

CORPORATE SERVICES POLICY ADVISORY COMMITTEE MEETING

Date: Wednesday 14 September 2022
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Brice (Chairman), Mrs Gooch (Vice-Chairman), Brindle, Cannon, Cooke, Cox, Harper, Hinder and Khadka

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

AGENDA

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| 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 13 July 2022 | 1 - 5 |
| 9. Presentation of Petitions (if any) | |
| 10. Question and Answer session for Local Residents (if any) | |
| 11. Questions from Members to the Chairman (if any) | |
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Issued on 6 September 2022

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

INFORMATION FOR THE PUBLIC

In order to ask a question at this meeting, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 12 September 2022). 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 by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 12 September 2022). 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.

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

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 13 JULY 2022

Attendees:

Committee Members:	Councillors Brice (Chairman), Brindle, Cannon, Cooke, Cox, Mrs Gooch, Harper, Hinder and Khadka
Lead Members:	Councillor Perry (Lead Member for Corporate Services)

16. APOLOGIES FOR ABSENCE

There were no apologies for absence.

17. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

18. URGENT ITEMS

There were no urgent items.

19. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

20. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

21. DISCLOSURES OF LOBBYING

Councillor Brice had been lobbied on Item 13 – Medium Term Financial Strategy.

All Members had been lobbied on Item 14 – Public Sector Led Garden Community Update.

22. EXEMPT INFORMATION

RESOLVED: That Item 17 – Property Acquisition for 1,000 Homes Scheme be taken in private due to the possible disclosure of exempt information.

23. MINUTES OF THE MEETING HELD ON 15 JUNE 2022

RESOLVED: That the Minutes of the meeting held on 15 June 2022 be agreed as a correct record and signed.

24. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

25. PRESENTATION OF PETITIONS

There were no petitions.

26. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

27. FORWARD PLAN RELATING TO THE COMMITTEE'S TERMS OF REFERENCE

RESOLVED: That the Forward Plan be noted.

CHANGE TO THE ORDER OF BUSINESS

Exempt Item 17 – Property Acquisition for 1,000 Homes Programme would be taken after Item 12 – Forward Plan relating to the Committee’s Terms of Reference, in order for the Lead Member for Housing and Health to be available to present the report.

EXCLUSION OF THE PUBLIC

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 reason specified, having applied the public interest test:

Item 17 – Property Acquisition for 1,000 Homes Scheme

Head of Schedule 12A and Brief Description

Paragraph 3 – Information relating to the financial or business affairs of any particular individual (including the authority holding that information).

The meeting reopened into public session at 7.21pm.

28. PROPERTY ACQUISITION FOR 1,000 HOMES PROGRAMME

The Lead Member for Housing and Health introduced the report and explained that the proposed development would comprise of 28 apartments with parking and cycle storage. All apartments would be delivered as affordable housing and built to the Council’s standard specification for Affordable Rent. It was proposed that the Council would apply to Homes England for a grant as part of the Continuous Market Engagement bid process for the Affordable Homes Programme 2021-26. The acquisition was financially viable and would exceed the Council’s minimum rate of return.

The Committee felt that the parking allocation for the development was not suitable, and expressed concern that this would exacerbate the parking difficulties already experienced by local residents.

The Director of Regeneration and Place confirmed that the parking allocation was in line with policy requirements, and that under-croft parking would not be a feasible solution for this site. Information about the apartment and facilities would be provided to prospective tenants to enable them to choose whether the accommodation would suit their needs.

The Lead Member for Housing and Health emphasised that the scheme had been designed to maximise accommodation, to contribute towards the stock of affordable housing in the borough.

RESOLVED: That the Committee recommend to the Executive that:

1. The financial returns for the scheme shown at Appendix 1 to the report, which support the Housing Development and Regeneration Investment Plan and the overall Development Strategy, be approved;
2. The site acquisition be approved in line with point 2.7 of the Exempt report;
3. The Director of Finance and Business Improvement be granted delegated authority to:
 - 3.1 negotiate terms for the purchase of the site for the agreed sum, subject to the site securing planning consent;
 - 3.2 procure and enter into all such deeds, agreements, contracts and documents which may be required to facilitate the purchase of the site and the subsequent redevelopment works required to deliver the scheme referred to in this report, including (but not limited to) any related appointments such as a suitably qualified Employers Agent and Contractor;
 - 3.3 subject to satisfactory conclusion of all due diligence to negotiate and finalise and complete all legal formalities, deeds and agreements which may be required to facilitate the purchase;
4. The Head of Mid Kent Legal Services be authorised to appoint the solicitors required to negotiate and complete the necessary contract documentation, deeds and agreements associated with the purchase of the site and the procurement and appointment of contractors and consultants on the terms as agreed by the Director of Finance and Business Improvement;
5. Post completion of the procurement process to appoint a contractor to bring forward for approval to this Committee a detailed project delivery and investment plan (prior to the development itself commencing);
6. The Lead Member investigates and requests controls to limit car ownership among residents of the site.

29. MEDIUM TERM FINANCIAL STRATEGY

The Lead Member for Corporate Services introduced the report and emphasised the importance of a strong Medium Term Financial Strategy (MTFS). The key outcome of the MTFS was to set a balanced budget and agree a level of council

tax for 2023/24 which would be recommended to full Council on 22 February 2022. The report set out the background considerations including the issues and risks involved, and the key assumptions made in preparing the MTFS.

A request had been received to perform additional scenario modelling based on a zero percent Council Tax increase, which had been prepared by the Director of Finance and Business Improvement. The Committee felt that it was important to analyse and evaluate all options, and that a zero percent increase should be included for consideration.

RESOLVED: That

1. The issues and risks associated with updating the Medium Term Financial Strategy be noted;
2. The assumptions described in the report for planning purposes and to establish the remit for detailed budget development, and together with the additional information provided to the Committee, which shows the effect of 0% council tax increase on the four scenarios presented, be recommended to the Executive for approval;
3. The Committee advise Lead Members on the Executive, together with Officers and Members of the PAC, to carry out a detailed review of the initial budget proposals. The purpose of this review would be to identify possible savings required to eliminate budget gaps, especially those identified in the additional information referred to in recommendation 2;
4. The proposed approach outlined to development of an updated Medium Term Financial Strategy for 2023/24 – 2027/28 and a budget for 2023/24 be recommended to the Executive for approval.

30. PUBLIC SECTOR LED GARDEN COMMUNITY UPDATE

The Lead Member for Corporate Services introduced the item for noting and explained that three further public engagement events had occurred since the previous update. The appointed Local Plan Inspector had provided his initial observations on the project, and the Council continued to work in partnership with Homes England.

RESOLVED: That the report be noted.

31. ANNUAL GOVERNANCE STATEMENT AND LOCAL CODE OF CORPORATE GOVERNANCE

The Lead Member for Corporate Services introduced the report and drew the Committee's attention to the key principles set out in the appendix. Compliance was evidenced across all seven areas, however further work was recommended for two of the principles and an action plan had been proposed to address these.

RESOLVED: That

1. The Annual Governance Statement be recommended for approval and signed by the Leader; and

2. The local Code of Corporate Governance be noted.

32. CORPORATE PLANNING TIMETABLE

The Lead Member for Corporate Services introduced the report and explained that the timetable had been refreshed for the period 2023/2028 to incorporate changes which had occurred since the adoption of the strategic plan in 2018.

Reassurance was given that although the strategic plan itself would retain its priorities and therefore would not have significant changes, informal meetings could take place throughout the summer period for all Members to input into the refreshed plan.

RESOLVED: That the Strategic Plan 2019-45 milestones for 2023-28 be refreshed and the corporate planning timetable at point 3.5 of the report be recommended to the Executive for approval.

33. DURATION OF MEETING

6.30pm to 8.18pm.

MAIDSTONE BOROUGH COUNCIL FORWARD PLAN FOR THE FOUR MONTH PERIOD 1 SEPTEMBER 2022 TO 31 DECEMBER 2022

This Forward Plan sets out the details of the key decisions which the Executive or Lead Members expect to take and the non-Key decisions that the Executive or Lead Members expect to take during the next four-month period. The plan will be updated weekly for the relevant period and a new plan for a new four-month period, published monthly on the last Friday of the month.

A Key Decision is defined as one which:

1. Results in the Council incurring expenditure, or making savings, of more than £250,000; or
2. Is significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Borough

The current members of the Executive are:

 <p>Councillor David Burton Leader of the Council DavidBurton@maidstone.gov.uk 07590 229910</p>	 <p>Councillor John Perry Deputy Leader and Lead Member for Corporate Services JohnPerry@Maidstone.gov.uk 07770 734741</p>	 <p>Councillor Lottie Parfitt-Reid Lead Member for Communities and Public Engagement LottieParfittReid@Maidstone.gov.uk 07919 360000</p>	 <p>Councillor Martin Round Lead Member for Environmental Services MartinRound@maidstone.gov.uk 07709 263447</p>
 <p>Councillor Simon Webb Lead Member for Housing and Health SimonWebb@Maidstone.gov.uk 07878 018997</p>	 <p>Councillor Claudine Russell Lead Member for Leisure and Arts ClaudineRussell@Maidstone.gov.uk</p>	 <p>Councillor Paul Cooper Lead Member for Planning and Infrastructure PaulCooper@Maidstone.gov.uk 01622 244070</p>	

Anyone wishing to make representations about any of the matters listed below may do so by contacting the relevant officer listed against each decision, within the time period indicated.

Under the Access to Information Procedure Rules set out in the Council's Constitution, a Key Decision or a Part II decision may not be taken, unless it has been published on the forward plan for 28 days or it is classified as urgent:

The law and the Council's Constitution provide for urgent key and part II decisions to be made, even though they have not been included in the Forward Plan.

Copies of the Council's constitution, forward plan, reports and decisions may be inspected at the Maidstone House, King Street, Maidstone, ME15 6JQ or accessed from the Council's website: www.maidstone.gov.uk

Members of the public are welcome to attend meetings of the Executive which are normally held at the Town Hall, High St, Maidstone, ME14 1SY. The dates and times of the meetings are published on www.maidstone.gov.uk or you may contact the Democratic Services Team on telephone number 01622 602899 for further details.

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David Burton
Leader of the Council

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
Finance, Performance and Risk Monitoring Report	Executive	Leader of the Council	21 Sep 2022	No	No Open	Corporate Services Policy Advisory Committee 14 Sep 2022	Finance, Performance and Risk Monitoring Report	Paul Holland paulholland@maidstone.gov.uk
Maidstone Leisure Centre To decide the future of Maidstone Leisure Centre ∞	Executive	Lead Member for Leisure and Arts	26 Oct 2022	Yes	No Part exempt	Economic Regeneration and Leisure Policy Advisory Committee 4 Oct 2022 Communities, Housing and the Environment Policy Advisory Committee 11/10/22 Corporate Services Policy Advisory Committee 12/10/22	Maidstone Leisure Centre	Mike Evans mikeevans@maidstone.gov.uk
Equalities Policy and Action Plan - Update Annual Update report - providing an update on actions taken to meet objections, propose any revisions or changes	Lead Member for Corporate Services and Deputy Leader	Lead Member for Corporate Services	25 Nov 2022	No	No Open	Corporate Services Policy Advisory Committee 16 Nov 2022	Equalities Policy and Action Plan - Update	Orla Sweeney orlasweeney@maidstone.gov.uk

**CORPORATE SERVICES POLICY
ADVISORY COMMITTEE**

**14 September
2022**

**1st Quarter Finance, Performance & Risk Monitoring Report
2022/23**

Timetable	
Meeting	Date
Corporate Services Policy Advisory Committee	14 September 2022
Executive Meeting	21 September 2022

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Executive
Lead Head of Service	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager Georgia Harvey, Senior Information Governance Officer Alison Blake, Interim Head of Mid Kent Audit Anna Collier, Corporate Insight, Communities & Governance Manager
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2022/23 financial and performance position for the services reporting into the Corporate Services Policy Advisory Committee (CS PAC) as at 30th June 2022 (Quarter 1). The primary focus is on:

- The 2022/23 Revenue and Capital budgets; and
- The 2022/23 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.

Budget Monitoring

At the Quarter 1 stage the Council has incurred net expenditure of £0.059m against the approved profiled budget of £1.488m, representing an underspend of £1.428m.

Overall net expenditure at the end of Quarter 1 for the services reporting to CS PAC is -£0.193m, compared to the approved profiled budget of £0.704m, representing an underspend of £0.897m.

At the Quarter 1 stage, the Council has incurred overall expenditure of £2.688m against a budget allocation within the Capital Programme of £35.476m.

Capital expenditure at the end of Quarter 1 for CS PAC was £0.084m against a total budget of £12.633m.

Performance Monitoring

A number of targets were missed due to current issues with the economy and the after-effects of Covid-19, although there were improvements in a number of other areas.

