

CORPORATE SERVICES POLICY ADVISORY COMMITTEE MEETING

Date: Wednesday 11 October 2023
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Bartlett (Chairman), Cannon, Conyard, Cooke, Mrs Gooch (Vice-Chairman), Harper, Hinder, S Thompson and 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

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| 7. To consider whether any items should be taken in private because of the possible disclosure of exempt information | |
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INFORMATION FOR THE PUBLIC

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 4 p.m. one clear working day before the meeting (i.e. by 4 p.m. on Monday 9 October 2023). You will need to tell us which agenda item you wish to speak on.

If you require this information in an alternative format please contact us, call **01622 602899**.

To find out more about the work of the Committee, please visit the [Council's Website](#).

Issued on Tuesday 3 October 2023

Alison Broom

Alison Broom, Chief Executive

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON 12 JULY 2023

Present:

| | |
|---------------------------|---|
| Committee Members: | Councillor Bartlett (Chairman) and Councillors Cannon, Conyard, Mrs Gooch, Harper, Hinder, S Thompson and Webb |
| Cabinet Members: | Councillor Perry (Cabinet Member for Corporate Services) |
| Visiting Members: | Councillors Cox, Kimmance and Russell |

18. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Cooke.

19. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

20. URGENT ITEMS

The Chairman stated that he intended to take the following documents as urgent items to enable the report to be considered fully:

Appendices 1 and 2 to item 10 (Biodiversity and Climate Change Action Plan Update and Cost for Achieving Net Zero 2030) which were circulated on Friday 7 July 2023.

A Member expressed concern about the late circulation of these documents.

21. NOTIFICATION OF VISITING MEMBERS

Councillors Cox, Kimmance and Russell were present as Visiting Members for item 13 (Archbishops' Palace – Next Steps).

Councillor Cox was also present as a Visiting Member for items 10 (Biodiversity and Climate Change Action Plan Update and Cost for Achieving Net Zero 2030) and 12 (Medium-Term Financial Strategy 2024-2029).

22. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

23. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

24. EXEMPT INFORMATION

RESOLVED: That the public be excluded from the meeting should Members wish to discuss the information contained in the exempt Appendix to item 13 (Archbishop's Palace – Next Steps) because of the likely disclosure of exempt information for the reason specified having applied the Public Interest Test.

25. MINUTES OF THE MEETING HELD ON 14 JUNE 2023

RESOLVED: That the Minutes of the meeting held on 14 June 2023 be approved as a correct record and signed.

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

RESOLVED: That the Forward Plan relating to the Committee's Terms of Reference be noted.

27. BIODIVERSITY AND CLIMATE CHANGE ACTION PLAN UPDATE AND COST FOR ACHIEVING NET ZERO 2030

Prior to the introduction of the report, the Chairman advised the Committee that references to achieving net zero by 2023 for the Council's operations should be amended to read by 2030.

Councillor Perry, the Cabinet Member for Corporate Services, introduced the report on the implementation of the Biodiversity and Climate Change Action Plan explaining that:

- The report provided updates on the progress of actions, details of the Council's carbon footprint and the estimated costs of achieving net zero emissions by 2030 for the Council's own operations.
- The report suggested retrofitting specific buildings, gradual transition to electric vehicles, maximising solar energy generation and exploring off-setting options.
- A priority area was the decarbonisation of Council properties. The Public Sector Decarbonisation Scheme had been announced and could be a potential source of funding. The deadline for the receipt of bids was not known yet, but last year was in September. The Committee was asked to recommend to the Cabinet that delegated authority be given to the Biodiversity and Climate Change Manager to submit a bid to the Scheme for funding to facilitate decarbonisation of key Council properties.

During the discussion reference was made to the following, which the Cabinet Member/Officers undertook to consider:

- The need when conducting the Borough Climate Impact Assessment to address flooding issues in the urban part of the town as well as the parish areas.
- The need when reviewing the Council's non-operational land to assess the potential for enhancing biodiversity to quantify the area in order to add context.

