

EXECUTIVE MEETING

Date: Wednesday 27 July 2022
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Burton (Chairman), Cooper, Parfitt-Reid, Perry, Round, Russell,
and S Webb

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

AGENDA

Page No.

1. Apologies for Absence
2. Urgent Items
3. Notification of Visiting Members
4. Disclosures by Members or Officers
5. Disclosures of Lobbying
6. To consider whether any items should be considered in private due to the possible disclosure of exempt information
7. Minutes of the Meeting Held on 27 June 2022 1 - 4
8. Presentation of Petitions (if any)
9. Questions from Local Residents to the Leader or Individual Lead Member (as appropriate)
10. Questions from Members to the Leader or Individual Lead Member (as appropriate)
11. Matters Referred to the Executive for Reconsideration (if any)
12. Issues arising from Overview and Scrutiny (if any)
13. Matters Referred by any other Committee (if any)
14. Any Matter relating to a Serious Service Failure or Nuisance (if any)

Issued on 19 July 2022

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

15. Receipt of Written representations from Members of the Council (if any)	
16. Executive Forward Plan	5 - 16
17. Medium Term Financial Strategy	17 - 41
18. Corporate Planning Timetable	42 - 60
19. Annual Governance Statement and Local Code of Corporate Governance	61 - 111
20. Local Development Scheme 2022 - 2024	112 - 136
21. Neighbourhood Planning Protocol	137 - 156
22. Property Acquisition for 1,000 Affordable Homes Programme	157 - 167

PART II

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

Head of Schedule 12A and Brief Description

23. Property Acquisition for 1,000 Affordable Homes programme	3 – Financial/Business Affairs	168 - 179
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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 25 July 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.

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

MEETING OF THE EXECUTIVE

MINUTES OF THE MEETING HELD ON MONDAY 27 JUNE 2022

Present: Councillors Burton (Chairman), Cooper, Parfitt-Reid, Perry, Round and S Webb

1. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Russell.

2. **URGENT ITEMS**

There were no urgent items.

3. **NOTIFICATION OF VISITING MEMBERS**

There were no Visiting Members.

4. **DISCLOSURES BY MEMBERS OR OFFICERS**

There were no disclosures by Members or Officers.

5. **DISCLOSURES OF LOBBYING**

There were no disclosures of lobbying.

6. **EXEMPT ITEMS**

RESOLVED: That all items be taken in public, unless any Member of the Executive wished to refer to Item 18 – Exempt Appendix – Draft Statement of Common Ground with Medway Council, in which case the Executive would enter into closed session due to the possible disclosure of exempt information.

7. **PRESENTATION OF PETITIONS**

There were no petitions.

8. **QUESTIONS ON NOTICE FROM LOCAL RESIDENTS**

Question from Ms Kate Hammond to the Lead Member for Corporate Services:

"The last time members were updated on the Heathlands new town proposals for which Maidstone Borough Council are acting as "Master

Developer" was the 23rd March 2022. Can the Leader confirm which new council meeting will be receiving the next update report and when?"

The Lead Member for Corporate Services responded to the question.

Ms Hammond asked the following supplementary question:

"Given the size of the development, it would be greatly appreciated from the community standpoint if we could actually have some sort of ongoing communication to let us know exactly what's going on, even if it is just noted."

The Lead Member for Corporate Services responded to the question.

Question from Mr Steve Heeley to the Lead Member for Corporate Services:

"Can the Leader confirm the progress Maidstone Borough Council has made since March with Network Rail on progressing the new railway station at Heathlands?"

The Lead Member for Corporate Services responded to the question.

Mr Heeley asked the following supplementary question:

"You, the Leader, actually reported to have made remarks to local residents at the consultation event held at Lenham last month, that the new railway station was going to be very expensive and you had only included it in your plans to 'keep the government happy'. Is the new railway station at Heathlands a red herring?"

The Leader of the Council responded to the question.

The full responses were recorded on the webcast and made available to view on the Maidstone Borough Council website. To access the webcast, please use the link below:

https://www.youtube.com/watch?v=GGBt_SKFrLs

9. QUESTIONS ON NOTICE FROM MEMBERS

There were no questions from Members to the Executive.

10. MATTERS REFERRED TO THE EXECUTIVE FOR RECONSIDERATION

There were no matters referred to the Executive for reconsideration.

11. ISSUES ARISING FROM OVERVIEW & SCRUTINY

There were no issues arising from Overview & Scrutiny.

12. MATTERS REFERRED BY ANY OTHER COMMITTEE

There were no matters referred by any other Committee.

13. ANY MATTER RELATING TO A SERIOUS SERVICE FAILURE OR NUISANCE

There were no matters relating to a serious service failure of nuisance.

14. RECEIPT OF WRITTEN REPRESENTATIONS FROM MEMBERS OF THE COUNCIL

There were no written representations from Members of the Council.

15. EXECUTIVE FORWARD PLAN

RESOLVED: That the Executive Forward Plan be noted.

16. FINANCE, PERFORMANCE AND RISK MONITORING REPORT

The Lead Member for Corporate Services introduced the report which had been discussed at the Corporate Services Policy Advisory Committee meeting on the 15 June 2022. A small underspend was highlighted, and was attributed to several areas, one of which was the various grants received from central Government.

The Capital budget underspend was in part due to the acquisition of fewer properties for temporary accommodation than budgeted for, which was likely to continue to be an issue.

Within the risk report, financial uncertainty had been increased to the highest level for impact and likelihood to reflect the current financial circumstances. The Council's finances were currently very sound.

RESOLVED: That

1. the Revenue position as at the end of Quarter 4 for 2021/22, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. the Capital position at the end of Quarter 4 be noted;
3. the Performance position as at Quarter 4 for 2021/22, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.
4. Annual Performance for 2021/22 be noted.

17. DRAFT STATEMENT OF COMMON GROUND WITH MEDWAY COUNCIL

See Record of Decision.

18. EXEMPT APPENDIX 1 - DRAFT STATEMENT OF COMMON GROUND WITH
MEDWAY COUNCIL

Exempt Appendix 1 relating to Record of Decision.

MAIDSTONE BOROUGH COUNCIL FORWARD PLAN FOR THE FOUR MONTH PERIOD 1 JULY 2022 TO 31 OCTOBER 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:

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

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.

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
UK Shared Prosperity Fund - Maidstone Local Investment Plan	Leader of the Council	Leader of the Council	Between 15 Jul 2022 and 22 Jul 2022	Yes	No Open	Communities, Housing and Environment Policy Advisory Committee 12 Jul 2022	UK Shared Prosperity Fund - Maidstone Local Investment Plan	Angela Woodhouse Head of Policy and Communications angelawoodhouse@maidstone.gov.uk
Museums 5-Year Plan	Lead Member for Leisure and Arts	Lead Member for Leisure and Arts	18 Jul 2022	Yes	No Open	Economic Regeneration and Leisure Policy Advisory Committee 5 Jul 2022	Museums 5-Year Plan	Mark Green markgreen@maidstone.gov.uk
Annual Governance Statement and Local Code of Corporate Governance	Executive	Leader of the Council	27 Jul 2022	No	No Open	Corporate Services Policy Advisory Committee 13 Jul 2022	Annual Governance Statement and Local Code of Corporate Governance	Angela Woodhouse Head of Policy and Communications angelawoodhouse@maidstone.gov.uk
Corporate Planning Timetable	Executive	Lead Member for Corporate Services	27 Jul 2022	No	No Open	Corporate Services Policy Advisory Committee 13 Jul 2022	Corporate Planning Timetable	Angela Woodhouse Head of Policy and Communications

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
								angelawoodhouse@maidstone.gov.uk
Medium Term Financial Strategy MTFS 2023/24 - 2027/28 - Initial scoping and assumptions	Executive	Lead Member for Corporate Services	27 Jul 2022	Yes	No Open	Corporate Services Policy Advisory Committee 13 Jul 2022	Medium Term Financial Strategy	Mark Green markgreen@maidstone.gov.uk
Property Acquisition for 1,000 homes Programme Report seeking approval to acquire site with planning consent to deliver affordable rented flats as part of the Council's 1,000 affordable homes programme.	Executive	Lead Member for Housing and Health	27 Jul 2022	Yes	Yes Part Exempt	Corporate Services Policy Advisory Committee 13 Jul 2022	Property Acquisition for 1,000 homes programme	Shanaz Begum, Andrew Connors Housing Enabling Officer shanazbegum@maidstone.gov.uk, andrewconnors@maidstone.gov.uk
Local Development Scheme 2022 -	Executive	Lead Member for Planning and	27 Jul 2022	Yes	No Open	Planning and Infrastructure Policy Advisory	Local Development Scheme 2022	Anna Ironmonger

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
2024 Revisions to the adopted LDS 2021 - 2024 to reflect the current position of the Design and Sustainability DPD		Infrastructure				Committee 6 Jul 2022	- 2024	annaironmonger@m aidstone.gov.uk
Neighbourhood Planning Protocol Neighbourhood Planning Protocol – an update to the Protocol which was previously agreed in July 2020 by SPI. The July 2020 version included the addition of measures to deal with the Covid-19 pandemic. We are now in a position where restrictions are	Executive	Lead Member for Planning and Infrastructure	27 Jul 2022	Yes	No Open	Planning and Infrastructure Policy Advisory Committee 6 Jul 2022	Neighbourhood Planning Protocol	Anna Ironmonger annaironmonger@m aidstone.gov.uk

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
no longer in place, and we can remove the amendments made in July 2020. We are therefore proposing to remove reference to Covid-19 measures. At the same time we are proposing other alterations regarding modifications of neighbourhood plans.								
Communication and Engagement Strategy	Executive	Lead Member for Communities and Public Engagement	21 Sep 2022	No	No Open	Communities, Housing and Environment Policy Advisory Committee 13 Dec 2022	Communication and Engagement Strategy	Angela Woodhouse Head of Policy and Communications angelawoodhouse@maidstone.gov.uk
Proposed Change to	Executive	Lead Member for	21 Sep 2022	No	No Open	Communities, Housing and	Maidstone AQMA	Stuart Maxwell

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
Maidstone AQMA and Request to Consult on New Air Quality Action Plan As a result of a continuing trend of improvements in air quality in Maidstone in recent years		Environmental Services				Environment Policy Advisory Committee 13 Sep 2022	Modelling J10-12378A-10 F3 (002).pdf Maidstone AQMA Modelling J10-12378A-10 F3 (002).pdf Proposed Change to Maidstone AQMA and Request to Consult on New Air Quality Action Plan	stuart.maxwell@midkent.gov.uk
Review of the Council's Housing Allocations Policy The Council has an established housing allocations policy in place, that has been refined previously	Executive	Lead Member for Housing and Health	21 Sep 2022	Yes	No Open	Communities, Housing and Environment Policy Advisory Committee 13 Sep 2022	Review of the Council's Housing Allocations Policy	John Littlemore Head of Housing & Community Services johnlittlemore@maidstone.gov.uk

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
<p>through the decisions made by the Communities Housing and Environment Committee. However, given the ever growing demand for a largely finite pool of affordable housing in the Borough, this report undertakes a more fundamental review of the existing policy and makes recommendations as to how it could be amended.</p>								
<p>Review of Housing Assistance Policy (including DFG)</p>	<p>Executive</p>	<p>Lead Member for Housing and Health</p>	<p>21 Sep 2022</p>	<p>Yes</p>	<p>No Open</p>	<p>Communities, Housing and Environment Policy Advisory Committee</p>	<p>Review of Housing Assistance Policy (including</p>	<p>John Littlemore Head of Housing & Community Services</p>

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
<p>This policy addresses a number of services and funding streams delivered from within the Housing and Community Services department, to include the Disabled Facilities Grant and the Help You Home scheme too. The document sets out how these funding streams are utilised to deliver the desired community benefits.</p>						13 Sep 2022	DFG)	johnlittlemore@maidstone.gov.uk
Fleet Replacement Programme Outline of the	Executive	Lead Member for Environmental Services	21 Sep 2022	Yes	No Open	Communities, Housing and Environment Policy Advisory	Fleet Replacement Programme	Jennifer Stevens

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
replacement programme for the Council's fleet over a 5 year cycle in line with the Council's Green Fleet Strategy and the Capital funding budget.						Committee 13 Sep 2022		jenniferstevens@maidstone.gov.uk
Communication and Engagement Strategy updated strategy and in year action plan	Executive	Lead Member for Communities and Public Engagement	21 Sep 2022	Yes	No Open	Communities, Housing and Environment Policy Advisory Committee 13 Sep 2022	Communication and Engagement Strategy	Angela Woodhouse Head of Policy and Communications angelawoodhouse@maidstone.gov.uk
Charges for Replacement Wheeled Bins Proposal to introduce charges for the replacement of damaged refuse and recycling wheeled bins, in line with the Mid Kent Waste	Executive	Lead Member for Environmental Services	21 Sep 2022	No	No Open	Communities, Housing and Environment Policy Advisory Committee 13 Sep 2022	Charges for Replacement Wheeled Bins	Jennifer Stevens jenniferstevens@maidstone.gov.uk

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
Partnership.								
<p>Council Fire & Building Safety Policy</p> <p>The role and expectations on all Council's following the Grenfell tragedy is changing, and so the creation of a new policy to cover work in this area is very important and timely. The report and policy addresses and responds to changing guidance and legislation, as well as provides clarity in terms of best practice in terms of the Council will work to best effect with other authorities through</p>	Executive	Lead Member for Housing and Health	26 Oct 2022	Yes	No Open	Communities, Housing and Environment Policy Advisory Committee 11 Oct 2022	Council Fire & Building Safety Policy	<p>John Littlemore</p> <p>Head of Housing & Community Services</p> <p>johnlittlemore@maidstone.gov.uk</p>

Details of the Decision to be taken	Decision to be taken by	Lead Member	Expected Date of Decision	Key	Exempt	Proposed Consultees / Method(s) of Consultation	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated
partnership working, to manage risk in the community.								
<p>Housing Strategy 2022-27</p> <p>The proposed themes for the new housing strategy were approved by the CHE Committee in early 2022, and these have since been subject to public consultation. Therefore the new housing strategy, as drafted, takes account of these consultation responses, and is now ready for consideration for adoption.</p>	Executive	Lead Member for Housing and Health	26 Oct 2022	Yes	No Open	Communities, Housing and Environment Policy Advisory Committee 11 Oct 2022	Housing Strategy 2022-27	<p>John Littlemore</p> <p>Head of Housing & Community Services</p> <p>johnlittlemore@maidstone.gov.uk</p>

Executive

27 July 2022

Medium Term Financial Strategy 2023/24-2027/28 – Initial Scoping and Assumptions

Final Decision-Maker	Council
Lead Head of Service	Director of Finance and Business Improvement
Lead Officer and Report Author	Director of Finance and Business Improvement
Classification	Public
Wards affected	All

Executive Summary

This report sets out the background to be considered in updating the Medium Term Financial Strategy (MTFS) and rolling it forward to cover the five-year period 2023/24 to 2027/28. It describes the issues and risks involved, starting with the Council’s current financial position. It sets out key assumptions to be made in preparing the MTFS.

The report concludes by setting out the subsequent steps involved in developing an updated MTFS and includes a timetable for consideration by Members.

This report makes the following recommendations to the Executive:

1. That the issues and risks associated with updating the Medium Term Financial Strategy are noted.
2. That the assumptions described in this report for planning purposes and to establish the remit for detailed budget development be approved.
3. That 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 approved.

Timetable

Meeting	Date
Corporate Services Policy Advisory Committee	13 July 2022
Executive	27 July 2022
All Policy Advisory Committees (draft MTFS)	October 2022
Executive	23 November 2022
All Policy Advisory Committees (detailed budget proposals)	January 2023
Executive	8 February 2023

Medium Term Financial Strategy 2023/24-2027/28 – Initial Scoping and Assumptions

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Section 151 Officer & Finance Team
Cross Cutting Objectives	The MTFs supports the cross-cutting objectives in the same way that it supports the Council's other strategic priorities.	Section 151 Officer & Finance Team
Risk Management	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
Financial	The budget strategy and the MTFs impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Section 151 Officer & Finance Team
Staffing	The process of developing the budget strategy will identify the level of resources available for staffing over the medium term.	Section 151 Officer & Finance Team
Legal	The Council has a statutory obligation to set a balanced budget and development of the MTFs and the strategic revenue projection in the ways set out in this report supports achievement of a balanced budget.	Interim Deputy Head of Legal Services and Monitoring Officer
Privacy and Data Protection	Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report.	Section 151 Officer & Finance Team
Equalities	The MTFs report scopes the possible impact of the Council's future financial position on	Equalities & Communities

	service delivery. When a policy, service or function is developed, changed or reviewed, an evidence based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.	Officer
Public Health	The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Crime and Disorder	The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Procurement	The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Biodiversity and Climate Change	The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team

2. INTRODUCTION AND BACKGROUND

2.1 The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Council will deliver its Strategic Plan over the next five years. The Council adopted a Strategic Plan for the period 2021 – 2045 in December 2018, and the existing MTFS for the period 2022/23 to 2026/27 reflects the Strategic Plan. The new MTFS will continue to reflect the Strategic Plan priorities.

2.2 A key outcome of the process of updating the MTFS is to set a balanced budget and agree a level of council tax for 2023/24 at the Council meeting on 22 February 2023. This report is the first step towards achieving that objective.

Current Financial Position

2.3 A key element in developing the Medium Term Financial Strategy is a consideration of Maidstone’s current financial position. This section summarises the position, given the final outturn for the 2021/22 financial year and the agreed budget for 2022/23.

2.4 Prior to the Covid-19 pandemic, the Council was broadly self-sufficient financially. It had ceased receiving direct government support in the form of Revenue Support Grant (RSG) and relied mainly on Council Tax and a range of other locally generated sources of income, including parking, planning fees and the property portfolio, to fund ongoing revenue expenditure. However, during the pandemic, income fell and expenditure increased. The consequent budget gap, being the difference between cost of services and aggregate income, was covered with direct government funding. See graph below.

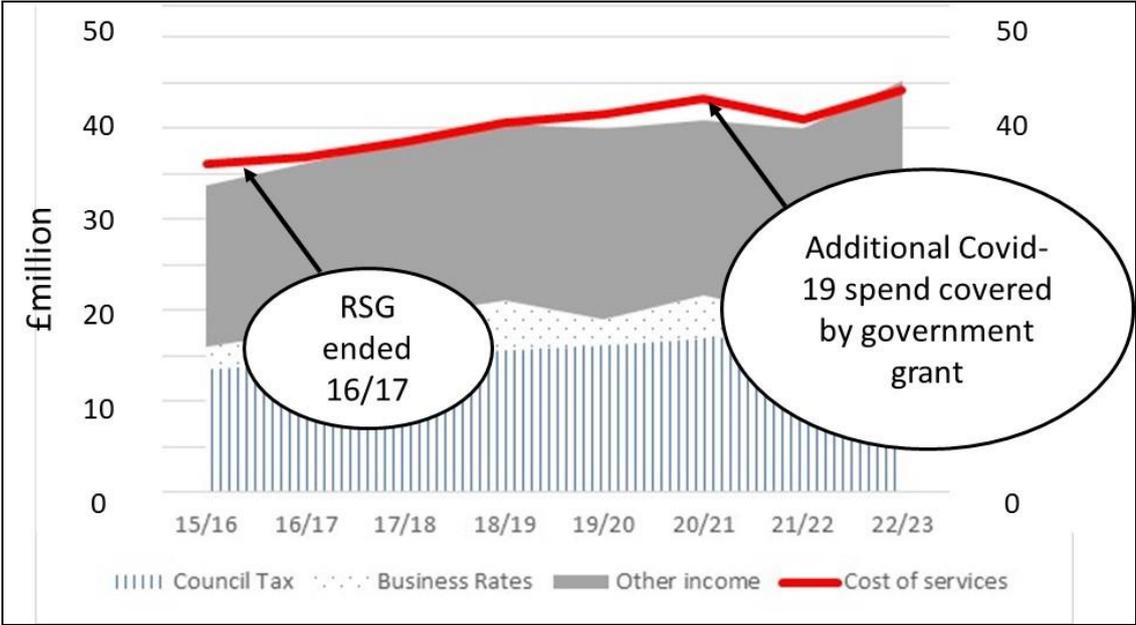


Figure 1: Revenue Funding Trends

- 2.5 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. At this early stage in the financial year, it is expected that, with this provision, the Council will remain within budget for the year. 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.
- 2.6 The Council’s balance sheet position remains strong. As at the end of the financial year 2021/22, unallocated General Fund reserves amount to £9 million. Short-term investments – cash or equivalent – amounted to £41 million. Long term borrowing remained modest, at £9 million.
- 2.7 The Council has an ambitious capital programme, amounting to £230 million over five years. This will largely be funded from external sources, so borrowing will increase rapidly from the current low levels. In anticipation of higher interest rates, the Council has committed to forward borrowing of £80 million, which will be drawn down between 2024 and

2026. This provides a measure of assurance that the Capital Programme remains deliverable, notwithstanding increases in finance costs and potential future constraints on local authority borrowing from the Public Works Loan Board.

- 2.8 In summary, the Council currently enjoys a sound financial position, with a balanced budget and a strong balance sheet.

Future Financial Position

Economic Context

- 2.9 The prospects for the broader UK economy over the five years of the MTFS period are extremely challenging. The Bank of England projects negligible growth over the next two years and any subsequent recovery will be modest.

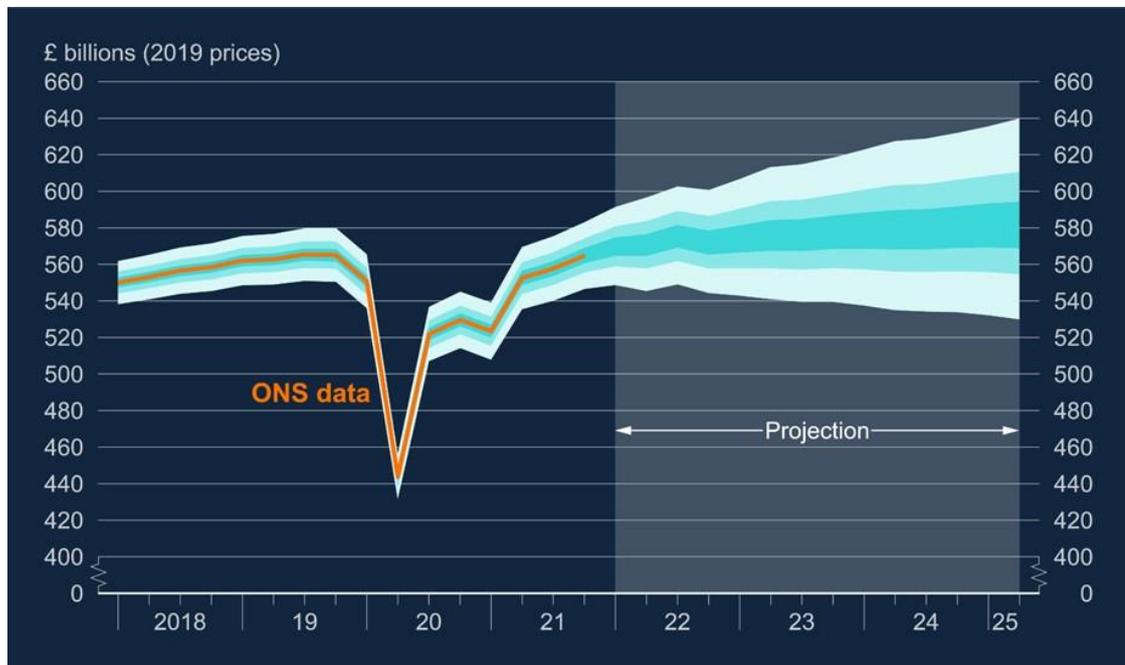


Figure 2: GDP projection based on market interest rate expectations

- 2.10 Stagnant economic growth will be accompanied, in the short term at least, by high inflation. The Bank of England forecasts that inflation will peak at over 10% later in 2022 before falling subsequently.

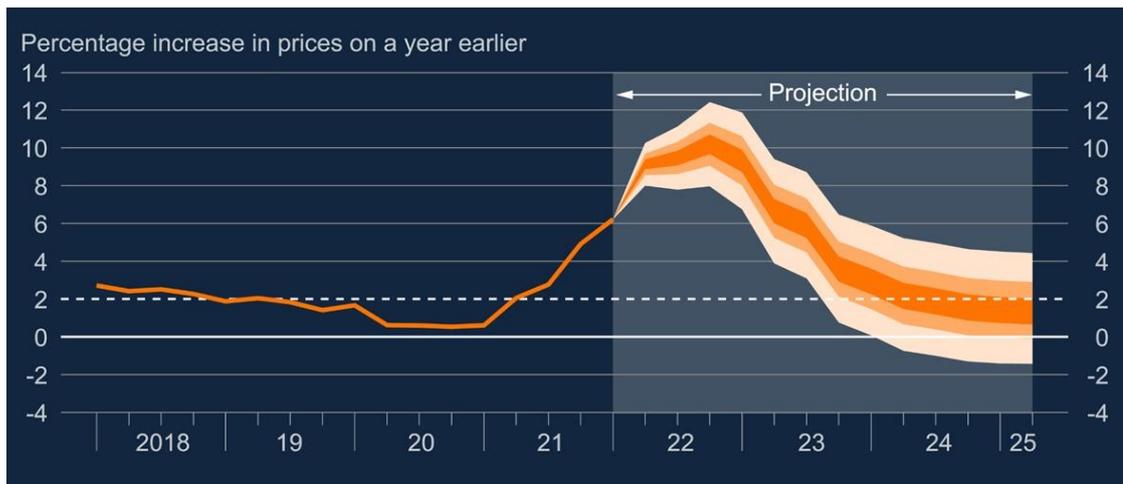


Figure 3: CPI inflation projection based on market interest rate expectations

- 2.11 The projections above indicate that inflation will fall rapidly. However, many commentators have challenged whether current policies will be successful in bringing down inflation. The example of the 1970s has been cited, when 'those countries that rapidly killed inflationary impulses with tight policy, led by the West German Bundesbank, took the pain and suffered a short and shallow downturn. Those that followed a more accommodating path ended up with persistently higher inflation rates that required much deeper recessions in the early 1980s to stamp out inflation'. (Chris Giles, FT 09.06.2022)
- 2.12 The implications of this analysis are that the government and the Bank of England would need to tighten policy now in order to be sure of bringing down inflation. If inflation does not come down in line with projections, policy will have to be tightened eventually in any case. The two variables which must therefore be considered in constructing future scenarios are therefore (a) the performance of the economy, which is closely linked to the global economy and subject to all the pressures of war and constraints on energy supplies, and (b) how aggressively the government and the Bank of England respond to rising inflation. The possible scenarios, given these two key variables, can be shown as follows.