Corporate Risk Update

The report outlines all the Council's corporate risks. Of particular note is the addition of a new risk relating to the May 2023 elections and arising from the introduction of Voter ID. All other corporate risks have been reviewed and updated with some changes to risk scores and risk descriptions as noted in the report. 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.

Recovery & Renewal Update

The Recovery and Renewal Action Plan at Appendix 4 details the progress made against actions for the last two quarters.

A number of initiatives, increasing access to funding to support vulnerable households, have been successfully delivered. These include the issue of fuel vouchers in August with the remainder to be issued in September, helping 431 households.

There has been significant progress as part of the culture change project to help facilitate new ways of working across the organisation. An event was held in July involving staff, partners and service users to help understand how the Council is perceived and what needs to adapt or change to achieve continuous improvement in its approach to service design and delivery.

Twenty organisations were funded from the 1st phase of the Community Resilience Fund amounting to £58,429.00. There will be a second wave of funding available in Autumn/Winter 2022 for organisations in the VCS.

Seventeen events were held throughout the summer months in Maidstone Town Centre to support a 'vibrant visitor economy. This included Fusion Festival, Brenchley Gardens Concerts and Art in the Park.

There has been delay with some actions including the Mid Kent Skills hub, however this is expected to move forward once commercial terms have been agreed. A Volunteering and Funding Support Event, organised by Funding for All, in partnership with MBC is currently under development and is due to take place at the end of November.

Purpose of Report

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 30th June 2022.

That the Committee recommend to the Executive to write-off the irrecoverable Housing Benefits overpayment listed at Appendix 5 to the report.

This report makes the following recommendations to the Corporate Services Policy Advisory Committee:

1. That the Revenue position as at the end of Quarter 1 for 2022/23, 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 for 2022/23 be noted;
3. That the Performance position as at Quarter 1 for 2022/23, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.
4. That the Risk Update, attached at Appendix 3 be noted.
5. That the Recovery & Renewal Update, attached at Appendix 4 be noted.
6. That the Committee recommend to the Executive to write-off the irrecoverable Housing Benefits overpayment listed at Appendix 5 to the report.

1st Quarter Finance, Performance & Risk Monitoring Report 2022/23

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<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>	Director of Finance and Business Improvement (Section 151 Officer)
Cross Cutting Objectives	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.	Director of Finance and Business Improvement (Section 151 Officer)
Risk Management	This is addressed in Section 5 of this report.	Director of Finance and Business Improvement (Section 151 Officer)
Financial	<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</p>	Senior Finance Manager (Client)

	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.	
Staffing	<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)
Legal	<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>	Senior Lawyer (Corporate Governance), MKLS
Information Governance	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

Equalities	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
Public Health	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	There are no specific issues arising.	Director of Finance and Business Improvement (Section 151 Officer)
Procurement	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)
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and there are no direct implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium-Term Financial Strategy for 2022/23 to 2026/27 - including the budget for 2022/23 - was approved by full Council on 23rd February 2022. 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.
- 2.2 This report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs), and an updated covering corporate risks.
- 2.3 Attached at Appendix 1 is a report setting out the revenue and capital spending position at the Quarter 4 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 Policy & Resources Committee's previous request for regular updates on this subject.

3. AVAILABLE OPTIONS

- 3.1 The Committee is asked to note the contents but may choose to comment on the content.
 - 3.2 That the Committee recommend to the Executive to write-off the irrecoverable Housing Benefits overpayment listed at Appendix 5 to the report.
 - 3.3 That the Committee recommend that further action be taken to recover the Housing Benefits overpayment listed at Appendix 5 to the report
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 In considering the current position on the Revenue budget, the Capital Programme, KPIs and Corporate Risks at the end of June 2022, the Committee can choose to note this information or could choose to comment.
 - 4.2 That the Committee recommend to the Executive to write-off the irrecoverable Housing Benefits overpayment listed at Appendix 5 to the report as all reasonable debt recovery has taken place.
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5. RISK

- 5.1 This report is presented for information only and has no direct risk management implications.
 - 5.2 The Council produced a balanced budget for both revenue and capital income and expenditure for 2022/23. The budget is set against a continuing backdrop of limited resources and a difficult economic climate, even before the impact of the Covid-19 pandemic became clear. 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 Executive the best opportunity to take actions to mitigate such risks.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The KPIs update ("Performance Monitoring") have been reported to the Policy Advisory Committees (PAC) quarterly: Communities, Housing & Environment PAC; Economic Regeneration & Leisure PAC; and the Planning & Infrastructure PAC. Each committee also received a report on the relevant priority action areas. The report was also presented to the Corporate Services PAC reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The Quarter 1 Budget & Performance Monitoring reports are being considered by the relevant Policy Advisory Committees during September/October 2022.
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8. REPORT APPENDICES

- Appendix 1: First Quarter Budget Monitoring 2022/23
 - Appendix 2: First Quarter Performance Monitoring 2022/23
 - Appendix 3: Risk Update 2022/23
 - Appendix 4: Recovery & Renewal Update 2022/23
 - Appendix 5: Housing Benefit Overpayment Write-off
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9. BACKGROUND PAPERS

None.

First Quarter Financial Update 2022/23

Corporate Services – Policy Advisory Committee

14th September 2022

Lead Officer: Mark Green

Report Author: Paul Holland

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Part A

Executive Summary & Overview



This report provides members with the financial position as at 30 June 2022, covering activity for both the Council as a whole and this committee's revenue and capital accounts for the first quarter of 2022/23.

In 2021/22, income recovered more strongly than expected from the pandemic and the Council generated a modest surplus compared with budget. For 2022/23, there is no more direct government funding to cover the costs of Covid, but the Council has been able to set a balanced budget. Additional provision of £1.3 million was made within the 2022/23 budget for the expected impact of higher inflation on the Council's input costs. The projected peak level of inflation has continued to increase since the budget was set and this is likely to have an impact in particular on contract and energy costs, so the requirement for this provision will be monitored carefully to assess whether it will be adequate. If at any stage it appears that an overspend is likely, measures will need to be taken in-year to bring the budget back into balance.

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 2022/23

- At the Quarter 1 stage, the Council has incurred net expenditure of £0.059m against a profiled budget of £1.488m, representing an underspend of £1.428m.
- For the services reporting directly to CS PAC, net expenditure of -£0.193m has been incurred against a profiled budget of £0.704m, representing an underspend of £0.897m.

Part C: Capital Budget – Q1 2022/23

- At the Quarter 1 stage, the Council has incurred overall expenditure of £2.688m against a budget allocation within the Capital Programme of £35.476m.
- Expenditure for services reporting directly to CS PAC of £0.084m has been incurred against the budget of £12.633m.

Part D: Local Tax Collection 2022/23

- Collection rates have been met for the first quarter. Going forward we will need to monitor how the financial environment impact the level of collection.
- The Council is working with the other councils to establish the first quarter forecast for the Kent Business Rates Pool in 2022/23.

Part E: Reserves & Balances 2022/23

- The unallocated balance on the General Fund at 1 April 2022 was £13.2m. It is anticipated that balances will remain above the minimum level set by Council.

Part F: Treasury Management 2022/23

- The Council held short-term investments of £38.75m and had £9.0m in short term local authority borrowing as at 31st March 2022.
- Balances as at 30th June 2022 are £27.3m in short-term investments and £9m of borrowing.

Part G: Maidstone Property Holdings Ltd. (MPH)

- MPH net rental income for Quarter 1 2022/23 was £145,852. Rent arrears as at 30th June 2022 totaled £10,548.

Part B

First Quarter Revenue Budget 2022/23

B1) Revenue Budget: Council

B1.1 At the Quarter 1 stage, the Council has incurred net expenditure of £0.059m against a profiled budget of £1.488m, representing an underspend of £1.428m.

B1.2 Tables 1, 2 and 3 below provide further insight into the Council's income and expenditure position for Quarter 1 2022/23 by providing alternative analyses: by Policy Advisory Committee (PAC), Lead Member, Priority and Subjective Heading.

Table 1: Net Expenditure 2022/23 (@ 1st Quarter): Analysis by PAC

Policy Advisory Committee	Full Year Budget £000	To 30 June 2022 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Corporate Services	13,026	704	-193	897	12,383	642
Planning and Infrastructure	-134	174	-230	404	-323	189
Communities, Housing & Environment	10,424	1,128	988	140	10,829	-406
Economic Regeneration & Leisure	-81	-518	-506	-12	305	-387
Net Revenue Expenditure	23,234	1,488	59	1,428	23,196	39

Table 2: Net Expenditure 2022/23 (@ 1st Quarter): Analysis by PRIORITY

Priority	Full Year Budget £000	To 30 June 2022 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Safe, Clean and Green	7,168	1,916	1,748	168	6,980	188
Homes and Communities	1,168	-1,265	-1,250	-14	1,761	-593
Thriving Place	1,328	361	486	-125	1,704	-375
Embracing Growth and Enabling Infrastructure	-110	180	-243	423	-299	189
Central & Democratic	13,680	295	-682	977	13,049	631
Net Revenue Expenditure	23,234	1,488	59	1,428	23,195	39

Table 3: Net Expenditure 2022/23 (@ 1st Quarter): Analysis by SUBJECTIVE SPEND

Subjective	Full Year Budget £000	To 30 June 2022 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Employees	23,596	5,876	5,599	277	23,596	0
Premises	6,232	2,307	2,212	95	6,601	-370
Transport	662	149	110	39	662	0
Supplies & Services	14,672	2,887	2,828	58	15,361	-690
Agency	6,742	1,652	1,666	-14	6,742	0
Transfer Payments	37,820	7,312	6,110	1,202	37,820	0
Asset Rents	1,782	0	0	0	932	850
Income	-68,271	-18,695	-18,465	-230	-68,519	248
Net Revenue Expenditure	23,234	1,488	59	1,428	23,195	39

Table 4: Net Expenditure 2022/23 (@ 1st Quarter): Analysis by LEAD MEMBER

Lead Member for	Full Year Budget £000	To 30 June 2022 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Corporate Services	13,026	704	-193	897	12,383	642
Planning & Infrastructure	-134	174	-230	404	-323	189
Communications & Public Engagement	2,456	664	591	74	2,456	0
Environmental Services	6,256	1,725	1,646	79	6,068	188
Housing & Health	1,712	-1,262	-1,249	-13	2,305	-593
Leader of the Council	550	157	288	-131	787	-237
Leisure & Arts	-631	-675	-794	119	-481	-150
Net Revenue Expenditure	23,234	1,488	59	1,428	23,195	39

B2) Revenue Budget: Corporate Services PAC

B2.1 Table 4 below provides a detailed summary of the budgeted net expenditure position for the services reporting directly into CS PAC 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). The Lead Member for Corporate Services is responsible for all the services shown below.

Table 4: CS Revenue Budget: NET EXPENDITURE (@ 1st Quarter 2022/23)

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2022 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Maintenance of Closed Churchyards	11	3	0	3	11	0
Drainage	32	8	0	8	32	0
Street Naming & Numbering	-73	-18	-13	-5	-73	0
Sandling Road Site	29	7	42	-34	167	-138
Maidstone House - Landlord	197	49	-291	341	197	0
Civic Occasions	44	27	30	-2	44	0
Members Allowances	408	102	100	2	408	0
Members Facilities	18	4	1	3	18	0
Contingency	1,823	291	-1	292	1,823	0
Corporate Projects	50	13	0	13	50	0
Corporate Management	477	35	32	4	477	0
Unapportionable Central Overheads	1,488	355	328	27	1,413	75
Council Tax Collection	57	24	27	-3	57	0
Council Tax Collection - Non Pooled	-356	-51	-43	-8	-356	0
Council Tax Benefits Administration	-152	-152	-164	12	-152	0
NNDR Collection	2	1	3	-2	2	0
NNDR Collection - Non Pooled	-234	2	5	-3	-234	0
MBC- BID	1	-14	-16	3	1	0
Registration Of Electors	59	17	14	3	59	0
Elections	221	126	107	18	221	0
Emergency Centre	22	9	5	4	22	0
Medway Conservancy	128	64	64	-0	128	0
External Interest Payable	2,263	0	19	-19	1,413	850
Interest & Investment Income	-100	-25	-21	-4	-100	0
Palace Gatehouse	-8	-2	-5	3	-8	0
Archbishops Palace	-97	-24	-31	8	-97	0
Parkwood Industrial Estate	-287	-66	-60	-6	-287	0
Industrial Starter Units	-17	1	-5	6	-17	0
Parkwood Equilibrium Units	-77	-20	-27	7	-77	0
Sundry Corporate Properties	-237	-59	-15	-44	-92	-145
Phoenix Park Units	-216	-54	-62	8	-216	0
Granada House - Commercial	-93	-61	-69	8	-93	0
MPH Residential Properties	-732	-168	-165	-3	-732	0
Heronden Road Units	-148	-40	-40	0	-148	0
Boxmend Industrial Estate	-92	-23	-32	9	-92	0
Wren Industrial Estate	-120	-34	-36	1	-120	0
General Fund Residential Properties	-57	-14	-13	-1	-57	0
Pensions Fund Management	1,757	0	0	0	1,757	0
Non Service Related Government Grants	-4,216	-1,054	-1,054	0	-4,216	0
Rent Allowances	-115	-22	-172	150	-115	0
Non HRA Rent Rebates	-9	217	309	-92	-9	0
Discretionary Housing Payments	1	57	48	9	1	0
Housing Benefits Administration	-339	-88	-88	-0	-339	0