- The need to encourage more flexible working to reduce the Council’s carbon footprint.
- The need to monitor and measure performance in delivery of the Action Plan and to see detailed costs and the updated Capital Programme, **to reflect the allocation of capital funding to support the plan. Further** Information was required about what had been achieved to date, costs and savings, how long it would take to complete the Action Plan at the current rate of progress, to what extent would increasing staff resources speed up delivery, the scope for efficiencies through Borough and County Council co-operation and the identification of priority items. This would inform the development of key performance indicators to measure progress against targets with RAG ratings.

Concerns were expressed about the **lack of** progress to date in achieving net zero for the Council’s operations by 2030 and **whether timescales should be brought forward, targets reduced or more resources applied. It** was suggested that consideration should be given to expediting selectively implementation of the Action Plan by, for example, prioritising actions under the Council’s control and which generate outcomes that facilitate the remainder.

RESOLVED to RECOMMEND to the CABINET:

1. That the Action Plan implementation updates and indicative costs of achieving net zero by 2030 for the Council’s operations be noted and that implementation of the Action Plan be expedited selectively.
2. That delegated authority be given to the Biodiversity and Climate Change Manager to submit a bid to the Public Sector Decarbonisation Scheme for funding to facilitate decarbonisation of key Council properties.

Note: Councillor Cannon entered the meeting during consideration of this item (6.50 p.m.).

28. CORPORATE PLANNING TIMETABLE

Councillor Perry, the Cabinet Member for Corporate Services, introduced the report recommending that the existing Strategic Plan be retained and that the proposed corporate planning timetable be approved. The Cabinet Member explained that the current Strategic Plan was adopted in 2018, updated in 2020 and refreshed again last year with an update to the areas of focus for 2023/28 for each priority. He did not consider that any changes were required at this stage. To develop a new Strategic Plan would have a substantially greater impact on resources which, in his opinion, was unnecessary at this stage.

In response to a question about resourcing a refresh or creation of a new Strategic Plan in future, the Director of Finance, Resources and Business Improvement explained that work on the original Strategic Plan was carried out mostly in-house, so if it was decided to make changes in 2024/25, the effect would be that other projects would not be given such priority.

RESOLVED to RECOMMEND to the CABINET: That the Strategic Plan not be reviewed in 2023/24 and that the corporate planning timetable set out at section 3.3 of the report of the Director of Strategy, Insight and Governance be approved.

29. MEDIUM-TERM FINANCIAL STRATEGY 2024 - 2029 - INITIAL SCOPING AND ASSUMPTIONS

Councillor Perry, the Cabinet Member for Corporate Services, introduced the report setting out the background to be considered and the proposed approach to development of an updated Medium-Term Financial Strategy for 2024/25 – 2028/29 and a budget for 2024/25.

The Cabinet Member explained that:

- Notwithstanding this period of financial uncertainty, the Council's balance sheet position remained strong. Given the financial uncertainty, for planning purposes, it was appropriate to model the impact of different scenarios on the Council. It was considered prudent at this stage to adopt Scenario 4 as it represented a combination of continued high inflation and tight constraints on the Council's revenue raising capacity. However, the other scenarios would be modelled, and the implications considered when developing the detailed Medium-Term Financial Strategy.
- The revenue outturn for 2022/23 was a small underspend against the budget. Overspends, most significantly on temporary accommodation for homeless families, were more than offset by underspends elsewhere. Nevertheless, for next year, a budget gap of just under £1m was projected assuming that Council Tax increases are maximised within the constraints of the referendum limit (currently 3%) and that overall other income would increase by 5%.
- The usual pattern was for the Government to announce the local government finance settlement just before Christmas, which did tend to delay the budget setting process, but this year it was proposed to start the process much earlier with information brought to the Policy Advisory Committees and the Cabinet in September.
- Unallocated reserves totalled around £11m which exceeded the £4m minimum. However, he believed that the level of reserves should be higher to keep the Council's finances in a strong position and that the reserves should not be used to support the revenue budget.
- The report also included details of the current five-year capital programme, but this could change as there were a number of risks; for example, in connection with property acquisition.
- To conclude, given the considerable uncertainty about the future, a prudent approach to budget setting was required.

