix 3A**.

No	Corporate risk	Severity	Corporate Priority			
1	Contraction in retail & leisure sectors	25				
2	<b>UPDATED:</b> Economic Volatility	20				
3	Environmental damage	16				
4	Major unforeseen emergency	15				
5	Covid-19: Restrictions to Council operations	12				
6	Covid-19: Community & business recovery	12				
7	Housing pressures increasing	12				
8	IT security failure	12				
9	Not fulfilling residential property responsibilities	12				
10	Major contractor failure	12				
-	<b>REMOVED:</b> Brexit / EU transition	16				
11	<b>NEW:</b> Ability to access / leverage new funding	TBC				
12	<b>NEW:</b> Breakdown of relationships with strategic partners	TBC				
13	<b>NEW:</b> Governance changes	TBC				
14	<b>NEW:</b> Resilience of the voluntary & community sector	TBC				

### Our Priorities

-  Embracing Growth & Enabling Infrastructure
-  Safe, Clean & Green
-  Homes & Communities
-  Thriving Place

How we rate our risks (see appendix 3B for definitions)

Catastrophic	Major	Moderate	Minor	Minimal

## Risk moved off the Corporate risk register

### Brexit

Overall economic impacts of Brexit are increasingly difficult to disentangle from other economic threats, as such, rather than having a separate risk for Brexit, we have expanded the previous 'financial restrictions' risk to embrace overall **economic volatility**.

In addition, the risk of ongoing traffic disruption now falls largely into the category of *operational* level risk, and only directly impacts those services likely to be affected (e.g. refuse collection).

### New risks to be added

The corporate risk workshop reinforced that the existing corporate risks continue to represent the most severe uncertainties to the achievement of our objectives.

However, there were **4** additional risks that were identified, these are:

1. Uncertainties relating to the Council's ability to **access new funding** available via the Government (including Levelling Up). Securing and leveraging this funding will help to stabilise and support the delivery of our plan for renewal and recovery.
2. Uncertainties relating to the impact of the Pandemic on our **strategic partners**. This includes their own recovery and the impact if they change priorities, commitments or if their capacity to work with us is reduced.
3. The Council is facing significant changes with regards to its **governance**. This includes the forthcoming boundary review, the move to the executive model, and the consideration to move to 4 yearly elections. Change inherently brings uncertainty, and it will be important that we maintain sound systems of control, risk management and legal / regulatory compliance during and after these changes are made.
4. The Pandemic has impacted all sectors, but the increased demands that we have experienced across public sector and the **voluntary and community sectors** is at a scale that we have not seen before. As we recover, there are uncertainties over the resilience and stability of our voluntary and community support networks.