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2022 £000	Actual £000	Variance £000	Forecast 31 March 2022 £000	Forecast Variance 31 March 2022 £000
Democratic Services Section	263	66	52	13	263	0
Mayoral & Civic Services Section	118	29	29	0	118	0
Chief Executive	189	47	47	-0	189	0
Head of Policy and Communications	121	30	43	-13	121	0
Revenues Section	568	242	247	-5	568	0
Registration Services Section	92	23	21	2	92	0
Benefits Section	507	209	205	4	507	0
Fraud Section	34	70	73	-3	34	0
Mid Kent Audit Partnership	212	59	9	51	212	0
Director of Finance & Business Improvement	148	37	36	1	148	0
Accountancy Section	823	225	164	61	823	0
Legal Services Section	628	157	172	-15	628	0
Director of Regeneration & Place	147	37	36	1	147	0
Procurement Section	113	-3	0	-3	113	0
Property & Projects Section	572	143	132	12	572	0
Corporate Support Section	283	71	65	6	283	0
Improvement Section	375	94	89	5	375	0
Executive Support Section	91	23	23	-0	91	0
Head of Commissioning and Business Improvement	123	31	9	23	123	0
Mid Kent ICT Services	574	143	129	15	574	0
GIS Section	122	31	30	1	122	0
Director of Mid Kent Services	48	-61	-51	-10	48	0
Mid Kent HR Services Section	404	101	84	17	404	0
MBC HR Services Section	101	21	33	-12	101	0
Head of Revenues & Benefits	77	41	25	17	77	0
Revenues & Benefits Business Support	101	22	30	-7	101	0
Dartford HR Services Section	-14	-3	-7	3	-14	0
IT Support for Revenues and Benefits	26	11	11	-0	26	0
Emergency Planning & Resilience	88	22	14	8	88	0
Salary Slippage	-286	-71	0	-71	-286	0
Town Hall	121	41	31	10	121	0
South Maidstone Depot	221	99	101	-2	221	0
The Link	120	111	29	82	120	0
Maidstone House	398	187	287	-100	398	0
Museum Buildings	253	91	80	11	253	0
I.T. Operational Services	624	166	171	-5	624	0
Central Telephones	16	4	2	2	16	0
Apprentices Programme	71	18	3	15	71	0
Internal Printing	-4	1	8	-6	-4	0
Debt Recovery Service	-14	50	-3	53	-14	0
Debt Recovery MBC Profit Share	-95	-24	-22	-2	-95	0
General Balances	-1,179	-1,179	-1,179	0	-1,179	0
Earmarked Balances	4,507	-132	-159	27	4,507	0
Appropriation Account	1,782	0	0	0	1,782	0
Pensions Fund Appropriation	-1,757	0	0	0	-1,757	0
Total	13,026	704	-193	897	12,383	642

B2.2 The table shows that, at the Quarter 1 stage, for the services reporting directly to CS PAC, net expenditure of -£0.193m has been incurred against the budget of £0.704m, representing an underspend of £0.897m.

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 Policy Advisory Committees on a quarterly basis throughout 2022/23.

B3.2 Table 5 below highlights and provides further detail on the most significant variances at the end of Quarter 1.

Table 5: CS PAC Variances (@ 1st Quarter 2022/23)

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
Corporate Services	£000		
Sandling Road Site – Security costs for the site were not budgeted for when the Council took responsibility for the site. Possible sources of funding are being investigated.		-34	-138
Maidstone House Floors 1-4 – Part of a budget strategy saving of £0.590m relating to the acquisition of Maidstone House will be allocated to this budget to deal with this variance.	340		0
Contingency – Additional funding was included in this budget as a contingency for increased inflation costs. It is likely that a large portion of this funding will be used to cover additional contract and utilities costs.	292		0
Unapportionable Central Overheads – Due to staff vacancies payments to the Kent County Council Pension Fund are lower than forecast.	27		75
External Interest Payable – A significant portion of this budget relates to the Minimum Revenue Provision the Council has to make to meet the costs of borrowing for the capital programme. The budget assumed that there would be a higher level of borrowing at this stage than there actually has been.		-18	850
Sundry Corporate Properties – This budget included a budget strategy saving of £0.148m relating the income from new property acquisitions. To date there have been no acquisitions.		-43	-145
Rent Allowances & Non-HRA Rent Rebates - The variances on the cost centres are due to the rent allowances /rebates awarded and the income received from government. These are estimated costs until the year-end subsidy claim is submitted.	108		0
The Link - Part of a budget strategy saving of £0.590m relating to the acquisition of Maidstone House will be allocated to this budget to deal with this variance.	82		0
Maidstone House - Part of a budget strategy saving of £0.590m relating to the acquisition of Maidstone House will be allocated to this budget to deal with this variance. The current variance relates to higher than forecast electricity costs.		-108	0
Debt Recovery Service – Income levels are higher than forecast for the first quarter, but at this stage it is not assumed that they will continue at the same level.	53		0

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: Planning Services PAC Variances (@ 1st Quarter 2022/23)

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
Planning & Infrastructure	£000		
PLANNING SERVICES			
Development Control Majors – While income levels have been high during the 1 st quarter it is still not certain that these will be sustained over the remainder of the year. It is also proposed that this underspend will be utilised to fund some changes that are proposed within the Planning team.	118		0

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 30th June 2022.

Opening Balance 01/04/2022	Spending April - June 2022	Forecast Spending July - March 2023	Forecast Spending Balance 31/03/2023
£'s	£'s	£'s	£'s
1,461,727	42,737	1,420,073	-1,083

Table 6a, Local Plan Review budget (Q1, 2022/23)

B4.3 In addition to the annual funding a further £1m was allocated from the New Homes Bonus for 2022/23 for the LPR.

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
Planning & Infrastructure	£000		
PARKING SERVICES			
Pay & Display Car Parks - The variance is created by increased income from Off-Street car parks. Occupancy levels have continued to improve. Long stay car park income is now slightly better than budget.	73		154

Table 7: Communities, Housing & Environment PAC Variances (@ 1st Quarter 2022/23)

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
Communities, Housing & Environment Committee	£000		
Parks & Open Spaces – The Grounds Maintenance team is being restructured and this underspend will be used to fund the costs of that.	37		0
Crematorium – Income is forecast to increase by 5% this year, and some of this additional income will be used to fund grounds maintenance works.	51		138
Public Conveniences - This cost centre was awarded a growth item, to fund the additional costs of the new toilets at Mote Park. The toilets are not yet open, so the additional budget is unspent. The toilets are expected to open in September.	29		50
Household Waste Collection - The variance of this cost centre is caused by the expected rise in the waste collection and recycling contract, which is expected to increase by more the 12% from 1st April. When confirmed the contract will be funded by the additional budget set aside in the contingency for this purpose.		-41	0
Public Health Obesity – The year-end forecast represents unused grant monies that will be carried forward to 2023/24 .	30		65
Homeless Temporary Accommodation - This is due to a surge in the need for temporary accommodation, and this is likely due to, but not limited to the rise in the cost of living at the moment. There are also issues with getting people out of temporary accommodation as soon as possible, and this has proved very difficult. The Housing team are currently looking at how the homefinder scheme can help boost access to more private letting.		-101	-659

Table 8: Economic Regeneration & Leisure PAC Variances (@ 1st Quarter 2022/23)

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
Economic Regeneration & Leisure Committee	£000		
Innovation Centre – There may be financial pressures due to business rates now not being funded from any retained Enterprise Zone business rates going forward. For 22/23 there is around £100k of retained rates that can be used to reduce this year’s forecast and this will be reflected in future updates. Rent income has also been impacted slightly by a later go live date. Officers will continue to review the position and see if further funding can be identified.		-97	-220
Lockmeadow – At present the Council are paying the service charges for the food hall tenants. Due to increased utility costs the charges are now higher than had originally been anticipated.		-26	-150

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 CS PAC 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.

Table 9: Virements (@ 1st Quarter 2022/23)

Reason	From	To	Value £	Type
Funding for Welfare Officer post from Recovery & Renewal Reserve	Earmarked Reserves	Revenues Section	31,850	Temporary
Staff honorarium	Community Halls	Property & Projects Section	2,590	Temporary
Works to Granada House	Contingency	MPH Residential Properties	140,310	Temporary
Funding for staffing costs	Contingency	Customer Services Section	32,790	Temporary
Funding for Assistant Economic Development Officer post from Business Rates Growth Reserve	Earmarked Reserves	Economic Development Section	36,160	Temporary
First payment for website contract from Business Rates Growth Reserve	Earmarked Reserves	Economic Development - Promotion & Marketing	4,420	Temporary
Jubilee Mayor's Tea Party costs from Business Rates Growth Reserve	Earmarked Reserves	Economic Development - Promotion & Marketing	3,330	Temporary
Quarterly subscription for footfall activity costs from Business Rates Growth Reserve	Earmarked Reserves	Economic Development - Promotion & Marketing	3,000	Temporary
Funding for Enforcement Officer post from Recovery & Renewal Reserve	Earmarked Reserves	Development Management Section	6,920	Temporary
Funding for Planning Officer post from Recovery & Renewal Reserve	Earmarked Reserves	Development Management Section	7,560	Temporary
Funding for Temporary Heritage, Landscape & Design Officer post from Recovery & Renewal Reserve	Earmarked Reserves	Heritage, Landscape & Design Section	12,480	Temporary
Reduce rental income budgets	Contingency	MPH Residential Properties	28,620	Permanent
Costs of refuse collection at Mote Park	Mote Park Pay & Display Car Park	Mote Park	10,000	Permanent
Increase in costs of Communities & Strategic Partnership Manager post	Health Improvement Programme	Community Partnerships & Resilience Section	4,340	Permanent
			324,370	

Part C

First Quarter Capital Budget 2022/23



C1) Capital Budget: Council

- C1.1 The overall five-year Capital Programme for 2022/23 to 2026/27 was approved by the Council on 23rd February 2022. 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 continued to be available from the New Homes Bonus (NHB) in 2022/23.
- C1.2 The 2022/23 element of the Capital Programme (including unused resources brought forward from 2021/22) has a budget of £35.476m. At the Quarter 1 stage, capital expenditure of £2.688m had been incurred, with budget remaining of £32.788m.

C2) Capital Budget: Corporate Services PAC

- C2.1 Progress towards the delivery of the 2022/23 CS PAC 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 £0.084m has been incurred against a budget of £12.633m million for CS PAC. This leaves a remaining budget of £12.549m.

Table 10: Capital Expenditure (@ 1st Quarter 2022/23)

Capital Programme Heading	Adjusted Estimate 2022/23 £000	Actual to June 2022 £000	Budget Remaining £000	Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2023/24 £000
Communities, Housing & Environment								
Housing - Disabled Facilities Grants Funding	1,640	93	1,547	90	210	210	603	1,037
Temporary Accommodation	4,330	10	4,320	285	1,352	1,370	3,017	1,313
Springfield Mill - Phase 2	731	735	-4				735	-4
Private Rented Sector Housing Programme - Scheme B - Maidstone East	688	25	662	74	172	189	460	227
Private Rented Sector Housing Programme - Scheme C - Heather House & Pavilion Building	99	5	94			94	99	-0
Private Rented Sector Housing Programme - Scheme D - King Street	74		74					74
Private Rented Sector Housing Programme - Indicative Schemes	2,323	356	1,967	1,601	63	136	2,155	168
1,000 Homes Affordable Housing Programme - Indicative Schemes	4,305		4,305	1,601	2,786	82	4,469	-164
1,000 Homes Affordable Housing Programme - Maidstone East	1,330		1,330					1,330
1,000 Homes Affordable Housing Programme - King Street	44	29	15				29	15
Market Sale Housing Programme - Heather House & Pavilion Building	515		515			515	515	
Acquisitions Officer - Social Housing Delivery P/ship	160	20	140	45	45	50	160	0
Granada House Refurbishment Works	950	24	926	8		300	332	618
Street Scene Investment	70		70	50	20		70	-0
Flood Action Plan	430		430			100	100	330
Electric Operational Vehicles	84		84		84		84	
Vehicle Telematics & Camera Systems	22		22	22			22	
Rent & Housing Management IT System	11	13	-2				13	-2
Installation of Public Water Fountains	15		15			15	15	
Crematorium & Cemetery Development Plan	137	124	12	13			137	-0
Continued Improvements to Play Areas	126		126	50	50	26	126	-0
Parks Improvements	152	10	142	75	35	32	152	0
Gypsy & Traveller Sites Refurbishment	1,421	424	997	500	497		1,421	-0
Waste Crime Team - Additional Resources	25		25	25			25	
Section 106 funded works - Open Spaces	400	38	362	175	100	87	400	0
Total	20,080	1,906	18,174	4,614	5,413	3,206	15,139	4,941