During the discussion:

- Members welcomed the proposal to start the budget setting process earlier than usual this year.
- A Member sounded a note of caution about the projections going forward being inflated to suggest a worse financial position than would actually be the case at the end of the financial year.

- Reference was made to the need for analytical data to inform decisions on the savings required and income generation over the next few years; the need to maintain a good level of reserves; the need to build up the Housing Investment Fund to ensure that the necessary subsidy is available to enable the Council to achieve the targeted number of affordable homes; and the need to make provision in the Capital Programme for a completely refurbished Leisure Centre or a new build.
- Reference was also made to the implications of the previous decision to fund ongoing new revenue budget expenditure in 2023/24 from one-off sources, which created further pressure to deliver savings in future years.
- The Director of Finance, Resources and Business Improvement advised the Committee that the Capital Programme set out in Table 6 of the report was the current Capital Programme agreed by the Cabinet and Council in February 2023 so one would not expect to see any new provision for the Leisure Centre in that Table. A Member reiterated the need to make provision for the future of the Leisure Centre in the Capital Programme.
- The Cabinet Member and the Finance Team were thanked for their work on the Council's finances.

RESOLVED to RECOMMEND to the CABINET:

1. That the issues and risks associated with updating the Medium-Term Financial Strategy be noted.
2. That the assumptions described in the report for planning purposes and to establish the remit for detailed budget development, in particular the assumptions set out in paragraphs 2.21 (Council Tax increases), 2.30 (Fees and Charges) and 2.40 (Housing Investment Fund), be approved.
3. That the proposed approach outlined to development of an updated Medium-Term Financial Strategy for 2024/25 – 2028/29 and a budget for 2024/25 be approved.

30. **ARCHBISHOPS' PALACE - NEXT STEPS**

Councillor Perry, the Cabinet Member for Corporate Services, introduced the report explaining that:

- As the owner of the Archbishops' Palace, the Council was now incurring running costs together with a loss of rent following the vacation of the building by Kent County Council (KCC). Knowing that KCC would be vacating, options for the future use of the building had been explored. However, Balfour Hospitality, the Council's preferred development partner, concluded that it would not be commercially viable to develop the building as a boutique hotel given the scale of investment required.
- It was now proposed that plans be developed for use of the building as a wedding and events venue. Market testing had established that this was likely to be a viable option in financial terms and it would meet the Council's objectives for the future use of the building. It would also be consistent with

the emerging Town Centre Strategy. Some capital investment would be required particularly for provision of a commercial kitchen.

In response to questions, the Officers advised the Committee that:

- The preferred development partner's exclusivity period expired in April and the Council was informed informally shortly before that they did not want to take the proposal forward.
- It was planned to report back to the Policy Advisory Committee and the Cabinet in November with the outcome of the process of inviting bids from potential operators and Members would be able to see whether the proposal was financially viable.
- Based on the latest market testing, no one to date had shown interest or expressed willingness to take forward a mixed-use culture and weddings development.

During the discussion:

- It was proposed and seconded that consideration of this matter be deferred for at least one meeting cycle until there is more clarity regarding the Town Centre Strategy in terms of a cultural quarter comprising All Saints Church, the Archbishops' Palace and the Archbishops' Stables.
- The Cabinet Member emphasised the need to move forward with a scheme to generate funds to cover the costs of running the building, which was the Council's responsibility, as soon as possible and expressed concern about the financial and economic viability of operating another café or cultural offering in conjunction with weddings and events.
- Reference was made to the need to adhere to the proposed timetable for the delivery of the project and it was suggested that discussions should take place with All Saints Church at the earliest opportunity.
- An amendment was moved and seconded that the recommendation set out in the report be agreed. When put to the vote, the amendment and the substantive motion were carried.

RESOLVED to RECOMMEND to the CABINET:

1. That Option 2 as set out in the report of the Interim Strategic Property Consultant, namely, to develop plans for use of the Archbishops' Palace as a wedding and events venue, be agreed.
2. That delegated authority be given to the Director of Finance, Resources and Business Improvement to select and appoint professional advisers to develop the plans; enter into contracts for applicable services as necessary; and invite offers from potential operators for a conditional agreement for lease.
3. That delegated authority be given to the Head of Legal Services to negotiate and complete all necessary legal formalities arising from the purchase of services and invitation for offers as set out above.