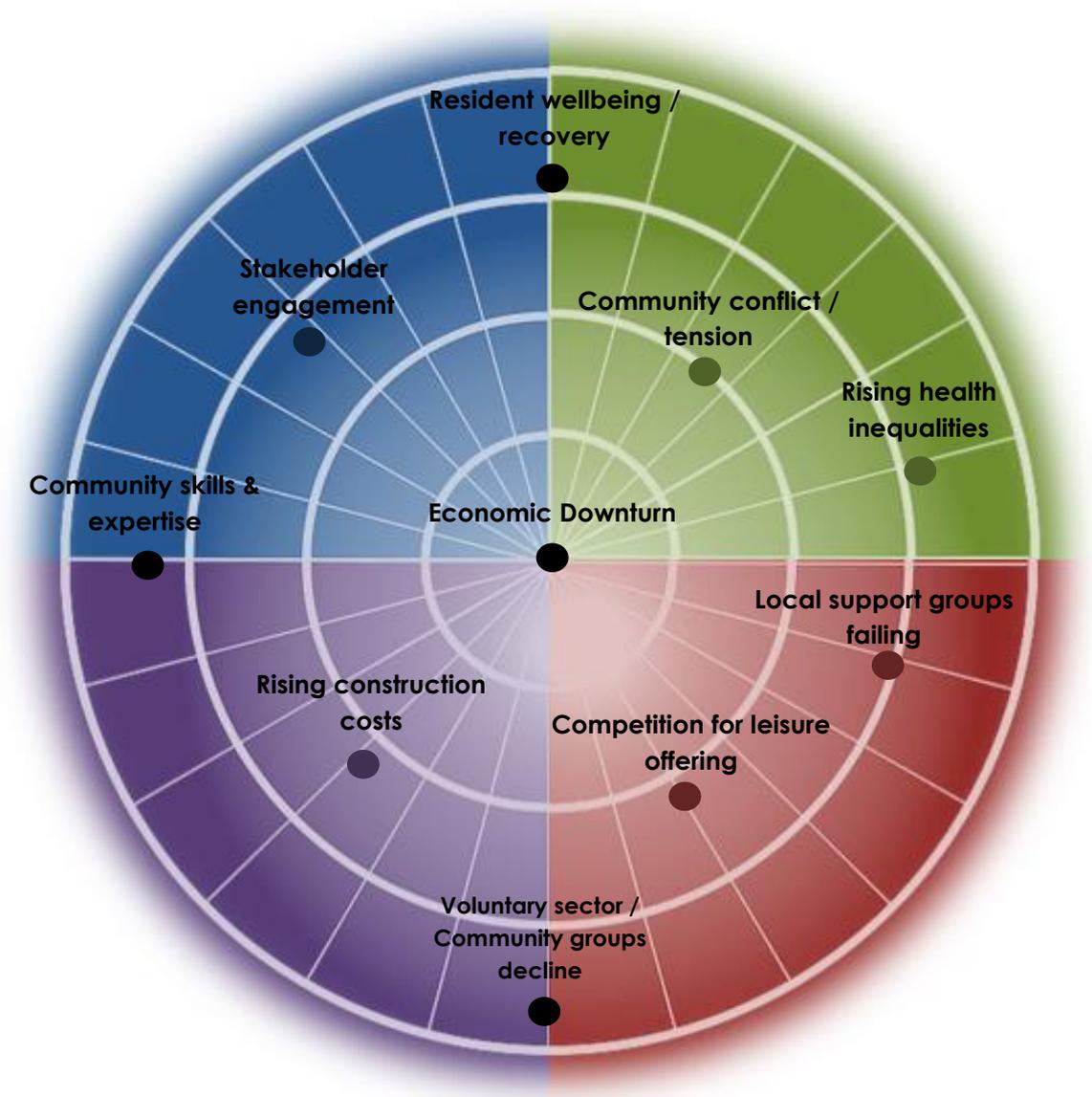
These new risks have been added to the risk register and will be developed with Corporate Leadership Team, assessed, and monitored in the same way as the existing risks. An update on the full assessment of these risks will be reported to the Committee later in the year.

## External threats (horizon scanning)

As part of the corporate workshop Wider Leadership Team looked ahead to scan the external environment for threats. These threats were aligned to each of the 4 corporate priorities:



As external threats, we recognise that we do not have direct control over the uncertainties that we may experience, of the impact on our ability to deliver of our priorities and short-term areas of focus<sup>2</sup>. However, it's important for us to be aware of these threats and how they develop or if they materialise. Our response to these threats will be an important factor in how we develop our strategies, policies and how we translate that into service delivery. As such, we can draw down any of these threats into our corporate risk register if (or when) the time is right. For the time being, we will keep our eye on these threats and continue to provide updates as part of the quarterly monitoring reporting.



<sup>2</sup> Maidstone Corporate Plan xxx

## Operational Risks

All operational risk registers were updated between January and March 2021, the outcomes of which were reported to the Policy and Resources Committee in June. At the last update we reported **31** risks identified as being scored 12 and above. Services review their risks periodically, with a full refresh annually. However, high level risks are reviewed and updated more regularly. This ongoing monitoring is a key part of the risk management cycle.