Capital Programme Heading	Adjusted	Actual to	Budget	Q2	Q3	Q4	Projected	Projected
	Estimate	June	Remainin				Total	Slippage
	2022/23	2022	g	Profile	Profile	Profile	Expenditu	to
	£000	£000	£000	£000	£000	£000	re	2023/24
				£000	£000	£000	£000	£000
Economic Regeneration & Leisure								
Mote Park Visitor Centre	1,307	694	613	500	263		1,457	-150
Mote Park Lake - Dam Works	486	4	482	50	50	40	144	342
Museum Development Plan	389		389	23	10	18	50	339
Leisure Provision	100		100	20	40	40	100	
Cobtree Golf Course New Clubhouse	4		4			4	4	0
Tennis Courts Upgrade	20		20	20			20	
Riverside Walk Works	250		250					250
Total	2,556	698	1,859	613	363	102	1,775	782
Corporate Services								
Corporate Property Acquisitions	3,181		3,181	1,000	1,000	1,181	3,181	
Kent Medical Campus - Innovation Centre	341	5	336	50	200	86	341	-0
Lockmeadow Ongoing Investment	203	4	200	100	50	50	203	0
Garden Community	1,633	8	1,625	250	250	250	758	875
Infrastructure Delivery	1,000		1,000					1,000
Asset Management / Corporate Property	1,161	27	1,134	250	250	250	777	384
Other Property Works	980		980	100	440	440	980	
Biodiversity & Climate Change	1,478		1,478		144	103	247	1,231
Feasibility Studies	122	18	104	40	35	29	122	0
Digital Projects	25		25			25	25	
Software / PC Replacement	336	21	315	110	110	95	336	-0
Maidstone House Works	1,000	0	1,000	250		580	830	170
Automation Projects	200		200	50	75	75	200	
New Ways of Working - Make the Office Fit for Purpose	40		40	40			40	
Archbishop's Palace	400		400	25	10	10	45	355
Fleet Vehicle Replacement Programme	533		533	250	150	133	533	-0
Total	12,633	84	12,549	2,515	2,714	3,307	8,619	4,014
Planning & Infrastructure								
Bridges Gyratory Scheme	206		206	10	10	10	30	176
Total	206		206	10	10	10	30	176
TOTAL	35,476	2,688	32,788	7,751	8,500	6,624	25,563	9,912

C3) Capital Budget Variances (@ 1st Quarter 2022/23)

Corporate Services PAC

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

Garden Community – Work is continuing on developing this project, with any unused balance being carried forward into 2023/24.

Infrastructure Delivery – At this stage there are no plans to spend this budget.

Biodiversity & Climate Change – A number of projects have been identified for this year and are being progressed. A number of other projects are unlikely to happen until next year and beyond, so any unused balance will be carried forward into 2023/24.

Communities, Housing and Environment PAC

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

Disabled Facilities Grants – Expenditure is historically less than the committed budget in each year, but unused funding is always carried forward allowing for works to be programmed in over the course of a number of years. A review of the DFG process is currently being undertaken and will feature in the draft new Housing Assistance Policy that will be delivered to the CHE PAC later in the year for commentary before being presented to the Executive.

Temporary Accommodation - This is the funding for the latest phase of property acquisitions to provide accommodation for temporarily homeless families and persons. There have been no acquisitions to date. It is hoped to acquire more properties this year, but it is proving difficult to obtain properties at reasonable valuations given the current overheated housing market.

Private Rented Sector Housing Programme/1,000 Homes Affordable Housing Programme – A number of schemes are at various stages of development at this stage, the main one at present being the Springfield Library site. Expenditure is very much indicative at this stage and expected to increase during the remainder of the year once schemes that are currently at the feasibility stage have progressed further and new sites are potentially secured. Some schemes will also contain elements of both private rented and affordable housing so the costs may change depending on the mix at the sites where this happens.

The current market conditions to identify and acquire suitable sites that also meet our required financial hurdles is proving challenging. Land prices remain high and are still rising due to a perceived (by vendors) link to rising house prices, which is challenging on its own, but also, rapidly rising construction prices are eroding the possible returns further from those same sites. That said a likely pipeline of schemes to deliver the programme has largely been identified, but the process of negotiating the purchase of the sites at a reasonable level, and in accordance with the prevailing RIC Red Book Valuations, needs to be undertaken in a careful and considered manner.

Granada House Refurbishment Works – The procurement process for the works is now complete and it is anticipated that works will commence in January 2023 and will take 8 months to complete. The unused funding will be carried forward into 2023/24. The costs of the works are likely to exceed the approved budget of £2.0m, so further funding will need to be identified as part of the development of the capital programme for 2023/24 onwards.

Economic Regeneration and Leisure PAC

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

Mote Park Visitor Centre – There have been some unanticipated costs that mean the project will cost around £150,000 more than initially budgeted for. Funding has been identified for this overspend.

Mote Park Lake Dam Works – This project is substantially complete with the only costs remaining being the retention payment due next year of £13,000.

Riverside Walk Works – Proposals are still being developed and there will be no spend this year.

Part D

First Quarter Local Tax Collection 2022/23



D1) Collection Fund

Part E

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

Reserves & Balances 2022/23

Table 11: Local Tax Collection Rates (Q1 2022/23)

Description	Target Q1 2022/23	Actual Q1 2022/23
Council Tax	27.48%	28.20%
Business Rates	30.97%	35.80%

D2.2 The amount of Council Tax and Business Rates collected is marginally higher than the quarter 1 target. This will be closely monitored to understand the impacts of the UK financial environment on residents and businesses.

D3) Kent Business Rates Pool

D3.1 The council has continued to participate with other Kent authorities during 2022/23 to maximise the proportion of business rates growth it is able to retain. Forecasts from those in the pool have been requested and we will have an update for quarter 2. As in previous years, any funding will be 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. 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.

E1) Reserves & Balances

E1.1 The combined total of the General Fund balance and Earmarked Reserves as at 1 April 2022 was £34.8 million, including £8.4 million set aside to fund future collection fund deficits. The makeup of the balance, and the forecast movements during 2022/23 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 2022.

Table 13: Reserves & Balances Quarter 1 2022/23

	Balance 1st April 2022	Estimated movement in 2022/23	Estimated Balance as at 31st March 2023
	£000	£000	£000
General Fund			
Unallocated Balance	13,237	0	13,237
Subtotal	13,237		13,237
Earmarked Reserves			
Spatial Planning EM reserve	1,000	(1,000)	0
Neighbourhood Planning	97	(20)	77
Planning Appeals	286	0	286
Trading Accounts	0	0	0
Civil Parking Enforcement	400	(110)	290
Future Capital Expenditure	2,426	0	2,426
Future Funding Pressures	969	0	969
Homelessness Prevention & Temporary Accommodation	1,279	(500)	779
Business Rates Earmarked Balances	3,681	(70)	3,611
Funding for Future Collection Fund Deficits	8,391	(8,391)	0
Commercial Risk	500	0	500
Invest to Save	500	(50)	450
Recovery and Renewal Reserve	778	(112)	666
Renewable Energy	119	0	119
Enterprise Zone	4	0	4
Resources carried forward from 2021/22 to 2022/23	1,184	(1,184)	0
Subtotal	21,614	(11,437)	10,177

Table 14: General Fund and Earmarked Balances at Q1 2022/23

The Committee is asked to note that a recommendation will be made to the Executive to use £25,000 of the unallocated balance to fund the costs of drafting an updated Constitution.

Part F

Treasury Management 2022/23

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 23rd February 2022, the Council approved a Treasury Management Strategy for 2022/23 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 30th June 2022, the Council's Advisors, Link Asset Services, reported:

- Following the 0.1% m/m fall in GDP in March and the 0.3% m/m contraction in April, the economy is now moving towards a recession (two quarters of falling output in a row).
- CPI inflation rose from 9.0% in April to a new 40-year high of 9.1% in May and it is not yet close to its peak. The increase in CPI inflation in May was mainly due to a further leap in food price inflation from 6.7% to a 13-year high of 8.5%. The further rise in core producer price inflation, from 13.9% to 14.8%, suggests that core goods CPI inflation will probably rise to 14% before long. We think that will take CPI inflation to a peak of around 10.5% in October.
- The MPC has now increased interest rates five times in as many meetings and raised rates to their highest level since the Global Financial Crisis. We think the MPC will raise rates from 1.25% now to a peak of 2.75% next year.
- Gilt yields have been caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21st June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively.

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.

Table 14: Interest Rate Forecast

Link Group Interest Rate View 21.06.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
BANK RATE	1.75	2.25	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25
3 month ave earnings	2.00	2.50	2.80	2.80	2.80	2.80	2.60	2.50	2.30	2.30	2.20	2.20
6 month ave earnings	2.50	2.80	3.00	3.00	2.90	2.90	2.80	2.70	2.60	2.50	2.40	2.30
12 month ave earnings	3.10	3.20	3.20	3.20	3.00	2.90	2.80	2.60	2.50	2.40	2.40	2.40
5 yr PWLB	3.20	3.30	3.30	3.30	3.30	3.20	3.10	3.00	3.00	3.00	2.90	2.90
10 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.30	3.20	3.20	3.20	3.10	3.10
25 yr PWLB	3.70	3.70	3.70	3.70	3.70	3.70	3.60	3.50	3.50	3.40	3.40	3.30
50 yr PWLB	3.40	3.40	3.50	3.50	3.40	3.40	3.30	3.20	3.20	3.10	3.10	3.00

BANK RATE

- The CPI measure of inflation is now forecast to rise further and the MPC will be keen to stifle the prospect of average earnings data (6.8% y/y currently including bonuses) providing further upside risk to inflationary factors that are primarily being driven by supply-side shortages.
- When Bank Rate reached 1% in May, the MPC indicated (no earlier than August) that it will also consider the extent to which it implements Quantitative Tightening (QT), primarily the selling of its gilt holdings. However, they are likely to take any such decision cautiously as they are already not refinancing maturing debt.
- Once Bank Rate reaches 1%, the MPC will need to consider the extent to which it implements Quantitative Tightening (QT), primarily the selling of its gilt holdings, although they are likely to take it cautiously as they are already not refinancing maturing debt.
- Notwithstanding the MPC's clear desire to increase Bank Rate throughout 2022, negative real earnings, the 54% hike in the Ofgem energy price cap from April (to be followed by a potential 40%+ further increase from October), at the same time as employees (and employers) have incurred a 1.25% Health & Social Care Levy, growing commodity and food inflation plus council tax rises - all these factors will hit households' finances hard. However, lower income families will be hit disproportionately hard despite some limited assistance from the Chancellor to postpone the full impact of rising energy costs.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies, but the on-going conflict between Russia and Ukraine, including the manner in which the West and NATO respond through sanctions and/or military intervention. Currently, oil, gas, wheat and other mainstream commodities have risen significantly in price and central banks will have to balance whether they prioritise economic growth or try to counter supply-side shock induced inflation.
- On the positive side, consumers are estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above increases. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income before these increases hit and have few financial reserves.

PWLB RATES

- The yield curve has steepened considerably through the quarter and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 2.75% to 3.75%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook (although we thought that in May and markets went much further than expected in respect of the gilt market sell-off).
- It is difficult to say currently what effect the Bank of England starting to sell gilts will have on gilt yields now that Bank Rate has gone to above 1%. Nothing will be decided before August, however, but the Bank is likely to act cautiously as it has already started on not refinancing maturing debt. A pure roll-off of the peak £875bn gilt portfolio by not refinancing bonds as they mature, would see holdings fall to about £415bn by 2031, which would be about equal to the Bank's pre-pandemic holding.
- Increases in US treasury yields over the next few months could add further upside pressure on gilt yields as they have done since the turn of the year.

F4) Council Investments

The council held investments totaling £38.75m at the start of the year which has reduced to £27.3m on 30th June 2022. Investment levels have reduced due to repayments of grants to Central Government and precept payments to Parish Council's in April 2022.