31. DURATION OF MEETING

6.30 p.m. to 8.25 p.m.

Agenda Item 9

MAIDSTONE BOROUGH COUNCIL

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY 11 SEPTEMBER 2023

Attendees:

| | |
|---------------------------|---|
| Committee Members: | Councillors Bartlett (Chairman), Cannon, Conyard, Mrs Gooch, Harper, Hinder, S Thompson and Webb |
| Cabinet Members: | Councillor Perry, Cabinet Member for Corporate Services |

32. APOLOGIES FOR ABSENCE

There were no apologies for absence.

33. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

34. URGENT ITEMS

There were no urgent items.

35. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

36. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

37. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

38. EXEMPT ITEMS

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

39. MINUTES OF THE MEETING HELD ON 12 JULY 2023

The Committee felt that Minute 22, Biodiversity and Climate Change Action Plan update and Cost for Achieving Net Zero 2030 should be reviewed to ensure that both the recommendation wording was correct, and the Committee's sentiments expressed about the plan's progress had been included.

The Minutes would be deferred to allow for a review to take place.

RESOLVED: That consideration of the Minutes of the meeting held on 12 July 2023 be deferred to the next meeting.

Note: Councillor Cannon joined the meeting at 6.37 p.m.

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

The Committee requested an update on the Biodiversity and Climate Change Action Plan in the near future, given the concerns expressed on the plan's progress, and the points raised by the Committee as its previous meeting where the matter was considered.

In response, the Cabinet Member for Corporate Services stated that they would be supportive of the Committee making a recommendation to receive an update on the Biodiversity and Climate Change Action Plan.

RESOLVED: That

1. The Forward Plan be noted; and
2. An update on the Biodiversity and Climate Change action be requested, with regards to the points raised at the Committee's previous meeting.

41. 1ST QUARTER FINANCE, PERFORMANCE AND RISK MONITORING REPORT

The Cabinet Member for Corporate Services introduced the report, and stated that:

- The Council had a projected revenue overspend of just over £250, 000 for the financial year, with an £800,000 overspend being offset by savings elsewhere in the budget. The overspend was mainly due to the cost of temporary accommodation (TA).
- Effective monitoring of the Council's finances was important, with further savings likely required to eliminate the potential £270,000 end of year deficit.
- There had been slippage to the capital programme, including to the 1,000 Affordable Homes Programme, with the variances and virements contained within Appendix 1 to the report briefly outlined. The Key Performance Indicators had achieved the targets set.

The Cabinet Member reiterated the Council's difficult financial situation, stating that it was important to retain a strong balance sheet. The allocated and unallocated reserves were £19.8 million and £11.6 million respectively, with the latter representing 22% of the Council's total expenditure. The Council was not at risk of issuing a Section 114 notice.

In response to questions, the Director of Finance, Resources and Business Improvement stated that:

- The variances relating to the Sandling Road Site were mainly due to a delay in billing tenants for utilities, with it unlikely that all costs could be recovered through service charges;

- There should not be a variance arising from the transfer of 50% ownership to the Council from Kent County Council, with the matter likely a timing issue. Further information would be provided outside of the meeting;
- The rental income from Maidstone House had been less than projected. This was due to the market demand being for smaller units, requiring work to alter the spaces available and cater to the market. It was expected that the space would be leased following the work's completion;
- The funding used to secure the Traveller Site Manager and Housing and Inclusion roles was delivered through virements rather than increasing the budget. The former had been supported through the funds previously paid to KCC when that authority managed the site, to support the responsibility being brought in-house. The Housing and Inclusion roles had been supported through previously unspent homelessness grant funding, which had been placed in the relevant reserve and had to be used to support the service. The funding provided would be sufficient to support the staff's employment through the Medium Term Financial Strategy period;
- The slippage relating to the 1,000 Affordable Homes Programme related to securing planning permissions and contractors for the sites purchased. The programme continued to progress, particularly at the Maidstone East and old Springfield Library sites;
- The slippage relating to the Biodiversity and Climate Change Action Plan was to allow the Council to secure external match funding to support initiatives, such as the de-carbonisation of the Council's buildings;

During the discussion, concerns were raised on the variances shown for the Archbishops Palace and Granada House sites, and the reduction in the numerical value given to the corporate risk for 'Housing Pressures Increasing', given the financial overspend forecast for TA, slippage to the affordable homes progress and that homelessness was not within the Council's direct control.