The table below shows the total number of risks on the Maidstone and Shared Services risk register as at August 2021:

Risk Severity	Total Risks APRIL	Total Risks AUGUST
<b>BLACK</b>	5	1
<b>RED</b>	26	19
<b>AMBER</b>	83	100
<b>GREEN</b>	34	37
<b>BLUE</b>	1	1
<b>PURPLE</b>	1	1
<b>TOTAL</b>	<b>150</b>	<b>158</b>

From the table you can see the following:

- The number of high-level risks has **reduced**, notably, risks in the **BLACK** have reduced to **1**.
- The overall number of risks have **increased** (from 150 to 158), this is because of new risks being added and the addition of a Leisure Services risk register.
- There has been a shift of risks from the **RED** into the **AMBER**.

The table below splits the risk over MBC and Shared Services:

Risk Severity	April 2021	August 2021	April 2021	August 2021
	MBC Inherent	MBC Inherent	MKS Inherent	MKS Inherent
<b>BLACK</b>	2	1	3	0
<b>RED</b>	16	12	10	7
<b>AMBER</b>	58	69	25	31
<b>GREEN</b>	11	11	23	16
<b>BLUE</b>	0	2	1	8
<b>PURPLE</b>	1	1	0	0
<b>TOTAL</b>	<b>88</b>	<b>96</b>	<b>62</b>	<b>62</b>

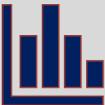
There is one high level risk with a score of **20** on the risk register. Details are included below. This risk was reviewed by the Head of Service in August 2021. Existing and planned controls were updated however, he felt that the risk could not yet be reduced, but it will continue to be monitored:

# Infrastructure Improvements

<b>Service Area:</b> <b>Economic Development</b>	<b>Ownership:</b> <b>John Foster</b>	<b>Score:</b> <b>14 x L5</b>	<b>20</b>
<b>Risk</b> <i>Infrastructure improvement to road, rail, public transport, cycling and broadband fail to take place due to lack of investment or change to government priorities</i>	<b>Existing Controls</b> <ul style="list-style-type: none"> <li>• Work with KCC on Broadband, Work with KCC, Network Rail, Draft to secure Thameslink services and further improvements</li> <li>• KCC Transport Planner working for and assisting MBC</li> <li>• KCC MBC Strategic working in place to deliver improvements to Loose Road corridor</li> <li>• Ongoing agenda item in RED</li> <li>• Manager supervision and regular 121's</li> </ul>	<b>Risk Response</b> <ul style="list-style-type: none"> <li>• Continue to monitor what will replace the SE Rail franchise</li> <li>• Helen Grant to raise with the Minister the need to safeguard High Speed Services and not to delay further the introduction of Thameslink Services</li> <li>• Dedicated officer will be appointed to deliver the Integrated Transport Strategy, until then, CIL/S106 team and planning policy officers advise</li> </ul>	
<b>Risk review:</b> <b>Nov 2021</b>	<b>Risk direction over time:</b> 	<b>Score:</b> <b>14 x L3</b>	<b>12</b>

## Operational Risk Themes

An added benefit of embedding our risk management approach across the Council is that we can access, interrogate, and analyse all risk information generated. By doing this, we can draw out key insights, share effective strategies to manage risks, and identify any themes from across our various service areas. Below we outline the results of some of this analysis and show the main internal risk themes (by type) along with some examples of the kinds of operational risks that feature prominently in that theme:

Risk Theme	Operational Risks
 <p><b>Technology</b> Risks relating to our reliance on technology, including cyber security, cyber resilience, and remote working</p>	<ul style="list-style-type: none"> <li>IT Security breach</li> <li>Remote system failure</li> </ul>
 <p><b>Workforce</b> Risks relating to our workforce skills, expertise &amp; talent. Including rewards, retention &amp; recognition</p>	<ul style="list-style-type: none"> <li>Failure to recruit</li> <li>Loss of skills through resignation / market competition</li> <li>Declining health and wellbeing of staff</li> </ul>
 <p><b>Resilience &amp; Capacity</b> Risks relating to the availability of resources and our ability to keep up with increased demands</p>	<ul style="list-style-type: none"> <li>Resource pressures (capacity)</li> <li>Increased service demand</li> </ul>
 <p><b>Finance (income &amp; expenditure)</b> Risks relating to either reduced income (through fees and charges) or increased service expenditure</p>	<ul style="list-style-type: none"> <li>Increased service spending related to the Pandemic</li> <li>Failure to meet income targets</li> </ul>
 <p><b>Legal &amp; Compliance</b> Risks relating to our ability to maintain compliance with procedures &amp; regulations</p>	<ul style="list-style-type: none"> <li>Changes to regulations / legislation</li> <li>Failure to meet service standards</li> </ul>
 <p><b>Third Party</b> Risks relating to contracted services, supply chains or our ability to obtain goods and services</p>	<ul style="list-style-type: none"> <li>Poor / declining performance of contractors / third parties</li> <li>Contractor / supplier going into administration</li> </ul>
 <p><b>Infrastructure &amp; Assets</b> Risks related to physical assets and hardware of the Council. Including loss, failure, and unavailability of assets</p>	<ul style="list-style-type: none"> <li>Failure to deliver projects</li> <li>Equipment &amp; hardware failure</li> </ul>

We will be rolling out new risk management software over the Autumn. This software will greatly enhance our ability to draw out and report on key risk insights. We will further develop the work above to identify common operational risks and to share effective mitigation strategies and key controls. The new software will also enable us to more easily access risk history, meaning we can more clearly show the movement of risks over time and see the effectiveness of our responses to manage those risks by taking actions and implementing internal controls.

We will keep Members up to date with the outcomes of the risk software project throughout the year as part of these regular quarterly updates.

# Next Steps

In November 2020 the Council adopted a **risk management plan** for 2021/22 which outlined 6 priority areas for the year. This work included refreshing operational risks, corporate risks, and ensuring that processes were implemented to keep risk registers and actions up to date. In addition, the plan included ongoing work to improve risk culture, including exploring the use of risk software to improve efficiency, engagement, and accountability.

We are now about half-way through the plan, with the implementation of our new risk software being a key milestone. To support this rollout, we will be considering how best to raise awareness and enhance risk skills and expertise through a programme of training and development.

We will continue to report progress toward delivery of this plan and the key workstreams throughout the year and include updates as part of our quarterly reporting to Members.

An extract of the plan is attached below:

<b>1</b>  <b>Risk Software</b>	<b>2</b>  <b>Training &amp; Development</b>
<b>Apr - Jun 2021</b> Implement <b>specialist risk software</b> to improve the efficiency of the risk process, enable more powerful reporting, monitoring and increasing engagement with risk owners.	<b>Jan - Jun 2021</b> Deliver a series of training briefings to support the rollout of risk software and to refresh <b>knowledge</b> and <b>expertise</b> of risk management and the risk management process.  Briefings to be delivered to Officers & Members.
<b>3</b>  <b>Operational Risks</b>	<b>4</b>  <b>Corporate Risks</b>
<b>Dec - Jan 2021</b> Refresh operational risk registers. <b>Workshops</b> will be made available for services and teams to facilitate the process and to ensure that risks are identified and assessed in accordance with the agreed framework and guidance.	<b>Jan - Feb 2021</b> Refresh the corporate risk register to reflect the outcomes of revised operational risk work. A workshop will be delivered to align corporate risks to the Council Plan. Risks will be assessed alongside the corporate risk appetite and tolerance levels.
<b>5</b>  <b>Risk Actions</b>	<b>6</b>  <b>Reporting &amp; Monitoring</b>
<b>Jun - Sept 2021</b> Implement mechanisms to ensure that actions are taken to address risks that fall <b>above</b> the risk tolerance level. We will work with risk owners to identify control measures and to assess the reduction on the overall level of risk.  <b>Sharing</b> of effective control measures to be incorporated.	<b>Throughout 2020 / 21</b> Undertake continuous monitoring of risk information and rethink / redesign risk reporting to ensure that data is valuable and supportive.  Report corporate risk issues to Policy & Resources and Audit, Governance & Standards Committee.