A full list of investments held at this time is shown at Table 15 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 15: Short-Term Investments (1st Quarter 2022/23)

Counterparty	Type of	Principal £	Start Date	Maturity Date	Rate of Return	MBC Credit Limits	
						Maximum Term	Maximum Deposit
Goldman Sachs International Bank	Call account	2,000,000			0.23%	100 Days	£5,000,000
Lloyds Bank Plc	Call account	1,000,000			0.15%	6 Months	£5,000,000
Santander Bank Plc	Call account	5,000,000			0.70%	6 Months	£5,000,000
Goldman Sachs Asset Management	Money Market Fund	8,300,000			1.13%		£10,000,000
Landesbank Hessen Thuringen Girozentrale	Fixed Term Deposit	3,000,000	31/01/2022	29/07/2022	0.62%	6 Months	£5,000,000
Goldman Sachs International Bank	Fixed Term Deposit	3,000,000	14/04/2022	14/10/2022	1.48%	100 Days	£5,000,000
Landesbank Hessen Thuringen Girozentrale	Fixed Term Deposit	2,000,000	26/04/2022	26/10/2022	1.42%	6 Months	£5,000,000
National Bank of Kuwait London	Fixed Term Deposit	3,000,000	06/05/2022	07/11/2022	1.72%	6 Months	£5,000,000
Total Investments		27,300,000					

F4) Council Borrowing

The Council held external borrowing amounting to £9m on 31st March 2022 and the balance is still £9m at the end of June. A breakdown is shown in Table 15 below

Table 16: Council Borrowing (1st Quarter 2022/23)

Counterparty	Type of Institution	Principal £	Start Date	Maturity Date	Interest Rate
Middlesbrough Teeside Pension Fund	Local Authority	4,000,000	20/08/2021	19/08/2022	0.08%
PWLB	Government	2,000,000	11/11/2021	11/11/2071	1.73%
PWLB	Government	3,000,000	30/12/2021	30/12/2071	1.56%
		9,000,000			

Part G

Maidstone Property Holdings 2022/23



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.
- 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 (previously to the Policy and Resources Committee, now to this 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 is 31st March, in order to align with the Council's financial reporting period. The external audit of the 2021/22 accounts is currently in progress.




G2) MPH Headlines

- G2.1 During 2021/22 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 new flats at Tower Hill (Brunswick Street), Tylers Place (Union Street) Springfield Place and Springfield Mill.
- G2.2 Net rental income up to the end of the first quarter of 2022/23 totals £145,852 (2021/22 £517,666) This represents rent collected, less running costs, maintenance costs and recharges for staff time. As at 30th June 2022, rent arrears were estimated at £10,548.
- G2.3 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 2022/23.
- G2.4 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 2022/23				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Number of new Council Tax Support (CTS) applications received	665				
Total number of live Council Tax Support (CTS) cases as of the end of the quarter	9,593				













The Council's Financial position

Performance Indicator	Q1 2022/23				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage of Non-domestic Rates Collected (BV 010)	35.8%	30.97%			
Percentage of Council Tax collected (BV 009)	19.03%	18.49%			

The Way We Work

Performance Indicator	Q1 2022/23				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Total running costs of Maidstone House in the period	£154,681.30				

Q1 2022/23 KPIs across service Committees that were missed by more than 10%

Performance Indicator	Q1 2022/23				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage of successful Relief Duty outcomes	47.12%	60%			
Footfall in the Town Centre	2,417,464	2,722,375			
Percentage of unemployed people in Maidstone (out-of-work benefits) [NOMIS]	2.9%	1.6%			
Number of youths unemployed (18-24)	543	373			

Economy

The “**Footfall in Town Centre**” KPI achieved an outcome of 2,417,464 against a target of 2,722,375, missing its target by more than 10%. When comparing it to last quarter, the footfall has increased by 6.8%.

When comparing it to the same quarter last year, the footfall count has a decrease of 6.6%, and still slightly falls behind pre-pandemic year (2019) and is 13% lower.

The “**Number of youths unemployed (18-24)**” KPI achieved a figure of 543 against a target of 373 in June 2022. The target of 373 is taken from an average monthly number of youths employed in 2019/20 (pre-pandemic). Unemployment among youth continues to fall every month. The number of youths unemployed in April 2022 is 42.1% lower than the number of youths unemployed in April 2021. However, it is still significantly higher than the pre-pandemic figure of 320 (April 2019).

“**Percentage of unemployed people in Maidstone (out of work benefits)**” KPI achieved an average figure of 3.0% for April – June 2022 against an average target of 1.6%. Unemployment rates in Maidstone have continued to fall in Q1 and are lower than the rates for the same period last year. Performance for this indicator continues to improve and moves more towards its pre-pandemic levels. For comparison, April, May and June 2021 rates were 5.2%, 4.8% and 4.5% respectively.

Communities

The “**Percentage of successful Relief Duty outcomes**” indicator achieved a result of 47.12% against a target of 60% and missed it by 12.88%.

The performance of 47.12% of homelessness relieved in the quarter demonstrates average performance and is much higher than the national average of homelessness relieved for the quarter of 38.2%, taken from the detailed LA tables for statutory homelessness Jan-Mar 22. It is also much higher than the Kent average of 33.8%, also taken from the LA tables for statutory homelessness.

It is recognised that relieving homelessness is more difficult than preventing homelessness, in particular with restricted access to the Private Rented Sector as a result of unaffordable market rents and an increase in demand for private rented accommodation from those who are not economically disadvantaged.

Additionally, we have experienced a sharp increase in the number of households that are presenting as homeless on the day due to domestic abuse, which limits the opportunity to relieve the homelessness before the main housing duty is triggered.



First Quarter Risk Update

2022/23

September 2022
Corporate Services PAC
Report Author: Alison Blake

Introduction

Risk management involves managing the ***effect of uncertainties on the achievement of our objectives*** and is a key principle of corporate governance. The importance of risk management is recognised in our Local Code of Governance, the Annual Governance Statement and through the Risk Management Framework.

Having arrangements in place to identify and manage our risks increases our chances of achieving corporate and operational objectives by controlling risks in balance with resources. Good risk management also increases our ability to cope with developing and uncertain events and helps to instil a culture of continuous improvement and optimisation.

The Risk Management Framework sets out how the Council identifies, manages and monitors risks. This includes the risk appetite statement, which articulates how much risk the Council is comfortable with and able to bear. In summary, the risk management process for the Council can be broken down into the following key components. Appendix 3B gives a one-page summary of the risk management process.



A key part of the risk management process is to report risk information to understand how the risks to the Council are changing. The purpose of the report is to provide Members with the Council's corporate risks and how they have changed since the last report to this Committee in June. The role of this committee is to provide oversight and challenge over the management of the Council's most significant risks.

The report also describes the risks 'on the horizon' providing an indication of potential future risks which may materialise into risks the Council can manage as they become clearer.

Progress is being made in updating all operational risks alongside the introduction of the JCAD risk management software. 52% of services have now been trained in how to use JCAD and 21% of operational risks have been updated. The remainder of the training and operational risk updates is scheduled to be completed by the end of September. Appendix 3C outlines the services completed up to the 6th September. Once operational risks have been updated the themes and significant risks will be reported to Corporate Services Committee.

Corporate Risks

The Council's corporate risks are reported quarterly to the Corporate Services Policy Advisory Committee to ensure effective oversight and monitoring. The risks are reviewed and updated by risk owners including progress against any related risk actions. Existing and planned controls have been updated and the risk ratings reviewed and updated where necessary.

The table below summarises the **15** 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 are outlined below the table.

No	Corporate risk	June 2022 Current Risk	September 2022		Corporate Priority			
			Current Risk	Mitigated Risk				
1	Financial uncertainty	25	25	16	✓	✓	✓	✓
2	Contraction in retail sector	25	25	20	✓			✓
3	Election failure / challenge	NEW	25	20	✓	✓	✓	✓
4	Construction costs / contractor insolvency	20	20	16	✓		✓	✓
5	Environmental damage	16	16	16		✓	✓	✓
6	Housing pressures increasing	16	16	12	✓		✓	
7	Major unforeseen emergency	15	15	12	✓	✓	✓	✓
8	IT network failure	12	12	9	✓	✓	✓	✓
9	Not fulfilling residential property responsibilities	12	12	9	✓		✓	
10	Major contractor failure	12	12	12	✓	✓	✓	✓
11	Ability to access / leverage new funding	9	12	9	✓	✓	✓	✓
12	Loss of workforce cohesion and talent	12	12	9	✓	✓	✓	✓
13	Governance changes	12	9	6	✓	✓	✓	✓
14	Reduced effectiveness of relationships with strategic partners	9	9	9	✓	✓	✓	✓
15	Resilience of the voluntary & community sector	9	9	6		✓	✓	

Our Priorities



Summary of Changes

The risk of *failure or challenge of the May 2023* elections has been identified as a result of the Elections Act 2022 introducing voter ID. While the Council has mitigations in place to manage this risk there is a high dependency on external parties outside of the Council's control.

The *Financial uncertainty* risk description had been updated to include increasing contractor costs reflecting an additional pressure on the Council's finances. Increasing contractor costs is also now reflected in the *major contractor failure* risk.

Environmental damage risk description updated to remove reference to air pollution and instead reference flooding, severe storms, heatwaves and drought. The risk description also references the implication of the Council in supporting those affected by climate change events.

Housing pressures increasing risk description amended to reflect the cost-of-living crisis as a cause of this risk.

The *Ability to access new funding* risk has increased due to Public Works Loan Board (PWLB) funding potentially becoming more restricted in the future. The risk description has been updated to reflect this.

The *Governance Changes* risk has decreased as the new executive model becomes more embedded.

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>General financial uncertainty. Unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation and contractor costs places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims. <i>UPDATED</i></p>	Mark Green	<ul style="list-style-type: none"> • Agreed work programmes in transformation and commissioning • Budget monitoring in place • MTFS in place and monitored • Scenario planning in budget setting • Strategies for maintaining income (e.g. pricing policies and proactive management of property portfolio) • Holding reserves to mitigate impact of financial restrictions • Robust risk assessment of new business opportunities 	(5 x 5) 25	<ul style="list-style-type: none"> • Currently updating MTFS to reflect impact of inflation • Lobbying to avoid unfavourable financial changes to government funding • Cost recovery through bidding for additional government support for one-off costs and strategic investments • Identifying measures to address future budget gaps • Maximise Council Tax to referendum limit 	(4 x 4) 16
<p>56 General and localised economic pressure leads to contraction in retail sector, limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.</p>	William Cornall	<ul style="list-style-type: none"> • Working with Key stakeholders including One Maidstone to safely reopen the High Street. • Regular network meetings with town centre retailers • Public realm improvement work • Supporting One Maidstone Business Improvement District • Acquisition of key property (Royal Mail former sorting office planning application to be submitted Q4 / Grenada House refurbishment works expected to commence Q4) • Work commissioned to promote Maidstone as business destination • Planning Guidelines documents have now been approved by SPI for the Five town Centre Opportunity sites. Planning permissions have now been granted on two of these and pre-application advice given in respect of land parcels on Maidstone Riverside. • Active management of Lockmeadow to enhance the local economy • Support delivered to the sector through Business Rates grants and assistance grants • Town Centre Opportunity guidance published and actively being used 		(5 x 5) 25	<ul style="list-style-type: none"> • Taking advantage of opportunities to support infrastructure investment • A targeted programme of place promotion campaign activities • Development of a Town Centre strategy to guide the reallocation of land uses within the Town Centre (including retail) • A programme of town centre events and activities is now in place funded through covid response monies. UKSPF Local Government Plan intends to continue and expand this (subject to release of funding) • The Council has made the decision to put in place a new Article 4 Direction for the core shopping area of Maidstone town centre to retain greater control over planning in that location. • Covid related Business Support grants will continue to be focussed upon this sector in part. • The Council has now received a circa £1.2m Shared Prosperity Fund allocation for the next three years, and officers are in the process of preparing a draft investment plan for the monies for consideration by Members. • The Leader has agreed the LIP and it has been submitted; we are awaiting the outcome; we need to add reference to our successful bid to the safer Streets Fund which has secured £565k investment for community safety in the town centre

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
Elections Act 2022 introduction of Voter ID for May 2023 elections results in the election failing or being challenged. Leading to reduced electoral integrity, reputational damage, and potential impact on political leadership and decision-making capability for 2023/24. <i>NEW</i>	Alison Broom / Angela Woodhouse	All usual election risk mitigations are in place including project planning, contingency planning and risk assessments. In addition DES Manager on DLUHC BCN group working on Elections Act 2022 implementation and liaising with AEA.	(5 x 5) 25	Increased election staffing for 2023, All Council staff to be on standby to support elections, utilise internal comms, early contact of election staff, targeted training, prioritising of elections over corporate functions within Corporate and Electoral Support, contingency planning for post-election challenge impacts. However, risk mitigation is limited due to dependency on external factors (i.e. DLUHC delivering)	(4 x 5) 20
15 Inflation continues to rise and a significant economic event (e.g. further pandemic impacts, BREXIT, supply chain issues) causes significant changes in construction costs which may also result in a contractor insolvency, as they are generally locked into delivering schemes at a fixed price, and so need to manage their exposure to rising costs in their supply chain. For the Council, this leads to a narrowing gap between build price and end of property values, increased costs to the Council and a possible time lag in delivery of 1000 affordable new homes, owing to a lack of capacity in the construction sector.	William Cornall	<ul style="list-style-type: none"> • Use of "off-site" and other Modern Methods of Construction where possible to ensure schemes are delivered efficiently • Designing buildable efficient schemes • Financial stability and overall exposure checks for contractor • Performance bonds and quality monitoring • Realistically set financial scheme approval hurdle rates 		(4 x 5) 20	