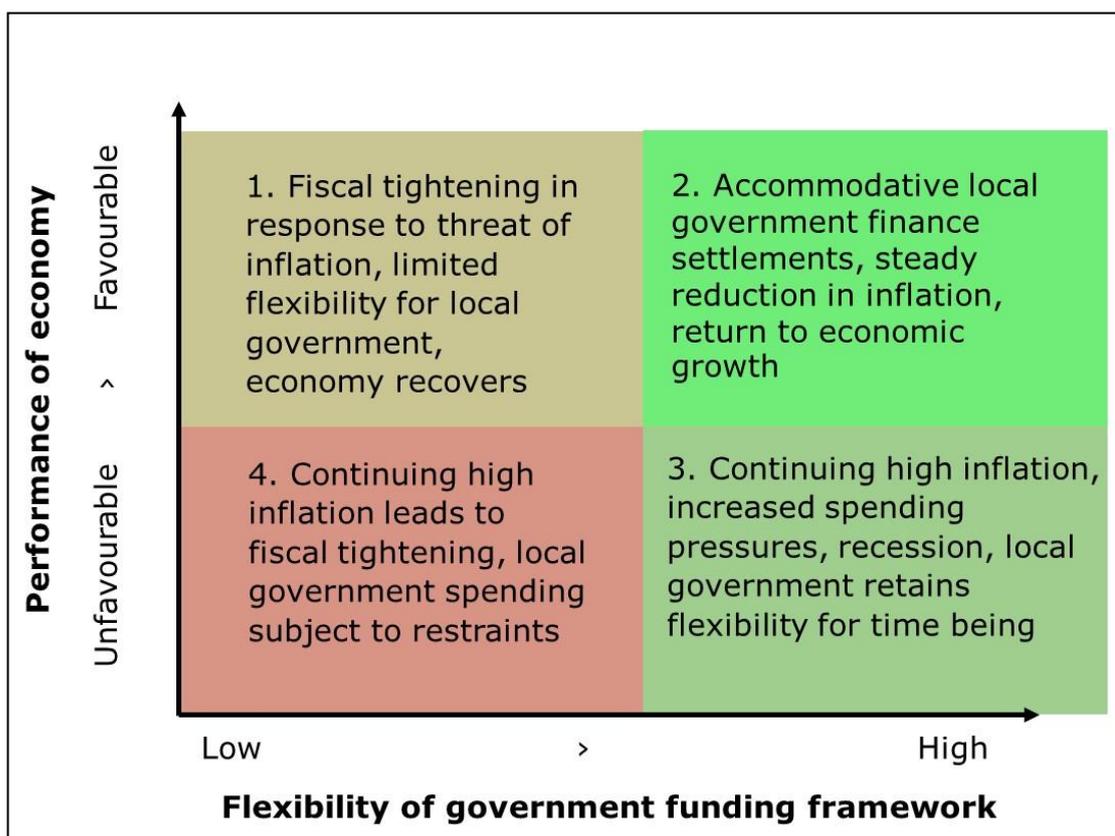


Figure 4: Potential future scenarios

In the top half of the table, the economy recovers, either in conjunction with aggressive government and Bank of England action to restrain inflation (Scenario 1) or without the need for such action (Scenario 2). In the lower half of the table, stagflation persists, and the government and the Bank of England either continue with their current, relatively passive, approach (Scenario 3), or respond aggressively (Scenario 4).

Impact on Maidstone

- 2.13 Maidstone Borough Council was largely self-sufficient financially prior to the Covid-19 pandemic, drawing most of its income from Council Tax and other locally generated sources of income. The percentage of revenue raised locally increased from 82% in 2014/15 to 93% in 2019/20. However, this did not mean that the Council was insulated either from the wider economy or government policy. Covid-19 showed how vulnerable the Council's income was to a downturn in the economy, particularly in relation to services like parking.
- 2.14 Meanwhile, the local authority funding framework set by government remains a crucial determinant of the Council's future financial position. This is primarily because central government restricts the amount by which Council Tax can be increased through the referendum limit and it determines the share of business rates that can be retained locally.
- 2.15 Local authority funding was subject to a four-year settlement between 2016/17 and 2019/20, which provided a degree of certainty about the

Council's funding position, even though the amount of central government support for local government fell steadily. The key elements of the settlement have been rolled forward every year since 2019/20, with Brexit and then Covid-19 limiting the capacity of central government to introduce any major changes. This has benefited authorities like Maidstone, which has a relatively strong business rates base, because we have enjoyed the advantages of continued growth in business rates, whereas a reset of the local government finance settlement would have been accompanied by a reset of the distribution of business rates between authorities in the interests of 'fair funding'. The Secretary of State has indicated that there will be a two year settlement announced for 2023/24 and 2024/25.

Revenue Support Grant

- 2.16 It should be noted that the four-year funding settlement gave no Revenue Support Grant (RSG) to Maidstone Borough Council from 2017/18. It was originally envisaged that the four-year funding settlement would incorporate a clawback of £1.6 million from the Council in the form of negative RSG in 2019/20, as the level of central government support for the local authority sector as a whole was gradually reduced. Under pressure from local authorities like Maidstone and our parliamentary representatives, the government withdrew the proposal to levy negative RSG. This concession has continued to apply since 2019/20. However, without an overall increase in recurring funding available to local government, it is not clear how the local government financial settlement will be balanced in future years without the 'lost' negative RSG being recouped in some form. In practice, the introduction of 'fair funding' may have a similar impact to negative RSG.

New Homes Bonus

- 2.17 Whilst the Council no longer receives funding directly from the government in the form of RSG, it continues to benefit from New Homes Bonus (NHB), which amounts to £4.2 million in 2022/23. The Council has traditionally earmarked NHB for specific purposes, rather than treating it as a mainstream source of funding for revenue budgets. In 2022/23 the first £1 million of NHB has been allocated for strategic policy and planmaking, with the balance transferred to a Housing Investment Fund, to be used to subsidise the Council's Affordable Housing Programme.
- 2.18 NHB has gradually reduced over the years, although the impact has been mitigated by the introduction of two new grants – Lower Tier Services Grant with effect from 2021/22 and Services Grant from 2022/23. Because of uncertainty about the future of NHB, it is prudent to continue disregarding it when considering the funding of mainstream budgets.

Future local government finance settlements

- 2.19 At this stage it is not known when we will have clarity about the Council Tax referendum limit, the Business Rates baseline, or future specific grants such as NHB over the period of the proposed two year settlement period 2023/24 - 2024/25. The usual pattern whereby the local government

finance settlement is announced just before Christmas suggests that we will not have definitive figures until late December 2022.

2.20 Whilst it is likely that the existing funding regime will be rolled forward in broadly its current form for the next two years, there will probably be more significant changes in 2025/26. These are likely to include:

- Implementation of Fair Funding;
- Resetting business rates baselines.

2.21 All of these factors mean that the government has a number of levers that are likely to be employed if there is an overall tightening of fiscal policy. The most relevant for Maidstone Borough Council, with its dependence on Council Tax income, is the Council Tax referendum limit.

Scenario Planning

2.22 As Maidstone's financial position is so dependent on the broader economy and on government policy, it is appropriate to model the impact of the different scenarios described above on the Council. The Medium Term Financial Strategy will then address all potential scenarios, in order to ensure that the Council is equipped to deal with each.

2.23 Using the four scenarios sketched out in Figure 4, the impact of each would be as follows.

Scenario 1: Fiscal tightening in response to threat of inflation, limited flexibility for local government, economy recovers

This is the scenario in which the government takes prompt action to bring down inflation. This would be likely to involve restrictions on government spending, including limits on Council Tax increases. If successful, this policy would mean that inflation would return to the government's long term target rate of 2% and the economy would recover, leading to renewed growth in the Council Tax base and the Council's other sources of income.

Scenario 2: Accommodative local government finance settlements, steady reduction in inflation, return to economic growth

Current government and Bank of England policy is based on the assumption that drastic action is not required to combat inflation, and there will be a return to growth in any case. Growth would however be anaemic, with external income returning to pre-Covid levels over a period of 3-4 years. There would continue to be growth in the Council Tax base, but constraints in the construction sector mean there is a slow-down for the first 2-3 years of the planning period. The Council would be able to fund inflationary increases in expenditure through matching increases in Council Tax. This is the most optimistic scenario.

Scenario 3: Continuing high inflation, increased spending pressures, recession, but local government retains flexibility for time being

Heightened assumptions about the inflation rate, capacity constraints and low economic growth compared with other national economies lead to prolonged inflation in excess of the government's 2% target. As a result, there is no real terms growth in Council income. Whilst under this scenario, the Council would be able to match inflationary growth in costs through increases in Council Tax, the poor performance of the economy would nevertheless lead to an overall deterioration in its financial position.

Scenario 4: Continuing high inflation leads to fiscal tightening, local government spending subject to restraints

In this scenario the government would eventually be forced to take action to bring down inflation. This would involve restrictions on government spending, including limits on Council Tax increases. The Council would not be able to match inflationary growth in costs through increases in Council Tax and the poor performance of the economy would mean minimal growth in the Council Tax base and other sources of income. This is the most pessimistic scenario.

Strategic Revenue Projection

- 2.24 For illustrative purposes, assumptions about what each of these scenarios might mean are set out in this section, and high level revenue projections are shown for each. The key dimensions are:
- (a) the Council Tax base;
 - (b) the level of Council Tax;
 - (c) retained Business Rates, which in turn depends on overall business rates income and government policy on distributing it between local authorities and central government;
 - (d) other local income, eg fees and charges;
 - (e) the cost of service delivery, which is subject to the effect of inflation on input prices.

Each of these is considered in more detail below.

Council Tax base

- 2.25 Projected Council Tax income for 2022/23 amounts to £18.2 million and is the Council's single biggest source of income. Council Tax is a product of the tax base and the level of tax set by the council. The tax base is a value derived from the number of chargeable residential properties within the borough and their band, which is based on valuation ranges, adjusted by all discounts and exemptions.
- 2.26 The tax base has increased steadily in recent years, reflecting the number of new housing developments in the borough. See table below:

Table 1: Number of Dwellings in Maidstone

	2017	2018	2019	2020	2021
Number of dwellings	69,633	70,843	71,917	73,125	75,034
% increase compared with previous year	1.63%	1.74%	1.52%	1.68%	2.61%

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

- 2.27 The Council tax base is also affected by collection rates and the number of households benefitting from the Council Tax Reduction Scheme. Typically these factors do not vary significantly between years but in the event of a major downturn in the economy, collection rates could be expected to fall and more households would be eligible for the Council Tax Reduction Scheme.
- 2.28 Future growth assumptions for each scenario are set out below.

Council Tax base growth assumptions					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	1.5%	1.5%	2.0%	2.5%	3.0%
Scenario 2 – Some flexibility, economy recovers	1.5%	1.5%	2.0%	2.5%	3.0%
Scenario 3 – Some flexibility, continued stagflation	1.5%	1.0%	1.0%	1.0%	1.0%
Scenario 4 – Limited flexibility, continued stagflation	1.5%	1.0%	1.0%	1.0%	1.0%

Level of Council Tax

2.29 The level of council tax An alternative approach to developing an MTFS is A number of factors that influence the annual budget and the MTFS are not yet known. However, the disadvantage of this approach is that it could take some time for full information to emerge, and in the meantime the Council needs to take steps to set a budget for the coming year. increase for 2023/24 is a decision that will be made by Council based on a recommendation made by the Executive. In practice, the Council’s ability to increase the level of council tax is limited by the need to hold a referendum for increases over a government set limit. In 2022/23, the limit was 2%. The Council approved the maximum possible increase. The rationale for this approach was that:

- pressures on the Council’s budget mean that even a marginal difference in Council Tax income is of value;
- the referendum limit might revert to a lower level in later years;
- because the starting point for calculating the referendum limit in any given year is the previous year’s Council Tax, agreeing a lower increase reduces the Council’s room for manoeuvre in later years.

2.30 The referendum limit of 2% was intended broadly to reflect the rate of inflation. It was also assumed in the government’s planning for local government expenditure that local authorities would indeed increase by the maximum permissible amount, and this was reflected in the ‘Spending Power’ data published for each local authority. At this stage there is no indication as to whether the government will set a higher referendum limit in 2023/24 to reflect current inflation levels.

2.31 Assumptions for each scenario are set out below, on the basis that these increases represent the government’s referendum limit and the Council follows its practice of increasing Council Tax by the maximum permitted.

Council Tax increase assumptions					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	2.0%	2.0%	2.0%	2.0%	2.0%
Scenario 2 – Some flexibility, economy recovers	5.0%	2.0%	2.0%	2.0%	2.0%
Scenario 3 – Some flexibility, continued stagflation	5.0%	4.0%	3.0%	3.0%	3.0%
Scenario 4 – Limited flexibility, continued stagflation	2.0%	2.0%	2.0%	2.0%	2.0%

Retained business rates

- 2.32 Under the current business rates regime, local government in aggregate retains 50% of business rates income. However, most of the 50% share collected locally is lost to Maidstone, because it is redistributed to other authorities and the government through a system of tariffs and top-ups.

Table 2: Projected Business Rates Income 2022/23

	£000	%
Maidstone Borough Council	5,285	10
Kent County Council	4,631	9
Kent Fire & Rescue Authority	515	1
Central Government	41,410	80
Total Business Rates Income	51,841	100

- 2.33 To the extent that business rates income exceeds a notional baseline, this growth element is retained locally, subject to a levy payable to central government by tariff authorities like Maidstone. The Council has been able to minimise the levy payable on business rates growth through its membership of the Kent Business Rates Pool. This is because, by pooling our income, the levy payable by some pool members (district councils) is offset against the top-up received by the major preceptors (Kent County Council and Kent Fire and Rescue).

- 2.34 The proceeds from membership of the pool are split as follows.

- 30% is allocated to a reserve which is used for specific projects that form part of the Council's economic development strategy.
- 30% represents a Growth Fund, which has in the past been spent in consultation with Kent County Council on the Maidstone East development. Following Maidstone's acquisition of Kent County Council's 50% share in the development in 2021/22, the Growth Fund will be split equally between Maidstone Borough Council and Kent County Council.
- 30% goes directly to Kent County Council.
- The residual 10% is held back to compensate Kent districts whose business rates income falls below the baseline or for whom it is not beneficial to belong to the Pool.

- 2.35 Total retained business rates income for 2022/23 is summarised below.

Table 3: Retained Business Rates Income 2022/23 including pool proceeds

	£000
Projected income before pooling	5,285
Pool proceeds earmarked for Economic Development	507
Pool proceeds earmarked for Maidstone East	204
Total	5,996

- 2.36 It is assumed at this stage that pool proceeds continue to be earmarked as shown above. Note that in the event of a business rates reset (see paragraph 2.15 above) there would initially be no growth available for pooling.
- 2.37 In general, projections of business rates income for the years after 2023/24 must, of necessity, take a cautious position on how much business rates income is likely to be retained locally, given that this is the element in our total resources that is most at risk from the vagaries of government policy. Future growth assumptions for each scenario are set out below.

Business Rates growth assumptions					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	0.0%	0.0%	3.0%	4.0%	5.0%
Scenario 2 – Some flexibility, economy recovers	2.0%	2.0%	3.0%	4.0%	5.0%
Scenario 3 – Some flexibility, continued stagflation	2.0%	2.0%	3.0%	3.0%	3.0%
Scenario 4 – Limited flexibility, continued stagflation	0.0%	0.0%	2.0%	2.0%	2.0%

Other income

- 2.38 The main components of other income are set out below:

Table 4: Projected Other Income 2022/23

	£ million
Fees and charges	9.2
Property rental income and service charges	6.9
Shared services trading income	3.3
Other income	2.3
TOTAL	21.7

Each component is subject to different inflationary factors. Some fees and charges are set by central government and are not necessarily increased annually. However, where the council has the flexibility to review fees and charges, it is assumed that they are increased in line with inflation. Rents may only change at the point of periodic rent reviews. Future growth assumptions, using a composite inflation rate, are set out below.

Other income growth assumptions					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	4.0%	2.0%	3.0%	4.0%	5.0%
Scenario 2 – Some flexibility, economy recovers	5.0%	2.0%	3.0%	4.0%	5.0%
Scenario 3 – Some flexibility,	4.0%	4.0%	4.0%	4.0%	4.0%

continued stagflation					
Scenario 4 – Limited flexibility, continued stagflation	5.0%	5.0%	5.0%	5.0%	5.0%

Cost of services

- 2.39 The cost of services is subject to inflation. Salaries account for around 50% of total input costs, and whilst salary increases tend to lag behind published inflation figures, market pressures are likely to mean that inflation will impact salaries in the medium term. Many other costs, in particular contract costs, are directly linked to inflation indices.
- 2.40 A recent benchmarking exercise indicates that salaries at Maidstone have fallen behind the policy target of the public and not for profit sector median level for any given grade. It is estimated that an additional £675,000 growth, including salary on-costs, less amounts that can be recharged, would be required to bring salaries into line. For the purposes of the MTFs projections, this growth has been excluded, on the basis that it will need to be self-financing, ie any growth will need to be funded from new savings.
- 2.41 Assumptions for each scenario, using a composite rate at this stage, are set out below. Note that these figures do not equate to inflation projections, because the growth in cost of services tends to lag behind headline inflation indices. The figures below exclude any growth to address the shortfall against the salary benchmark described in the previous paragraph.

Cost of services growth assumptions					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Limited flexibility, economy recovers	5.0%	2.0%	2.0%	2.0%	2.0%
Scenario 2 – Some flexibility, economy recovers	5.0%	2.0%	2.0%	2.0%	2.0%
Scenario 3 – Some flexibility, continued stagflation	5.0%	5.0%	5.0%	5.0%	5.0%
Scenario 4 – Limited flexibility, continued stagflation	5.0%	5.0%	5.0%	5.0%	5.0%

For the purposes of detailed budget planning, a more granular approach is taken to forecasting budget growth, and specific percentages are applied to the different categories within cost of services.

Revenue Projections

- 2.42 Strategic revenue projections, based on the assumptions set out above, are summarised in table 5 below for the different scenarios. In light of the many uncertainties around future funding, it is important to note that projections like these can only represent a 'best estimate' of what will happen. These projections will be updated as more information becomes

available, prior to a final version of the projections being included in the updated Medium Term Financial Strategy. The figures exclude the cost of changes in pay and grading as set out in paragraph 2.40.

Table 5: MTFS Revenue Projections 2023/24-2027/28

	23/24	24/25	25/26	26/27	27/28
	£m	£m	£m	£m	£m
Scenario 1 – Limited flexibility, economy recovers					
Total Resources ¹	46.7	47.8	49.5	51.6	54.1
Predicted Expenditure ²	47.9	50.2	51.9	54.1	55.8
Budget Gap	-1.2	-2.4	-2.4	-2.5	-1.7
Existing Planned Savings	0.4	0.7	0.7	0.7	0.7
Savings Required ³	-0.8	-1.7	-1.7	-1.8	-1.0
Scenario 2 – Some flexibility, economy recovers					
Total Resources	47.6	48.8	50.5	52.6	55.3
Predicted Expenditure	47.9	50.2	51.9	54.1	55.8
Budget Gap	-0.3	-1.4	-1.4	-1.5	-0.5
Existing Planned Savings	0.4	0.7	0.7	0.7	0.7
Savings Required	0.1	-0.7	-0.7	-0.8	0.2
Scenario 3 – Some flexibility, continued stagflation					
Total Resources	47.6	49.8	52.0	54.3	56.6
Predicted Expenditure	47.9	51.6	54.9	58.7	62.2
Budget Gap	-0.3	-1.8	-2.9	-4.4	-5.6
Existing Planned Savings	0.4	0.7	0.7	0.7	0.7
Savings Required	0.1	-1.1	-2.2	-3.7	-4.9
Scenario 4 – Limited flexibility, continued stagflation					
Total Resources	46.7	48.2	49.8	51.5	53.3
Predicted Expenditure	47.9	51.6	54.9	58.7	62.2
Budget Gap	-1.2	-3.4	-5.1	-7.2	-8.9
Existing Planned Savings	0.4	0.7	0.7	0.7	0.7
Savings Required	-0.8	-2.7	-4.4	-6.5	-8.2

Notes

1. Resources comprise Council Tax, retained Business Rates and Other Income.
2. Predicted expenditure comprises the cost of services and finance costs.
3. A negative figure represents the amount of savings required to balance the budget; a positive figure represents a budget surplus.
4. All scenarios incorporate the assumption that Council Tax income is increased by the maximum possible given the referendum limit, and fees and charges are increased in line with inflation to the extent that the Council has the flexibility to do so.

2.43 It can be seen that in Scenario 2 and 3, the budget can be balanced in 2023/24 without making more savings, provided that Council Tax is increased up to the referendum limit. The assumed referendum limit in these two scenarios is 5%, and it is furthermore assumed that the Council

will take advantage of this to increase Council Tax by 5%.

- 2.44 In the case of Scenario 3, continued weakness in the economy means that savings are required in subsequent years. In the case of Scenario 2, there are budget deficits in years 2-4 of the planning period, but the position is balanced again in year 5.
- 2.45 In Scenarios 1 and 4, government constraints on local government spending, principally a freeze in the Council Tax referendum limit at the current level of 2%, lead to a deficit in 2023/24 if no further savings were to be made.
- 2.46 All scenarios other than Scenario 2 therefore require the Council to make savings to balance the budget, even if (as in Scenario 3) this is not necessary from the first year of the planning period.

Updating the Medium Term Financial Strategy

- 2.47 The updated Medium Term Financial Strategy will need to balance the requirement to deliver the savings identified in the previous section with the key priorities set out in the Council's Strategic Plan. These are as follows:

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

'Embracing growth and enabling infrastructure recognises' the Council's role in leading and shaping the borough as it grows. This means taking an active role in policy and master planning for key sites in the borough, and where appropriate, investing directly ourselves.

'Homes and communities' expresses the objective of making Maidstone a place where people love to live and can afford to live. This means providing a range of different types of housing, including affordable housing, and meeting our statutory obligations to address homelessness and rough sleeping.

'A thriving place' is a borough that is open for business, attractive for visitors and an enjoyable and prosperous place to live for our residents. We will work to regenerate the County town and rural service centres and will continue to grow our leisure and cultural offer.

A 'safe, clean and green' place is one where the environment is protected and enhanced, where parks, green spaces, streets and public areas are looked after, well-managed and respected, and where people are and feel safe.

- 2.48 The next stage in development of the Medium Term Financial Strategy will be to review budgets to identify opportunities for savings, or increased income, which can be delivered with the minimum impact on the strategic priorities. To the extent that further growth is planned, above and beyond

existing budgets, this will need to be offset by further savings. It is envisaged that the outcome of this review will be a set of growth and savings proposals that can be incorporated in an updated Medium Term Financial Strategy.

2.49 It can be seen from Table 5 that the budget gap increases each year in Scenarios 3 and 4. Whilst the immediate priority will be to deliver a balanced budget in all scenarios in 2023/24, the Medium Term Financial Strategy will need to set out what further steps would be required in subsequent years in the event of these scenarios materialising.

Capital Programme

2.50 The capital programme plays a vital part in delivering the Council's strategic plan, since it is only through long term investment that our ambitions for the borough can be realised. The capital programme is a rolling five year programme. The existing capital programme was approved by Council at its budget meeting on 23rd February 2022. An updated capital strategy and capital programme is due to be considered by the Executive in January.

2.51 Major schemes include the following:

- Affordable housing programme
- Private rented sector housing programme
- Temporary accommodation
- Gypsy and traveller sites refurbishment
- Corporate property acquisitions
- Leisure Centre replacement / refurbishment
- Biodiversity & Climate Change capital projects.
- Mote Park Visitor Centre
- Garden Community preliminary work.

2.52 Schemes may be included in the capital programme if they fall within one of the four following categories:

- Required for statutory reasons, eg to ensure that Council property meets health and safety requirements;
- Self-funding schemes focused on strategic plan priority outcomes;
- Other schemes focused on strategic plan priority outcomes; and
- Other priority schemes which will attract significant external funding.

2.53 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must reflect the Prudential Code, which requires that capital investment should be funded in a way that is prudent, affordable and sustainable.

2.54 The current capital programme amounts to £230 million over the next five years. In the light of inflation, this amount will need to be increased if the same outputs are to be delivered, and higher input costs will need to be factored into the appraisal of individual capital schemes to ensure that they are still affordable.

2.55 It is envisaged that the capital programme will primarily be funded from external borrowing. In view of uncertainty about the future trajectory of interest rates and the availability of funds from the Public Works Loan Board, the Council has secured forward borrowing of £80 million, which will be drawn down between 2024 and 2026.

Reserves

2.56 The Council maintains reserves as a safety net to allow for unforeseen circumstances. There is no statutory definition of the minimum level of reserves: the amount required is a matter of judgement. However, the Council has agreed to set £4 million as the minimum General Fund balance.

2.57 In addition to uncommitted General Fund balances, the Council holds reserves that are earmarked for specific purposes. Full details of reserves held are set out below:

Table 6: General Fund balances as at 31 March 2022

	31.3.21 £000	31.3.22 £000
General Fund		
Unallocated balance	9,196	9,124
Sub-total	9,196	9,124
Earmarked Reserves		
Local Plan	200	0
Neighbourhood Plans	96	96
Planning Appeals	286	286
Civil Parking Enforcement	158	389
Housing Prevention & Temporary Accommodation	773	1,279
Business Rates Earmarked Balances	3,774	1,999
Future Funding Pressures	970	970
Trading Accounts	30	0
Future Capital Expenditure	1,131	2,426
Invest to Save Reserve	500	500
Commercial Risk Reserve	500	500
Funding for future collection fund deficits	14,739	1,382
Covid-19 Response and Recovery	0	778
Resources carried forward from 2020/21 to 2021/22	1,077	0
Resources carried forward from 2021/22 to 2022/23	0	1,184
Sub-total Earmarked Reserves	24,234	11,789
Total General Fund balances	33,430	20,913
Total General Fund balances excluding Collection Fund deficits	18,691	19,531

The unallocated balances exceed the £2 million minimum. They are equivalent to around 20% of the gross revenue budget, which is comfortably in excess of the 10% benchmark that is sometimes cited as a reasonable level. It can therefore be seen that the level of reserves is adequate without being excessive.

3. AVAILABLE OPTIONS

- 3.1 Option 1: The approach outlined to development of an updated Medium Term Financial Strategy for 2023/24 – 2027/28 and a budget for 2023/24 is agreed.
 - 3.2 Option 2: Further options are considered for the development of an updated Medium Term Financial Strategy and the issue is reconsidered in the next Committee cycle.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred option is to proceed with development of an updated MTFS. Whilst there is a considerable amount of uncertainty about the future, this can be addressed through careful consideration of the risks and by building flexibility into our financial plans. The disadvantage of delaying is that it could take some time for full information to emerge, and in the meantime the Council needs to take steps to set a budget for the coming year.
-

5. RISK

- 5.1 The preceding paragraphs have indicated at several points the risks and uncertainty surrounding the Council's financial position. In order to address these in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each meeting.
 - 5.2 It should be recognised that risks are not usually discrete. There are interrelationships between the risks, such that (for example) inaccurate inflation projections could impact the overall risk of failing to deliver a balanced budget.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Consultation with all relevant stakeholders is an important part of the process of developing the MTFS. A public budget consultation will take place this Autumn, then individual Policy Advisory Committees will be consulted on the details of the MTFS proposals as they affect the respective Committee portfolios.
- 6.2 This issue was considered by the Corporate Services Policy Advisory Committee on 13 July 2022. As the Committee recommended an alternative course of action to the recommendations on this report, an excerpt of the Minutes of that meeting has been attached at Appendix 1 for information. The recommendations of the Committee are as follows:
-

1. That the issues and risks associated with updating the Medium Term Financial Strategy are noted;
 2. That the assumptions described in this report for planning purposes and to establish the remit for detailed budget development, and together with the additional information provided to the Policy Advisory Committee, which shows the effect of 0% council tax increase on the four scenarios presented, be recommended to the Executive for approval;
 3. That 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 above;
 4. That 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.
-

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 An outline timetable for developing the Medium Term Financial Strategy and budget for 2023/24 is set out below.