Appendix 3A

# Corporate Risk Register

The table below sets out the current **10** corporate risks in detail. Risk owners have assessed the impact and likelihood of the risks and identified the key controls and planned actions necessary to further manage the risk to an acceptable level where possible:

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<b>Major unforeseen emergency</b> with national / international impact (e.g. new pandemic, environmental disaster)  103	Alison Broom	<ul style="list-style-type: none"> <li>Strong existing emergency planning framework</li> <li>Active engagement with Local Resilience Forum</li> <li>Flexible, committed and appropriately trained workforce</li> <li>Quarterly oversight &amp; monitoring through the Emergency Planning Group (EPG)</li> <li>Some financial reserves</li> <li>Good partnership working as demonstrated during Covid-19 pandemic</li> <li>Continued update to Business Continuity Plans and arrangements</li> </ul>	(5 x 3) 15	<ul style="list-style-type: none"> <li>Plan for dealing with different types of major emergencies</li> <li>Review of the level of financial reserves</li> <li>Review and update of the Council's IT Disaster Recovery arrangements</li> <li>Embedding arrangements over the quarterly review of emergency threats and risks through the EPG including horizon scanning and early warnings</li> </ul>	(5 x 3) 15
<b>Covid-19:</b> Restrictions impact negatively on our ability to deliver core / statutory services	Alison Broom	<ul style="list-style-type: none"> <li>Strong existing business continuity planning arrangements</li> <li>Emergency response plans have been made Covid secure</li> <li>Learning from current pandemic has been captured</li> <li>Member Covid-19 consultative forum established</li> <li>Risk assessments in place for all Council buildings</li> <li>Plans in place to enable staff who cannot work from home to work safely in our workplaces/activities including grounds maintenance, street cleansing, museum, and some office activities</li> <li>Plans in place to enable return to work in our offices safely when appropriate</li> <li>Flexible / remote working arrangements in place and embedded</li> <li>Regular internal communications with all staff</li> <li>Embedded performance monitoring and reporting</li> </ul>	(4 x 3) 12	<ul style="list-style-type: none"> <li>Build up stocks of appropriate equipment and PPE</li> <li>Regular review of flexible and remote working arrangements</li> <li>Ongoing review and development of new ways of working because of Covid-19</li> </ul>	(4 x 2) 8