In response, the Director of Finance, Resources and Business Improvement stated that Officers under-estimated the time required to generate income from both sites; there were plans in place to achieve this through securing an operator and completing the refurbishment works to the sites respectively. The Emergency Planning and Resilience Manager stated that the relevant officers had agreed that the rating was suitable for the risk at the current time, with the difference between the risk generally and then the mitigating actions in response affecting the overall risk score. Further information on the reasoning for the risk reduction would be provided outside of the meeting.

It was requested that future reports contain additional explanation to support the information provided. This included splitting the earmarked reserves into categories to reflect whether the funding originated from central government funding or by other sources; the use of and reasoning behind virements, given the creation of additional roles in the Housing and Inclusion Team and the Traveller Site Manager; and providing explanation on the risk values given to corporate risks, following the concerns raised relating to the 'Housing Pressures Increasing' risk.

In response to a comment on the provision of services through reserves, the Cabinet Member strongly emphasised that retaining a high level of reserves would support the Council retaining a robust financial position and securing the provision of good quality services for the borough. Support was expressed for advertising the services already being provided to residents, such as the 'Roadshows' taking place.

RESOLVED: That

1. The Revenue position as at the end of Quarter 1 for 2023/24, 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 1 for 2023/24 be noted;
3. The Performance positions as at Quarter 1 for 2023/24, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted;
4. The Recovery and Renewal update, attached at Appendix 3 to the report, be noted;
5. The UK Shared Prosperity Fund update, attached at Appendix 4 to the report, be noted; and
6. The Risk Update, attached at Appendix 5 to the report, be noted.

Note: Before the debate on the item, Councillor Cannon stated that he did not have any disclosures of interest or lobbying to declare.

42. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PROPOSALS

The Cabinet Member for Corporate Services introduced the report, and emphasised the difficult financial situation faced by the Council across the next five year period; the projected budget gap for 2024/25 was just over £900,000, which would increase to £4.5 million by 2028/29. The Medium Term Financial Strategy (MTFS) was being drafted earlier in the year than previously.

The Cabinet Member outlined the two key assumptions in drafting the MTFS, which were that Council Tax would be increased by up to the referendum limit of 3%, and that the income generated through fees and charges would increase by 5% overall. It was stated that the measures were essential given the financial projections. The proposed fees and charges would be presented to the Committee in the Autumn of 2023 once finalised, with the Capital budget being presented in early 2024, following the receipt of the Local Government Finance Settlement which was expected in December 2023.

In response to questions, the Director of Finance, Resources and Business Improvement confirmed that:

- The projected £4.5 million budget gap for 2025/26 was linked to the affordable housing strategy as the Council would be using the first tranche of the funding secured to support the strategy, incurring borrowing costs. Another contributing factor was that Central Government was likely to

review Local Government Funding, which would likely affect the Council through business rate retention that was currently at 10% but could be reduced;

- The terms for the new operator for Heather House Community Centre would include the requirement to provide services to the local community. As the Council had borne the capital costs of building a new community centre, it was felt reasonable for the operator to be responsible for the revenue costs;
- The £49,000 and £30,000 shown for the positions associated with Biodiversity and Climate Change included salaries, plus ongoing costs such as pension contributions;
- The charging policy for refuse bins was agreed as part of the 2023/24 budget; and
- The Council had identified a further saving of £100,000 from the disused Park and Ride site at Willington Street for the 2024/25 financial year. Parking charges would be considered by the relevant PAC.

In response to a question, the Cabinet Member emphasised that whilst bus services were important, the previous Park and Ride site had cost the Council a significant amount of money but was not well utilised at that time.