Date	Meeting	Action
27 July 2022	Executive	Agree approach to development of updated MTFS and key assumptions
August – December		Develop detailed budget proposals for 2023/24
October	All Policy Advisory Committees	Consider draft updated MTFS
23 November	Executive	Agree updated MTFS for

2022		submission to Council
December 2022		Receive 2023/24 Local Government Finance Settlement
January 2023	All Policy Advisory Committees	Consider 23/24 budget proposals
8 February 2023	Corporate Services Policy Advisory Committee	Agree 23/24 budget proposals for recommendation to Council
22 February 2023	Council	Approve 23/24 budget

8. REPORT APPENDICES

Appendix 1: Excerpt from Minutes of the Corporate Services PAC

9. BACKGROUND PAPERS

None.

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 13 JULY 2022

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

Lead Members: Councillor Perry (Lead Member for Corporate Services)
Councillor S Webb (Lead Member for Housing and Health)

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.

Agenda Item 18

Executive

27 July 2022

Corporate Planning Timetable

Timetable	
Meeting	Date
Corporate Services Policy Advisory Committee	13 July 2022
Executive	27 July 2022

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Executive
Lead Director	Chief Executive
Lead Officer and Report Author	Angela Woodhouse, Head of Policy, Communications and Governance
Classification	Public
Wards affected	All

Executive Summary

The Policy Advisory Committee and the Executive is asked to consider whether to update the existing strategic plan, create a new one or leave the current one in place. This report sets out a proposed approach to updating the plan and setting the Medium Term Financial Strategy 2023/24– 2027/28. The report concludes that the existing Strategic Plan continues to provide an appropriate overall framework however the milestones for 2021/26 should be refreshed for 2023/2028 to ensure alignment with the priorities of the administration and changes in the short to medium term context for local government services including the Levelling Up White Paper and the evolving financial environment including the impact of significant inflation.

Purpose of Report

Decision

This report makes the following recommendations to the Executive:

1. That the Strategic Plan 2019-45 milestones for 2023-28 be refreshed and the corporate planning timetable at 3.5 be approved.

Corporate Planning Timetable

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>The Strategic Plan sets out the Council's priorities. This paper sets out a timetable for refreshing the Plan and setting the Medium Term Financial Strategy</p>	Head of Policy, Communications and Governance
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The Strategic Plan sets out the Council's priorities. This paper sets out a timetable for refreshing the Plan and setting the Medium Term Financial Strategy</p>	Head of Policy, Communications and Governance
Risk Management	The Council's corporate risk strategy includes strategic risks associated with the Strategic Plan.	Head of Policy, Communications and Governance
Financial	The financial implications of the Strategic Plan are set out in the Council's five-year Medium Term Financial Strategy. The MTFS will be updated to cover the period 2023/24 to 2027/28 as set out in the timetable at paragraph 3.5 of this report	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Head of Policy, Communications and Governance
Legal	The Strategic Plan aligns with the Council's general duty, as a best value authority, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and	Interim Monitoring Officer and Deputy Head of Legal Services

	effectiveness – section 3 of the Local Government Act 1999. If adopted as recommended the corporate planning timetable enables the Council to monitor its performance against the agreed Strategic Plan outcomes.	
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes.	Information Governance Team –
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities & Communities Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of Policy, Communications and Governance
Crime and Disorder	The decision will have no direct impact on crime and disorder	Head of Policy, Communications and Governance
Procurement	Not applicable	Head of Policy, Communications and Governance
Biodiversity and Climate Change	The strategic plan was refreshed in 2020-21 to include biodiversity and climate change as an area of focus for 2021-26	Biodiversity and Climate Change Officer

2. INTRODUCTION AND BACKGROUND

- 2.1 The Strategic Plan is a core element of our corporate planning. The priorities and outcomes in the Strategic Plan are developed alongside the Medium Term Financial Strategy (MTFS) to ensure consistency between priorities, service delivery and budgets. Service Planning allows the Council to convert high level priorities from the Strategic Plan into actions for each directorate, service or team across the Council, which then feeds into individual staff priorities.
- 2.2 In previous years the Policy and Resources Committee and the Executive have been asked annually to consider whether to refresh the existing Strategic Plan, create a new one or leave it as is. A timetable of activity is then planned around this and the Medium-Term Financial Strategy Process. The proposed timetable of activities includes a period of public consultation on the 2023/4 budget as required by law, it also includes the resident survey undertaken every three years (previously undertaken in 2017, disrupted by COVID-19) and reports to Policy Advisory Committees (PACs), the Executive and Council on the Strategic Plan, Medium Term Financial Strategy and Budget.

- 2.3 The current Strategic Plan was adopted in December 2018 and covers the period until 2045. The plan was agreed after careful analysis and consultation. The decision was taken for it to be a 26-year plan to ensure continuity, and a basis on which all other Maidstone Borough Council plans and strategies could be developed. It was last updated in 2020 with a review of the areas of focus for 2021/26, the main changes agreed were:
- A focus on delivering those actions in the new Economic Development Strategy (EDS) that will promote economic recovery from COVID-19
 - Delivering a sustainable and vibrant leisure and cultural offer
 - Working with community groups and parish councils to develop community resilience and pride in our Borough
 - Promoting inward investment; and
 - Identifying opportunities with partners to reduce health inequalities in the Borough.
- 2.4 It is recommended that it would be timely to revisit the outcomes the Council aims to achieve in the areas of focus for the next five years including the performance indicators used to measure progress of the Council's priorities due to a number of factors arising from change in context set out below.
- 2.5 A review of the strategic plan areas of focus would allow the council to consider national and local changes of importance including and not limited to:
- Levelling Up and Regeneration Bill: The Bill seeks to put into place a robust framework for levelling up through:
 - Providing a legal basis for the setting and reporting against the levelling up missions
 - Devolving powers to all areas in England that want them, providing more control over budgets, transport and skills
 - Empowering local leaders to regenerate towns and cities and restore local pride in place
 - Improving the planning process
 - Financial Inclusion and the cost-of-living Crisis
The cost-of-living crisis is an issue affecting the borough's residents and businesses. Teams across the Council have been working to provide both its own and central government initiatives in supporting local residents. This is evidenced through the Council's Recovery and Renewal Plan following the Covid-19 pandemic, the Financial Inclusion Strategy, ongoing development of the Town Centre Strategy and the Mid-Kent Skills Hub. The Discretionary Energy Rebate Scheme as introduced by Central Government is also in the process of being administered.
 - Financial Resilience of the Council
The Council will need to consider how it reconciles its strategic objectives with the requirement to maintain financial resilience and

set a balanced budget given the risk of continued high inflation and negligible (or negative) economic growth.

- Kent County Council (KCC) Strategic Statement – “Framing Kent’s Future – Our Council Strategy 2022-2026”. The Strategy sets four priorities for Kent, a refresh of our own strategy milestones will consider whether and how we align to these priorities including opportunities to work together:
 - Levelling up Kent
“This includes strengthening the county’s economy, helping people gain the skills they need, continuing to support schools, a particular focus on improving life in deprived communities in coastal areas and working with our partners to improve the health of Kent’s population.”
 - Infrastructure for Communities
“This includes taking an ‘Infrastructure First’ approach to new development, improving digital connectivity and access, supporting our rural areas, ensuring people have access to safe and efficient travel options and that all communities can benefit from a strong social infrastructure.”
 - Environmental Step Change
“This includes protecting and strengthening our natural environment, working with our partners towards Kent being Net Zero by 2050, exploring options for carbon zero energy production and use, and ensuring that the county is well placed to adapt to climate change.”
 - New Models of Care and Support
“This includes integrating our social care and public health services with our partners, supporting vulnerable children and families, helping adults who draw on social care to lead the lives they want to live and improving the way we design and deliver our care and support services.”
- UK Shared Prosperity Fund – Maidstone Local Investment Plan prioritises building the reputation of our town and pride in place through promotion of the town centre with investment in events, lighting and greening with increased heritage and culture.
- Ambitions have already been identified by the Leader in the speech to the Annual Council meeting for a review of key strategies and policies including development of the Maidstone Town Centre Strategy, Policies and Plans relating to the Local Plan including the Integrated Transport Policy, Community Infrastructure Levy, Social Housing Allocations Policy. Alongside a commitment to acquiring at least an additional 1,000 affordable homes was reiterated as well as a commitment to expand financial inclusion and promoting and restoring pride in our Borough

3. AVAILABLE OPTIONS

Retain and refresh the existing strategic plan

- 3.1 The current Strategic Plan was developed involving a wide cross section of Councillors, staff and other stakeholders in 2018 before being adopted in December of that year, the vision and priorities are clear and relevant.
- 3.2 In-light of the significant impact of the pandemic, the new priorities of the administration, national changes and projects underway within the Council work will now need to be carried out to refresh our outcomes for 2021/26 to a refreshed set of outcomes for 2023/28 in the plan. This will not mean rewriting our vision or priorities, work will be focused on the actions for the next five years.
- 3.3 A refresh of the Strategic Plan would include:
- Review and amendment of areas of focus for 2023/28
 - Refresh of any contextual information in the document such as statistics
 - New foreword.
- 3.4 Outlined below is a proposed timetable for updating the Strategic Plan and development of budget proposals. A report on the MTFs has been included on this agenda and that has been considered in the proposed timetable below.
- 3.5 Corporate Planning Timetable

Date	Action
27 July 2022	Executive consider the corporate planning timetable
July 2022- August 2022	Resident Survey – Using Bang the Table and Roadshows
September 2022	Informal Executive Away Day (budget and strategic plan focus)
September 2022	Budget Survey – Using Bang the Table
August - December 2022	Work on refreshing the Strategic Plan and detailed budget proposals/priorities (Executive and Wider Leadership Team)
December 2022	Strategic Plan Proposals considered by Policy Advisory Committees formally at Committee Meetings
January 2023	PACS consider the final proposals on the Budget and Strategic Plan for recommendation to the Executive
February 2023	Executive approve the Strategic Plan and Medium-Term Financial Strategy to be considered at full Council on 22 February 2023

Create a new Strategic Plan

- 3.6 Creating a new Strategic Plan would have a substantially greater impact on resources. The timetable proposed would need to be revisited and this could have an impact on work elsewhere as this would take substantially more time and involvement from the Executive and Senior Officers.

Amend or create a new timetable for a new strategic plan

- 3.7 The timetable proposed could be amended for the refresh of the plan. Members would need to consider the impact that this would have on other priorities. The corporate planning timetable proposed includes the development of the MTFS which is also included on this agenda.

Do not refresh the Strategic Plan

- 3.10 Councillors may identify that the current plan does not need refreshing. Whilst the vision, priorities and cross cutting objectives are long-term and therefore would not need redrafting; this would miss the opportunity to look again at the shorter-term outcomes we want to achieve to determine if they are fit for purpose in light of the impact of COVID-19, national and local priorities and the changing context.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is recommended that the present plan is refreshed to ensure contextual information is up to date and areas of focus in relation to outcomes for 2021/26 are updated for 2023/28.
- 4.2 Not updating the plan is not recommended as the Council needs to demonstrate how it is planning, managing and responding to national and local changes.

5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The timetable sets out consultation with residents and councillors.
- 6.2 This issue was considered by the Corporate Services Policy Advisory Committee on 13 July 2022 and the Committee supported the recommendation of this report.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The timetable identifies the next steps in the process.

8. REPORT APPENDICES

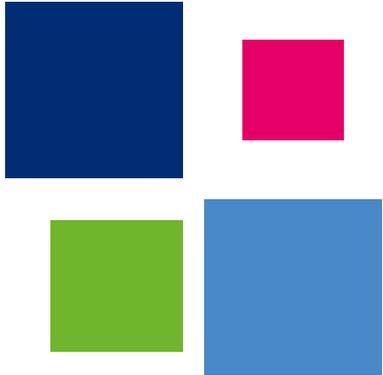
The following documents are to be published with this report and form part of the report:

- Appendix 1: Current Strategic Plan
-

9. BACKGROUND PAPERS

None

Maidstone Borough Council **Strategic plan** **2019 - 2045**





Contents

Foreword	3
Vision and Priorities	4
Embracing Growth and Enabling Infrastructure	5
Safe, Clean and Green	6
Homes and Communities	7
Thriving Place	8
Our Values	9
Strategy Map	10

Foreword

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

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

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

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

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

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

PRIDE IN OUR BOROUGH
A Borough that works for everyone



Cross Cutting Objectives:

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

Embracing Growth and Enabling Infrastructure

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

Our Outcomes by 2045

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

Between 2021-26 we will place particular importance on:

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



As of 2017 we had
167,700 people
living in the Borough

Our population
is forecast
to grow by

24.3%

between 2016 and 2036

From 2011/12-2017/18
a total of

5,291 new homes

have been built in the Borough



Better transport systems
was the **second highest
priority** for our residents



In 2018 the average
home broadband speed
is around **46.2Mbps**,
up from **36.2Mbps in 2017**
We do recognise that in the
rural areas there are substantial
problems with broadband.

55

In 2017/18 the **employment rate** was
78.5% (83,400 people) up from the same
period in the previous year by 3.9%

Safe, Clean and Green

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

Our Outcomes by 2045

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

Between 2021-26 we will place particular importance on:

- Taking action against those who do not respect our public spaces, streets, green spaces and parks 
- Improving community safety by working with our partners to make people less vulnerable to crime 
- Maintain resident satisfaction with the cleanliness of the Borough 
- Implementation of the Biodiversity and Climate Change Strategy and Action Plan 

Over **50%** of the Borough's waste is recycled 

The town centre and its immediate surrounds have been designated as an **Air Quality Management Area**

Overall, **70.5%** of respondents were **very or fairly satisfied** with their local area as a place to live 

Just over **40%** of residents use amenity green space once a week 

of residents feel safe in their own home, but **22%** don't feel safe walking in their local area at night 

Maidstone has **30 large parks**, four of which are Green Flag parks and **80 Neighbourhood greenspaces** 

56

Homes and Communities

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

Our Outcomes by 2045

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

Between 2021-26 we will place particular importance on:

- Reducing rough sleeping in a sustainable way 
- Reducing the use of temporary accommodation for homeless families 
- Improving housing through use of our statutory powers to promote good health and wellbeing 
- Working with the Integrated Care Partnership to identify opportunities to reduce health inequalities in the borough 

In 2018 we provided emergency accommodation for in excess of **30 people** sleeping rough



On average people could expect to pay **9 times their annual earnings** on purchasing a home in 2018 compared to 7 times in 2007



Only **22%** of residents agree their neighbourhood is a place where homes are affordable

57

Three of our wards rank in the **top 10%** for deprivation in Kent.

A Thriving Place

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

Our Outcomes by 2045:

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

Between 2021-26 we will place particular importance on:

- Deliver key actions for the refreshed Economic Development Strategy focussing on actions to enable economic recovery from the Covid-19 pandemic 
- Deliver a sustainable and vibrant leisure and cultural offer across the Borough 
- Working with community groups and parish councils, to develop more sustainable community resilience and to encourage pride in our Borough 
- Promote inward investment in the Borough to ensure a diverse employment and business offer 
- Working with partners to redevelop the Maidstone East site and modernise the bus station in the County Town 
- Developing and delivering plans for the five opportunity sites in the town centre and the Staplehurst regeneration project 
- Working with parishes and community groups on neighbourhood plans 



Maidstone has the **biggest economy** of all the Kent districts



1160 more businesses have started up or located to the Borough since 2010

We attract over **4.5 million visits** a year with over **£284 million spend** in the local economy.

Unemployment (job seeker allowance claimants) is **1.1%** (Nov 2018)

45% of residents view the economy as **thriving** or on the way up

How we do things

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

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

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

Our Values:

Service

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

Teamwork

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

Responsibility

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

Integrity

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

Value

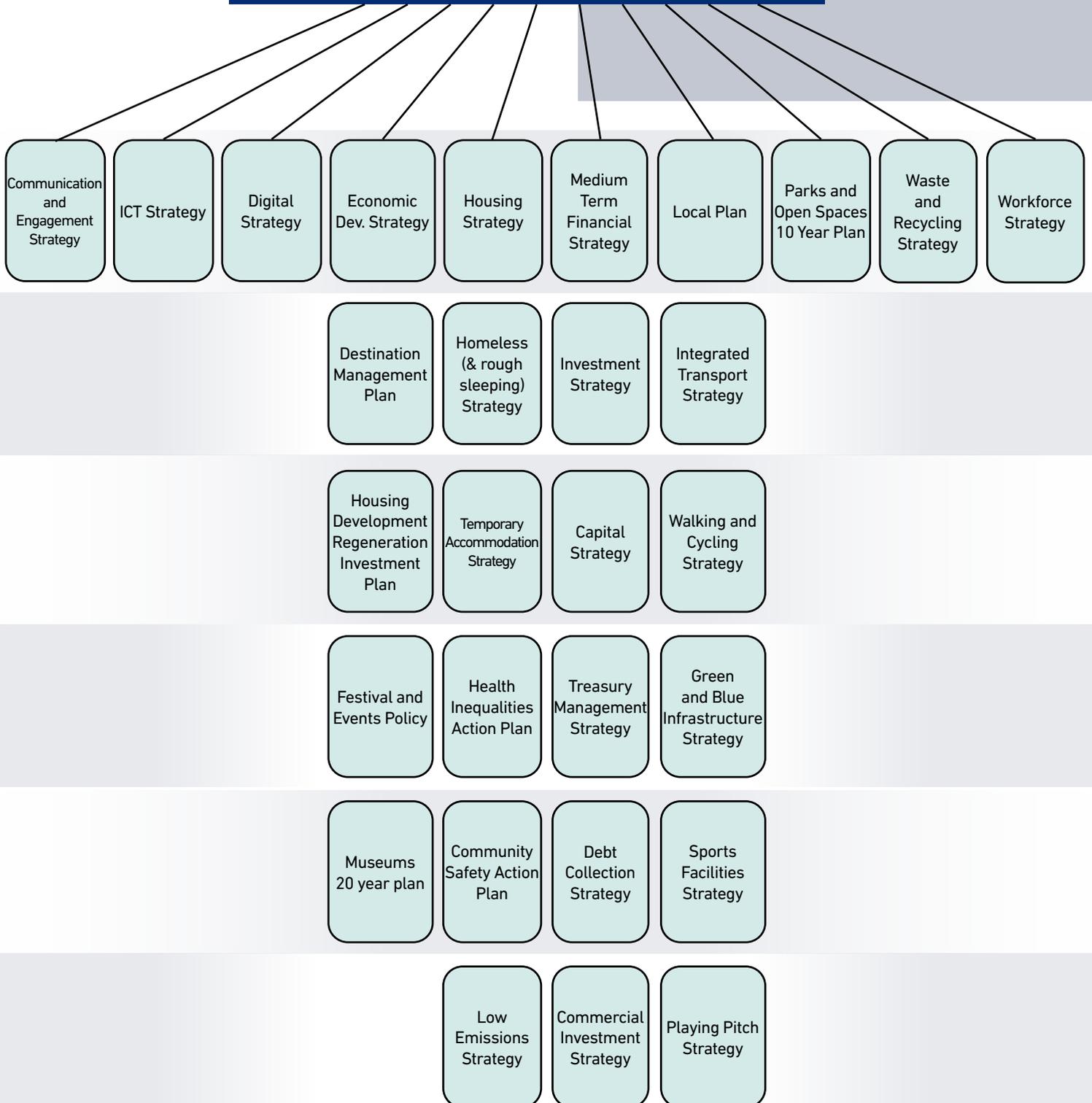
Taking care and weighing up our options, aiming to get the maximum effect for every penny of public money we spend.

Equality

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

Strategy Map

STRATEGIC PLAN 2019 - 2045



Executive

27 July 2022

Annual Governance Statement 2021/22 and Local Code of Corporate Governance Update 2022

Timetable	
<i>Meeting</i>	<i>Date</i>
Corporate Services PAC	13 July 2022
Audit, Governance and Standards Committee	26 July 2022
Executive	27 July 2022
Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Executive
Lead Head of Service	Angela Woodhouse, Head of Policy, Communications and Governance
Lead Officer and Report Author	Angela Woodhouse, Head of Policy, Communications and Governance
Classification	Public
Wards affected	

Executive Summary

Attached at Appendix A is the Annual Governance Statement for 2021/22. The purpose of the Annual Governance Statement is to provide assurance on the Council's governance arrangements. Attached at Appendix B is a refreshed Local Code of Corporate Governance with minor amendments. Audit Governance and Standards Committee are required to approve both of these documents. Sign off is sought from the Leader on the Annual Governance Statement.

Purpose of Report

Decision

This report makes the following recommendations:

1. The Annual Governance Statement at Appendix A be approved and signed by the Leader
2. The local Code of Corporate Governance as amended at Appendix B be approved

Annual Governance Statement 2021/22 and Local Code of Corporate Governance 2022 Update

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Effective corporate governance arrangements ensure the Council's priorities are understood and delivered</p>	Head of Policy, Communications and Governance
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>Effective corporate governance arrangements ensure the Council's priorities are understood and delivered</p>	Head of Policy, Communications and Governance
Risk Management	Already covered in the risk section at paragraph 5.1	Head of Policy, Communications and Governance
Financial	The action plan may have resource implications. These will be identified as projects come forward.	Head of Policy, Communications and Governance
Staffing	We will deliver the recommendations with our current staffing.	Head of Policy, Communications and Governance
Legal	<p>Section 6(1) of the Accounts and Audit Regulations 2015 requires all local authorities to:</p> <p>a) conduct a review of the effectiveness of</p>	Interim Deputy Head of Legal Services and Monitoring Officer.

	<p>the system of internal control required by regulation 3; and (b) prepare an annual governance statement;</p> <p>Under the Council's Constitution one of the functions of the Audit Governance and Standards Committee is to oversee the production of the Council's Annual Governance Statement. The Annual Statement demonstrates measures are in place to ensure good governance arrangements which enable the Council to meet its statutory requirements</p>	
Information Governance	Data protection is covered in the statement and action will continue into 2020-21	Information Governance Team
Equalities	Effective corporate governance arrangements include behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law as set out in the code of corporate governance.	Equalities & Communities Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	No implications	Head of Policy, Communications and Governance
Procurement	No implications	Head of Policy, Communications and Governance
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and it aligns with the Biodiversity and Climate Change Action Plan	Head of Policy, Communications and Governance

2. INTRODUCTION AND BACKGROUND

- 2.1 Each year the Council reviews its governance arrangements to ensure compliance with the Local Code of Corporate Governance. The purpose of the review is to provide assurance that governance arrangements are adequate, operating effectively and to identify action which is planned to ensure effective governance in the future. The outcome of the review takes the form of an Annual Governance Statement (AGS) at **Appendix A** prepared on behalf of the Leader of the Council and Chief Executive.
- 2.2 Overall, we can confirm that the Council has the appropriate systems and processes in place. Whilst we are satisfied the governance arrangements in general work well our review has identified additional actions to ensure good standards of governance are maintained. The most significant governance issues relate to the change to the governance model that took place in May this year with actions focused on ensuring we maintain an effective decision-making process and an effective constitution. There are also a number of actions from last year that continue into this year including improving transparency and compliance with the financial management code
- 2.3 Updates on the actions will be provided to the Audit Governance and Standards Committee on a six-monthly basis and kept under review by the internal Corporate Governance Group.
- 2.4 The following areas have been identified for improvement for 2022/23

Corporate Governance Area	Lead Officer	By When
New Process for part II items embedded and officers trained	Head of Policy, Communication and Governance	November 2022
Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)	Data Protection Officer	Action plan progress will be reported to this committee in November 2022
Actions to ensure compliance with the Financial Management Code: <ul style="list-style-type: none"> • Develop and embed a policy on Social Value • Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal' • Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate. 	Director of Finance and Business Improvement	November 2022 and March 2023

Corporate Governance Area	Lead Officer	By When
Learning from governance failings at other Local Authorities	Chief Executive	Monthly briefing to review any issues
Corporate Governance Review: Following the Boundary Review at a district level a community governance review is proposed for 2022/23, this will be undertaken by the Democracy and General Purposes Committee	Democratic and Electoral Services Manager	Timetabled with Democracy and General Purposes – updates to Audit Governance and Standards Committee in November 2022
Ensure effective decision making and a workable constitution. Review of constitution planned for December 2022 with the Democracy and General Purposes Committee	Head of Policy, Communications and Governance and Monitoring Officer	Update in March 2023
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	Updates in November 2022 and March 2023
Corporate Risk: 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.	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports
Corporate Risk: General financial uncertainty , unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims.	Director of Finance and Business Improvement	Updates in November 2022 and March 2023 plus updates through the risk register and reports
Corporate Risk: 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	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports

Corporate Governance Area	Lead Officer	By When
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.		

Progress against last year's action plan

2.5 Several improvement actions were identified in the 2021/22 action plan and the table below shows progress with those actions:

Corporate Governance Area	Update
Make data and information more freely accessible on the website and on request	<p>A new space has now been created on the website called information and data https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data</p> <p>To bring all the relevant elements into one accessible place this includes access to information and results on our consultations, access to the council's disclosure log, as well as useful statistics and data on local population.</p> <p>Work is currently underway on a dashboard development programme for services across the council. As part of this consideration is being given to publicly accessible information from services which could be made available through the use of dashboards, principles that need to be considered have been drafted for approval, which will help guide the Data Analytics Team. The team hope to have a first dashboard published this year.</p>
Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)	Report to Audit, Governance and Standards Committee 15 November 2021
Raising awareness of the Local Code of Corporate Governance and the Nolan Principles	The local code of corporate governance was shared with Wider Leadership Team for development and insight in June 2021 and May 2022 . An update was given at a unit managers forum in 2022 on the code and what it means in practice. The Nolan principles for Councillors will be addressed when

Corporate Governance Area	Update
	the code of conduct is updated, this is being progressed by the Monitoring Officer.
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> • Develop and embed a policy on Social Value • Review and update the Commissioning Strategy • Hold Member workshops to inform the development of the 2022/23 budget • Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal' • Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate. • Refresh the 2021/22 Capital Strategy 	<p>Social Value – Work due to commence in next six months.</p> <p>Commissioning Strategy – Strategy has been reviewed and contract management guidance updated.</p> <p>Member workshops on budget – Briefings were held for members in the course of developing the 2022/23 budget. Discussions are starting to take place with members about rolling forward the Medium Term Financial Strategy for 2023/24.</p> <p>Investment Appraisal – approach being refined as part of Capital Strategy update</p> <p>Budget monitoring reports – Under review with a view to updating format for 22/23</p> <p>An updated Capital Strategy was considered by Members January 2022 and agreed by Council. It will continue to be updated on a regular annual basis.</p>
Learning from governance failings at other Local Authorities	Monthly meetings held with governance lead and statutory officers to review governance matters
Review of Church Road, Otham	Report completed and submitted to Democracy and General Purposes Committee on 23 November 2021. Considered by Policy and Resources Committee in February 2022.
Change to Executive Model of Governance	<p>Model approved by Full Council and notice of change published.</p> <p>External legal advisor appointed to assist the Democracy and General Purposes Working Group to write the new constitution.</p>

Corporate Governance Area	Update
	New constitution approved in April 2022, new model introduced at the May Annual Meeting of Council 2022.
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	<p>In respect of the public sector led Garden Community, there remains a clear separation in place between the Council acting as the Local Planning Authority and the Council acting as land promotor in partnership with Homes England. This differentiation is made clear in the various reports that go to the Strategic Planning and Infrastructure Committee and P&R Committees respectively.</p> <p>The Council and Homes England have appointed a communications firm to assist with community engagement from the land promotor perspective. Their work will include creating a new digital engagement platform for the project, where information with stakeholders can easily be shared.</p>
Corporate Risk: Contraction in retail and leisure sectors, the Council will be developing a Town Centre Management Strategy	The principle of creating a town centre strategy has been approved as part of the Council's Recovery and Renewal Action Plan and so the funding is now in place within the current Medium Term Financial Strategy, the project is now fully funded and underway. Furthermore, budget growth was approved for 2022/23 for further economic development, arts & culture and visitor economy initiatives to kick start the process of reimagining the town centre, including a full calendar of events to bolster visitor numbers.
Corporate Risk: Financial Restrictions	Under regular review. This is addressed as part of Risk Reports to AGS Committee and in quarterly monitoring reports to Service Committees. The Medium-Term Financial Strategy is being updated to reflect both implications from Covid and longer-term issues around slower economic growth. Furthermore, measures are being identified to address future budget gaps
Corporate Risk: Environmental Damage	Actions from the Carbon Trust report are in the process of being implemented and Policy & Resources Committee to provide governance and oversight on delivery of BD&CC Strategy.
Corporate Risk: Major Unforeseen Emergency	Work is ongoing to ensure the robustness of Disaster Recovery and Business Continuity Arrangements.
Corporate Risk: Housing Pressure Increases	Initiatives to increasing housing and temporary accommodation provision underpinned by the drafting of a new Housing Strategy. Furthermore, the Policy & Resources Committee in January 2022 approved its 1,000 homes programme for circa

Corporate Governance Area	Update
	£200m of net council spend into the Council development of new homes primarily for affordable rent, with further homes for the private rented sector too. Since then, contracts have been exchanged on to two substantial land acquisitions to support this programme.
Corporate Risk: Brexit/EU transition	Risk removed from the Corporate register, but operational elements continue to be monitored. MBC officers participate in Kent Resilience Forum planning for disruption at Channel ports.