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p><b>Covid-19:</b> Inability to support the response and recovery from Covid for the community and local businesses</p>	<p>Alison Broom</p>	<ul style="list-style-type: none"> <li>Active engagement with Local Resilience Forum</li> <li>Member consultative forum on recovery arrangements</li> <li>Continued engagement with community groups and volunteers</li> <li>Continuing engagement with local public health officers to ensure rapid response</li> <li>Support model for residents and businesses is well embedded</li> <li>Enforcement with respect to non-compliant businesses is in place</li> <li>Funding has been provided to the Council</li> <li>Core officer group established for recovery</li> <li>Joint working with partners through the Inclusion Board &amp; Maidstone Economic Business Partnership</li> <li>Strategic approach to engagement with voluntary sector agreed by Communities Housing and Environment Committee in November 2020</li> </ul>	<p>(4 x 3) 12</p>	<ul style="list-style-type: none"> <li>Continued scanning of horizon with respect to changes to legislation, regulations, and guidance</li> <li>Implementation, development and strengthening of the agreed strategic approach to engagement with community groups</li> <li>Completion and monitoring of action plan themes for recovery</li> </ul>	<p>(4 x 3) 12</p>
<p>Increased effects from climate change or reduction in air quality causes <b>environmental damage</b> reducing residents' quality of life and increasing risks from adverse weather events</p>	<p>Angela Woodhouse</p>	<ul style="list-style-type: none"> <li>Biodiversity and Climate Change Strategy and action plan in place</li> <li>Air Quality Action Plan in place</li> <li>(2) Emergency planning arrangements</li> <li>(3) Parks strategy</li> <li>Budget available to deliver actions</li> <li>Communication / engagement strategy for adverse weather events</li> <li>Member of the Kent Climate Change Network</li> <li>Fixed-term Biodiversity and Climate Change officer in post</li> </ul>	<p>(4 x 4) 16</p>	<ul style="list-style-type: none"> <li>Review by Carbon Trust towards the Council becoming carbon neutral by 2030</li> <li>Implementation of the B&amp;CCS action plan</li> <li>Review of our own estate in line with ambition to be carbon neutral by 2030</li> <li>Seeking to recruit into a permanent Biodiversity and Climate Change officer</li> <li>Review of governance for delivery and oversight of BD&amp;CC Strategy</li> </ul>	<p>(4 x 4) 16</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>General <b>economic volatility</b>, unexpected changes to government funding or failure to achieve income or savings targets places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims.</p>	<p>Mark Green</p>	<ul style="list-style-type: none"> <li>• Agreed work programmes in transformation and commissioning</li> <li>• Budget monitoring in place</li> <li>• MTFS in place and monitored</li> <li>• Scenario planning in budget setting</li> <li>• Financial independence strategy to maximise our income</li> <li>• Strategies for maintaining income (e.g. pricing policies and proactive management of property portfolio)</li> <li>• Holding reserves to mitigate impact of financial restrictions</li> </ul>	<p>(4 x 5) 20</p>	<ul style="list-style-type: none"> <li>• Currently updating MTFS to reflect impact of Covid-19 and need to support recovery due to go to Policy and Resources in November 2021</li> <li>• Lobbying to avoid unfavourable financial changes to government funding</li> <li>• Cost recovery through bidding for additional government support for one-off costs and major projects</li> <li>• Identifying measures to address future budget gaps</li> </ul>	<p>(4 x 4) 12</p>
<p>105 Security breach or system weakness leading to <b>IT security failure</b> results in system unavailability and increased legal and financial liability.</p>	<p>Steve McGinnes</p>	<ul style="list-style-type: none"> <li>• Regular backup programmes</li> <li>• External testing of IT security by specialists –resulting findings and actions are implemented and tested</li> <li>• ICT policies &amp; staff training, including disaster recovery plan</li> <li>• Mandatory cyber security training was rolled out and completed</li> <li>• CLT monitoring of performance indicators, including ICT incidents</li> <li>• Nessus scanning software reporting daily on system vulnerabilities</li> <li>• New firewall tested and installed</li> </ul>	<p>(4 x 3) 12</p>	<ul style="list-style-type: none"> <li>• Ongoing programme of awareness raising through Cyber events, training, and tests</li> <li>• Ongoing programme of IT campaigns including phishing</li> <li>• IT infrastructure replacement programme being considered to ensure that IT equipment is fit for purpose</li> </ul>	<p>(4 x 3) 12</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>106</p> <p>The broader housing crisis leads to <b>housing pressures increasing</b> on the Council, affecting both costs associated with homelessness and ability to meet wider housing needs in the borough.</p>	William Cornall	<ul style="list-style-type: none"> <li>Homelessness prevention team in place with increased resource</li> <li>Access to our own housing stock to use for temporary accommodation &amp; market rented housing (within Maidstone Property Holdings)</li> <li>Closer working with private sector &amp; housing associations</li> <li>Key policies are in place: Temporary Accommodation Strategy</li> <li>Implementation of Housing Management Team</li> <li>CHE approval in place for MBC to develop up to 250 affordable homes of its own</li> <li>We work closely with the voluntary sector and community partners</li> <li>Home Finders scheme in place and supported through Government funding</li> <li>Affordable Housing supplementary guidance adopted in Summer 2020</li> </ul>	<p>(4 x 3) 12</p>	<ul style="list-style-type: none"> <li>Continued progress towards the temporary accommodation acquisition programme funded through the MBC capital programme</li> <li>Approval secured to provide hostel and 'move on' type TA in the town centre, and this new facility will be ready for occupation in December 2021.</li> </ul>	<p>(3 x 3) 9</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">107</p> <p>Insufficient awareness / expertise leads to <b>not fulfilling residential property responsibilities</b> resulting in possible health &amp; safety breaches.</p>	William Cornall	<ul style="list-style-type: none"> <li>Faithfull Farrell &amp; Timms have been retained as a critical friend to allow the new housing management function to up skill.</li> <li>West Kent Housing Association (WKHA) engaged to provide an asset management service for the whole MBC residential portfolio.</li> <li>The whole MBC residential portfolio is now being managed by a single team within Housing &amp; Communities, where previously it was split between Housing &amp; Property.</li> <li>H&amp;S KPI's are now recorded and reported through an interim software solution, FIXFLO.</li> <li>The H&amp;S KPI's are reported monthly to Corporate Leadership Team.</li> <li>Good level of awareness from officers around H&amp;S obligations and compliance</li> <li>Excellent levels of compliance being reported to the CLT monthly.</li> </ul>	(4 x 3) 12	<ul style="list-style-type: none"> <li>A permanent replacement housing management software package has been procured and is now fully implemented. This will incorporate KPI and management information. This has taken over from the previous system, and the interim system (FIXFLO).</li> <li>Possible due diligence review by Mid Kent Audit to advise on integrity with respect of KPI production and reporting.</li> <li>Eventual goal of real time reporting in terms of gas safety, via the WKHA contractor.</li> <li>Review of existing resources and skills underway to support the housing portfolio and management of properties</li> </ul>	(3 x 3) 9