The Committee supported the proposed MTFs and budget proposals, except for the two positions associated with Biodiversity and Climate Change. It was felt to be too premature to invest in additional positions to support the plan before the Committee received an update on its progress as requested, given the previous concerns expressed, as it was unknown if the positions proposed would support the plan's delivery.

RESOLVED to RECOMMEND to the CABINET: That

1. The draft Medium Term Financial Strategy for 2024/25 to 2028/29 as set out in Appendix A to the report, be approved; and
2. The budget proposals as set out in Appendix B to the report be approved, with the exception of the two growth items relating to biodiversity and climate change, which need further review by the Committee in conjunction with a further report on the Biodiversity and Climate Change Action Plan.

43. DURATION OF MEETING

6.30 p.m. to 8.23 p.m.

MAIDSTONE BOROUGH COUNCIL FORWARD PLAN

FOR THE FOUR MONTH PERIOD 1 SEPTEMBER 2023 TO 31 DECEMBER 2023

This Forward Plan sets out the details of the key and non-key decisions which the Cabinet or Cabinet Members expect to take during the next four-month period.

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 Cabinet Members are:

| | | | |
|----|--|--|---|
| 13 |  Councillor David Burton Leader of the Council DavidBurton@maidstone.gov.uk 07590 229910 |  Councillor Paul Cooper Deputy Leader and Cabinet Member for Planning, Infrastructure and Economic Development PaulCooper@Maidstone.gov.uk 01622 244070 |  Councillor John Perry Cabinet Member for Corporate Services JohnPerry@Maidstone.gov.uk 07770 734741 |
| |  Councillor Claudine Russell Cabinet Member for Communities, Leisure and Arts ClaudineRussell@Maidstone.gov.uk |  Councillor Patrik Garten Cabinet Member for Environmental Services PatrikGarten@Maidstone.gov.uk 01622 807907 |  Councillor Lottie Parfitt-Reid Cabinet Member for Housing and Health LottieParfittReid@Maidstone.gov.uk 07919 360000 |

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 Maidstone House, King Street, Maidstone, ME15 6JQ or accessed from the [Council's website](#).

Members of the public are welcome to attend meetings of the Cabinet which are normally held at the Town Hall, High St, Maidstone, ME14 1SY. The dates and times of the meetings are published on the [Council's Website](#), 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 | Relevant Cabinet 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 |
|---|--------------------------------|--|----------------------------------|------------|---------------|---|--|---|
| <p>Council Tax Reduction Scheme 2024/25</p> <p>Each year the Council is required to review it's annual localised Council Tax Reduction scheme. The report is required to go to Cabinet with a final approval by Full Council prior to 11 March.</p> | Cabinet | Cabinet Member for Corporate Services. | 25 Oct 2023 | Yes | No Open | Corporate Services Policy Advisory Committee 11 Oct 2023 | Council Tax Reduction Scheme 2024/25 | <p>Zoe Kent</p> <p>Interim Head of Revenues & Benefits</p> <p>zoekent@swale.gov.uk</p> |
| <p>Consideration of a proposal to extend and improvement works to Medway street carpark</p> | Cabinet | Cabinet Member for Corporate Services. | 25 Oct 2023 | No | No Open | Corporate Services Policy Advisory Committee 11 Oct 2023 | Consideration of a proposal to extend and improvement works to Medway street carpark | <p>Katie Exon</p> <p>Head of Property and Leisure</p> <p>katieexon@maidstone.gov.uk</p> |
| <p>Housing Revenue Account</p> <p>The report sets out the options for management and financial accounting of the 1,000 new affordable homes.</p> | Cabinet | Cabinet Member for Corporate Services. | 22 Nov 2023 | Yes | No Open | Housing, Health and Environment Policy Advisory Committee 7 Sep 2023 | Housing Revenue Account | <p>John Littlemore</p> <p>Head of Housing & Regulatory Services</p> <p>johnlittlemore@maidstone.gov.uk</p> |