Local Code of Corporate Governance

- 2.6 The Local Code of Corporate Governance created in 2017 has been updated as per the tracked changes set out in Appendix B, changes proposed are concerned with ensuring the accuracy of the Code and reflecting the recent change to the Council’s governance arrangements from a Committee to and Executive System.
- 2.7 Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Code sets out how the Council meets these requirements and how we conduct our business and affairs.

3. AVAILABLE OPTIONS

- 3.1 The Annual Governance Statement is a requirement of statutory regulations and provides assurance about the Council’s governance arrangements.
- 3.2 The Committee is asked to approve the Annual Governance Statement as it has been presented or make amendments.
- 3.3 The Local Code of Corporate Governance was rewritten in 2017, the refreshed version attached at Appendix B has minor amendments for approval by the Committee, the Committee could make additional amendments or no amendment to the present code.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Committee is asked to approve the Annual Governance Statement for sign-off by the Leader and approve the updated Local Code of Corporate Governance.
-

5. RISK

- 5.1 The Annual Governance Statement considers and gives assurance to the Council's approach to risk management.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Members of the Wider Leadership Team and the Corporate Governance working Group have all been consulted on the council's governance arrangements for 2021/22, the views gathered have been included in the statement.
- 6.2 They have also been consulted on the Local Code of Corporate Governance and changes have been included as suggested.
- 6.3 This issue was considered by the Corporate Services Policy Advisory Committee on 13 July 2022 and the Committee supported the recommendations of this report.
-

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Following the Audit, Governance and Standards Committee's approval the statement will be included in the final statement of accounts and published on the Council's website. The refreshed Local Code of Corporate Governance will be placed on the website and intranet.
-

8. REPORT APPENDICES

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

- Appendix A: Annual Governance Statement 2021/22
 - Appendix B: Local Code of Corporate Governance 2022 Update
-

9. BACKGROUND PAPERS

None



Annual Governance Statement 2021/22

EXECUTIVE SUMMARY

This statement constitutes a review of the effectiveness of our governance arrangements with input from the Chief Executive, Directors and Heads of Service. Overall, we can confirm that the Council has the appropriate systems and governance arrangements in place. When considering the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework 2016 the statement evidences compliance across the seven principles with further action required for principals F and G to ensure transparency is improved and we comply with the new code of financial management see summary below:

Principle	Assurance Level
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law	Assured
B. Ensuring openness and comprehensive stakeholder engagement	Assured
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.	Assured
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Assured
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it	Assured
F. Managing risks and performance through robust internal control and strong public financial management	Assured in part
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Assured in part

Other action areas include embedding the new process for confidential information and applying the public interest test to reports to ensure transparency. A big change in 2022 has been the move to an Executive model including Policy Advisory Committees, a review of the new constitution is planned by Democracy and General Purposes in December 2022.

INTRODUCTION

The Annual Governance Statement is a review of the Council's governance arrangements in previous financial year. The statement evaluates how we meet the governance framework and provides an opinion on whether the current governance arrangements are fit for purpose.

Each aspect of the statement has been given an assurance rating based on the following criteria:

Assured	We fully comply
Assured in part	We comply however, improvements could be made or there are concerns or changes proposed
Not Assured	We do not comply and action is required

The past year has seen the Council continue to adapt and respond to challenges as a result of the COVID-19 pandemic as well as new requirements to provide support and assistance as result of the war in Ukraine. In 2021/22 Council Members wrote a new constitution with a focus on ensuring the Council was Member-Led, a new Executive model was introduced in May 2022. Over the past year, the Council has transitioned from a committee system to an executive system. The Council also appointed a new interim Monitoring Officer as part of staff changes to the Legal Partnership.

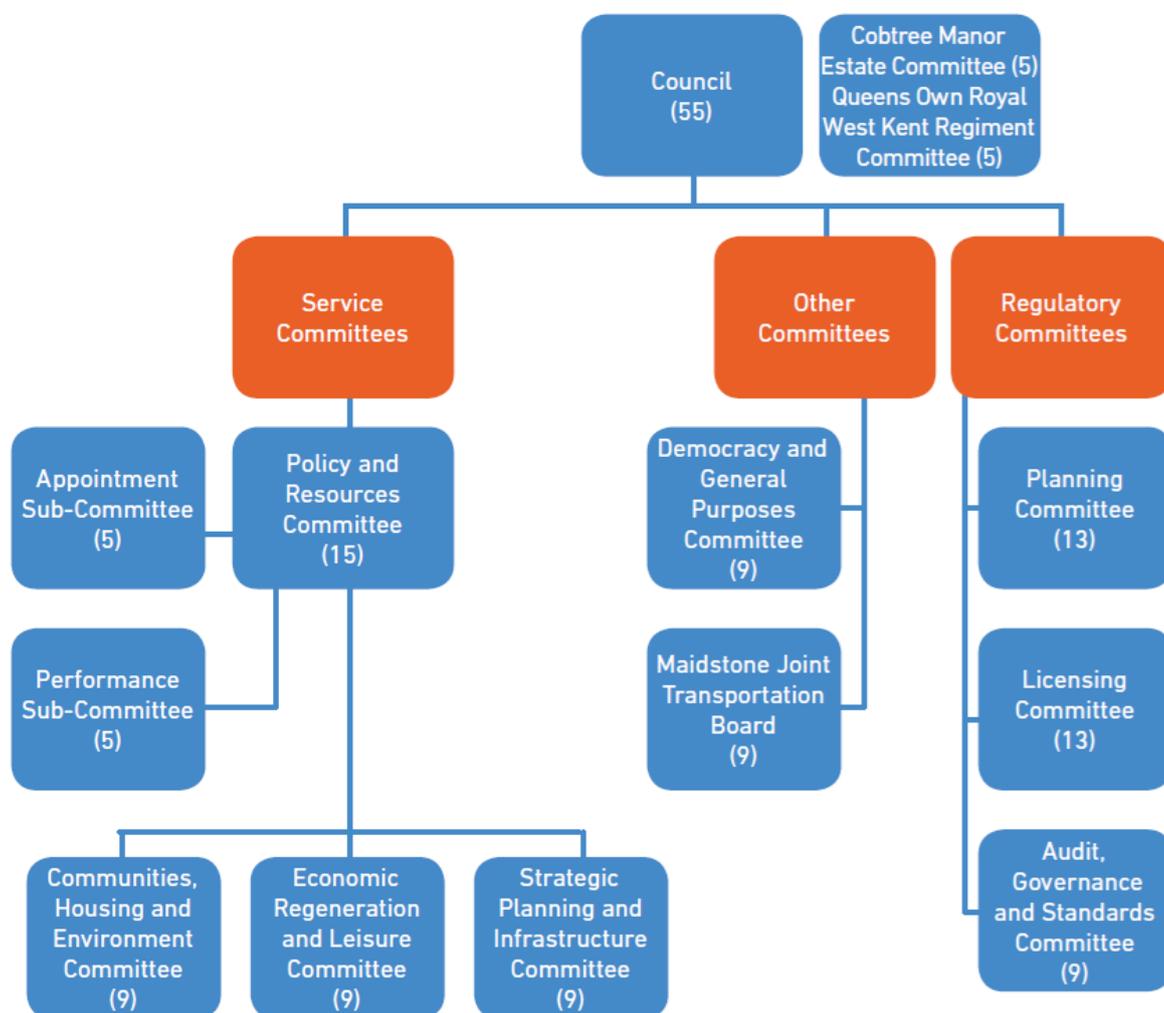
KEY GOVERNANCE ROLES AND RESPONSIBILITIES

Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. Maidstone Borough Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. This Annual Governance Statement for 2021-22 also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) which requires an authority to conduct a review of the effectiveness of its system of internal control and the duty to prepare an annual governance statement.

The Council operated a committee system of governance in 2021-22, with the Leader as the focus for political direction, the chief spokesperson for the Council and the Chairman of the Policy and Resources Committee. The Council had four service committees taking decisions within their terms of reference as agreed by Council; individual Councillors did not have delegated authority from Council to make decisions. In addition, there were committees that dealt with licensing, planning, audit, governance and standards, democracy and employment and other regulatory matters. The numbers shown in the diagram below reflect membership. The Council moved to an Executive System at the May 2022 Annual General Meeting.

Council Governance Model 2021/22

Council and Committees 2021/22 (changed to Executive system in May 2022)



The Council's Section 151 Officer, Mark Green, and the interim Monitoring Officer, Jayne Bolas, are key members of the Corporate Leadership Team, reviewing all decisions taken through the Corporate Leadership Team, Committees and Full Council. The Section 151 Officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget. The Section 151 Officer also has a number of statutory powers to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

The Monitoring Officer serves as the guardian of the Council's Constitution and the decision-making process and has been involved alongside the Head Of Policy, Communications and Governance in the change of governance arrangements in the transition to an executive system. The Monitoring Officer is also responsible for advising the Council on the legality of its decisions and providing guidance to councillors and officers on the Council's Constitution and its powers. This includes dealing with complaints under the Councillors' Code of Conduct.

The Corporate Leadership Team is led by the Chief Executive, Alison Broom who is Head of Paid Service with overall corporate management and operational responsibility.

The Head of Policy, Communications and Governance, Angela Woodhouse, has responsibility for corporate governance and is the Council's Data Protection Officer, leading the Council's

corporate governance group and coordinating the annual governance statement as well as ensuring the Local Code of Corporate Governance is updated.

In discharging this overall responsibility, Maidstone Borough Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.

The Council had approved and adopted a Local Code of Corporate Governance in 2017 which has since been updated in 2020, 2021 and again this year. The code is consistent with the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework [Delivering Good Governance in Local Government Guidance Notes for English Authorities 2016](#).

OUR GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled, and the activities through which it is accountable to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

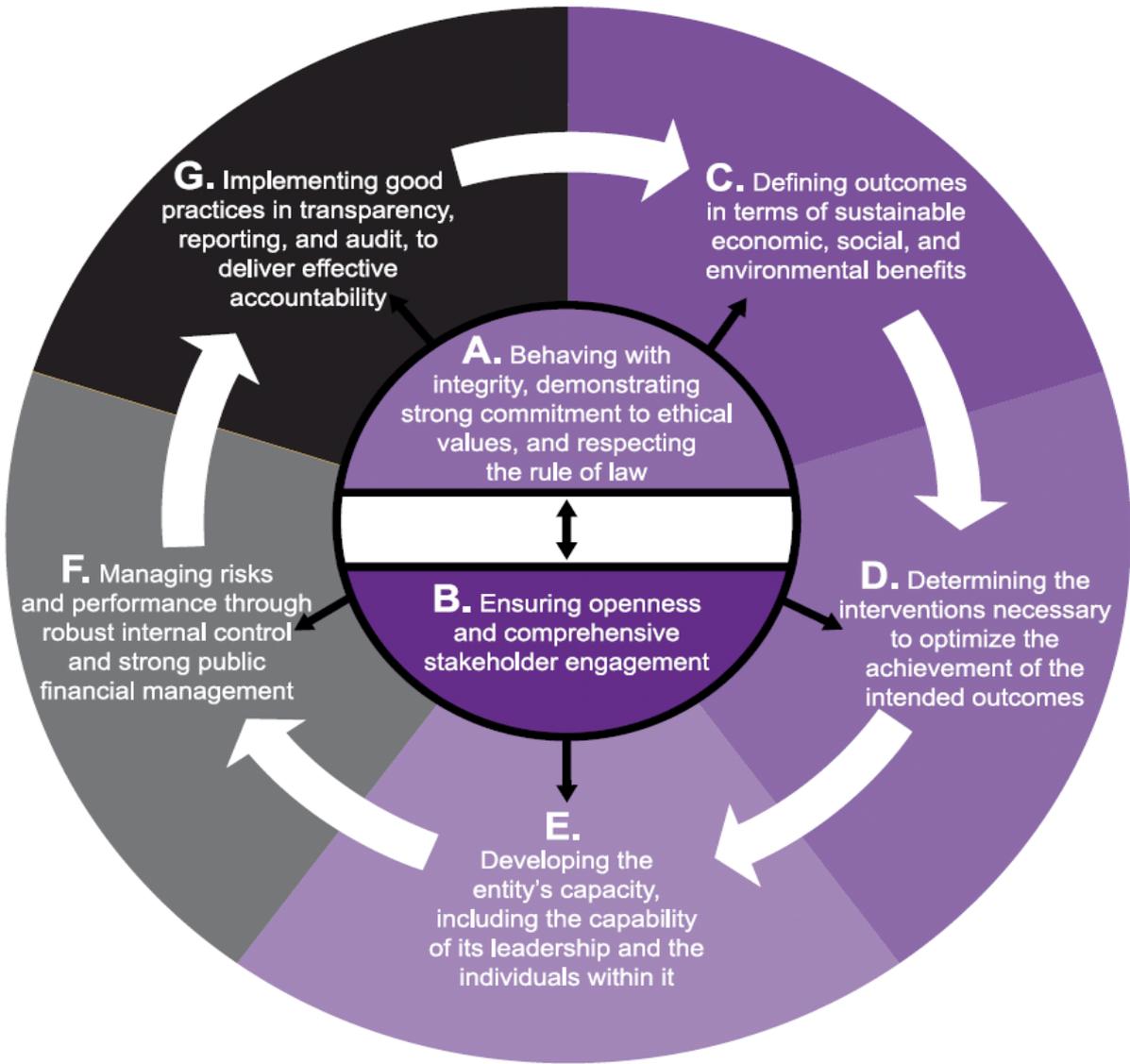
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve the Council's objectives, and therefore can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the Council's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

This governance framework has been in place at Maidstone Borough Council for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

The International Framework: Good Governance in the Public Sector states that: "Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved."

Our Local Code sets out the framework within which we conduct our business and affairs and the governance structure we have in place. Whilst this code sets out principles, processes and policies, it is the application of the framework that will demonstrate good governance.

The diagram below shows the 7 principles within the Local Code of Corporate Governance from CIPFA and SOLACE Framework:



This statement sets out how we have demonstrated and met those principles in 2021-2022, through a review of our effectiveness.

GOVERNANCE REVIEW OF EFFECTIVENESS 2021-22

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING RULE OF LAW

Assurance Rating: Assured

Assurance Comments:

The Council has strong values known which are demonstrated in the integrity of officers. The Council has a culture of compliance, which is supported by the Leadership Team. Councillors are trained on the Code of Conduct and guidance is offered from the Monitoring Officer, Corporate Leadership Team and Democratic Services Team.

The Council's Codes of Conduct sets out clear expectations and requirements for behaving with integrity, committing to ethical values, and respecting the rule of law for both Councillors and Officers. Last year it was identified by the Wider Leadership Team that there could be more awareness of the Nolan Principles and our governance framework throughout the organisation, the Head of Policy, Communications and Governance has given presentations on this topic to Wider Leadership Team, Unit Managers and individual team meetings.

The Council adopted the local code of corporate governance in 2017 which complies with CIPFA and SOLACE "Delivering Good Governance in Local Government". This code was refreshed last year and has been updated again in 2022 with input from the Council's Wider Leadership Team.

The Council also has in place a local Code of Conduct for Councillors and a Code of Conduct for staff which includes the Nolan Principles. Code of Conduct training is carried out annually for Councillors and included in the new councillor induction programme to which all members are invited.

During the municipal year 2021-2022, there were 13 Code of Conduct complaints dealt with under the Localism Act 2011 against Parish Councillors and 5 complaints raised against Borough Councillors.

In 2020 the LGA provided an updated model code of conduct. The general view of the Audit Governance and Standards Committee was that it did not meet their aspirations for an updated code. Since that time Kent County Council considered the model and made comments for consideration. Kent Secretaries have as a group considered the model and what they would consider appropriate to propose as a new model for adoption by all principal authorities in Kent and consideration by Parish Councils, should they wish to adopt a Kent code. The Government have responded to the Independent Committee on Standards in Public Life report and as a result it became clear that some aspects of member aspirations for amendment of the code could not be met as changes to legislation would not be forthcoming.

Kent Secretaries reached an agreed proposal which has recently been considered by Kent County Council and adoption has not yet occurred as amendments have been suggested. The resulting options for members are contained in a report to Audit Governance and Standards Committee in July 2022.

A Register of Interests is maintained, and training is offered to Councillors on standards, interests and our Code of Conduct as part of the annual Member Induction open to all Councillors. A register of gifts and hospitality is also maintained, and staff are reminded to complete this annually. Under the Local Government Act 1972, section 117, the Council requires

officers to disclose any direct or indirect pecuniary interests they may have in any contract or potential contract involving the Council.

The Audit, Governance and Standards Committee's purpose is to promote and maintain high standards of Councillor and Officer conduct within the Council. The Committee has responsibility for adopting and reviewing the Annual Governance Statement, independent assurance of the adequacy of the financial and risk management framework and the associated control environment.

We have a clearly defined set of core values that are embedded at the Council, they form part of our competency framework against which staff are assessed annually. A staff survey was carried out at the beginning of 2021 which showed a clear understanding of the Council's priorities with 80% of respondents indicating they understood the Council's priorities and 91% stating they were committed to helping the Council achieve its objectives. With regard to Service, Teamwork, Responsibility, Integrity, Value and Equality, our STRIVE values, 87% of those who responded agreed they understand the Council's values and were committed to delivering those values. Annually, we hold a staff awards event for those who have demonstrated they have exceeded the standards by going above and beyond the expected, in their behaviour.

The statutory roles of the Chief Financial Officer (s.151 officer) and the Monitoring Officer are set out in the Constitution and in the scheme of delegation. They provide oversight of propriety and lawfulness. They have a direct reporting line to the Chief Executive and are involved in all major decision-making preparation through membership of the Corporate Leadership Team, as well as being signatories to all key and other significant decisions.

There is an Equality Policy in place for the organisation; the objectives and action plan were updated in 2020 and were reviewed and updated again in 2021.

The Constitution is kept under review by the Democracy and General Purposes Committee and the Monitoring Officer, with changes agreed by Council. As the Council has approved a new constitution in May 2022 a review is planned of effectiveness of the new constitution by the Democracy and General Purposes Committee in December 2022. A log of issues is being maintained by Democratic Services with urgent changes required prior to the review being reported to Democracy and General Purposes for decision.

Since 2019, the Council has created a separation between the Local Plan Review and other Planning Functions as the Director for Regeneration and Place is leading on the proposal for a Council-led garden community. This has ensured a clear separation of roles.

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Assurance Rating: Assured

Assurance Comments:

The council is proactive in relation to transparency and stakeholder engagement.

In 2022, a new guide to Part II items has been developed to ensure transparency

Ward Boundaries were reviewed in 2021/22, as a result a Community Governance Review has been planned for 2022/23

The Communications Team issued 175 press releases in 2021-22 as well as producing two editions of our Council magazine Borough Insight which has been distributed to 82,000

residential properties across the borough. These magazines include articles and features promoting the services and support available from MBC.

The need for good communication with our residents and businesses was accentuated as the country recovered after the Covid pandemic. The comms team has helped partner organisations to promote the Covid vaccinations; they sourced venues and arranged eight pop-up vaccination clinics across the borough. Communications also supported front line service delivery messaging needs through over 150 design projects including signage, posters, newsletters, press releases, radio and newspaper advertising, radio and TV interviews. Topics covered include changes to services e.g. parking, parks and new initiatives including #CleanUpMaidstone, business rate grants, Community Resilience Fund, organised and held the Compassionate Community Awards. The team was also responsible for MBC opening and launch events including the Bus Station, Maidstone East Railway Station, Student Art Project for the Mote Park Café, Love Food at Lockmeadow, Winter Bills Roadshows, Lockmeadow Play Area, and the Mote Park Café & Visitor Centre. They have also hosted 12 All Staff Webinars and facilitated the One Council and STRIVE Awards event. The team is responsible for MBC social media channels and has been active across all producing Facebook – 1,184 posts, 749 Twitter posts and 36 on Instagram.

During 2021/22 the Policy and Information team carried out 23 consultations. 6 of these were internal, aimed at staff or members and 17 were public, resident or stakeholder consultations. Overall, 19,500 responses were received to consultations run by the Policy, Communities & Engagement team in 2021/22.

Public consultations were undertaken on a variety of topics. Some focussed on specific geographical areas in the borough such as Polling Places in Harrietsham & Lenham, Headcorn and South wards and other consultations sought information about specific policies or how residents felt about particular issues. For example, the Archbishops Palace Consultation sought to find out what uses residents felt were appropriate for a prominent historic building. The Community Safety survey built on the previous year's Young People's Crime survey helping to identify where people feel safe in the borough and their experiences of crime.

The information gathered through these surveys has been used to support decision making. Survey data has also been used to identify and prioritise ongoing improvements to service delivery.

The Council has a Communication and Engagement Action Plan in place which is reviewed annually. In December 2021 a Local Government Association Peer Review was undertaken looking at our communications function. As a result a new Communication and Engagement Strategy is being developed for approval in September 2022. The review identified a need to be clear on our priorities as a Council. The Cabinet will be asked to consider reviewing and updating the Council's Strategic Plan as part of the Corporate Planning Timetable in 2022/23.

We also have a Statement of Community Involvement in place for Planning, covering a whole variety of means of communicating with and involving residents in planning matters. A Community Governance Review is planned for 2022/23 following the review of ward boundaries in 2022. Regular communication and engagement has been scheduled into the review to ensure openness and transparency, any decisions taken to change Parish Boundaries or create new parish or town councils will be publicised.

We believe in transparency and have a large amount of information available on the data and information pages of our website, including details of payments to suppliers, decision notices, performance information, a list of our assets and senior staff salaries. This data has been reviewed in 2020/21 and a project has been agreed to improve openness and transparency in 2022/23, a senior Information governance officer was recruited in 2022 to add capacity to the team. The Council's website includes an accessibility statement to inform users how the site has been tested and audited to improve accessibility as well as identifying areas for improvement.

We have dealt with a large volume of Freedom of Information requests a total of 901 requests of which 95% were processed on time, a sustained performance with a higher volume of work compared to the previous year in which we dealt with 896 requests and 96% processed on time.

The Council applies the public interest test appropriately when deciding whether reports or other information the Council holds should be confidential and makes an effort to put as much information in the public domain as possible, including splitting confidential information into appendices to allow discussion of the broader topic in public. This was the subject of substantial consideration as part of the review and development of the new constitution. A new part II guide has been developed for Officers to be rolled out in 2022/23 Over the last three years the Council has been subject to increased scrutiny in relation to its Garden Community Proposal, and this has been identified as an area for continued improvement for 2021/22.

To ensure robust, effective and transparent decision making the Council continues to utilise remote technology to enable committee meetings to go ahead with full public access and engagement on-line. We continue to use remote working technology to allow public participation remotely.

The Council takes up opportunities to engage with partners and stakeholders through avenues such as the Developers' forum, Parish Liaison meetings, Maidstone Destination Management Plan. We have acted as community ambassadors in our capacity as the democratically elected body representing residents with partners.

The Council's Corporate Insight, Communities and Governance Team lead on the Council's engagement with its wider community. The team are a point of contact for both the Voluntary and Community Sector and Parish Councils. A two-way communication process in place which ensures that issues or concerns can be responded to collaboratively. This relationship was strengthened during the pandemic and has been key to the Council's response to the Ukraine.

A regular newsletter is sent to Parish Council and the Voluntary and Community Sector which includes key information from across the Council, facilitating a wider reach for consultation and engagement with the wider community through extended networks.

The Council has service level agreements in place with Involve Kent, the Citizens Advice Bureau and Maidstone Mediation. This funding helps support the delivery of local community forums, including Service Providers, Voluntary and Community Sector, Children and Young People, Health, Wellbeing and Disability and a West Kent Multicultural Network. The forums, run by Involve Kent, offer learning and insight through join up with practitioners and partner organisations. The Citizen's Advice Bureau provide practical advice and increase access to financial support and Maidstone Mediation's services play an important role in homelessness prevention and resolving disputes that can have a detrimental impact on an individual, family or community.

In the past year, the Council has been able to support local community groups through the delivery of the Community Resilience Fund. The fund was designed to enable organisations to continue to provide support to communities experiencing loneliness, social isolation or mental health issues. Funding was provided to a number of counselling and support services in Maidstone to help increase accessibility and ensure demand could be met. The fund also supported a number of organisations providing activities to help well-being, increasing access to outdoor space and group activities.

The Household Support Grant provided a total of £63,000 to organisations offering immediate support such as food, fuel and clothing. The Council asked local community groups and Parish Councils to come forward and apply if they knew of people in their area who needed help buying food or paying essential bills this winter. Maidstone accounts for 25% of all food boxes that are distributed across the whole of Kent, and the foodbanks have seen a 100% increase in deliveries

across the borough for various reasons including the pandemic and financial hardship. The Council increased its support to local food banks in December 2021 after what has been a challenging time for many people. MBC gave the Salvation Army Food Bank in Maidstone £20k and Maidstone Family Food Bank £30k so that they could increase their support for those in need.

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Assurance Rating: Assured

Assurance Comments:

The Council's priorities and cross cutting objectives in the Strategic Plan 2019-45 seek outcomes with sustainable economic, social, and environmental benefits.

The Council developed a [Strategic Plan](#) in 2018 through a series of events, meetings and consultation with stakeholders. We have in place a clear vision and four key priorities to 2045. Outcomes are measured through strategy action plan updates, performance measures and targets which are reported regularly to Wider Leadership Team and the Service Committees. We updated and refreshed the Strategic Plan in 2021

To ensure the delivery of the strategic plan priorities and actions each service is required to produce a service plan and individuals also identify how they meet the priorities in their objectives which are reviewed monthly. Regular updates are given on progress with the Strategic Plan at our Staff and Manager Forums as well as at our annual One Council event.

Our corporate report template requires report authors to identify how decisions align with the Council's priorities and show the options that have been considered and the impact of the recommended course of action. The template has been updated to include biodiversity and climate change considering the council's new biodiversity and climate change strategy. We also have a robust risk management framework in place; risks are reported to the Wider and Corporate Leadership Teams, Policy and Resources and Audit, Governance and Standards Committees.