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>General and localised economic pressure leads to <b>contraction in retail &amp; leisure sectors</b>, limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.</p> <p>108</p>	William Cornall	<ul style="list-style-type: none"> <li>Working with Key stakeholders including One Maidstone to safely reopen the High Street.</li> <li>Regular network meetings with town centre retailers</li> <li>Town Centre strategic advisory board</li> <li>Public realm improvement work</li> <li>Supporting One Maidstone Business Improvement District</li> <li>Acquisition of key property (Royal Mail / Grenada House)</li> <li>Work commissioned to promote Maidstone as business destination</li> <li>Planning Guidelines documents have now been approved by SPI for the Five town Centre Opportunity sites</li> <li>Active management of Lockmeadow to enhance the local economy</li> <li>Support delivered to the sector through Business Rates grants and assistance grants</li> <li>Town Centre Opportunity guidance published and actively being used</li> </ul>	(5 x 5) 25	<ul style="list-style-type: none"> <li>Taking advantage of opportunities to support infrastructure investment</li> <li>Consider a targeted programme of place promotion campaign activities</li> <li>Launch of town centre shop fronts improvement grant scheme closer to being made available</li> <li>Development of a Town Centre Strategy to guide the reallocation of land uses within the Town Centre (including retail).</li> <li>A programme of town centre events and activities is now in place funded through covid response monies.</li> </ul>	(4 x 4) 16
<p><b>Failure of a major contractor:</b> One of the Council's contractors goes into liquidation / administration</p>	Mark Green	<ul style="list-style-type: none"> <li>Regular contract monitoring and communication with contractors</li> <li>Procurement expertise made available through the Partnership with Tunbridge Wells</li> <li>Financial performance and sustainability embedded into the procurement process</li> <li>Contractor business continuity plans in place</li> <li>'Exit plan' included as a requirement in the ITT document for all relevant contracts</li> </ul>	(4 x 3) 12	<ul style="list-style-type: none"> <li>Ongoing financial performance and resilience checks of our suppliers and contractors</li> <li>Risk register work being completed for each of the Council's strategic contracts</li> </ul>	(4 x 3) 12