Agenda Item 11

CORPORATE SERVICES POLICY ADVISORY COMMITTEE

11 October 2023

Council Tax Reduction Scheme 2024/25

| Timetable | |
|--|-----------------|
| Meeting | Date |
| Corporate Services Policy Advisory Committee | 11 October 2023 |
| Cabinet | 25 October 2023 |
| Council | 6 December 2023 |

| | |
|---------------------------------------|---|
| Will this be a Key Decision? | Yes |
| Urgency | Not Applicable |
| Final Decision-Maker | Council |
| Lead Head of Service | Georgia Hawkes, Director of Mid Kent Services |
| Lead Officer and Report Author | Zoe Kent, Interim Head of Revenues and Benefits |
| Classification | Public |
| Wards affected | All |

Executive Summary

Each year Full Council has to approve the Council Tax Reduction Scheme for the following year. This report makes a recommendation for the scheme to be implemented for 2024-25.

This report will be considered by the Corporate Services Policy Advisory Committee before being passed to Cabinet for approval. The final decision on the scheme will be made by Full Council.

Purpose of Report

Recommendation for Decision

This report asks the Committee to consider the following recommendation to the Cabinet;

1. To note the progress of the income banded scheme;
 2. To consider recommending to Council that the scheme continues with the principles of the existing scheme and the percentage awards (maximum award of 80%) continue for 2024/25;
 3. To consider recommending to Council that the grid amounts be amended in-line with the DWP annual percentage increase of welfare benefits for 2024/25.
-

Council Tax Reduction Scheme 2024/25

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue | Implications | Sign-off |
|--|---|--|
| <p>Impact on Corporate Priorities</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>We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the Council needs to balance the needs of low-income households with the wider interest of local taxpayers to ensure that vulnerable residents are protected whilst providing a scheme that is affordable.</p> | <p>Zoe Kent, Interim Head of Revenues and Benefits</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 achievements of the Deprivation and Social Mobility cross cutting objectives by providing support to low-income households.</p> | <p>Zoe Kent, Interim Head of Revenues and Benefits</p> |
| <p>Risk Management</p> | <p>The risks associated with implementing and operating the scheme are not considered high. Endorsement of a scheme helps reduce the risk but the overall cost of the CTRS is subject to the risk of household incomes falling, as may be the case if the cost-of-living crisis leads onto an increase in unemployment.</p> | <p>Zoe Kent, Interim Head of Revenues and Benefits</p> |

| | | |
|-------------------------------|--|---|
| Financial | The cost of the CTRS impacts on the Council Tax base and thereby the Council Tax yield. If the cost of awards were to increase, this would mean the Council Tax base and overall Council Tax income would reduce. Any change in the cost of the scheme is shared through the collection fund between the Council and preceptors. | Adrian Lovegrove, Head of Finance |
| Staffing | We will deliver the recommendations with our current staffing. | Zoe Kent, Interim Head of Revenues and Benefits |
| Legal | Section 13A of the Local Government Finance Act 1992 requires the Council to adopt a Council Tax Reduction Scheme. Schedule 1A of the Act requires the Council to consider each financial year whether to revise or replace its scheme. The Act contains a statutory duty to consult on a proposed scheme, with guiding principles for fair consultation set out in case law. As there are no changes proposed for the 2023-24 scheme further consultation will not be necessary unless the scheme is not approved. | Robin Harris, Team Leader Contentious and Corporate Governance |
| Information Governance | The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes. | Georgia Harvey, Senior Information Governance Officer |
| Equalities | The recommendations do not propose a change in service therefore will not require an equalities impact assessment | Nicola Toulson, Equalities & Communities Officer |
| Public Health | We recognise that the recommendations will not negatively impact on population health or that of individuals. | Zoe Kent, Interim Head of Revenues and Benefits |
| Crime and Disorder | There are no implications to Crime and Disorder | Zoe Kent, Interim Head of Revenues and Benefits |

| | | |
|--|---|--|
| Procurement | No impact | Zoe Kent, Interim Head of Revenues and Benefits |
| Biodiversity and Climate Change | There are no implications on biodiversity and climate change. | Biodiversity and Climate Change Manager |