In 2021/22 the Council created a [Recovery and Renewal Action Plan](#) in response to the COVID-19 pandemic, following consultation with all four Service Committees this was approved by Policy and Resources Committee in October 2021. Actions were focused on four themes:

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

Maidstone Borough Council's Biodiversity and Climate Change Strategy and Action Plan scored a 72% or joint 25th place in UK out of 325 councils who have declared a climate emergency according to Climate Emergency UK's campaign. An annual review and progress of the Plan was reported to the Policy and Resources Overview and Scrutiny Committee in February 2022. The reviewed and updated Action Plan retained all the same key themes, structure, and actions, with the addition of supplementary information and minor wording changes only. Some additions were made to the Action Plan to ensure it meets soon to be standardised criteria and comparable objectives for local authorities across the UK. Additions to the Action Plan include key information and definitions of 'Net Zero', 'Climate Adaptation and Resilience', detailed targets per year on carbon reductions, and updates to the status of each action.

The Council's Inclusion board is in place to support the delivery of its social and financial inclusion responsibilities. These are underpinned by its Public Sector Equalities Duty. Key service

areas are represented on the board as well as partner organisations. In 2021/22, the board has focused on financial inclusion. The Board has oversight of Maidstone Borough Council Financial Inclusion Strategy 2021-2026 and its 4 workstreams. An action plan is in place to monitor outcomes. A number of initiatives have been successfully delivered including the fuel voucher scheme and the South East Water Project and impact is being maximised through collaborative working, across the Council, with key partners and the Voluntary and Community Sector (VCS).

In October 2021, the Policy and Resources Committee was informed on progress made against the Council's Equalities Objectives and Action Plan. This included the implemented of the Rough Sleeping initiative by the housing team which continued to support approximately 360 households and had been extended until March 2022. It also highlighted the strengthened relationship between the Council and the VCS as a result of joined up working to support residents during the Covid-19 pandemic.

In March 2022, the first Ukrainians arrived in Maidstone under the Homes for Ukraine Scheme. The Council's Housing team have been responsible for home inspections and there is join up in place across key service to help ensure support is in place and the valued relationship with the with the VCS, Parishes and Ward Councillors ensures that we are working together to identify and respond need.

The first [compassionate community awards](#) were first held in October 2020 to acknowledge individuals, groups and organisations who went above and beyond to make a difference to so many people in their communities throughout the COVID-19 lockdown. The awards were held again in October 2021 are now moving into their third year, reflecting new challenges and recognising the positive contributions made.

D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

Assurance Rating: Assured

Assurance Comments:

Oversight and healthy challenge are provided through service committees, boards and working groups. The Council's risk register has been reviewed and updated with key risks included in the action plan.

The Council's Constitution clearly defines the roles and responsibilities of Officers and Councillors. It was kept under regular review in 2021/22 by the Interim Monitoring Officer and the Democracy and General Purposes Committee. A new constitution was written in 2021/22 and approved by Members in May 2022 for the change to the governance model.

The Council's four service committees were responsible for making decisions on the services delivered by the Council. The four service committees, Democracy and General Purposes Committee and Audit, Governance and Standards Committee have work programmes in place. These programmes detail the decisions and reports for the year and were reviewed monthly by each committee. Details of committees and their work can be found on our website.

Performance was reported on a quarterly basis to each service committee as well as updates on plans and strategies throughout the year.

The Council has a Transformation Team which carries out reviews to improve the efficiency of Council services. In 2021-22 reviews were carried out covering: Property and facilities, office accommodation and desk booking, HMO licencing and corporate mobile working projects, as well

as improving the online processes for Council Tax discount, ordering and replacing bins and reporting abandoned vehicles.

The Corporate Risks and highest-level risks on the Operational Risk register, were reported to and monitored by Corporate Leadership Team throughout the year, and action identified to manage risks to an acceptable level. Further to this, risk updates were reported to Policy & Resources Committee and also to Audit, Governance and Standards Committee during the year for oversight and challenge. Significant Corporate Risks have been added to the annual governance statement action plan.

E. DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Assurance Rating: Assured

Assurance Comments:

The Council has a clear commitment to developing capacity with a well-developed Learning and Development Programme and an Established Members Charter in place. Staff and Councillors have the opportunity to attend training relevant to their roles and there are agreed budgets for Member development and Staff.

The Council reviewed its senior staff structure in February 2022 and a new structure will be in place in 2022-23 to reflect the change in council services and demand as we fulfil the ambition to deliver 1,000 affordable homes.

The focus for the 2021-2022 training year was on supporting managers as the Council moved to a more hybrid way of working and providing training to support frontline staff in managing difficult conversations with residents. The Council also continued to provide training to staff to help with their own mindset and wellbeing, including re-introducing the Personal Best programme, and running a series of webinars delivered by an external provider on topics such as anxiety, trauma, sleep, anger, etc.

The bi-annual staff survey ran in January 2022. 70% of people reported that they felt they were able to access the right learning and development opportunities, although only 50% felt that the learning and development activities they had completed in the past 12 months had improved their performance and that there were opportunities for people to develop their careers within the Council.

In the 2022-2023 training year, the Council will continue to provide the training offered in the 21/22 year and will also provide training in workplace skills such as presentation skills, reporting writing, project management and time management. The Learning and Development Team will also run webinars for staff and managers on career planning and identifying appropriate training to support people in developing in their current roles and preparing for career progression.

The Council has a [Member Development Charter](#) in place for Councillors. In 2021/22 42 training and briefing sessions were held for Councillors, most of these sessions consisted of topic-based briefings for example briefings on the new governance arrangements, various strategies covid19 recovery and briefings from external partners including Golding Homes and Leeds Castle. Most Member training sessions delivered were in respect of Planning and Licensing roles, functions and responsibilities. Briefings were largely held virtually with some held face to face on a topic-by-topic basis.

In February 2022 the Council's Chief Executive took a [report to Policy and Resources](#) outlining changes to the senior staff structure developed in response to the cumulative impact of incremental changes already made since the structure was implemented in 2016, more recent significant changes in our operating environment arising in part from the pandemic but also government policy including for Levelling Up and a variety of decisions made by the council's committees over the last 12 months which together significantly impact on the skills, experience, expertise and capacity required of the organisation in order to lead delivery of the outcomes identified.

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Assurance Rating: Assured in Part

Assurance Comments:

Performance and risk are well managed and regularly reported to management team and committees. Significant risks from the corporate risk register feature in the Annual Governance Statement Action Plan. Several actions have been identified through reviewing council compliance with the new Financial Management Code.

The Council manages risk through a comprehensive risk management framework. This involves identification of risk at corporate and service levels, ownership of individual risks by named officers, development of controls to mitigate risks, and regular reporting. Quarterly reports are presented to the Corporate Leadership Team and Policy and Resources Committee. Going forward these will be taken to Policy Advisory Committees. Members take an active interest in the risk management process and engage fully in discussion about individual risks. The Council has in place a robust risk management framework and guidance and risk management is considered by the Audit Governance and Standards Committee.

Performance reports aligned to the Council's priorities were reported to the wider leadership team and service committees on a quarterly basis for scrutiny and challenge. Service committees carried out policy and strategy development. Financial performance was reported to all the service committees on a quarterly basis. Dashboards have been developed to monitor key service performance across the council. In 2022/23 it is proposed to use these Dashboards as a tool for performance management for Councillors, allowing performance to be monitored in a timelier fashion.

Monthly budget spending is reported to budget holders and quarterly review meetings with the Director of Finance and Business Improvement are in place. The corporate report template requires information explaining the legal and financial impact of decisions and the S151 Officer and Monitoring Officer are required to comment on financial and legal implications of reports.

The Council has an anti-fraud and corruption policy and a whistle blowing policy in place, these are regularly reviewed by the Audit, Governance and Standards Committee.

The Council has a Data Protection Officer and an action plan to ensure compliance with Data Protection Legislation. This Action Plan is reviewed regularly and forms part of the Governance Action Plan for 2022/23. An internal information management officer group chaired by the Senior Information Risk Owner meets quarterly to review information management practice and policies including cyber security. The group regularly monitors trends in rights requests, freedom of information requests, data breaches and cyber security. Cyber security has been identified as a risk on the Council's corporate risk register as a constant and immutable danger. The Council takes this risk seriously investing in defensive counter measures, implementing robust and integrated cyber security tools, ensuring policies and training is in place as well as continuation of cyber phishing campaigns.

G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Assurance Rating: Assured in Part

Assurance Comments:

The Council has a strong commitment to transparency. Regular consultation is carried out to improve and inform services. A variety of information is available on the council's website. Partnership arrangements are robust.

The change to governance arrangements resulted in Councillors considering the process for part II reports as a result a new process has been introduced with guidance for 2022/23

The Council's website includes information that is required under transparency. It has been identified that this data has now become out of date and we will be updating the pages as part of a project on open data and transparency. We publish an annual report as part of our Statement of Accounts which includes our performance, progress against priorities and financial performance. We report the results of public consultation on our website and our committee meetings are webcast.

The Whistleblowing Policy is available on the intranet and sets out a confidential reporting process for those who wish to raise concerns.

The annual governance statement and action plan is published on-line as part of the statement of accounts and reported to the Audit, Governance and Standards Committee.

The Local Code of Corporate Governance was rewritten in 2017 and a refreshed code was considered by Audit, Governance and Standards and Committee in July 2020 with a further revision presented in July 2021.

Internal audit activity is reported regularly to the Audit, Governance and Standards Committee to inform members of the internal audit activity that takes place during the year.

We are part of the Mid Kent Services Partnership delivering several shared services; to ensure the partnership is operating effectively, regular board meetings are held quarterly to manage performance.

The Council has assessed its compliance with the new Financial Management Code and as a result several actions were identified to improve transparency and reporting for financial information these were included in the action plan last year and incomplete actions have been carried forward to this year.

UPDATE ON GOVERNANCE AREAS IDENTIFIED FOR DEVELOPMENT IN 2020/21

Corporate Governance Area	Lead Officer	Update
<p>Make data and information more freely accessible on the website and on request</p>	<p>Data Protection Officer</p>	<p>A new space has now been created on the website called information and data https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data</p> <p>To bring all the relevant elements into one accessible place this includes access to information and results on our consultations, access to the council's disclosure log, as well as useful stats and data on local population.</p> <p>Work is currently underway on a dashboard development programme for services across the council. As part of this consideration is being given to publicly accessible information from services which could be made available through the use of dashboards, principles that need to be considered have been drafted for approval, which will help guide the Data Analytics Team. The team hope to have a first dashboard published this year.</p>
<p>Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)</p>	<p>Data Protection Officer</p>	<p>Report to Audit, Governance and Standards Committee 15 November 2021</p>
<p>Raising awareness of the Local Code of Corporate Governance and the Nolan Principles</p>	<p>Head of Policy, Communications and Governance</p>	<p>The local code of corporate governance was shared with Wider Leadership Team for development and insight in June 2021 and May 2022 . An update was given at a unit managers forum in 2022 on the code and what it means in practice. The Nolan principles for Councillors will be addressed when the code of conduct is updated, this is being progressed by the Monitoring Officer.</p>
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> • Develop and embed a policy on Social Value • Review and update the Commissioning Strategy • Hold Member workshops to inform the development of the 2022/23 budget 	<p>Director of Finance and Business Improvement</p>	<p>Social Value – Work due to commence in next six months.</p> <p>Commissioning Strategy – Strategy has been reviewed and contract management guidance updated.</p> <p>Member workshops on budget – Briefings were held for members in the course of developing the 2022/23 budget. Discussions are starting to take place with members about rolling</p>

Corporate Governance Area	Lead Officer	Update
<ul style="list-style-type: none"> • Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal' • Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate. • Refresh the 2021/22 Capital Strategy 		<p>forward the Medium Term Financial Strategy for 2023/24.</p> <p>Investment Appraisal – approach being refined as part of Capital Strategy update</p> <p>Budget monitoring reports – Under review with a view to updating format for 22/23</p> <p>An updated Capital Strategy was considered by Members January 2022 and agreed by Council. It will continue to be updated on a regular annual basis.</p>
Learning from governance failings at other Local Authorities	Chief Executive	Monthly meetings held with governance lead and statutory officers to review governance matters
Review of Church Road, Otham	Head of Policy, Communications and Governance	Report completed for submission to Democracy and General Purposes Committee on 23 November 2021
Change to Executive Model of Governance	Head of Policy, Communications and Governance	<p>Model approved by Full Council and notice of change published.</p> <p>External legal advisor appointed to assist the Democracy and General Purposes Working Group to write the new constitution.</p> <p>New constitution approved in April 2022, new model introduced at the May Annual Meeting of Council 2022.</p>
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	<p>In respect of the public sector led Garden Community, there remains a clear separation in place between the Council acting as the Local Planning Authority and the Council acting as land promotor in partnership with Homes England. This differentiation is made clear in the various reports that go to the Strategic Planning and Infrastructure Committee and P&R Committees respectively.</p> <p>The Council and Homes England have appointed a communications firm to assist with community engagement from the land promotor perspective. Their work will include creating a new digital engagement platform for the project, where information with stakeholders can easily be shared.</p>

Corporate Governance Area	Lead Officer	Update
		Decision making in respect in relation to the council as land promoter and developer will be scrutinised at the Corporate Services Policy Advisory Committee (PAC) and decision making by the Executive, updates will be given by the Lead Member on the Executive to the PAC as and when required in 2022/23.
Corporate Risk: Contraction in retail and leisure sectors, the Council will be developing a Town Centre Management Strategy	Director of Regeneration and Place	The principle of creating a town centre strategy has been approved as part of the Council's Recovery and Renewal Action Plan and so the funding is now in place within the current Medium Term Financial Strategy, and so the project is now fully funded and underway. Furthermore, budget growth has been approved for the current financial year for further economic development, arts & culture and visitor economy type initiatives to kick start the process of reimagining the town centre, to include a full calendar of events to bolster visitor numbers.
Corporate Risk: Financial Restrictions	Director of Finance and Business Improvement	Under regular review. This is addressed as part of Risk Reports to AGS Committee and in quarterly monitoring reports to Service Committees. The Medium-Term Financial Strategy is being updated to reflect both implications from Covid and longer-term issues around slower economic growth. Furthermore, measures are being identified to address future budget gaps
Corporate Risk: Environmental Damage	Head of Transformation and Property	Actions from the Carbon Trust report are in the process of being implemented and Policy & Resources Committee to provide governance and oversight on delivery of BD&CC Strategy.
Corporate Risk: Major Unforeseen Emergency	Chief Executive	Work is ongoing to ensure the robustness of Disaster Recovery and Business Continuity Arrangements.
Corporate Risk: Housing Pressure Increases	Director of Regeneration and Place	Initiatives to increasing housing and temporary accommodation provision underpinned by the drafting of a new Housing Strategy. Furthermore, the Policy & Resources Committee in January 2022 approved its 1,000 homes programme for circa £200m of net council spend into the Council development of new homes primarily for affordable rent, with further homes for the private rented sector too. Since then, contracts have been exchanged on to two substantial land acquisitions to support this programme.
Corporate Risk: Brexit/EU transition	Director of Finance and Business Improvement	Risk removed from the Corporate register, but operational elements continue to be monitored. MBC officers participate in Kent Resilience Forum planning for disruption at Channel ports.

CORPORATE GOVERNANCE ACTION AREAS 2022-23

Corporate Governance Area	Lead Officer	By When
New Process for part II items embedded and officers trained	Head of Policy, Communications and Governance	November 2022
Data Protection Action Plan (previously reported to Audit Governance and Standards Committee)	Data Protection Officer	Action plan progress will be reported to this committee in November 2022
<p>Actions to ensure compliance with the Financial Management Code:</p> <ul style="list-style-type: none"> • Develop and embed a policy on Social Value • Review approach to investment appraisal for conformance with 'Principles in Project and Investment Appraisal' • Assess the usefulness of budget monitoring reports to the leadership team in supporting strategic decision making and identify scope for improving these as appropriate. 	Director of Finance and Business Improvement	November 2022 and March 2023
Learning from governance failings at other Local Authorities	Chief Executive	Monthly briefing to review any issues
Corporate Governance Review: Following the Boundary Review at a district level a community governance review is proposed for 2022/23, this will be undertaken by the Democracy and General Purposes Committee	Democratic and Electoral Services Manager	Timetabled with Democracy and General Purposes – updates to Audit Governance and Standards Committee in November 2022
Ensure effective decision making and a workable constitution. Review of constitution planned for December 2022 with the Democracy and General Purposes Committee	Head of Policy, Communications and Governance and Monitoring Officer	Update in March 2023
Promoting decision making on Garden Communities ensuring information is publicly available and accessible and the role of the council as developer versus the role as the planning authority is clear.	Director of Regeneration and Place	Updates in November 2022 and March 2023
Corporate Risk: 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.	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports
Corporate Risk: General financial uncertainty , unexpected changes to government funding, failure to achieve income or savings targets, and increases in inflation places further financial restrictions on the Council resulting in	Director of Finance and Business Improvement	Updates in November 2022 and March 2023 plus updates through the risk register and reports

Corporate Governance Area	Lead Officer	By When
difficulty maintaining standards or meeting aims.		
Corporate Risk: 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.	Director of Regeneration and Place	Updates in November 2022 and March 2023 plus updates through the risk register and reports

CONCLUSION ON SIGNIFICANT GOVERNANCE ISSUES

Overall, we can confirm that the Council has the appropriate systems and governance arrangements in place.

The S151 Officer has a personal duty under Section 114(3) of the Local Government Finance Act 1988 to report to the Council if it appears that the set budget will be exceeded. Key considerations for the Council include the need for an adequate contingency provision, the S151 officer's guidance on the financial prudence of options before members and ensuring that there are reasonable grounds for making decisions.

Updates on the areas for improvement will be provided to the Audit Governance and Standards Committee on a six-monthly basis and kept under review by the internal Corporate Governance Group.

INTERNAL AUDIT OPINION

The Internal Audit function for the Council is delivered through the Mid Kent Audit Partnership, a 4-way shared service with Maidstone, Swale and Tunbridge Wells. The Audit Partnership provides internal audit, consultancy, and advisory support to the Council, and deliver a programme of work (an audit plan) each year. The plan is agreed and monitored through the Audit Committee.

The Internal Audit team continue to report positive levels of engagement across the Council when undertaking their work. Managers and Heads of Service are actively involved in scoping audit work and display a good understanding of internal control and risk management as part of that process.

A key source of assurance over the internal control environment for the Council is derived from the Head of Audit Annual Opinion. The interim Head of Audit Partnership gave the following conclusion for 2021/22 and no matters of concerns were highlighted:

The planned programme of work delivered by internal audit was constrained by the impact of the COVID pandemic restrictions and significant staffing changes within the

internal audit team. The results of the reduced level of internal audit work concluded during the year required me to seek additional assurances to form my opinion. A summary of where it has been possible to place reliance on the work of other assurance providers is presented in the annual internal audit report. Utilising all these forms of assurance I am able to draw a positive conclusion as to the adequacy and effectiveness of Maidstone Borough Council's risk management, control and governance processes. In my opinion, Maidstone Borough Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

Signed:

Chief Executive:

Date:

Leader of the Council:

Date:

Maidstone Borough Council
Local Code of Corporate Governance

Updated June 202~~1~~

Introduction

The International Framework: Good Governance in the Public Sector states that

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

Maidstone Borough Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a Local Code of Corporate Governance.

Our Local Code sets out the framework within which we conduct our business and affairs and the governance structure we have in place. Whilst this code sets out principles, processes and policies, it is the application of the framework that will demonstrate good governance.

Purpose of the Local Code of Corporate Governance

Governance is about how we ensure we are doing the right things, in the right way, for the right people, in a timely inclusive, open, honest and accountable manner.

Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This code sets out how we meet these requirements, how we conduct our business and affairs

The Governing Body

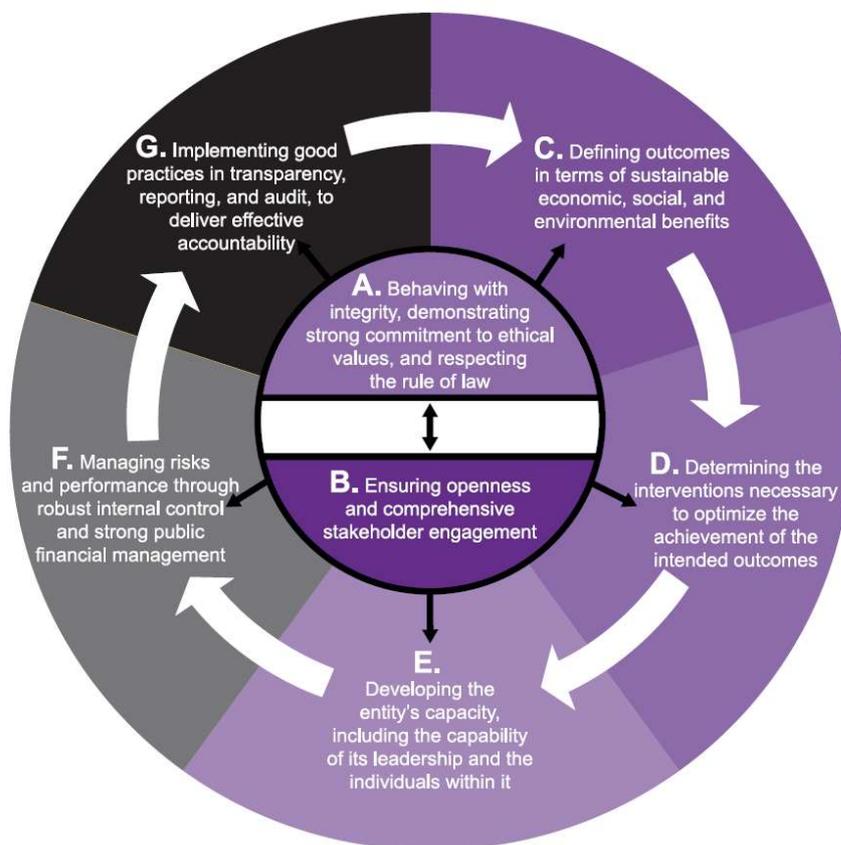
The governing body of an organisation has overall responsibility for directing and controlling that organisation. In local government the governing body is the full council or authority. In England, the Local Government Act 2000 introduced new governing structures for all local councils, clarifying responsibility for making decisions and establishing a scrutiny role. The Localism Act 2011 amended the provisions relating to Executive Arrangements and allowed local authorities to return to decision-making by committees if they so resolved.

[At the Annual Meeting in May 2022, Maidstone Borough Council adopted an Executive Model of Governance. This model comprises a Leader and Executive advised by four Policy Advisory Committees. One Overview and Scrutiny Committee is in place, this also undertakes Crime and Disorder Reduction Overview and Scrutiny Functions. In addition, there are committees that deal with licensing, planning, audit, governance and standards, democracy and other regulatory matters.](#)

~~In 2015 Maidstone Borough Council resolved to change its governance arrangements to a committee system. The Council has in place four service committees to make decisions as delegated by Full Council. The Leader is also Chair of the Policy and Resources Committee. The Council has four service committees taking decisions within their terms of reference as agreed by Council; individual Councillors do not have delegated authority from Council to make decisions. In addition, there are committees that deal with licensing, planning, audit, governance and standards, democracy and employment and other regulatory matters.~~

The Seven Principles

In order to achieve good governance we need to demonstrate that our governance structures comply with the principles contained within the Delivering Good Governance in local Government Framework 2016.



Annual Review and Reporting

To comply with the principles of good governance we must ensure that systems and processes are continually monitored and kept up to date. An annual review of the Council's Corporate Governance arrangements will be carried out using the guidance contained in the CIPFA/SOLACE Framework. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively or to identify action which is planned to ensure effective governance in the future. The results of the review will take the form of

an Annual Governance Statement prepared on behalf of the Leader of the Council and the Chief Executive. It will be submitted to the Audit, Governance and Standards Committee for consideration and review.