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>Increased impacts from climate change (including flooding, severe storms, heatwaves and drought) causes environmental damage reducing residents' quality of life and increasing adaptation support required from the Council. <i>UPDATED</i></p>	<p>Angela Woodhouse</p>	<ul style="list-style-type: none"> Comprehensive Biodiversity and Climate Change Strategy and action plan has been developed and is being implemented across council Air Quality Action Plan in place Emergency planning arrangements Parks and open spaces strategy to reduce risk of damage from trees and nature based mitigation of climate impacts Budget available to deliver actions and additional funding allocated Communication / engagement activities to increase resilience and awareness of residents and businesses for adverse weather events Use of Severe Weather Impacts Monitoring System (SWIMS) to understand impacts of severe weather in borough Member of the Kent Climate Change Network Permanent Biodiversity and Climate Change Manager in post Permanent Biodiversity and Climate Change engagement officer in post to support public and business adaptation to climate change Part of Medway Flood Partnership and Kent Resilience Forum Strong governance arrangements in place with operational board chaired by Director of Strategy Insight and Governance, Fortnightly oversight meetings with the Leader and quarterly reports to Corporate Leadership Team, Policy Advisory Committee and the Executive 	<p>(4 x 4) 16</p>	<ul style="list-style-type: none"> Continue Implementation of the B&CC strategy and action plan to engage with public and businesses to adapt to and mitigate impacts of climate change Review of our own estate in line with ambition to be carbon neutral by 2030, and work with partners to reduce carbon, reduce surface run off and increase natural solutions to mitigate impacts of climate change and pollution Partner with KCC, other Kent districts and private landowners on widescale tree planting and nature recovery to mitigate impacts of climate change Newly appointed Emergency Planning Officer will be trained on SWIMS and take on the task of uploading impacts on SWIMS more regularly and with closer ties to KCC. Establishing with MBC B&CC action owners the best way to measure progress through KPIs Work with Medway Flood Partnership to identify and develop actions, including natural flood management (nature-based solutions and sustainable urban drainage), which can help to reduce flooding. Ensure Local Plan review considers level of current and future projected flood/drought risk and that new developments are planned accordingly. Work with the Kent Resilience Forum, spatial planners and other partners to enhance adaptation and emergency planning contingencies for severe weather and other climate impacts. 'Strengthening' of power and water supply and other critical infrastructure should be a priority alongside ensuring more resilient settlements 	<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>The broader housing and cost-of-living crisis leads to housing pressures increasing on the Council, affecting both costs associated with homelessness and ability to meet wider housing needs in the borough.</p> <p style="color: green; text-align: center;">UPDATED</p> <p style="font-size: 24px; font-weight: bold; margin-top: 20px;">59</p>	William Cornall	<ul style="list-style-type: none"> • Homelessness prevention team in place with increased resource • Access to our own housing stock to use for temporary accommodation & market rented housing (within Maidstone Property Holdings) • Closer working with private sector & housing associations • Key policies are in place: Temporary Accommodation Strategy • Implementation of Housing Management Team • Council approval in place for MBC to develop up to 1000 affordable homes of its own • We work closely with the voluntary sector and community partners • Home Finders scheme in place and supported through Government funding • Affordable Housing supplementary guidance adopted in Summer 2020 • The Council acquired Trinity Place community asset has been refurbished and opened to enable a range of housing and related services to be provided. 	<p>(4 x 4) 16</p>	<ul style="list-style-type: none"> • Continued progress towards the temporary accommodation acquisition programme funded through the MBC capital programme • Leader of Council ambition to build 1000 new Council homes as soon as possible and plans to meet this aspiration have been approved and the programme is underway with the second major new land acquisition. • New draft Housing Strategy has been considered by the CHE committee and is now out for public consultation with a view to it being adopted in Q4 • The Council continues to work with Homes England to promote the 5,000 home Heathlands garden community through the Local Plan Review, with a view to the project delivering new homes from the late 2020's. • Review of the Home Finder Scheme offer to landlords to increase the supply of stock at our disposal. 	<p>(3 x 4) 12</p>
<p>Major unforeseen emergency with national / international impact (e.g. new pandemic, environmental disaster)</p>	Alison Broom	<ul style="list-style-type: none"> • Strong existing emergency planning framework • Active engagement with Local Resilience Forum • Flexible, committed and appropriately trained workforce • Quarterly oversight & monitoring through the Emergency Planning Group (EPG) • Some financial reserves • Good partnership working as demonstrated during Covid-19 pandemic • Continued update to Business Continuity Plans and arrangements • Ongoing considerations of financial reserves which have been increased 	<p>(5 x 3) 15</p>	<ul style="list-style-type: none"> • Plan for dealing with different types of major emergencies, including water supply interruptions • Review and update of the Council's IT Disaster Recovery arrangements and Business Continuity Plans • Embedding arrangements over the quarterly review of emergency threats and risks through the EPG including horizon scanning and early warnings • Recovery and renewal funding allocated to strengthen work on community resilience 	<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>Security breach or system weakness leading to IT network failure results in wide-spread system unavailability, increased legal and financial liability and reputational damage.</p>	Georgia Hawkes	<ul style="list-style-type: none"> Regular backup programmes External testing of IT security by specialists –resulting findings and actions are implemented and tested ICT policies & staff training, including disaster recovery plan Mandatory cyber security training was rolled out and completed CLT monitoring of performance indicators, including ICT incidents Nessus scanning software reporting daily on system vulnerabilities New firewall tested and installed Ongoing programme of awareness raising through Cyber events, training, and tests Ongoing programme of IT campaigns including phishing IT Business Continuity Plan which prioritises the systems that need to be bought back online. Bulk messaging system to ensure adequate communication lines available. Gov.notify used and an awareness campaign run to encourage staff to sign up. 	(4 x 3) 12	<ul style="list-style-type: none"> Cyber Security Incident BC Exercise to be undertaken in November 2022 Business Impact Assessments are being reviewed and updated and will be used to update all BC Plans 	(3 x 3) 9
<p>Insufficient awareness / expertise leads to not fulfilling residential property responsibilities resulting in possible health & safety breaches.</p>	William Cornall	<ul style="list-style-type: none"> Faithfull Farrell & Timms have been retained as a critical friend to allow the new housing management function to up skill. West Kent Housing Association (WKHA) engaged to provide an asset management service for the whole MBC residential portfolio. The whole MBC residential portfolio is now being managed by a single team within Housing & Communities, where previously it was split between Housing & Property. H&S KPIs are now recorded and reported through a permanent software solution. The H&S KPIs are reported monthly to Corporate Leadership Team. Good level of awareness from officers around H&S obligations and compliance Excellent levels of compliance being reported to the CLT monthly. 	(4 x 3) 12	<ul style="list-style-type: none"> Eventual goal of real time reporting in terms of gas safety Review of existing resources and skills underway to support the housing portfolio and management of properties. Policy & Resources Committee has approved a sizable re-investment in the Council owned Gypsy & Traveller site portfolio and works nearing completion Implementation of new specialist housing management software to support the growing portfolio. The current provider of asset management services to the MBC and MPH residential portfolios, West Kent Housing Association, has served notice to end the contract in Jan 2023, so officers are starting the procurement process for an alternative supplier/s. 	(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>Failure of a major contractor: As a result of market pressures one of the Council's contractors goes into liquidation / administration or seeks to negotiate an increase in the cost of the contract. Leading to disruption and increased costs. <i>UPDATED</i></p>	Mark Green	<ul style="list-style-type: none"> Regular contract monitoring and communication with contractors Procurement expertise made available through the Partnership with Tunbridge Wells Financial performance and sustainability embedded into the procurement process Contractor business continuity plans in place and alternative contractors may be available 'Exit plan' included as a requirement in the ITT document for all relevant contracts 	(4 x 3) 12	<ul style="list-style-type: none"> Ongoing financial performance and resilience checks of our suppliers and contractors Risk register work being completed for each of the Council's strategic contracts Increased consideration of in-house provision or alternative commissioning routes 	(4 x 3) 12
<p>61 Difficulties in recruiting and retaining the right skills and adapting to hybrid working leads to a loss of workforce cohesion and talent. This results in a loss of productivity.</p>	Georgia Hawkes	<ul style="list-style-type: none"> Workforce strategy monitoring & reporting Training & development programme (including hybrid working skills) Occupational health, employee support and HSE Stress Survey Recruitment process that includes ability to adjust pay and market supplement for hard to recruit jobs Rewards package reviewed regularly Commissioning specialist external support as required Online onboarding of new staff Use of ClearReview to encourage continuous conversations and clear objectives Hybrid Policy and service review of hybrid working arrangements Market Supplement Policy reviewed and updated 	(3 x 4) 12	<ul style="list-style-type: none"> Review of paygrades underway Use of SmartPath to offer additional support to managers Appoint specialist consultant to advise on culture change Engagement survey for all staff the output from which will create an action plan for the Council Review potential for different approaches to recruitment Consider the use of personalised development plans, and offer this during recruitment 	(3 x 3) 9
<p>Uncertainties relating to the Council's ability to access new funding and availability of PWLB loans. Increases difficulty securing and leveraging funding to help stabilise and support the delivery of our capital programme. <i>UPDATED</i></p>	Mark Green	<ul style="list-style-type: none"> Access to professional networks to identify opportunities for funding Experienced officer capacity Good relationships with funding partners, e.g. Homes England Obtaining forward borrowing 	(3 x 4) 12	<ul style="list-style-type: none"> Investment of one-off resources for putting together funding bids 	(3 x 3) 9