## Appendix 3B - Impact and Likelihood Definitions

The Risk Management Framework provides guidance on the Councils risk management processes. The framework sets out the definitions of the impact and likelihood scales:

### RISK IMPACT

Level	Service risk	Reputation Risk	H&S	Legal Risk	Financial Risk	En'ment Risk
<b>Catas-trophic (5)</b>	Ongoing failure to provide an adequate service	Perceived as failing authority requiring intervention	Responsible for death	Litigation almost certain and difficult to defend. Breaches of law punishable by imprisonment or significant fines	Uncontrollable financial loss or overspend over £500k	Permanent, major environmental or public health damage
<b>Major (4)</b>	Failure to deliver Council priorities Poor service. Disrupted 5 days+	Significant adverse national publicity	Fails to prevent death, causes extensive perm injuries or LT sick	Litigation expected, but defensible Breaches of law punishable by fines	Financial loss or overspend greater than £250k	Long term major public health or environmental incident (1yr+)
<b>Moderate (3)</b>	Unsatisfactory performance Service disrupted/ stopped 3-5 days	Adverse national publicity or significant adverse local publicity	Fails to prevent extensive, permanent injuries or LT sickness	Complaint likely, litigation possible Breaches of regs or standards	Financial loss or overspend greater than £50k	Medium term major public health or environmental incident (up to 1yr)
<b>Minor (2)</b>	Marginal reduction in performance Service disrupted/ stopped 1-2 days	Minor adverse local publicity	Medical treatment required, potential long term injury or sickness	Unlikely to cause complaint Breaches of local procedures	Financial loss or overspend greater than £10k	Short term public health or environmental incident (weeks)
<b>Minimal (1)</b>	No significant service impact Service disruption up to 1 day	Unlikely to cause adverse publicity	First aid level injuries		Financial loss or overspend under £10k	Environmental incident with no lasting detrimental effect

### RISK LIKELIHOOD

Type	Probability	Detail description
<b>Almost certain (5)</b>	90%+	Without action is likely to occur; frequent similar occurrences in local government/Council history
<b>Probable (4)</b>	60%-90%	Strong possibility; similar occurrences known often in local government/Council history
<b>Possible (3)</b>	40%-60%	Might occur; similar occurrences experienced in local government/Council history
<b>Unlikely (2)</b>	10%-40%	Not expected; rare but not unheard of occurrence in local government/Council history
<b>Rare (1)</b>	0%-10%	Very unlikely to occur; no recent similar instances in local government/Council history

Council Services
MBC CIL & Section 106
MBC Building Control
MBC Communications
MBC Community & Strategic Partnerships
MBC Customer Services
MBC Democratic & Electoral Services
MBC Development Management
MBC Economic Development
MBC Emergency Planning
MBC Environment & Public Realm
MBC Finance
MBC Housing
<b>NEW</b> MBC Leisure Services
MBC Museum
MBC Parks & Open Spaces
MBC Policy & Information
MBC Procurement
MBC Property & Facilities
MBC Strategic Planning
MBC Transformation & Digital Services
MBC Visitor Economy
MKS Enforcement Services
MKS Audit
MKS Compliance
MKS Environmental Health
MKS HR
MKS ICT
MKS Legal Services
MKS Planning Support
MKS Revenues & Benefits
Parking Services Partnership

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# Agenda Item 20

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