Actions and behaviours taken by the Council that demonstrate good governance

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sub Principle	Actions and behaviours	Evidence
Behaving with Integrity	<ul style="list-style-type: none"> • We ensure that councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation • We ensure that councillors take the lead in establishing values for the organisation and its staff and that they are communicated and understood. Building on the Seven Principles of Public Life (the Nolan Principles) • We lead by example and include integrity as one of our corporate values on our competency framework • We demonstrate, communicate and embed the values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively 	<ul style="list-style-type: none"> • Councillor Code of Conduct and training for Councillors on the code • Officer Code of Conduct • Anti-Fraud and Corruption Policy & Strategy • Equalities Policy • Whistle-blowing charter • Corporate Values (Service, Teamwork, Responsibility, Integrity, Value and Equality) • Internal Staff Survey • One to Ones evidenced on clear review with documented targets and actions with deadlines and actions • Democracy and General Purposes Committee • <u>Audit Governance and Standards Committee</u> • <u>Overview and Scrutiny Committee</u> • Staff Handbook • Emergency Plan • Business Continuity Plans

Sub Principle	Actions and behaviours	Evidence
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> • We establish, monitor and maintain the organisation’s ethical standards and performance • We underpin personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation • We develop and maintain robust policies and procedures which place emphasis on agreed ethical values • We ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation 	<ul style="list-style-type: none"> • Strategic Plan • Human Resources Policies • Staff Handbook • Induction Process • Register of Interests • Register of gifts and hospitality • <u>Staff and Manager’s’ Forums</u> • <u>Equalities Policy</u> • <u>Whistleblowing Policy</u>
Respecting the rule of law	<ul style="list-style-type: none"> • We ensure councillors and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations • We create the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements • We strive to optimise the use of the full powers available for the benefit of residents, communities and other stakeholders • We deal with breaches of legal and regulatory provisions effectively • We ensure corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> • Monitoring Officer Role • Internal Audit • External Auditors • Complaints process including referral to the Local Government Ombudsman • Audit, Governance and Standards Committee • Appraisals <u>for Chief Executive and Directors and Regular Monthly Check-ins with all staff using clear review</u> • <u>Code of Conduct for Councillors and Officers</u> • <u>Anti-fraud and Corruption Policy</u>

Principle B - Ensuring openness and comprehensive stakeholder engagement

Sub Principle	Actions	Evidence
Openness	<ul style="list-style-type: none"> • We ensure an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness. • We make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. • We provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. • We use formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action. 	<ul style="list-style-type: none"> • Strategic Plan • Communication and Engagement Strategy • Committee work programmes • Council Website • Formal consultation processes • Community and voluntary sector representation on Partnership Boards • Freedom of Information publication scheme • Report Templates <u>include options appraisal, risk and consultation</u> • Staff and Councillor Codes of Conduct • <u>Access to Information Procedure Rules</u> • <u>Part II Guidance for Officers for confidential and exempt reports</u> • <u>Public interest test application</u> • <u>Forward Plan produced for all Executive Decisions</u>
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> • We effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and • We develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • We define the purpose, objectives and intended outcomes for each stakeholder relationship 	<ul style="list-style-type: none"> • Safer Maidstone Partnership and Strategy • Health and Wellbeing Board • Community Safety Unit • Consultation processes • Council Website • <u>Anchor Institutions Meeting and Regular Communication</u>

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> • We use formal and informal consultation and engagement to determine the most appropriate and effective interventions 	<ul style="list-style-type: none"> • Member Sounding Board
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> • We establish a clear policy on the type of issues that the organisation will consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. • We ensure that communication methods are effective and members and officers are clear about their roles with regard to community engagement. • We encourage, collect and evaluate the views and experiences of communities, residents, businesses service users and organisations of different backgrounds including reference to future needs. • We have feedback mechanism in order to demonstrate how their views have been taken into account. • We balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • We take into account of the interests of future generations of tax payers and service users. 	<ul style="list-style-type: none"> • Strategic Plan published on website • External Auditor provides an annual organisational assessment of the Council's performance through the Value for Money conclusion • Council Website • Council minutes and agendas available on website • Formal consultation arrangements • Community and voluntary sector representation on Partnership Boards • Satisfaction Surveys • Freedom of Information publication scheme • Statement of Community Involvement • Consultation Processes • Strategic Plan 2019-2045 • Local Plan • Councillor Access to Services Review

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Sub Principle	Actions	Evidence
Defining Outcomes	<ul style="list-style-type: none"> We have a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions. We specify the intended impact on, or changes for, stakeholders including residents, businesses and service users. We deliver defined outcomes on a sustainable basis within the resources that will be available. We identify and manage the risks to the achievement of outcomes. We manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available 	<ul style="list-style-type: none"> Strategic Plan Committee work programmes Corporate report template requires information explaining the legal and financial implications of decisions Community Safety Unit Housing Strategy Waste Strategy 10 Year Parks Plan Biodiversity and Climate Change Strategy Temporary Accommodation Strategy Risk Management Framework & outline processes for identifying and managing risk-Guide Regular consideration of risk by Audit, Governance and Standards Committee Corporate report template contains 'risk implications' Staff Survey
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> We consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. We take a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential 	<ul style="list-style-type: none"> Strategic Plan Committee work programmes Formal consultation arrangements Economic Development Strategy Medium Term Financial Strategy

Sub Principle	Actions	Evidence
	<p>conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.</p> <ul style="list-style-type: none"> • We determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs. • We ensure equality of access. 	<ul style="list-style-type: none"> • Safer Maidstone Strategy • Local Plan • Waste and Recycling Strategy • Health and Wellbeing Action Plan • Equality Policy • Biodiversity and Climate Change Working Group

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principle	Actions	Evidence
Determining interventions	<ul style="list-style-type: none"> • We ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and include the risks associated with those options. • We ensure best value is achieved however services are provided. • We consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts. 	<ul style="list-style-type: none"> • Corporate report template requires information explaining the legal and financial implications of decisions • Options appraisal included in all committee reports for decision • Financial, legal and technical advice provided by the s151 Officer, the Monitoring Officer and other officers as required • Council Website • Consultation processes • Quarterly performance management reports
Planning interventions	<ul style="list-style-type: none"> • We establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets. • We engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered. • We consider and monitor risks facing each partner when working collaboratively including shared risks. • We ensure arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances. • We establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured. 	<ul style="list-style-type: none"> • Corporate Planning Timetable • Strategic Plan • Service Plans • Quarterly Monitoring Reports • Contract Monitoring Arrangements • Performance Reports aligned to Corporate Plan priorities • Medium Term Financial Strategy • Capital Programme • Value for Money judgement by External Auditor

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> • We ensure capacity exists to generate the information required to review service quality regularly. • We prepare budgets in accordance with organisational objectives, strategies and the medium term financial plan. • We inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy. 	
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> • We ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints. • We ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term. • We ensure the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage. • We ensure the achievement of 'social value' through service planning and commissioning. 	<ul style="list-style-type: none"> • Medium Term Financial Strategy • Revenue budget process • Capital Programme • Procurement Policy • Procurement Standing Orders • Action Plans developed in response to external audit and inspections • Value for Money judgement by external auditor • Budget Consultation

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

105

Sub Principle	Actions	Evidence
Developing the entity's capacity	<ul style="list-style-type: none"> • We review operations and performance on a regular basis to ensure their continuing effectiveness and enable organisational learning. • We improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently. • We recognise the benefits of partnerships and collaborative working where added value can be achieved. 	<ul style="list-style-type: none"> • Corporate Planning Timetable • Budget Setting Process • Service Plans • Regular one to ones and reviews of development and training needs • Developing Everybody Competency Framework used to identify top performers for stretch • Mid Kent Services Partnership • Learning and Development Programme • Standing arrangement with temporary staffing providers to help manage fluctuations in capacity demand
Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> • We clarify roles and responsibilities of members and management at all levels. • We develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. • We publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. • We ensure the Leader and the Chief Executive have clearly defined and distinctive leadership roles. • We develop the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks. 	<ul style="list-style-type: none"> • Job descriptions and person specifications produced for all posts • Recruitment and appointment policies and procedures • Leaders' forum <u>Informal Cabinet</u> • Councillor workshops and briefings • Democracy and General Purposes Committee • Comprehensive learning and development programme for officers and councillors • Corporate Workforce Strategy • Staff surveys • HR Policies and Guidance on intranet • Member and Staff induction

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> • We ensure that there are structures in place to encourage public participation. • We hold staff to account through regular performance reviews which take account of training or development needs. • We ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. 	<ul style="list-style-type: none"> • <u>Check-ins held monthly with staff</u> • <u>Annual Health and Wellbeing week and regular updates to staff</u>

Principle F - Managing risks and performance through robust internal control and strong public financial management

Sub Principle	Actions	Evidence
Managing Risk	<ul style="list-style-type: none"> • We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making. • We implement robust and integrated risk management arrangements and ensure that they are working effectively. • We ensure that responsibilities for managing individual risks are clearly allocated. 	<ul style="list-style-type: none"> • Risk Management Framework & outline processes for identifying and managing risk Risk Management Framework & Guide in place and reviewed annually • Strategic Risk Register in place and reviewed by Leadership team • Directorate and Service level risk registers in place and reviewed monthly • Corporate report template contains 'risk implications' • Audit Governance and Standards Committee reviews risks regularly • <u>Corporate Services PAC regularly reviews all high risks</u> • <u>All risks are assigned a risk owner responsible for managing the risk</u> •
Managing Performance	<ul style="list-style-type: none"> • We monitor service delivery effectively including planning, specification, execution and independent post implementation review. • We make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook 	<ul style="list-style-type: none"> • Performance Reports aligned to Strategic Plan priorities • Quarterly Monitoring Reports • Contract Monitoring Reports • Corporate report template requires information explaining the legal and financial implications of decisions

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"> • We ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible • We provide members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • We ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements) 	<ul style="list-style-type: none"> • Corporate report template contains risk implications • <u>Monthly spend/budget reports sent to all budget holders</u> • <u>Quarterly workforce reports</u>
Robust Internal Control	<ul style="list-style-type: none"> • We align the risk management strategy and policies on internal control with achieving the objectives. • We evaluate and monitor the authority's risk management and internal control on a regular basis. • We ensure effective counter fraud and anticorruption arrangements are in place. • Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. • We ensure an audit committee or equivalent group or function which is independent of the decision making committees provides further assurance regarding arrangements for managing risk and maintaining an effective control environment 	<ul style="list-style-type: none"> • Risk Management Policy & Guide in place and reviewed annually • Strategic-Corporate Risk Register in place and reviewed by Leadership team • Corporate and Service level risk registers in place • Anti-Fraud and Corruption Policy <ul style="list-style-type: none"> • <u>Audit Governance and Standards Committee reviews the effectiveness of risk arrangements</u> • <u>Corporate Services PAC regularly reviews all high risks</u> • Audit, Governance and Standards Committee reviews risks and the Risk Management process quarterly • Corporate Information Management and Governance Groups

Sub Principle	Actions	Evidence
Managing Data	<ul style="list-style-type: none"> • We ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. • We review and audit regularly the quality and accuracy of data used in decision making and performance monitoring. • We ensure effective arrangements for sharing data with other bodies are in place 	<ul style="list-style-type: none"> • Communication and Engagement Strategy • Information Management Group and action plan • Freedom of Information publication scheme • Ongoing monitoring of Data Protection Act / Freedom of Information compliance
Strong public financial management	<ul style="list-style-type: none"> • We ensure financial management supports both long term achievement of outcomes and short term financial and operational performance. • We ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. 	<ul style="list-style-type: none"> • Strategic Plan • Medium Term Financial Strategy • Budget setting process • Procurement Policy • Procurement Standing Orders • Value for Money judgement from the External Auditor • External Auditors' Annual Audit letter

Principle G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub Principle	Actions	Evidence
Implementing good practice in transparency	<ul style="list-style-type: none"> • Write and communicate reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. • Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand. 	<ul style="list-style-type: none"> • Council website accessibility statement • Communication and Engagement Strategy • Budgets and spending published on website • Senior Officer remuneration published on website • Clear roles and responsibilities in relation to access to information in the Constitution
Implementing good practices in reporting	<ul style="list-style-type: none"> • We report at least annually on performance, value for money and the stewardship of its resources. • We ensure members and senior management own the results. • We assess the extent to which the principles contained in the Framework have been applied and publish the results on this assessment including an action plan for improvement and evidence to demonstrate good governance in action • We ensure that the Framework is applied to jointly managed or shared service organisations as appropriate. • We ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities. 	<ul style="list-style-type: none"> • Publication of Annual Report and Statement of Accounts on website • Annual Governance Statement produced and published on website • Local Code of Corporate Governance refreshed annually in accordance with CIPFA/SOLACE principles • Documents are scrutinised and approved by Leadership Team, Service Committees and Audit Committee prior to publication • Performance information and reports are published on the website and reported to Committees

<p>Assurance and effective accountability</p>	<ul style="list-style-type: none"> • We ensure that recommendations for corrective action made by external audit are acted upon. • We ensure an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon. • We welcome peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. • We gain assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement. • We ensure that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met. 	<ul style="list-style-type: none"> • The external auditors produce an Annual Audit Letter which is presented at Audit Committee and published on the website. The council produces a response to all issues and recommendations contained within. • The Head of Audit Partnership presents an annual report to Audit, Governance, Standards Committee to inform members of Internal Audit activity that has taken place during the year • Annual Governance Statement produced and published on website
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Agenda Item 20

Executive Meeting

27 July 2022

Local Development Scheme 2022 - 2024

Timetable

Meeting	Date
Planning and Infrastructure Policy Advisory Committee	6 July 2022
Executive	27 July 2022
Council	28 September 2022

Type of Decision	Key
Urgency	Not Applicable
Final Decision-Maker	Council
Lead Head of Service	Phil Coyne (Interim Director, Local Plan Review), Rob Jarman (Head of Planning and Development)
Lead Officer and Report Author	Anna Ironmonger (Planning Officer, Strategic Planning)
Classification	Public
Wards affected	All

Executive Summary

The Council is required by the Planning and Compulsory Purchase Act (2004) (as amended) to maintain an up-to-date Local Development Scheme (LDS). The purpose of an LDS includes setting out the timetable for the delivery of Council produced planning policy documents and to inform local people and stakeholders.

Work is ongoing on the Local Plan Review, Gypsy and Traveller Development Plan Document (DPD) and Design and Sustainability DPD in line with the Local Development Scheme 2021-2024 which was adopted by Full Council on 8 December 2021.

Since the 2021-2024 iteration of the LDS, the Local Plan Review has been subject to significant public interest. The consultation on the Regulation 19 'Draft for Submission' documents received over 2,200 representations. In order progress the Local Plan Review in accordance with the approved Local Development Scheme, priority was placed on this document, meaning a slight delay to the first public consultation on the Design and Sustainability DPD.

A new LDS is therefore required which, whilst retaining the timetables for the delivery of the Local Plan Review and Gypsy and Traveller DPD, updates the timetable for the Design and Sustainability DPD. The new Local Development Scheme 2022-2024 can be found as an appendix to this report.

Purpose of Report

To provide an update to the Local Development Scheme and to seek views from the Executive Policy Advisory Committee as appended to this report prior to consideration by the Executive and Full Council for decision.

This report asks the Executive to make the following recommendation to Council:

1. That the Local Development Scheme 2022-2024, attached at Appendix 1 to the report, be approved.

Local Development Scheme 2022 - 2024

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Accepting the recommendation will improve the Council's ability to achieve all corporate priorities.</p>	Head of Planning and Development
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendation supports the achievement of all four cross cutting objectives.</p>	Head of Planning and Development
Risk Management	Already covered in the risk section	Head of Planning and Development
Financial	The work described in the Local Development Scheme can be funded from within existing revenue budgets.	Section 151 Officer and Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Head of Planning and Development
Legal	Accepting the recommendations will fulfil the Council's duties under the Planning and Compulsory Purchase Act 2004 (as amended).	Senior Lawyer (Planning); Mid Kent

		Legal Services
Privacy and Data Protection	Accepting the recommendations will not increase the volume of data held by the Council.	Policy and Information Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities & Communities Officer
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	The recommendation potentially will have a positive impact on Crime and Disorder.	Head of Planning and Development
Procurement	There are no implications for procurement.	Head of Planning and Development
Biodiversity and Climate Change	The delay to the Design and Sustainability DPD will have minor implications to the timeframe of implementation of MBC's biodiversity and climate change Action Plan.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The Council is required by the Planning and Compulsory Purchase Act (2004) (as amended) to maintain an up-to-date Local Development Scheme (LDS). The purpose of an LDS is to set out the timetable for the delivery of Council produced planning policy documents and to inform local people and stakeholders.
- 2.2 The Local Development Scheme 2021-2024 was adopted by Full Council on 8th December 2021 and set out the timetable for delivering the Local Plan Review, Gypsy and Traveller DPD, and Design and Sustainability DPD.
- 2.3 To date work on the Local Plan Review and Gypsy and Traveller DPD is on track against the timetable set out in Local Development Scheme 2021-2024.
- 2.4 However, since the adoption of the Local Development Scheme 2021-2024, the Local Plan Review has been subject to significant public interest. The consultation on the Regulation 19 'Draft for Submission' documents received over 2,200 representations. In order progress the Local Plan Review in accordance with the approved Local Development Scheme, priority was placed on the Local Plan Review, meaning a slight delay to the first public consultation on the Design and Sustainability DPD.
- 2.5 A new LDS is therefore required and this is provided as Appendix 1. This retains the timetables for delivery of the Local Plan Review and Gypsy and

Traveller DPD, which remain unchanged from that set out in the Local Development Scheme 2021-2024. The new LDS also includes the revised timetable for delivery of the Design and Sustainability DPD.

2.6 The revised timetable for the Design and Sustainability DPD is set out in the table below.

Stage	LDS 2022 - 2024
Evidence gathering	January 2021 to March 2023
Scope and matters consultation (Regulation 18a)	October to November 2022
Preferred approach consultation (Regulation 18b)	April to May 2023
Draft DPD consultation (Regulation 19)	September to October 2023
Submission (Regulation 22)	March to April 2024
Examination hearing sessions (Regulation 24)	June to July 2024
Main Modification Consultation	September to October 2024
Adoption – Full Council (Regulation 26)	December 2024

2.7 This report seeks a recommendation that the Local Development Scheme 2022-2024, attached at Appendix 1 to the report, be recommended to the Executive and Council for approval.

3. AVAILABLE OPTIONS

3.1 Option 1: The Local Development Scheme 2022-2024 is approved. The LDS outlines the scope and timetable for delivering the Local Plan Review, Gypsy and Traveller DPD and the Design and Sustainability DPD. All three have consideration for the Strategic Plan priorities and cross-cutting objectives.

3.2 Option 2: The Local Development Scheme 2022-2024 is not approved. Under the Planning and Compulsory Purchase Act 2004 (as amended), local planning authorities must maintain an up to date LDS. The current LDS (2021-2024) does not reflect the current timescales for the Design and Sustainability DPD and therefore a subsequent LDS is required. To not adopt this LDS will be contrary to the Planning and Compulsory Purchase Act 2004 (as amended) and would mean that the Local Planning Authority would fail its legal tests for producing these this DPD.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Option 1 is the preferred option. By adopting the Local Development Scheme 2022-2024 the Council will be compliant with the Planning and Compulsory Purchase Act 2004 (as amended).

5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. That consideration is shown in this report at paragraph 3.2. We are satisfied that, should the authority proceed as recommended, the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 This issue was considered by the Planning and Infrastructure Policy Advisory Committee on 5 July 2022 and the Committee supported the recommendation of this report.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 If approved by Council, the Local Development Scheme 2022-2024 will be published on the website.
- 7.2 The delivery of the Local Plan Review, Gypsy and Traveller DPD and the Design and Sustainability DPD against milestones in the LDS will be monitored through the Authority Monitoring Report, which is published each year.

8. REPORT APPENDICES

Appendix 1: Local Development Scheme 2022 - 2024

9. BACKGROUND PAPERS

None

LOCAL DEVELOPMENT SCHEME

September 2022

2022-2024

LOCAL DEVELOPMENT SCHEME 2022-2024

**This document is produced by
Maidstone Borough Council**

**This Local Development Scheme came into effect on 28th September
2022**

All enquiries should be addressed to:

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Kent

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Contents

1. Introduction to the Local Development Scheme	4
What is the Local Development Scheme?	4
The Development Plan.....	4
Planning Documents	5
Maidstone Community Infrastructure Levy.....	5
2. The Local Development Scheme	7
Review of the Local Development Scheme 2021-2023	7
Local Development Scheme 2021-2024	8
Monitoring and Review.....	9
3. Document Project Plan	10
Gypsy and Traveller DPD.....	10
Design and Sustainability DPD	12
Local Plan Review.....	14
4. Appendix	16
Glossary of terms	16

1. Introduction to the Local Development Scheme

What is the Local Development Scheme?

1.1 The government requires local planning authorities to prepare a **Local Development Scheme** (LDS). The purpose of an LDS includes setting out the timetable for the delivery of Council produced planning policy documents. These are often referred to as Development Plan Documents or Local Plans.

1.2 In addition to the Local Plan Review, the Council intends to produce two further Development Plan Documents (DPDs). These are the Gypsy and Traveller DPD and the Design and Sustainability DPD. Both DPDs will affect the whole of Maidstone Borough. This LDS covers the period 2022-2024 and contains a timetable for the delivery of each DPD to inform local people and stakeholders of the key milestones of production.

1.3 This LDS replaces the Local Development Scheme 2021-2024 which was approved by Full Council on 8th December 2021.

1.4 The Local Development Scheme 2022-2024 was approved by Council on 28th September and came into effect on the same day.

The Development Plan

1.5 **Development Plans** are an important part of the English planning system and are needed to guide the local decision-making process for land uses and development proposals. As of 28th September, the Development Plan for Maidstone borough comprises:

- Maidstone Borough Local Plan 2011-2031 and associated Proposals Map (October 2017)
- Staplehurst Neighbourhood Development Plan 2016-2031 (August 2020)
- North Loose Neighbourhood Development Plan 2015-2031 (April 2016)
- Loose Neighbourhood Development Plan 2018-2031 (September 2019)
- Marden Neighbourhood Development Plan 2017-2031 (July 2020)
- Lenham Neighbourhood Plan 2017 – 2031 (July 2021)
- Boughton Monchelsea Neighbourhood Plan (July 2021)
- Otham Neighbourhood Plan 2020 – 2035 (September 2021)
- Kent Minerals and Waste Local Plan 2013-2030 (September 2020)

1.6 Further information regarding each of these documents is provided below.

1.7 The **Maidstone Borough Local Plan** sets out the framework for development within the Borough until 2031. It includes a spatial vision, objectives and key policies. It also includes an associated 'Policies Map' that sets out the geographical extent of key designations and site specific proposals set out in the local plan. Maidstone has an on-line policies map that can be accessed through its website. The Maidstone Borough Local Plan plays a key part in delivering Maidstone Council's Strategic Plan. The Maidstone Borough Local Plan was found sound following independent examination and was adopted by Full Council on 25 October 2017. The Maidstone Borough Local Plan contains Policy LPR1 'Review of the Local Plan'. This requires a review of the local plan to ensure that the plan continues to be up to date. Policy LPR1 outlines matters which may be

addressed by the review. Key considerations are the need to maintain and enhance the natural and built environment; and improve air quality.

1.8 Neighbourhood Development Plans are prepared by Parish Councils or Neighbourhood Forums, and the plans are subject to consultation, independent examination and referendum. The plans must be in general conformity with the strategic policies of the adopted local plan and should have regard to any emerging Local Plan. A neighbourhood area has to be designated for a Neighbourhood Development Plan to be produced. In total, 15 Parish Councils and 1 Neighbourhood Forum have designated Neighbourhood Areas. To date, seven Neighbourhood Development Plans have been made and a number of Neighbourhood Development Plans are at various stages of preparation.

1.9 The Kent Mineral Sites Plan and the Early Partial Review of the Kent Minerals and Waste Local Plan and was produced by Kent County Council and covers the whole county. Both plans were adopted in September 2020 and describes:

- 'The overarching strategy and planning policies for mineral extraction, importation and recycling, and the waste management for all waste streams that are generated or managed in Kent, and
- The spatial implications of economic, social and environmental change in relation to strategic minerals and waste planning.'

Planning Documents

1.10 In addition to the above components of the Development Plan, there are other key planning documents that the Council produces. These include:

- **Supplementary Planning Documents** – these set out further information, interpretation or clarification regarding existing planning policies and are produced and adopted by the Council in accordance with government legislative requirements
- **Planning policy guidance** documents – these set out further information, interpretation or clarification regarding existing planning policies but have not been produced to meet government Supplementary Planning Document requirements
- **Statement of Community Involvement** – a procedural document that sets out the methods for consultation and engagement with the public and stakeholders. This includes consultation and engagement during the production of Local Plans, the production of Neighbourhood Development Plans, and the Development Management process.
- **Authority Monitoring Reports** – a procedural document, produced on an annual basis that monitors the performance of Maidstone's Local Plan and its policies.

Maidstone Community Infrastructure Levy

1.11 The **Community Infrastructure Levy (CIL)** is a charge on specific new developments towards the provision of infrastructure. The Maidstone CIL **Charging Schedule** was adopted by Full Council on 25 October 2017, following examination in June 2017. The Maidstone CIL took effect on 1 October 2018.

1.12 The Charging Schedule sets out the charging rates for development in Maidstone Borough, including the types of development that are required to pay the Levy and where the proposed rates

will apply. The CIL Charging Schedule was developed alongside the Maidstone Borough Local Plan, and the evidence base for infrastructure, planning, affordable housing requirements and development viability supported both the Maidstone CIL and Maidstone Borough Local Plan.

1.13 The infrastructure schemes and/or types of infrastructure that may be funded by Maidstone CIL are set out in an Infrastructure List contained in the Infrastructure Funding Statement, published on the website. In addition, Section 106 planning agreements, which are negotiated with developers to secure infrastructure funding, will continue to play a significant role in securing site related infrastructure.

2. The Local Development Scheme

Review of the Local Development Scheme 2021-2024

2.1 There have been changes to the work programme for the Design and Sustainability DPD.

2.2 **Local Plan Review:** There has been no change in circumstances regarding the scope and timetable for production of the Local Plan Review since the previous version of the Local Development Scheme came into effect on 8th December 2021.

2.3 **Gypsy and Traveller DPD:** There has been no change in circumstances regarding the scope and timetable for production of the Gypsy and Traveller DPD since the previous version of the Local Development Scheme came into effect on 8th December 2021.

2.4 **Design and Sustainability DPD:** The Local Plan Review has been subject to significant public interest, including with regard to the consultation on the Regulation 19 'Draft for Submission' documents, which received over 2,200 representations. In order progress the Local Plan Review in accordance with the approved Local Development Scheme, priority was placed on this document, meaning a slight delay to the first public consultation on the Design and Sustainability DPD, which is now scheduled to commence in October 2022.

2.5 A timetable for the implementation of the Gypsy and Traveller DPD and the Design and Sustainability DPD, in addition to the Local Plan Review follows.

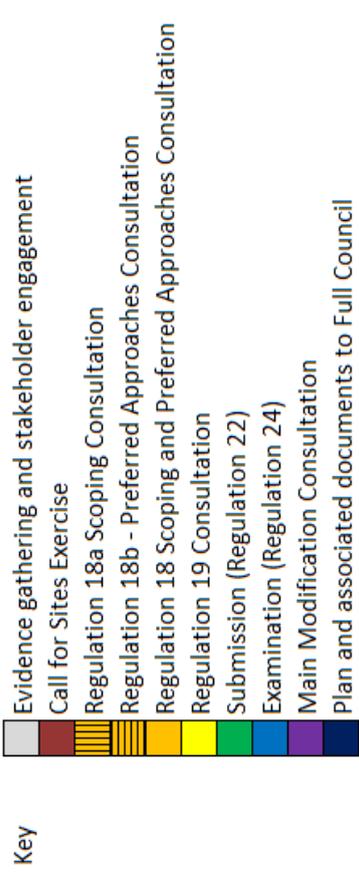
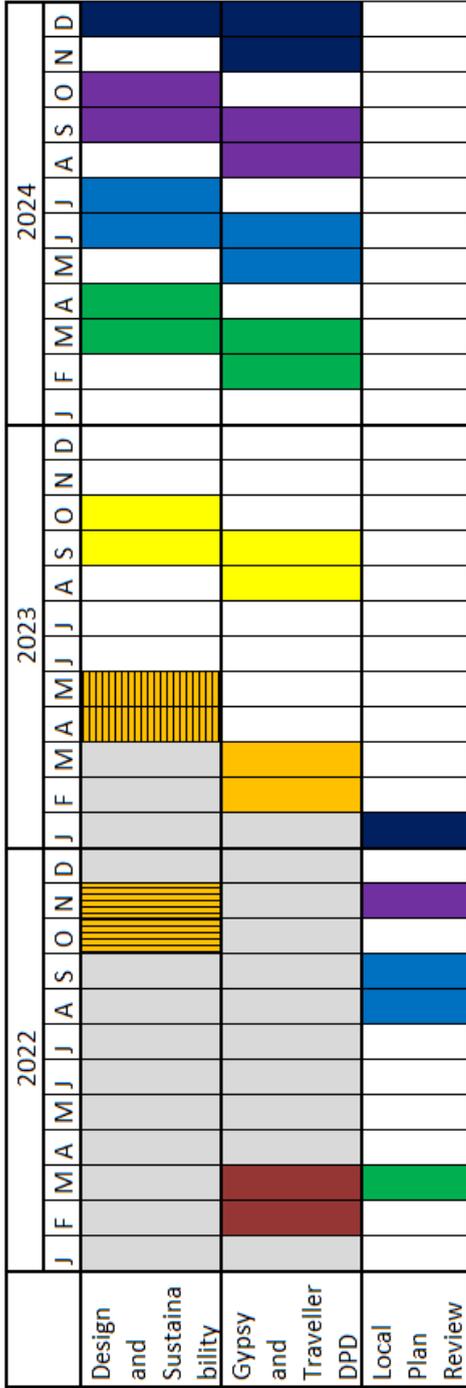


Figure 2.1 Delivery timetable

Monitoring and Review

2.6 Gypsy and Traveller DPD: The Council are creating an evidence base to ensure it has sufficient social, environmental, economic and physical information to inform the Gypsy and Traveller DPD. The DPD will explain how its policies will be delivered and implemented and identify performance indicators against which the success of policies will be monitored. These performance indicators will be monitored through annual Authority Monitoring Reports. The Council will monitor and review progress of delivery of this Gypsy and Traveller DPD against this LDS document.

2.7 Design and Sustainability DPD: The Council are creating an evidence base to ensure it has sufficient social, environmental, economic and physical information to inform the Design and Sustainability DPD. The DPD will explain how its policies will be delivered and implemented and identify performance indicators against which the success of policies will be monitored. These performance indicators will be monitored through annual Authority Monitoring Reports. The Council will monitor and review progress of delivery of this Design and Sustainability DPD against this LDS document.

2.8 Local Plan Review: The Council is creating an evidence base to ensure it has sufficient social, environmental, economic and physical information to inform the review of the local plan. The adopted local plan explains how its policies will be delivered and implemented, and identifies performance indicators against which the success of policies is monitored. The performance indicators will be monitored through annual Authority Monitoring Reports, and the Council will monitor and review progress against the LDS programme in this document.