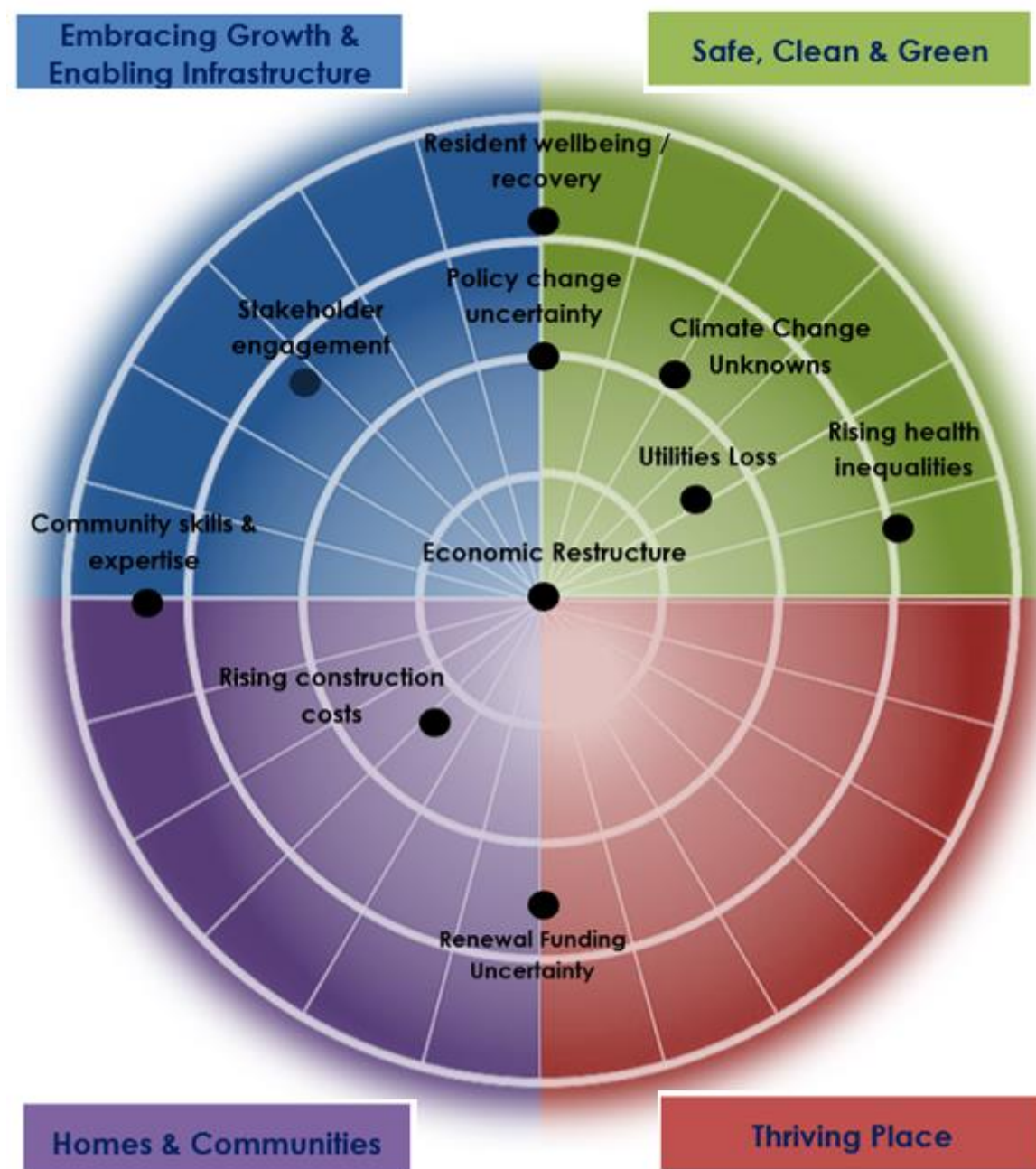
Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>As a result of significant changes to the Councils' governance (including moving to executive model and the boundary review) sound governance processes may not be maintained during the change or poor processes may be introduced. Leading to delays in decision making, reputational damage or legal implications.</p>	<p>Angela Woodhouse</p>	<ul style="list-style-type: none"> Monitoring Officer in place to oversee Council activities and provide advice Code of Conduct Timeline agreed for the Local Government Boundary Commission review and work overseen by the Director of Finance and Business Improvement Software to facilitate consultation on ward boundaries Templates and system for agendas and decision publication updated New constitution agreed and in place Training carried out with Officers and Members on the new governance arrangements 	<p>(3 x 3) 9</p>	<ul style="list-style-type: none"> Recruit two additional officers into Democratic Services to support the new model Review of the constitution by Democracy and General Purposes Committee, December 2022 Log of issues kept by Democratic Services – contributed to by the Monitoring Officer, Democratic Services and Director of Strategy, Insight and Governance 	<p>(3 x 2) 6</p>
<p>Reduced effectiveness of relationships with strategic partners Financial constraints and requirements from Government or regulators change the priorities or commitments of our strategic partners or their capacity to work with us. This causes a dislocation with our work and increases Member pressure to highlight concerns.</p>	<p>Alison Broom</p>	<ul style="list-style-type: none"> Collaboration with Kent County Council via a variety of project teams including Town Centre Strategy The Community Safety Partnership with the Police and other key parties The West Kent Health and Care Partnership Board which includes Executive Board (officers) and Elected Members Forum with Participation in Kent One Public Estate Board Maidstone Health and Well-being Partnership Group Maidstone Inclusion Board Survey of all voluntary and community sector to understand changes in community need and demand for services Good integration with County-wide networks Anchor Institutions engaged in various projects including UK Shared Prosperity Fund Local Investment Plan Whole System event to review partnership working effectiveness – July 2022 	<p>(3 x 3) 9</p>	<ul style="list-style-type: none"> Strengthen processes for continued horizon scanning with partners to understand changes in priorities and formulate an overview of all key partners Regular programme of Anchor Institutions stakeholder meetings planned from October 2022 Review of outputs from Whole System Event and significant actions to strengthen partnership working on key priorities 	<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>Resilience of the voluntary & community sector</p> <p>The pressures facing the voluntary and community sectors are unprecedented and increasing, threatening the resilience and stability of these support networks. This could result in increased financial pressures for residents of the Borough with knock-on effects for the Council.</p> <p>63</p>	Alison Broom	<ul style="list-style-type: none"> • Commitments obtained to establish an architecture to support the voluntary and community sector and provide funding. • Project to increase engagement in volunteering underway • Networking session organised to advise VCS on increasing funding • Investment has been made in Trinity Foyer and it has opened as a Community Hub • Love Where You Live & Get Involved project has been launched and continues to be delivered • Financial Inclusive Strategy has been agreed • The Community resilience fund first round of funding has been distributed across a range of VCS groups across the borough • Agreed part funding with the Citizens Advice Bureau for a Debt Management post • Community Sector newsletter established • VCS repository is live and under review to ensure it is kept up to date 	<p>(3 x 3) 9</p>	<ul style="list-style-type: none"> • Launch second round of community resilience fund bids • Undertake further engagement with VCS to establish change in needs • Establish a community sector forum • Review Financial Inclusion Strategy in light of cost-of-living crisis 	<p>(3 x 2) 6</p>

External Threats (horizon scanning)

Our horizon scanning process identifies external threats over which we have no direct control or ability to manage the impact on delivery of our priorities. 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 report. The diagram summarises the external threats aligned to each of our priorities with those closest to the centre being those likely to happen soonest.



The following points provide some more detail on the threats outlined in the diagram above:

- **Economic Restructure** – uncertainty around employment rates, interest rates and inflation increases, and the affect this will have on the local economy, residents financial position and our operational and contractual costs and wage bill.
- **Climate change unknowns** – some of the implications of climate change are already captured within the corporate risk register. But this reflects the possibility of other as yet unknown implications from climate change.
- **Policy change uncertainty** – potential for changes in legislation and other central government policy changes.
- **Funding uncertainty** – ability of Maidstone BC to get funding which matches its aspirations and delivery goals.
- **Stakeholder engagement** – heightened sensitivity to Council plans leading to increased intolerance and complaints.
- **Resident Wellbeing and recovery** – potential for residents in the borough to not have long term improvements to their wellbeing
- **Rising health inequalities** – increasing inequality in access to health care provisions.
- **Rising construction costs** – unanticipated consequences from rising costs in the construction industry.
- **Community skills and expertise** – decline in diversity of skills and expertise within communities.
- **Utilities Loss** – loss of water, electricity or telecoms over a wide area in the Borough.

Appendix 3A Impact and Likelihood Definitions

Risks are assessed for impact and likelihood. So that we achieve a consistent level of understanding when assessing risks, the following definitions were agreed and have been used to inform the assessment of risks on the risk register.

RISK IMPACT

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

RISK LIKELIHOOD

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

One Page Process Summary

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Step 1 – Identify Risks	Step 2 – Evaluate Risks	Step 3 – Risk Response	Step 4 – Monitor & Review																																													
<p>Best done in groups, by those responsible for delivery objectives.</p> <p>RISK is a <i>potential future</i> event that, if it materialises, has an <i>effect</i> on the achievement of our objectives.</p> <p>Consider both threats and opportunities.</p> <p>When to consider:</p> <ul style="list-style-type: none"> • Setting business aims and objectives • Service planning • Target setting • Partnerships & projects • Options appraisal <p>Establish the risk owner.</p> <p>Document in the risk register.</p>	<p>Combination of the impact and likelihood of an event (the CURRENT RISK).</p> <p>Impact score is the highest from the different categories.</p> <p>Establish your key existing controls and whether they are managing the impact and/or likelihood of the risk.</p> <p>Scores can be depicted in the risk matrix:</p> <table border="1" data-bbox="658 868 1124 1219"> <tr> <td rowspan="5">Likelihood</td> <td>5</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Black</td> <td>Black</td> </tr> <tr> <td>4</td> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>3</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>2</td> <td>Blue</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Yellow</td> </tr> <tr> <td>1</td> <td>Blue</td> <td>Blue</td> <td>Green</td> <td>Green</td> <td>Yellow</td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td colspan="5">Impact</td> </tr> </table>	Likelihood	5	Yellow	Yellow	Red	Black	Black	4	Green	Yellow	Red	Red	Black	3	Green	Yellow	Yellow	Red	Red	2	Blue	Green	Yellow	Yellow	Yellow	1	Blue	Blue	Green	Green	Yellow			1	2	3	4	5			Impact					<p>Black – Above our tolerance, immediate action and reporting to directors.</p> <p>Red – Outer limit of our appetite, immediate action.</p> <p>Amber – Medium risk, review existing controls.</p> <p>Green – Low risk, limited action, include in plans.</p> <p>Blue – Minimal risk, no action but annual review.</p> <p>Risk Response – 4Ts</p> <ul style="list-style-type: none"> • Treat (i.e. apply controls) • Tolerate (i.e. accept risk) • Transfer (e.g. insurance / partnership) • Terminate (i.e. stop activity) <p>After your response; where does the risk score now? (the MITIGATED RISK)</p>	<p>Completed risk registers returned to Mid Kent Audit.</p> <ul style="list-style-type: none"> • Corporate Leadership Team monthly monitoring of black risks. Quarterly reporting of all high level (black and red) risks. • 6-monthly reporting to Wider Leadership Team. • Risk registers sent quarterly to directors and heads of service. • 6-monthly monitoring at Policy & Resources Committee. • Annual monitoring of process by Audit, Governance & Standards Committee. <p>Mid Kent Audit facilitate the review and update of risk actions (as per your risk register) during the year for and high-level (red / black) risks.</p>
Likelihood	5		Yellow	Yellow	Red	Black	Black																																									
	4		Green	Yellow	Red	Red	Black																																									
	3		Green	Yellow	Yellow	Red	Red																																									
	2		Blue	Green	Yellow	Yellow	Yellow																																									
	1	Blue	Blue	Green	Green	Yellow																																										
		1	2	3	4	5																																										
		Impact																																														

JCAD Roll Out

Director	Head of Service / Manager	Service	Status
Strategy, Insight & Governance	Julie Maddocks	Communications	
		Visitor Economy	Trained
	Louise Goodsell	Customer Services	
	Ryan O'Connell	Democratic & Electoral Services	
	Anna Collier	Insight, Communities & Governance	
Mid Kent Services	Bal Sandher	MKS HR	Trained
	Caroline Pieri	Mid Kent Planning Support	Trained
	Chris Woodward	MKS ICT	Trained
	Claudette Valmond	MKS Legal Services	Trained
	Zoe Kent	Mid Kent Revs & Bens	Trained
	<i>Head of Audit</i>	Mid Kent Audit	Trained
Finance, Resources & Business Improvement	Adrian Lovegrove	Finance	Trained
	<i>Head of Property & Leisure</i>	Leisure Services	Trained
		Property & Facilities	Trained
	Uche Olufemi	Emergency Planning	Trained
	Victoria Barlow	Museum	Trained
	Gary Hunter	Transformation & Digital Services	
Regeneration & Place	<i>Head of Capital Projects</i>	Capital Projects	
	<i>Head of Spatial Planning & Economic Development</i>	Economic Development	
		Strategic Planning	
	Jen Stevens	Crematorium	
		Environment & Public Realm	Trained
		Parking Services Partnership	Trained
		Parks & Open Spaces	
	John Littlemore	Community & Strategic Partnerships	
		Housing	
Rob Jarman	Development Management		
Robert Wiseman	Building Control		
Tracey Beattie	Mid Kent Environmental Health	Trained	

Key

	Operational risks have been updated
Trained	Has completed training on how to use JCAD

Recovery and Renewal Progress Update

A Vibrant Economy						
Action	Agreed funding	Target Start	Target End	Expected Success	Progress at May 2022	Progress at August 2022
MidKent College Skills Hub	£60,000 Recovery Fund	Sep-21	TBC	Provision of a town centre venue to provide accessible training, careers advice, and employability support for all residents. Courses delivered to a range of participants including book-keeping and computerised accounting, skills development online courses, essential digital skills, certified work skills programmes, food hygiene and employability workshops and support. Courses delivered to a range of participants including bookkeeping and computerised accounting, skills development online courses, essential digital skills, certified work	Exploring barriers preventing the project progressing with the Mall. It is felt that the shop front in the Mall remains the right location for a Skills and Community Hub. The financial investment from MKC required to make the shop front serviceable far exceeded initial programme of works forecast. Negotiation is taking place regarding the refurbishment, rent, rates and insurance with the Mall. Once agreement is reached MBC will be provided with a breakdown of costs. The project will then move forward.	Regrettably, the college have not yet identified and agreed commercial terms on suitable premises. Discussions with them remain ongoing and it is hoped that the new facility will be delivered.

				skills programmes, food hygiene and employability workshop and support. With space for ten participants to be physically present in the hub it is envisaged that 208 people would be able to take advantage of the hub for courses and support over 26 weeks.		
Invest in industrial and warehouse premises to help de risk new employment sites coming forward	Capital Programme funding	Sep-21	N/A	Projects are identified to invest in and Maidstone is seen and delivers its promise of being open for business, businesses can expand and locate to the Borough.	Update delayed due to staffing changes.	There are monies allocated in the Council's capital programme for such property acquisitions or developments but at the time of writing, none have yet been identified. This objective will now sit with the newly appointed Head of Property and Leisure that joins the Council in November.
Vibrant Visitor Economy	£32,000 Business Rates Pool	Jul-21	Jul-23	Maidstone has an enhanced arts and culture offer with increased visitors to key attractions and an increase in footfall in the town centre.	Update delayed due to staffing changes.	The money allocated towards this area has been used to host a calendar of 17 events throughout the summer months in Maidstone Town Centre including: <ul style="list-style-type: none"> • Fusion Festival • Brenchley Gardens Concerts