2. INTRODUCTION AND BACKGROUND

- 2.1 The Council Tax Reduction Scheme (CTRS) was introduced in April 2013 as a replacement for Council Tax Benefit (CTB), a national scheme administered on behalf of the Department for Works and Pensions (DWP).
- 2.2 Since its introduction in April 2013, our local scheme has been reconsidered on an annual basis. In 2020 a full review and consultation was carried out to take account of the increase in claimants moving into Universal Credit. The consultation sought views on moving to a banded scheme from April 2021 for working age claimants.
- 2.3 Council Tax Reduction provides financial assistance in the form of a rebate on the Council Tax bill, the cost of the scheme generally reduced before the Covid pandemic. In 2020/21 there was an increase in claims due to the pandemic and the number of people claiming Universal Credit. The figures below give the cost of the scheme to the public, in the amount of CTR awarded annually rather than collected as Council Tax.
- 2017/18 - £8,385,298
2018/19 - £8,616,425
2019/20 - £8,652,758
2020/21 - £10,694,613
2021/22 - £10,264,367
2022/23 - £10,037,337
2023/24 - £10,428,677 (estimated)
- 2.4 From April 2021, a new income banded scheme was introduced which has an in-built, simplified claiming process with wide income ranges. The new banded scheme means that frequent liability changes have been avoided, and revised bills are only being issued where income crosses into another earnings band. This has made it less cumbersome for customers and has allowed us to convey a relatively simple eligibility message to residents.
- 2.5 Feedback from the Customer Services team and Citizens' Advice has been positive with fewer enquiries being made about eligibility and understanding of the income banded scheme for households with no children, 1-2 children and 3 plus children.
- 2.6 Table 1 shows the banded scheme which awards a maximum of 80% support for those on a passported benefit. Bands 2 to 5 give a maximum award of between 65% and 10% based on a person's earnings. All other

income is disregarded. An extra 5% support is given to those in Bands 2 to 5 if a disability benefit is in payment.

Table 1

| Band | Household size and earnings threshold | | | Maximum Award |
|--------|---------------------------------------|--------------------|--------------------|---------------|
| | No Children | 1 -2 Children | 3+ Children | |
| Band 1 | *Passported/Max UC | *Passported/Max UC | *Passported/Max UC | 80% |
| Band 2 | Less than £316 | Less than £387 | Less than £441 | 65% |
| Band 3 | £316 - 631.99 | £387 - £774.99 | £441 - £882.99 | 50% |
| Band 4 | £632 - £947.99 | £775 - £1,162.99 | £883 - £1,324.99 | 25% |
| Band 5 | £948 - £1,263.99 | £1,163 - £1,550.99 | £1,325 - £1,766.99 | 10% |

2.7 *Passported in the table refers to legacy benefits (job seekers allowance, income support, employment support allowance) for customers who have not migrated to Universal Credit.

3. AVAILABLE OPTIONS

- 3.1 To make no changes to the Council Tax Reduction Scheme for 2024/25. The advantages of this are that claimants have got used to this simplified scheme, they are aware of how much they need to pay. It also makes no change to the budget.
- 3.2 To revise the current scheme. This would require consultation with the other preceptors and with those affected by any changes. There could also be additional costs if the payment towards the administration of the scheme was withdrawn by the major preceptors.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That no changes be made to the Council Tax Reduction Scheme for the year 2024/25, except to increase the amounts within the banded income grid by the rate of inflation as used by the Department for Work and Pensions for their annual uprating of welfare benefits for 2024/25.
- 4.2 This is the third year of the income banded scheme, it may be advisable due to the continuing cost of living crisis and the scheme working well, not to make any changes to the scheme.

5. RISK

- 5.1 The risks associated with implementing and operating the scheme are not considered high.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 A public consultation was carried out in 2020 before the decision was taken to move to a banded Council Tax Reduction scheme. As changes to the scheme are not being recommended a public consultation is not mandatory.
 - 6.2 The public consultation results were considered as part of the decision-making process when the banded scheme was put forward in 2020.
 - 6.3 This report will be considered by the Corporate Services Policy Advisory Committee on 11 October 2023 and the Committee's comments and recommendations will be reported to Cabinet.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The scheme will be published on the website once a decision has been made by Full Council.
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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: Draft Council Tax Reduction Scheme 2024/25 – to follow for Full Council
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9. BACKGROUND PAPERS

None