3. Document Project Plan

Gypsy and Traveller DPD

Gypsy and Traveller DPD	
Subject/content	<p>The Local Plan Review contains a suite of policies specifically addressing matters of Gypsy and Traveller accommodation and future need. The GTAA recommends that allocations can be used to meet the need from those who met the planning definition. A large proportion of the need is unknown based on modelled local need and the assessment outlines that this need can be dealt with by a criteria-based policy. A standalone DPD is to be prepared.</p> <p>The DPD will sit alongside and build on the policies in the Local Plan Review and will provide the basis for Development Management decision making. The DPD will be informed by the preparation of suitable evidence.</p> <p>Matters to be reviewed include:</p> <ul style="list-style-type: none"> • New site allocations to meet the need • Update to DM policies from adopted Maidstone Borough Local Plan and Maidstone Local Plan Review including outbuildings and day rooms (only needed if emerging guidance changes) • Incorporate existing allocations • Non-planning definition Gypsies accommodation
Status	Local Plan
Coverage	Maidstone Borough
Chain of Conformity – national	Central government policy and guidance, including the National Planning Policy Framework, National Planning Practice Guidance, Planning policy for traveller sites (2015) and the Town and Country Planning (Local Planning) (England) Regulations 2012.
Chain of Conformity – local	<p>Regard to the Council’s Plans and Strategies, including the Strategic Plan, Economic Development Strategy and Housing Strategy. Also have regard to the Climate Change and Biodiversity Strategy and Action Plan.</p> <p>The LPR will need to take into account the policies within neighbourhood plans:</p> <p>North Loose Neighbourhood Plan 2015 – 2031 (2016) Staplehurst Neighbourhood Plan 2016 – 2031 (2020) Loose Neighbourhood Plan 2018 – 2031 (2019) Marden Neighbourhood Plan 2017 – 2031 (2020) Lenham Neighbourhood Plan 2017 – 2031 (2021) Boughton Monchelsea Neighbourhood Plan (2021) Otham Neighbourhood Plan (2021)</p>
Policies Map	A new policies map is to be created
Timetable	
Sustainability Appraisal	Relevant appraisals and assessment will be carried out throughout the preparation of the DPD
Evidence gathering	January 2021 to January 2023
Call for Sites	February to March 2022
Scope and matters and preferred approaches consultation (Regulation 18)	February to March 2023
Draft DPD	August to September 2023

consultation (Regulation 19)	
Submission (Regulation 22)	February to March 2024
Examination hearing sessions (Regulation 24)	May to June 2024
Main Modification Consultation	August to September 2024
Adoption – Full Council (Regulation 26)	November to December 2024
Arrangements for Production	
Internal Partners	Key internal partners include relevant service areas within the Council, Chief Executive; Corporate Leadership Team; and Strategic Planning and Infrastructure Committee.
External Partners	Key external partners include specific and general consultation bodies (including parish councils and neighbourhood forums), local stakeholder groups, hard to reach groups and the local community.
External Resources	Kent County Council, Highways England, infrastructure providers, the Homes England, and use of external consultants to provide evidence (as required).

Table 3.1 Project Plan for the Gypsy and Traveller DPD

Design and Sustainability DPD

Design and Sustainability DPD	
Subject/content	<p>The Local Plan Review contains a suite of policies specifically addressing matters of design and sustainability. At the Strategic Planning and Infrastructure Committee on the 21st September 2021, the Council resolved to prepare a DPD reinforced by appropriate evidence to support the Local Plan Review through the strengthening of the council’s design and sustainability focused policies.</p> <p>The DPD will sit alongside and build on the policies in the Local Plan Review and will provide the basis for Development Management decision making. The DPD will be informed by the preparation of suitable evidence to justify and the adoption of higher design and sustainability standards where these can be achieved.</p> <p>The DPD will specifically cover matters in relation to:</p> <ul style="list-style-type: none"> • Water efficiency • Low carbon energy • Sustainable buildings • Building design • Biodiversity and landscaping • Open space provision • Sustainable connectivity • Internal space standards • Lighting
Status	Local Plan
Coverage	Maidstone Borough
Chain of Conformity – national	Central government policy and guidance, including the National Planning Policy Framework, National Planning Practice Guidance, Planning policy for traveller sites (2015) and the Town and Country Planning (Local Planning) (England) Regulations 2012.
Chain of Conformity – local	<p>Regard to the Council’s Plans and Strategies, including the Strategic Plan, Economic Development Strategy and Housing Strategy. Also have regard to the Climate Change and Biodiversity Strategy and Action Plan.</p> <p>The LPR will need to take into account the policies within neighbourhood plans:</p> <p>North Loose Neighbourhood Plan 2015 – 2031 (2016) Staplehurst Neighbourhood Plan 2016 – 2031 (2020) Loose Neighbourhood Plan 2018 – 2031 (2019) Marden Neighbourhood Plan 2017 – 2031 (2020) Lenham Neighbourhood Plan 2017 – 2031 (2021) Boughton Monchelsea Neighbourhood Plan (2021) Otham Neighbourhood Plan (2021)</p>
Policies Map	A new policies map is to be created
Timetable	
Sustainability Appraisal	Relevant appraisals and assessment will be carried out throughout the preparation of the DPD
Evidence gathering	January 2021 to March 2023
Scope and matters consultation (Regulation 18a)	October to November 2022
Preferred approaches	April to May 2023

consultation (Regulation 18b)	
Draft DPD consultation (Regulation 19)	September to October 2023
Submission (Regulation 22)	March to April 2024
Examination hearing sessions (Regulation 24)	June to July 2024
Main Modification Consultation	September to October 2024
Adoption – Full Council (Regulation 26)	December 2024
Arrangements for Production	
Internal Partners	Key internal partners include relevant service areas within the Council, Chief Executive; Corporate Leadership Team; and Strategic Planning and Infrastructure Committee.
External Partners	Key external partners include specific and general consultation bodies (including parish councils and neighbourhood forums), local stakeholder groups, hard to reach groups and the local community.
External Resources	Kent County Council, Highways England, infrastructure providers, the Homes England, and use of external consultants to provide evidence (as required).

Table 3.2 Project Plan for the Design and Sustainability DPD

Local Plan Review

Maidstone Local Plan Review	
Subject/content	<p>Matters to be reviewed include:</p> <ul style="list-style-type: none"> • A review of housing of needs • The allocation of land at the Invicta Park Barracks broad location and at the Lenham broad location if the latter has not been achieved through a Lenham Neighbourhood Plan in the interim • Identification of additional housing land to maintain supply towards the end of the plan period and, if required as a result, consideration of whether the spatial strategy needs to be amended to accommodate such development • A review of employment land provision and how to accommodate any additional employment land needed as a result • Whether the case for a Leeds-Langley Relief Road is made, how it could be funded and whether additional development would be associated with the road • Alternatives to such a relief road • The need for further sustainable transport measures aimed at encouraging modal shift to reduce congestion and air pollution • Reconsideration of the approach to the Syngenta and Baltic Wharf sites if these have not been resolved in the interim • Extension of the local plan period
Status	Local Plan
Coverage	Maidstone Borough
Chain of Conformity – national	Central government policy and guidance, including the National Planning Policy Framework, National Planning Practice Guidance, Planning policy for traveller sites (2015) and the Town and Country Planning (Local Planning) (England) Regulations 2012.
Chain of Conformity – local	<p>Regard to the Council's Plans and Strategies, including the Strategic Plan, Economic Development Strategy and Housing Strategy. Also have regard to the Climate Change and Biodiversity Strategy and Action Plan.</p> <p>The LPR will need to take into account the policies within neighbourhood plans:</p> <p>North Loose Neighbourhood Plan 2015 – 2031 (2016) Staplehurst Neighbourhood Plan 2016 – 2031 (2020) Loose Neighbourhood Plan 2018 – 2031 (2019) Marden Neighbourhood Plan 2017 – 2031 (2020) Lenham Neighbourhood Plan 2017 – 2031 (2021) Boughton Monchelsea Neighbourhood Plan (2021) Otham Neighbourhood Plan (2021)</p>
Policies Map	To be amended to reflect the policy content of the Local Plan Review
Timetable	
Sustainability Appraisal	Relevant appraisals and assessment will be carried out throughout the review of the Maidstone Borough Local Plan
Evidence gathering	June 2018 to September 2021
Submission (Regulation 22)	March 2022
Examination hearing sessions (Regulation 24)	August – September 2022

Main Modification Consultation	November 2022
Adoption – Full Council (Regulation 26)	January 2023
Arrangements for Production	
Internal Partners	Key internal partners include relevant service areas within the Council, Chief Executive; Corporate Leadership Team; and Strategic Planning and Infrastructure Committee.
External Partners	Key external partners include specific and general consultation bodies (including parish councils and neighbourhood forums), local stakeholder groups, hard to reach groups and the local community.
External Resources	Kent County Council, Highways England, infrastructure providers, the Homes England, and use of external consultants to provide evidence (as required).

Table 3.3 Project Plan for the Maidstone Borough Local Plan Review

4. Appendix

Glossary of terms

Acronym	Term	Description
AMR	Authority Monitoring Report	A report which is produced annually and monitors the performance against monitoring indicators in the Maidstone Borough Local Plan.
	Development Plan	The Development Plan includes adopted local plans/Development Plan Documents and made Neighbourhood Development Plans, and sets a framework for the local decision making process.
DPD	Development Plan Documents/Local Plans	A DPD/Local Plan is a spatial planning document which sets out the plan for the future development of the local area, drawn up by a local authority in consultation with the community. Once adopted, the local plan becomes part of the Development Plan. The Local Plan does not include SPDs or local Planning Guidance, although these documents are material considerations in the decision making process.
GTAA	Gypsy and Traveller Accommodation Assessment	The assessment outlines the current and future need for gypsy, traveller and travelling showpeople provision for Maidstone Borough until 2037.
KCC	Kent County Council	The county planning authority, responsible for producing the Kent Minerals and Waste Local Plans, and are the highways authority.
LDS	Local Development Scheme	The LDS is a summary business programme and timetable for the production of the local plans and Development Plan Documents.
MBC	Maidstone Borough Council	The local planning authority responsible for producing the Borough Local Plan.
NDP	Neighbourhood Development Plan	Neighbourhood Development Plans (also known as neighbourhood plans) are prepared by a parish council or neighbourhood forum for a particular neighbourhood area. Neighbourhood plans must be in conformity with the strategic policies of the Local Plan and, once made, form part of the Council's Development Plan.
	Planning Policy Guidance	Additional guidance which provides further detail to policies set out in local plans and is a material consideration in planning decisions but is not part of the local plan or the development plan. If subject to adequate stakeholder and public consultation, guidance can carry commensurate weight with SPDs in the decision making process.
	Policies Map	The Policies Map uses an on-line ordnance survey map base to show the spatial extent of all land use policies and proposals, and is updated with each new Local Plan so that it reflects the up-to-date planning strategy for the borough.

Acronym	Term	Description
SA	Sustainability Appraisal	The SA is a tool for appraising policies and proposals to ensure they reflect sustainable development objectives, including social, economic and environmental objectives. An SA must be undertaken for all local plans and incorporates a Strategic Environmental Assessment.
SCI	Statement of Community Involvement	The SCI specifies how the community and stakeholders will be involved in the process of preparing local planning documents, Neighbourhood Development Plans and the Development Management process.
SEA	Strategic Environmental Assessment	SEA is a generic term used to describe the environmental assessment of policies, plans and programmes. The European SEA Directive requires a formal environmental assessment of certain plans and programmes, including those in the field of planning and land use.
SoS	Secretary of State	Secretary of State for Housing, Communities and Local Government.
SPD	Supplementary Planning Document	An SPD provides further detail to policies set out in local plans. SPDs are a material consideration in the decision making process but are not part of the Development Plan or the Local Plan. They follow a statutory production and consultation process.

Table 4.1 Glossary of terms

Executive

27 July 2022

Neighbourhood Planning Protocol Update

Timetable	
Meeting	Date
Planning and Infrastructure Policy Advisory Committee	6 July 2022
Executive	27 July 2022

Type of Decision	Key
Urgency	Not Applicable
Final Decision-Maker	Executive
Lead Head of Service	Phil Coyne (Interim Director, Local Plan Review), Rob Jarman (Head of Planning and Development)
Lead Officer and Report Author	Anna Ironmonger (Planning Officer, Strategic Planning)
Classification	Public
Wards affected	All

Executive Summary

Strategic Planning and Infrastructure Committee approved amendments to the Neighbourhood Planning Protocol at its meeting on 7 July 2020. The changes can be categorised as a) changes to reflect amended practices used by the Council and b) changes to reflect the Statement of Community Involvement addendum (which the Neighbourhood Planning Protocol must comply with) in response to government guidance issued during the Coronavirus pandemic. As restrictions relating to the Coronavirus pandemic have now been lifted, an amendment is required to the Neighbourhood Planning Protocol to remove reference to the Coronavirus measures. Further changes to the Neighbourhood Planning Protocol are proposed to provide more detail on the modification of 'made' neighbourhood plans and to ensure that the Protocol reflects recent changes to the Council's decision-making process (new Executive model).

Purpose of Report

To seek agreement for the updated Neighbourhood Planning Protocol, attached as Appendix 1 to the report.

This report makes the following recommendation:

1. That the Neighbourhood Planning Protocol, attached at Appendix 1 to the report, be approved.

Neighbourhood Planning Protocol Update

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The recommendations will by themselves not materially affect achievement of cooperate priorities.	Head of Planning and Development
Cross Cutting Objectives	The recommendations will by themselves not materially affect achievement of cross-cutting objectives.	Head of Planning and Development
Risk Management	Already covered in the risk section.	Head of Planning and Development
Financial	The work of the team in supporting Neighbourhood Planning groups is funded in the first instance from Government grant that has been made available for this purpose.	S151 Officer and Finance Team
Staffing	We will deliver the recommendation with our current staffing.	Head of Planning and Development
Legal	The protocol, as drafted, reflects the individual regulatory stages of plan making as set out in the Neighbourhood Planning (General) Regulations 2012, and ensures that statutory requirements are clear to those involved.	Senior Lawyer (Planning); Mid Kent Legal Services
Information Governance	Accepting the recommendations will not increase the volume of data held by the Council.	Information Governance Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities & Communities Officer
Public Health	There are no implications for public health.	Public Health Officer
Crime and Disorder	There are no implications for crime and disorder.	Head of Planning and Development
Procurement	A procurement waiver is in place for the appointment of examiners for neighbourhood plan examinations.	Head of Planning and Development

Biodiversity and Climate Change	There are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Council’s policy for supporting neighbourhood planning groups is set out in the Maidstone Statement of Community Involvement (SCI). The SCI also explains how the Council will consult statutory bodies, stakeholders and the public at each stage of the neighbourhood plan making process. The Neighbourhood Planning Protocol (the Protocol) must comply with the SCI. The Protocol, in addition to satisfying consultation requirements, includes detailed actions for all regulatory stages and, equally important, specifies the decision-making processes for each stage of the neighbourhood planning process.
- 2.2 Strategic Planning and Infrastructure Committee approved amendments to the Neighbourhood Planning Protocol at its meeting on 7 July 2020. The changes which were made can be summarised as:
- A. Changes to reflect amended practices used by the Council for processing neighbourhood plans and therefore improving clarity for the reader
 - B. Changes to reflect the Statement of Community Involvement addendum¹, in response to government guidance issued during the Coronavirus pandemic.
- 2.3 Government guidance issued in response to the Coronavirus pandemic has now been lifted and the neighbourhood planning process has returned to how it was prior to the pandemic. An amendment is therefore required to the Protocol to remove any reference to the Coronavirus measures.
- 2.4 It is also desirable to make further changes to the Protocol to cover the modification of ‘made’ neighbourhood plans. The current Protocol makes reference to the modification of ‘made’ Neighbourhood Plans but does not provide detail. Proposed changes will provide clarity as to how modifications to a made Neighbourhood Plan will be dealt with.
- 2.5 The Neighbourhood Planning Protocol outlines that at key stages Council Members are required to make a decision. The Council has recently moved to a new Executive model whereby decisions are made by Members on the Executive, rather than committees. Amendments have been proposed to ensure the Neighbourhood Planning Protocol reflects this change in the decision making process.

Post Coronavirus pandemic

- 2.6 The amendments made to both the SCI and the Neighbourhood Planning Protocol in response to the Coronavirus pandemic predominately affected the availability of material at inspection points. SPI committee at its July 2020

¹ SPI 9 June 2020

meeting also resolved to amend the referendum process. Where a referendum could not take place, the Protocol gave significant weight to Neighbourhood Plans ahead of a referendum decision².

- 2.7 The Government guidance in response to the Coronavirus pandemic has now been lifted and the neighbourhood planning process has returned to how it was prior to the pandemic. An amendment to the Neighbourhood Planning Protocol is therefore required to remove reference to the Coronavirus measures.

Modifications to Neighbourhood Plan

- 2.8 Neighbourhood Planning is very active in the Borough with 7 'made' Neighbourhood Plans. Some of these plans are now at a stage where the relevant Parish Council has indicated it would like to review and modify its Neighbourhood Plan.

- 2.9 The current Protocol refers to the modification of 'made' Neighbourhood Plans but does not provide detail of the specific regulations³. Having consideration for the popularity of Neighbourhood Planning in the Borough and requests by Parish Councils to review and modify their Plans, it is desirable to make further changes to the Neighbourhood Planning Protocol to provide clarity as to how modifications to Neighbourhood Plan will be dealt with.

Change in decision making process

- 2.10 The Neighbourhood Planning Protocol outlines that at key stages Council Members are required to make decisions on individual neighbourhood plans. These decisions include a decision to move to referendum or decision to formally adopt (make) a neighbourhood plan.

- 2.11 The Council has recently moved to a new Executive model whereby decisions are made by Members on the Executive, rather than committees as previously. Therefore, amendments have been proposed to ensure the Neighbourhood Planning Protocol reflects this change in the decision making process.

Summary

- 2.12 In summary there are three groups of changes to the Neighbourhood Planning Protocol which are being proposed. Firstly, removal of measures post Coronavirus pandemic. Secondly, to provide clarity for modifying Neighbourhood Plans. Thirdly, to ensure that the Protocol reflects recent changes to the Council's Executive decision making process. This report is recommending that Executive approves the updated Neighbourhood Planning Protocol attached at Appendix 1. For ease, updates are highlighted in the appendix document but will not appear in the final document. If approved, the Protocol will be uploaded to the Council's website.

² Following a successful referendum, unless material considerations indicate otherwise, the neighbourhood plan becomes part of the Maidstone Development Plan.

³ Regulation 30 of the Neighbourhood Planning (General) Regulations 2012

2.13 It is also of note that through the Levelling-Up and Regeneration Bill (that is in its early stages of passage through the Houses of Parliament and Lords) that the Government is proposing a raft of further changes to Neighbourhood Planning. Officers will monitor the passage of the Bill including future Royal Assent and any subsequent secondary legislation which will require further amendments to the protocol. Officers will report these to this Committee and the Executive as and when the need arises.

3. AVAILABLE OPTIONS

- 3.1 Option A: That the changes to the updated Neighbourhood Planning Protocol (1) Post Coronavirus pandemic, 2) Modifications to Neighbourhood Plans and 3) Executive decision making process) are not approved by the Executive. The protocol would not then align with how Neighbourhood Planning is carried out in practice, nor will it be in alignment with the Statement of Community Involvement. This option would diminish the value of the protocol.
- 3.2 Option B: That some of the changes to the updated Neighbourhood Planning Protocol (either 1) Post Coronavirus pandemic or 2) Modifications to Neighbourhood Plans or 3) Executive decision making process) are approved by the Executive. The protocol would not then align with how Neighbourhood Planning is carried out in practice, nor will it be in alignment with the Statement of Community Involvement. This option would diminish the value of the protocol.
- 3.3 Option C: That the changes to the updated Neighbourhood Planning Protocol (1) Post Coronavirus pandemic, 2) Modifications to Neighbourhood Plans and 3) Executive decision making process) are approved by the Executive. The protocol would align with how Neighbourhood Planning is carried out in practice and it will be in alignment with the Statement of Community Involvement.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred option is Option C. Statutory requirements for neighbourhood plan making will prevail if there is a conflict with the Council's neighbourhood planning protocol. The protocol makes clear who is responsible for the detailed actions at various stages of the neighbourhood planning process and confirms relevant decision making authority and the expected outcomes from each stage of the process. The protocol provides consistency of approach and helps to manage the expectations of those groups preparing plans. It is a valuable tool for Councillors, officers, parish councils and neighbourhood forums when plans are in preparation.
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5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework (paragraph 4.1). Officers are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the policy.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 This issue was considered by the Planning and Infrastructure Policy Advisory Committee on 5 July 2022 and the Committee supported the recommendation of the report.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 If agreed the response provided as Appendix 1 will be presented to the Executive and then, if approved, the Protocol will be uploaded to the Council's website.
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8. REPORT APPENDICES

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

- Appendix 1: Neighbourhood Planning Protocol
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9. BACKGROUND PAPERS

None.

APPENDIX 1: NEIGHBOURHOOD PLANNING PROTOCOL

The neighbourhood planning protocol has been prepared in accordance with the regulatory stages of The Neighbourhood Planning (General) Regulations 2012 (as amended) and refers to The Neighbourhood Planning (Referendums) Regulations 2012 (as amended). **The protocol aligns with the Maidstone Statement of Community Involvement (SCI) and, in response to government guidance on the neighbourhood planning process during the coronavirus pandemic, the Council has adopted an addendum to the SCI. The neighbourhood planning protocol will comply with the SCI addendum, which predominantly affects the availability of material at inspection points.**

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
General		In addition to the support and assistance given to parish councils and neighbourhood forums, as set out in MBC's Statement of Community Involvement: <ol style="list-style-type: none"> 1. Meetings with parish councils or neighbourhood forums, where appropriate. 2. If requested by parish councils or neighbourhood forums, submission of informal general comments on pre-Regulation 14 and pre-Regulation 15 draft neighbourhood plans. 	MBC Strategic Planning Team	N/A	Neighbourhood plans meet statutory requirements and move forward to successful examination and referendum.
Neighbourhood area application made by a parish council where the area follows the parish boundary	5, 5A and 7	<ol style="list-style-type: none"> 1. Check the application meets statutory requirements and that the proposed area does not conflict with other designated areas. 2. Acknowledge receipt of the application. 3. Prepare a delegated report. 4. Notify the local and adjacent parish councils, neighbourhood forums and ward councillors of the decision (by email). 5. Publish details on the MBC website. 6. Place a public notice in the local newspaper. 	MBC Strategic Planning Team	Delegated authority is given to the Head of Planning and Development.	Publicity requirements are met, and the neighbourhood area is designated.
Neighbourhood forum application made by a qualifying body (e.g. Residents	8, 9, 9A and 10	<ol style="list-style-type: none"> 1. Check the application meets statutory requirements. 2. Acknowledge receipt of the application. 3. Arrange local consultation to run for a minimum 6 weeks: <ol style="list-style-type: none"> a) Notify the local and adjacent parish councils, 	<u>Tasks 1-3 and 5-9</u> MBC Strategic Planning Team	Delegated authority is given to the Head of Planning and Development.	Consultation and publicity requirements are met, and the neighbourhood forum

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
Association)		<p>neighbourhood forums and ward councillors of the consultation (by email)</p> <p>b) Publish details on the MBC website (to include a statement that no other body may be designated for the same neighbourhood area)</p> <p>c) Place a public notice in the local newspaper (to include a statement that no other body may be designated for the same neighbourhood area).</p> <p>4. The neighbourhood forum to publicise the consultation through its website and other means such as posters, meetings and newsletters.</p> <p>5. Manage representations received, and acknowledge receipt.</p> <p>6. Prepare a delegated report – a decision must be made with 13 weeks of the start of consultation.</p> <p>7. Notify the local and adjacent parish councils, neighbourhood forums and ward councillors of the decision (by email).</p> <p>8. Notify those who submitted representations of the decision.</p> <p>9. Publish details on the MBC website.</p>	<u>Task 4</u> Neighbourhood Forum		<p>is designated.</p> <p>Or</p> <p>Consultation, publicity and notification requirements are met, and the neighbourhood forum application is refused.</p> <p>Note: Designation of a neighbourhood forum expires after five years and the appropriate body must re-submit an application.</p>
Neighbourhood area application made by a parish council or neighbourhood forum where the area does not follow the parish boundary	5, 6, 6A and 7	<p>1. Check the application meets statutory requirements.</p> <p>2. Acknowledge receipt of the application.</p> <p>3. Arrange local consultation to run for a minimum 6 weeks:</p> <p>a) Notify the local and adjacent parish councils, neighbourhood forums and ward councillors of the consultation (by email)</p> <p>b) Publish details on the MBC website</p> <p>c) Place a public notice in the local newspaper.</p> <p>4. The parish council or neighbourhood forum to publicise the consultation through its website and other means such as posters, meetings and newsletters.</p> <p>5. Manage representations received, and acknowledge receipt.</p>	<p><u>Tasks 1-3 and 5-9</u> MBC Strategic Planning Team</p> <p><u>Task 4</u> Parish Council or Neighbourhood Forum</p>	Delegated authority is given to the Head of Planning and Development	<p>Consultation, publicity and notification requirements are met, and the neighbourhood area is designated.</p> <p>Or</p> <p>Consultation, publicity and notification requirements are met,</p>

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
		6. Prepare a delegated report – a decision must be made with 13 weeks of the start of consultation. 7. Notify the local and adjacent parish councils and ward councillors of the decision (by email). 8. Notify those who submitted representations of the decision. 9. Publish details on the MBC website.			and the neighbourhood area application is refused.
Consultation on a pre-submission draft neighbourhood plan or modification proposal	14	<p><u>Pre-Consultation on a pre-submission draft neighbourhood plan or modification proposal</u></p> <ol style="list-style-type: none"> 1. <u>Prior to consultation on a pre-submission draft neighbourhood plan or modification proposal, the Parish Council or Neighbourhood Forum to submit a draft plan or modification proposal.</u> 2. <u>MBC to prepare an SEA/HRA¹ Screening Report. Forward the Screening Report and draft neighbourhood plan to Historic England, Natural England and the Environment Agency for their views. The bodies have 5 weeks to respond. Update the Screening Report and forward to the parish council or neighbourhood forum (refer to Annex A).</u> 3. <u>If an SEA/HRA is required, the parish council or neighbourhood forum is responsible for preparing a Scoping Opinion and an SEA/HRA prior to the formal submission of its plan to MBC.</u> <p><u>Consultation on a pre-submission draft neighbourhood plan or modification proposal: At this stage Maidstone Borough</u></p>	<p><u>Tasks 1 and 4 5, 5 & 6</u> MBC Strategic Planning Team</p> <p><u>Tasks 1, 3, 4 & 7-3</u> Parish Council or Neighbourhood Forum</p>	Delegated authority is given to the Head of Planning and Development	Submission draft neighbourhood plan or modification proposal and, if required, an SEA/HRA.