						<ul style="list-style-type: none"> • Art in the Park • Amphitheatre Workshops • Live theatre performances <p>In addition, an autumn event has been scheduled to engage with The Mall, Lockmeadow, Royal Star Arcade and Fremlin Walk introducing the first Scarecrow Trail in Maidstone.</p>
Capacity to develop projects and bids to take advantage of new funding opportunities	£45,000 Recovery Fund	Sep-21	Sep-25	Successful bids and projects completed that meet our priorities.	No action	No action
Transform the Town Centre through the development and delivery of a town centre strategy.	£175,680 Recovery Fund	Sep-21	TBC	Town Centre Strategy in place by 1 March 2023, projects may begin prior to this. Maidstone town centre becomes 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	<ul style="list-style-type: none"> • Report taken to Policy & Resource Committee in March to confirm scope and content of the strategy, and draft Engagement Strategy. • Draft Transport Brief has been prepared and is under discussion with KCC, pending discussion with members. 	<ul style="list-style-type: none"> • Senior officer internal meetings have been held and discussions around scope of change. • Progression on access to smart data to create baseline indicators for Town Centre use. • Discussions ongoing around use and procurement of 3D modelling software • Early project briefs are being identified for

				to all of the Borough's residents and to which all of the borough's residents can relate.		discussions with Members
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Resilient Communities

Action	Agreed funding	Target Start	Target End	Success	Progress at May 2022	Progress at August 2022
Establish Community Compact	n/a	May-21	n/a	Partnership in place between the community and voluntary sector and the council. Joint projects completed and greater resilience	MBC represented on KCC and District Council VCS Forum established in November 2021. MBC Consultation team supporting team on district mapping exercise of local forums and bodies to understand the offer across Kent.	No further update. Next Meeting of board – 23 Sept 2022
Support and Encourage Volunteering in the Borough.	£25,000 Recovery Fund	Jun-21	Oct-22	Increase in the number of volunteers, volunteering in the Borough and as a consequence more community initiatives delivered. Work with involve to develop an indicator	Working with KCC as part of Kent Volunteers pilot to promote and develop platform in Maidstone with VCS partners.	Further development to Voluntary and Community pages on website underway, to incorporate Kent Volunteers platform and resources to support individuals and organisations with volunteering. A Volunteering and Funding Support Event, organised by Funding for All in partnership with MBC is currently under development and will take place at the end of

						<p>November at the Council's new Community facilities at Trinity.</p> <p>The event will include guest speakers, offering experience and expertise in the sector. It will also include 1-1 mentoring and networking.</p>
Online Community Participation	£15,000 Recovery Fund	Sep-21		Online tool in place and used to successfully engage with the public on projects and initiatives.	Project to deliver new engagement platform underway. To be launched in July to deliver Resident Survey, facilitating wider public involvement and engagement in Council projects, initiatives and decision making.	<p>'Let's Talk Maidstone' was rolled out in July 2022, launching the Resident Survey. The response to the Resident Survey so far has eclipsed the response rate of previous years with 3341 responses to date (survey still open).</p> <p>The platform allows residents to engage in different ways such as quick polls or providing qualitative information via 'stories' and comment tools. Background information can be included on the 'project' page such as FAQs which help inform visitors to the platform on the purpose of the consultation.</p>

						To date, Let's Talk Maidstone has been used to engage the public on Operation Broc, an Arts project for Mote Park, a Business Hub has been created for Economic Development and a Planning Hub (to host local plan consultation) is due to be launched in September 2022.
Community Resilience Fund	£150,000 Recovery Fund	Oct-21	Oct-24	30 projects delivered by a variety of community and voluntary sector groups and organisations.	20 organisations were funded from the 1 st phase of the Community Resilience Fund amounting to £58,429.00. The funding will support a wide variety of activities from a diverse group of organisations including, Hi Kent, Maidstone Street Pastors, Fusion healthy living and Rubicon Cares. Organisations will be able to continue to provide or increase their ability to meet demand by providing activities and support ranging from counselling sessions and mental health support to outdoor activities to support wellbeing.	There will be a second wave of funding available in Autumn/Winter 2022 for organisations in the VCS.

<p>Equip Trinity Foyer to be a Community Hub</p>	<p>£30,000 Recovery Fund</p>	<p>Jun-21</p>	<p>Oct-21</p>	<p>New community hub delivered for all housing and related support services in Trinity.</p>	<p>Equipment has been installed, and further resources being purchased, for digital inclusion for those using the Community Hub. This will include static laptops, audio visual training equipment and tablets for individuals to use.</p> <p>The handover of the refurbished building has been delayed – expert by end of June with activities and digital services going live to our community mid July 2022.</p>	<p>The building is now open and fully operational.</p>
<p>Financial Inclusion Strategy and Actions</p>	<p>£34,320 Recovery Fund</p>			<p>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</p>	<p>The Welfare Officer posts have now been in place since March 2022. A project was carried out in March 2022 to issue fuel vouchers in conjunction with KCC to those on pre-payment meters. Over 3,000 vouchers were issued in a month to 1,000 households.</p> <p>Using the Policy in Practice data pensioner households have been contacted who may be entitled to claim Pension Credit.</p>	<p>March/April fuel voucher offer: 1400 households, total vouchers issued 3184 – Total value of vouchers issued £65272</p> <p>CTS pilot scheme: 150 MBC residents contacted – 18 confirmed they would apply (data outstanding re results) 150 TWBC residents contacted – 23 confirmed they would apply (Data outstanding re results)</p> <p>CTS UC applications – 410 MBC residents contacted –</p>

				<p>efficiency measures The number of low-income households supported to access a more appropriate tariff</p>	<p>Postcards are being sent out to those who live in deprived areas who are not claiming Council Tax Support who are likely to be entitled. This will be rolled out across the Borough by area.</p> <p>The Welfare Officers will help customers who are contacted to complete applications, or they will signpost to charities or the DWP for support. Support will be provided if these customers are in rent arrears, not claiming disability benefits that they may be entitled to or unable to provide the necessary support for their families</p>	<p>110 applied – yearly award of £66153.88</p> <p>-</p> <p>262 TWBC residents contacted – 103 applied – yearly award of £52847.96</p> <p>PC take up – MBC 146 residents contacted – 72 applications submitted – due to Pension Credit backlog only 19 have been completed by DWP, total value of yearly award £45284.20. 53 Claims still waiting to be assessed by DWP.</p> <p>TWBC – 119 residents contacted – 55 applications submitted – due to Pension Credit backlog only 13 have been completed by DWP, 12 accepted and 1 declined – total value of yearly award £31034.64- 43 claims still waiting to be assessed by DWP.</p> <p>Household support fund – fuel voucher – approx. 1277 vouchers to issue valued at £49.00 each. Have issued 587 to date and remainder to be issued by end of September. Households impacted – 431</p>
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Love Where You Live and Get Involved.	£35,000 Recovery Fund	Sep-21	Sep-22	8 community environmental projects delivered. Civic Pride increased as measured by the Resident's Survey. Baseline the number of participants in the project.	The 1s community Environmental project has started with a location in Tovil being identified as suitable and meeting the required criteria. Existing local volunteer groups, new volunteers, relevant members and Tovil Parish Council have all been updated and a dedicated Working group will be created in the coming months. A slight delay has been created due to complications removing a dilapidated building but with MBC's Building Control and Legal assisting in the removal of this building, the matter is due to be resolved within the next 2 months. Once the matter of the building is resolved with timelines, work will start.	Tovil project in progress. Further projects to be reevaluated based on community appetite.

Action	Agreed funding	Target Start	Target End	Success	Progress at May 2022	Progress at August 2022
<p>Increase HR capacity to facilitate agile working and new ways of working</p>	<p>£50,000 Recovery Fund</p>	<p>Oct-21</p>	<p>Oct-22</p>	<p>Better understanding from staff on impact of changes to organisation culture Actions taken to meet future workforce requirements.</p>	<p>All 3 work streams of the culture change project have progressed over the last few months. The first work stream involves holding listening sessions which started at the Chief Executive level and will run through all the way to managers so that everyone has the chance to participate in these sessions in order to support the desired culture for the organisation. The second activity reviews the whole council system and this will involve staff, partners and service users to help us to understand how we are perceived and what we need to adapt or change to achieve continuous improvement in our approach to service design and delivery. This event will be taking place in July. The final work stream looks at identifying, recognising and building on the positive activities that are already taking</p>	<p>Listening sessions at WLT and manager level have continued across the organisation. The feedback from the manager sessions will be reviewed by the HOS to see what changes/improvements need to be made based on the feedback. The WLT had an away day on 25 July where they reviewed all the feedback from the listening sessions to identify key messages and current issues from the discussions held at team level. The WLT also explored what things they would want to hear in the future from staff and how as a group they going to make the organisation feel different to achieve this. There will be further discussions at WLT on the actions discussed at the away day. The Whole Systems event with internal staff and external partners took place on 8 July. There were a number of topic areas discussed at this meeting and the outputs have been</p>

					place at the council and encouraging others to participate in these events. This was presented to staff in the all staff webinar in April where everyone participated in the event by providing ideas on all the different activities staff have been involved with and new ones that could be set up to increase staff engagement.	shared with the relevant individuals. The key messages from the different themes will also be shared with the WLT. We are working on creating a Teams page to encourage staff to be involved in events/activities that they are interested in as part of the community building work stream of the culture change project. At the next all staff webinar in September an update will be provided to all staff on the work that has been done on the project and things we have delivered and looking to implement on our culture change journey.
Embedding new ways of working and ensuring the office is fit for purpose	£50,000 Recovery Fund £40,000 Capital Programme	Oct-23		Flexible office space that supports the new ways of working with the right technology and facilities.	£45k funding required to provide specialist M365 consultancy and to backfill support for long-term covid sickness. £15k per partners (3) partners beginning April 2022.	Backfill support post has now ended. Learning and knowledge gained has been shared within the ICT team. Support enabled ICT to move the entire email service to the cloud and build the foundations on which the partnership will move documents to the cloud, and support new and modern ways of working through the use of workflow and automation, collaboration (internally and with external partners) and Enterprise Social Media tools

						to improve internal communications.
Ensure staff have the right equipment (office and home) to enable new ways of working	Capital Programme	Oct-21		Staff able to effectively work anywhere	£30k spent on specialist consultancy between April 22 and end of June 22. The period prior to this was funded out of existing ICT pooled budgets). The balance (£10k) is accounted for in the expense of providing additional hardware (laptops, conferencing tools etc and licences to support lockdown measures and increased homeworking 2020/21.	Conference room facilities ("HP Slice" device for "Teams in a room") are in place across the partnership. Specialist consultancy has provided the foundation to improve and secure remote access as we move more services to the cloud.

Responding to Increased Demands arising from COVID-19						
Action	Agreed funding	Target Start	Target End	Success	Progress at May 2022	Progress at August 2022
Planning Development Control fixed term post	£35,000 Recovery Fund	ASAP		Backlog resolved and staff able to meet demands on the service	This has been achieved	Complete
Planning Enforcement fixed term post	£35,000 Recovery Fund	ASAP	Mar-22	Backlog resolved and staff able to meet demands on the service	This has been achieved	Complete

Increased capacity in Heritage and Landscape	£70,000 Recovery Fund	ASAP		Backlog resolved and staff able to meet demands on the service	This has been achieved with the fixed term appointment of a principal conservation officer	Complete
Increased capacity within Data Analytics to provide support for recovery and renewal projects	£50,000 Recovery Fund	Jul-22	Jul-23	18 dashboards in place by 2023	<p>Existing fixed term post within the Information and Analytics team will be extended later this year. Ten dashboards have already been developed:</p> <ul style="list-style-type: none"> • Development Management • Planning Enforcement • Community Protection • Customer Services • Waste Crime • Street Cleansing • Data Protection • Revenues • HR • Property • Compliance <p>Four more dashboards are currently in various stages of development. Meaning the team are well on target to achieve 18 by summer 2023. The team are now focusing on improving the information held on the website and making dashboards publicly</p>	<p>There are now seven more dashboards currently in various stages of development, with a current focus on the service areas within Revenues and Benefits. The team remain on target to achieve 18 by summer 2023.</p> <p>The team continue to improve the information held on the website and dashboards are publicly accessible here</p>

					available where relevant and possible	
Business Grant Distribution	£30,000 New Burdens Funding	ongoing		Maidstone continues to be the business capital of Kent	No update.	Grant distribution complete.
Revenues and Benefits – Citizens Advice Maidstone Post	£18,000 Containment Fund	Aug-21		Residents with debt problems are assisted to maximise income, reduce debt by claiming the benefits they are entitled to	A service level agreement has been entered with the Citizens Advice Bureau who pro-actively contact 40 low-income households who are experiencing with debt issues.	Inline with the monitoring requirements of the SLA, data detailing contacts and outcomes is reported to the Inclusion Board.

Housing Benefit Overpayment Write Off

Appendix 5

Claimant / Debtor					
name	Address	Financial Yea	O/S Debt	Total to be Writt	Reason
WK	Property X, Marden	2010/11	£5,158.19	£34,124.00	Mr K died in January 2021. Up to that point in time we had recovered £3740.08 from the debts created in 2010/11. Solicitors have confirmed that they were initially contacted but never formally engaged and searches have turned up no probate records. Mr K's wife has recently been in contact and stated that there were no funds. Given his age and known financial and housing status [tenant] it is unlikely that there were any significant monies in the estate.
		2011/12	£19,352.44		
		2011/12	£9,613.37		

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