¹ [Strategic environmental assessment/habitats regulations assessment](#)

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
		<p>Council is a consultee</p> <p>1. Upon receipt of the draft plan or modification proposal, prepare an SEA/HRA² Screening Report. Forward the Screening Report and draft neighbourhood plan to Historic England, Natural England and the Environment Agency for their views. The bodies have 5 weeks to respond. Update the Screening Report and forward to the parish council or neighbourhood forum.</p> <p>2. If an SEA/HRA is required, the parish council or neighbourhood forum is responsible for preparing a Scoping Opinion and an SEA/HRA prior to the formal submission of its plan to MBC.</p> <p><u>3.4.</u> The parish council or neighbourhood forum to undertake a minimum 6-week local consultation exercise on the draft plan or modification proposal, in accordance with regulatory requirements, and to publicise the consultation through its website and other means such as posters, meetings and newsletters.</p> <p><u>4.5.</u> Update the MBC website.</p> <p><u>6.</u> Assess whether the neighbourhood plan or modification proposal conforms to national and local planning policies, and provide written representations to the consultation.</p> <p><u>5.7.</u> <u>If a modification is proposed, then the Neighbourhood Planning Groups needs to state whether they believe that the modifications are so significant or substantial as to change the nature of the plan and give reasons.</u></p>			

² ~~Strategic environmental assessment/habitats regulations assessment~~

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
Submission of a draft neighbourhood plan or modification proposal to MBC	15	<ol style="list-style-type: none"> 1. Acknowledge receipt of submitted documents, i.e. neighbourhood plan or modification proposal with a map of the neighbourhood area, basic conditions statement, consultation statement, and an environmental report (SEA/HRA) or a statement explaining why this is not required (refer to Annex A). In the case of a modification proposal, a statement as to why the modification proposal is so significant or substantial as to change the nature of the neighbourhood plan must form part of the submission. 2. Check that statutory requirements were met at Regulation 14 consultation stage (including consultation with statutory consultees) and at Regulation 15 submission stage. 3. A significant change to a neighbourhood plan between Regulations 14 and 15 that results in a 'likely significant effect' on the environment will require an amended SEA/HRA Screening Report and re-consultation with Historic England, Natural England and the Environment Agency. The bodies have 5 weeks to respond. Forward the final Screening Report to the parish council or neighbourhood forum. (Note: Where an SEA/HRA has been prepared, it is the responsibility of the parish council or neighbourhood forum to re-consult the bodies if there has been a significant change that results in a further 'likely significant effect' on the environment). Refer to Annex A 4. Agree suitable consultation dates with the parish council or neighbourhood forum, and prepare for public consultation 	<p>All Tasks MBC Strategic Planning Team</p> <p>Task 1 Parish Council or Neighbourhood Forum</p>	Appointment of Examiner from NPIERS/IPE in accordance with signed procurement waiver.	Draft neighbourhood plan or modification proposal with supporting documentation is ready for consultation and examination.

Plan stage	Regulatory stage	Tasks	Responsibility	Committee-Member decision/ delegated authority	Outcome
		<p>(refer to Annex AB).</p> <p>5. Contact NPIERS/IPE³ and request candidates for the Examiner, and agree a preferred Examiner with the parish council or neighbourhood forum.</p> <p>6. Appoint the Examiner.</p>			
Consultation on a submission draft neighbourhood plan or modification proposal	16	<p>1. Arrange local consultation to run for a minimum 6 weeks:</p> <p>a) Publicise documents on the MBC website (refer to Annex AB).</p> <p>b) Notify the local and adjacent parish councils, neighbourhood forums and ward councillors of the consultation (by email)</p> <p>c) Notify the consultation bodies referred to in the Regulation 15 consultation statement</p> <p>d) Place a public notice in the local newspaper</p> <p>e) Press release (optional).</p> <p>2. The parish council or neighbourhood forum to publicise the consultation through its website.</p> <p>3. Manage the representations received by email or post, and acknowledge receipt.</p> <p>4. Prepare SPI-CommitteePI PAC/Executive report seeking approval of MBC's response to the Regulation 16 consultation.</p>	<p><u>Tasks 1 and 3-4</u> MBC Strategic Planning Team</p> <p><u>Task 2</u> Parish Council or Neighbourhood Forum</p>	<p>SPI CommitteeExecutive decision</p> <p>(The Head of Planning and Development has elected not to use his delegated authority at Regulation 16 because it is important that the Committee-Executive has the opportunity to have input into a document that becomes part of the Maidstone Development Plan).</p>	<p>Consultation, publicity and notification requirements are met.</p> <p>MBC's formal representations on the draft neighbourhood plan or modification proposal are submitted.</p> <p>The draft neighbourhood plan or modification proposal with supporting documentation is ready for examination.</p>
Submission of a draft neighbourhood plan or modification	17	<p>1. Send the following documents prepared by the parish council or neighbourhood forum to the Examiner:</p> <p>a) Neighbourhood plan or modification proposal with a map</p>	MBC Strategic Planning Team	N/A	Completion of the examination.

³ Neighbourhood Planning Independent Examiner Referral Service (NPIERS)/Intelligent Plans and Examinations (IPE)

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
proposal for Examination		<p>of the neighbourhood area</p> <p>b) Basic conditions statement</p> <p>c) Consultation statement</p> <p>d) An environmental report (SEA/HRA) or a statement explaining why this is not required</p> <p>e) In the case of a modification proposal, <u>two a-statements are prepared independently by both the LPA and the NPG</u> as to why the modification proposal is so significant or substantial as to change the nature of the neighbourhood plan</p> <p>f) Copies of the representations submitted during Regulation 16 consultation.</p> <p><u>2.</u> Liaise as required with the Examiner and the parish council or neighbourhood forum.</p> <p>a. <u>Where a modification is proposed the qualifying body must decide whether to proceed with the examination after the examiner has decided whether the modifications proposed change the nature of the plan.</u></p> <p><u>2.3.</u> If a Fact Check report is produced by the Examiner, arrange for checking with the parish council or neighbourhood forum to enable submission of a joint response.</p>			<p>Receipt of the Examiner's report.</p> <p>Note: Neighbourhood plan examinations are usually dealt with by written representations, but the Examiner may arrange a Hearing where plans or the issues arising from representations are complex.</p>

Plan stage	Regulatory stage	Tasks	Responsibility	Committee-Member decision/ delegated authority	Outcome
MBC decision on an Examiner's recommendations	17A	<p>1. On receipt of the Examiner's final report, prepare SPI Committee PI PAC/Executive report recommending the course of action to be taken (accept report / decline report / accept and make modifications).</p> <p>2. If SPI Committee Executive accepts the Examiner's recommendations (with or without modifications) to hold a referendum, then the next step is to arrange the referendum.</p> <p>a. <u>Where a modification is proposed that would not change the nature of the plan (and the examiner finds that the proposal meets the basic conditions or would with further modifications) a referendum is not required. Executive accepts the examiners recommendation and proceeds to Regulation 19.</u></p> <p>2.3. If SPI Committee Executive accepts the Examiner's recommendation that a neighbourhood plan or modification proposal does not pass examination, the plan will not proceed to referendum.</p> <p>3.4. If SPI Committee Executive declines to accept the Examiner's recommendations, then MBC must undertake a 6-week consultation on its decision⁴ in accordance with the provisions of Regulation 17A.</p> <p>4.5. Prepare a decision statement within 5 weeks of receipt of the Examiner's report, or by a later date agreed in writing with the parish council or neighbourhood forum.</p>	MBC Strategic Planning Team	<p>SPI Committee Executive decision</p> <p>(The Head of Planning and Development has elected not to use his delegated authority at Regulation 17A because it is important that the Committee-Executive has the opportunity to have input into a document that becomes part of the Maidstone Development Plan).</p>	<p>MBC decision to accept (with or without modifications) or decline to accept the Examiner's report.</p> <p>Note: 'post-examination draft neighbourhood plan' (as modified by the Examiner) becomes a significant material consideration in decisions on planning applications, but will receive full weight post a successful referendum. Note: Following a decision to move a plan to referendum, the 'post-examination draft neighbourhood plan' (as modified by the Examiner) gains more weight as a material</p>

⁴ This is not a full consultation – it includes the parish council or neighbourhood forum, those who submitted representations at Regulation 16 stage, and statutory consultees included in the Regulation 15 consultation statement

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
					<u>consideration in decisions on planning applications.</u>
Publication of the Examiner's report and MBC's decision statement on whether to proceed to referendum	18	<ol style="list-style-type: none"> 1. Publish the Examiner's report and MBC's decision statement on the MBC website. 2. Notify the parish council or neighbourhood forum of the outcome (by email). 3. If, following a successful examination, the Examiner's recommendations (with or without modifications) have been agreed by SPI Committee<u>Executive</u>, organise the referendum (refer to Annex BC). 	<u>Tasks 1-3</u> MBC Strategic Planning Team, liaising with MBC Electoral Services Team for task 3	N/A	<p>The draft neighbourhood plan or modification proposal with supporting documentation is ready for referendum.</p> <p>Note: Where a decision statement detailing an intention to send a neighbourhood plan to referendum has been issued, that plan can be given significant</p>

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
					weight in decision-making, so far as the plan is material to the application (PPG change in response to the coronavirus pandemic)
Prescribed dates for making a neighbourhood plan	18A	<ol style="list-style-type: none"> MBC's decision on the Examiner's report (together with any minor modifications proposed by MBC and agreed with the parish council or neighbourhood forum) must be made within 5 weeks of receipt of the report, or a later date agreed in writing with the parish council or neighbourhood forum. Following a successful referendum, the neighbourhood plan must be made (i.e. adopted by Full Council) within 8 weeks of the date of referendum. 	MBC Strategic Planning Team	N/A	Prescribed dates for making a neighbourhood plan are met.
Referendum	Separate regulations	Hold referendum (refer to Annex B).	MBC Electoral Services Team	N/A	<p>Completion of referendum.</p> <p>Note: Following a successful referendum, unless material considerations indicate otherwise, the neighbourhood plan becomes part of the Maidstone Development Plan.</p>

Plan stage	Regulatory stage	Tasks	Responsibility	Committee Member decision/ delegated authority	Outcome
Decision to make a neighbourhood plan	19	<ol style="list-style-type: none"> Following an unsuccessful referendum ('NO' result), prepare a statement and publish on the MBC website. Prepare SPI Committee <u>PI PAC/Executive</u> report for information. Following a successful referendum, prepare SPI Committee <u>PI PAC/Executive</u> report with a recommendation that Full Council makes the neighbourhood plan. The plan must be made within 8 weeks of the referendum date. Publish MBC's decision statement on the MBC website, together with details of where the decision statement may be inspected. Notify the parish council or neighbourhood forum of the decision (by email). Notify persons who asked to be notified of the decision. 	MBC Strategic Planning Team	SPI Committee <u>Executive</u> decision. Full Council decision to make a neighbourhood plan	Decision to make, or otherwise, a neighbourhood plan. Publicity and notification requirements are met.
Publicising the making of a neighbourhood plan	20	<ol style="list-style-type: none"> Publish the neighbourhood plan on the MBC website, together with details of where the plan may be inspected. Notify the parish council or neighbourhood forum (by email). Notify persons who asked to be notified of the making of the neighbourhood plan. Place a public notice in the local newspaper. 	MBC Strategic Planning Team	N/A	Publicity requirements are met.
<u>Publishing a modification</u>	<u>30</u>	<ol style="list-style-type: none"> <u>Publish the modified neighbourhood plan on the MBC website, together with details of where the plan may be inspected.</u> <u>Notify the parish council or neighbourhood forum of the decision (by email).</u> <u>Notify persons who asked to be notified of the making of the neighbourhood plan that it has been modified.</u> <u>Place a public notice in the local newspaper.</u> 	<u>MBC Strategic Planning Team</u>	<u>N/A</u>	<u>Publicity requirements are met.</u>

| ~~7 July 2020~~ 7 July 2022

154

Annex A: SEA/HRA process

1. Upon receipt of a draft plan or modification proposal prior to Regulation 14, MBC to prepare an SEA/HRA Screening Report to determine whether the neighbourhood plan is likely to have significant environmental effects.
2. Forward the Screening Report and draft neighbourhood plan to Historic England, Natural England and the Environment Agency for their views. **The bodies have 5 weeks to respond.**
3. Update the Screening Report and forward to the parish council or neighbourhood forum
4. If an SEA/HRA is **required**, the parish council or neighbourhood forum is responsible for preparing a Scoping Opinion and an SEA/HRA prior to the formal submission of its plan to MBC.
 - a. Identify other relevant policies, plans and programmes, and sustainability objectives
 - b. Collect baseline information
 - c. Identify sustainability issues and problems
 - d. Develop the strategic environmental assessment framework
 - e. Consult Historic England, Natural England and the Environment Agency on the scope
 - f. Test the neighbourhood plan objectives against the strategic environmental assessment framework
 - g. Develop the neighbourhood plan options including reasonable alternatives
 - h. Evaluate the likely effects of the neighbourhood plan and alternatives
 - i. Consider ways of mitigating adverse effects and maximising beneficial effects
 - j. Propose measures to monitor the significant effects of implementing the neighbourhood plan
 - k. Prepare the environmental report
5. If an SEA/HRA is **not required**, the parish council or neighbourhood forum is responsible for preparing a statement setting out why an SEA/HRA is not required prior to formal submission of its plan to MBC.
6. Regulation 14 to take place and include consultation on the environmental report
7. Parish council or neighbourhood forum to submit their submission neighbourhood plan to MBC (Regulation 15).
8. A significant change to a neighbourhood plan between Regulations 14 and 15 that results in a 'likely significant effect' on the environment will require an amended SEA/HRA Screening Report and re-consultation with Historic England, Natural England and the Environment Agency. **The bodies have 5 weeks to respond.** Forward the final Screening Report to the parish council or neighbourhood forum. (Note: Where an SEA/HRA has been prepared, it is the responsibility of the parish council or neighbourhood forum to re-consult the bodies if there has been a significant change that results in a further 'likely significant effect' on the environment).
9. Formal submission is confirmed by MBC.

Annex BA: Regulation 16 Consultation Tasks

1. Agree dates for the consultation with the parish council or neighbourhood forum (**min 6 weeks excluding bank holidays**).
2. Agree local deposit points for the documents to be viewed during the consultation (at least 1, preferably 2).

3. Ensure there is a meeting of [SPI Committee/PAC/Executive](#) within the consultation window to allow for an MBC response to be approved.
4. Set up the consultation event and upload the neighbourhood plan and supporting documents to the website.
5. Draft a public notice with dates, information on deposit points and how to comment.
6. Send public notice to Kent Messenger **by the previous Friday before the start of the consultation** to book a space; raise and send a Purchase Order.
7. Use the public notice text to draft a media release and send to Communications for finessing and sending out (optional).
8. Identify all neighbouring wards, parishes and forums (both inside and outside the borough).
9. Draft an email to local and neighbouring ward councillors and parishes/forums advising of the consultation (again use the public notice text). Send out on the **day before the consultation starts**.
10. Liaise with the parish council or neighbourhood forum in producing publicity posters, if required, and request that the neighbourhood plan and supporting documents are uploaded to the qualifying body's website together with consultation details.
11. Arrange the printing and delivery of a copy of the neighbourhood plan and relevant supporting documents for every deposit point. **Make sure these are in place before the start of the consultation.**
12. Advise The Link / Customer Services of the start of the consultation.
13. Update the Neighbourhood Plan web pages.
14. Create a written notification for postal consultees and arrange a mail merge via the print room (if required) including the posting out of the notifications **on the Monday before the consultation.**
15. Write, circulate and publish an [SPI Committee/PAC/Executive](#) report, seeking approval of MBC's formal representation to the consultation. Follow the standard processes in Modern.Gov and the Committee Services timetabling protocols.

Annex CB: Referendum Planning

1. Liaise with Electoral Services team.
2. Ensure approval to hold the referendum is in place, i.e. the referral period for a Committee decision has closed.
3. Provide a copy of the neighbourhood plan area as designated.
4. Referendums should ideally be held on a Thursday.
5. There is a **minimum 'referendum period' of 28 working days**, when specified documents and an information statement for the referendum must be published on the website and made available for public inspection. The referendum period cannot commence before a decision to move to referendum is made by [SPI Committee/PAC/Executive](#) and, in accordance with the Council's Constitution, the referral period for a Committee decision has closed.
6. A detailed timetable will be provided by the Electoral Services team, in consultation with the Strategic Planning team and the parish council or neighbourhood forum.
7. Assistance from the Strategic Planning team will be required to complete the 'Information for Voters' and the 'Information Statement'.

EXECUTIVE

27 July 2022

Property Acquisition for the 1,000 Affordable Homes Programme

Timetable	
Meeting	Date
Corporate Services Policy Advisory Committee	13 July 2022
Corporate Services Executive	27 July 2022

Will this be a Key Decision?	Yes
Urgency	28 days' notice has not been given of a private item. However, the Overview and Scrutiny Chairman has given approval for this requirement to be waived as the decision is time sensitive.
Final Decision-Maker	Executive
Lead Head of Service	William Cornall, Director of Regeneration and Place
Lead Officer and Report Author	Shanaz Begum, Interim Acquisitions Consultant
Classification	<p>Public Report</p> <p>Appendix 1 & 2 Private – The information contained within the report has been considered exempt under the following paragraph of Part 1 of schedule 12A to the Local Government Act 1972: -</p> <p>3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p>
Wards affected	North Ward

Executive Summary

The development strategy to deliver 1,000 new affordable homes was agreed by the Policy and Resources Committee on 19th January 2022. As part of the agreed strategy, there is an expectation that 50% of affordable homes delivered will be from non-council owned urban brownfield sites.

To support this programme an opportunity has arisen to purchase a site with planning consent for 28 apartments in Maidstone.

Once built, the apartments will be let at Affordable Rent, with rents set at 80% of prevailing market rent, but capped at Local Housing Allowance.

The Executive is being asked to approve the purchase of the proposed acquisition. An offer for the Freehold acquisition has been accepted by the developer (Subject to Committee Approval, Grant Receipt, RICS valuation, Site Survey and satisfactory contract).

Purpose of Report

Decision

This report makes the following recommendations to the Executive:

1. That the financial returns for the proposed acquisition as shown in Appendix 1, which is part 2 of the report, which support the Housing Development and Regeneration Investment Plan and the overall Development Strategy, are approved.
2. That the site acquisition be approved in line with 2.6 of the report.
3. That the Director of Finance and Business Improvement is granted delegated authority to:
 - 3.1 negotiate terms for the purchase of the proposed acquisition for the sum as referred to in the Part 2 report, 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. That the Head of Mid Kent Legal Services is 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 & Business Improvement.
5. Post completion of the procurement process to appoint a contractor to bring forward for approval a detailed project delivery and investment plan (prior to the development itself commencing).

Property Acquisition for the 1,000 Affordable Homes programme

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p>Impact on Corporate Priorities</p>	<p>The purchase of the homes described in this report supports the Councils Development Strategic plan in building 1,000 Affordable Homes, within the agreed capital spend of 200m.</p> <p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>The report recommendations support all four of these.</p>	<p>Director of Regeneration and Place</p>
<p>Cross Cutting Objectives</p>	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendations support the achievement of the Deprivation and Social Mobility is improved cross cutting objective by delivering a high-quality development of affordable homes, close to the town centre and in an area in need of regeneration.</p>	<p>Andrew Connors Housing Delivery manager</p>

Risk Management	Refer to paragraph 5 of the report.	Director of Regeneration and Place
Financial	<ul style="list-style-type: none"> The cost of acquiring the site as described in this report will be met from the 1,000 Affordable Homes capital budget agreed by the Council on 23rd February 2022. The projected return from the investment meets the criteria set out in the Councils capital strategy. A financial summary is provided in Exempt Appendix 1. 	Senior Finance Manager (Client)
Staffing	<ul style="list-style-type: none"> We will deliver the recommendations with our current staffing. However, we will employ external Employers Agent consultants to help facilitate and oversee the redevelopment works with the appointed contractor. 	Director of Regeneration & Place
Legal	<ul style="list-style-type: none"> Acting on the recommendations is within the Council's powers as set out at Sec .111 and Sec.120 (1)(1) of the Local Government Act 1972 and Sec.1 of the Localism Act 2011 	Senior Lawyer (Property and Regeneration)
Information Governance	<ul style="list-style-type: none"> The recommendations will impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes. The Information Governance Team will/have reviewed the processing of personal data affected and the associated documentation has been/will be updated accordingly, including a data protection impact assessment. 	Information Governance Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities & Communities Officer
Public Health	<ul style="list-style-type: none"> We recognise that the recommendations will have a positive 	[Public Health Officer]

	impact on population health or that of individuals.	
Crime and Disorder	No implications	Director of Regeneration & Place
Procurement	<ul style="list-style-type: none"> On accepting the recommendations, the Council will then follow procurement exercises for appointments of the necessary professionals, to complete delivery of the scheme. We will complete those exercises in line with financial procedure rules. 	Director of Regeneration & Place
Biodiversity and Climate Change	<p>The implications of this report on biodiversity and climate change have been considered and are.</p> <ul style="list-style-type: none"> There are no implications on biodiversity and climate change. 	Director of Regeneration & Place

2. INTRODUCTION AND BACKGROUND

- 2.1 A planning application has been submitted by the vendor, and the decision is pending, to build 28 apartments, together with associated parking and cycle storage. The site lies within the urban boundary of Maidstone.
- 2.2 The site is near to Maidstone Town Centre. One of the mainline train stations are within close proximity. The site is well placed for transport links and easily accessible by road and public transport. Residents will have good access to the rest of Kent and London by road and public transport. There are bus stops with regular services connecting the site with the town centre.
- 2.3 The proposed acquisition will deliver 28 apartments in total comprising of 1 and 2 bed apartments. The planning site layout for this development is shown in Exempt Appendix 2.
- 2.4 The development will be delivered as 100% affordable housing, comprising of 18 one bed and 10 two bed apartments, with lift access over 4 floors. There are 14 car parking spaces and cycle storage. The scheme has been designed to national space standards. The homes will be built to MBC standard specification for Affordable Rent.
- 2.5 The Councils offer for the proposed acquisition for the freehold of the site, has been accepted (subject to committee approval, satisfactory contract, grant receipts, surveys and RIC's Valuation). The offer was based on valuation provided by local surveyors on Values and Market rents.

- 2.6 A full schedule of accommodation along with the estimated market rent per unit, per calendar month (PCM) and subsequent total gross market rent per unit, per annum, is summarised below:

Accommodation	No	Unit size sq./ft	Market rent per unit (PCM)	Total Gross rent per unit (PA) capped at LHA rates
1bed 2p flat	18	538	£900	£8,060.76
2bed 3p flat	3	710	£1075	£8,810.59
2bed 4p flat	4	753	£1075	£8,810.59
2bed 4p flat	3	861	£1100	£8,810.59
Total	28			

- 2.7 All affordable housing will be let as Affordable Rented Homes with rents set at 80% of market rent but capped at the local housing allowance as shown in table above. The homes will be let for Affordable Rented Housing to households on the Councils Housing register in accordance with allocations scheme policy.
- 2.8 The site is within a resident parking zone N, where residents can apply for parking permits, however there are no resident parking bays on Granville Road, and so parking under the resident parking scheme will be displaced during operational hours (8am to 6.30pm) to other residential roads in the area which are already at capacity. Due to the nature of the road (mostly commercial) there are no restrictions to parking in Granville Road. due to the nature of the road. Applicants for the properties will apply via the Kent home choice scheme for properties which will have been advertised with relevant information including parking provision so applicants will have the choice as to bid for properties suitable for their needs. There is also anticipated to be demand from applicants on the housing waiting list who would take a home without requiring a parking space. Relevant information regarding parking will be provided and enforced within the tenancy agreement.
- 2.9 Procurement options for contractor to build out the scheme are to be agreed with the Procurement Team.
- 2.10 An Employers Agent will be appointed to act on behalf of the Council, to administer the contracts, including checking progress and quality of works on site, validating and certifying payments and monitoring compliance with the Councils requirements.

Financial Returns and Commitments

- 2.11 The total Gross Rent for the Scheme and subsequent total Net rent for the scheme after the deduction of allowance (before inflation and interest) is £219,570 and £190,347 respectively. The Part 2 Appendix 1 shows the relevant scheme financial summary.
- 2.12 The overall returns are reasonable, especially in terms of affordable housing. However, the costs ratio is significantly above the required level mainly due to the unprecedented increase in build costs seen recently in the Southeast.
- 2.13 It is proposed that part of the Total Scheme Cost will be funded by MBC applying for grant from Homes England as part of the Continuous Market Engagement bid process for the Affordable Homes programme 2021 -2026. The remainder of the estimated Total Scheme Cost would be funded from the existing approved capital programme to support the delivery of affordable housing.
- 2.14 The acquisition is financially viable and meets the Councils minimum internal financial parameters. It will provide much needed affordable homes in the area.
- 2.15 These properties will be managed by MBC Housing Management Team, which is within the Housing and Community Services Department. The team will be responsible for all tenant contacts including repairs, voids, maintenance compliance and rent management.
- 2.17 Timescales: -

Acquisition Completion	09/2022
Procurement of Consultant EA	09/2022
Procurement of Contractor	12/2022
Start on site	02/2023
Practical Completion	07/2024

3. AVAILABLE OPTIONS

- 3.1 **Option 1:** The Executive approves the purchase of the proposed acquisition subject to it gaining full planning consent on the agreed terms and procures the Employers Agent and Contractor to help deliver the scheme. This site when built would assist with housing provision for single persons and families in need of affordable housing and contributing towards delivering the Development Strategy of 1,000 affordable homes.
- 3.2 **Option 2:** The Executive could choose not to approve the purchase of the proposed acquisition. The Council would however lose an excellent opportunity to purchase a site with full planning permission close to the

town centre, public transport, local amenities to add to its affordable housing stock. It will assist towards much needed accommodation in the Borough and contribute towards the Council Targets of 1,000 Affordable Homes.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 **Option 1** is the recommended option. A significant amount of work and negotiation has been completed by officers to reach this accepted offer stage with the developer. The scheme has full planning consent on purchase and represents a good investment opportunity which supports the 1,000 Affordable Homes Development Strategy. It also offers the opportunity to work with this developer who has several other small sites in the area, that could yield more opportunities in the near future.

5. RISK

- 5.1 The risks associated with this proposal is the increase in build costs since the start of the pandemic. Due to supply chains and shortage of labour construction costs have risen. The BCIS which provides cost and price data for the UK construction Industry, is forecasting with the initial rise in January, prices will ease off slightly. Initial costings have been provided by Pelling's based on similar schemes. The scheme is of a size to attract the smaller contractors, who will have less overheads and can be competitive with pricing.
- 5.2 Officers will continue to monitor the viability, as build costs remain turbulent. Therefore, post-acquisition, officers will monitor local rental values and demand. Upon completion of the procurement process to appoint a contractor, officers will bring forward for approval to this Committee a detailed project delivery and investment plan (prior to the development itself commencing).
- 5.3 The appraisal has assumed some subsidy from Homes England. The housing will be 100% affordable rent on site, with no restrictions in planning consent and we will be seeking Homes England grant. The chances of securing such grant funding are much improved by MBC having acquired the site with secured Full Planning Consent. Were the grant not forthcoming, the homes could be provided for PRS housing through Maidstone Property Holdings Limited, so this risk can be mitigated.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Previous committee feedback has expressed the desire for MBC to acquire potential housing led sites within the Maidstone borough to deliver housing for social housing purposes for the benefit of the local community. This proposal achieves that intention.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The next steps, subject to the decision made by the Executive, will be to secure the site with exchange and completion of contracts on the terms as agreed by the Director of Finance and Business Improvement, subject to RICS valuation, site survey, satisfactory contract and receipt of grant subsidy from Homes England. Alongside the acquisition, officers will work on procuring a suitable Employers Agent and contractor within a deliverable price and will return to Committee with recommendation for the Contractor to be appointed and confirmed costs for build.
- 7.2 The Head of Mid Kent Legal Services will also be authorised to instruct/appoint the Solicitors to complete the necessary contract documentation, deeds and contracts associated with the purchase.

8. BACKGROUND PAPERS

None

9. Appendices

Appendix 1 – Extract from Part I Minutes of the Corporate Services Policy Advisory Committee held on 13 July 2022

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 13 JULY 2022

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

Lead Councillor Perry (Lead Member for Corporate Services)

Members: Councillor S Webb (Lead Member for Housing and Health)

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 decide 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.

Agenda Item 23

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

Document is Restricted

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of the Local Government Act 1972.

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