

# COMMUNITIES, LEISURE AND ARTS POLICY ADVISORY COMMITTEE MEETING

Date: Tuesday 5 September 2023  
Time: 6.30 p.m.  
Venue: Town Hall, High Street, Maidstone

## Membership:

Councillors Bryant, Eagle, Forecast (Chairman), Fort, Mrs Gooch (Vice-Chairman), Harper, Hinder, Naghi and T Wilkinson

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

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## AGENDA

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| 2. Notification of Substitute Members  |          |
| 3. Urgent Items  |          |
| 4. Notification of Visiting Members  |          |
| 5. Disclosures by Members and Officers   |          |
| 6. Disclosures of Lobbying   |          |
| 7. To consider whether any items should be taken in private because of the possible disclosure of exempt information |          |
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**Issued on Friday 25 August 2023**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 4 p.m. one clear working day before the meeting (i.e. by 4 p.m. on Friday 1 September 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](#).

## MAIDSTONE BOROUGH COUNCIL

### COMMUNITIES, LEISURE AND ARTS POLICY ADVISORY COMMITTEE

#### MINUTES OF THE MEETING HELD ON 4 JULY 2023

##### Present:

<b>Committee Members:</b>	<b>Councillor Mrs Gooch (in the Chair) and Councillors Bryant, Eagle, Fort, Harper, Hinder and Naghi</b>
<b>Cabinet Members:</b>	<b>Councillor Russell (Cabinet Member for Communities, Leisure and Arts)</b>

##### 18. APOLOGIES FOR ABSENCE

Apologies for absence were received from the Chairman (Councillor Forecast). In the absence of the Chairman, the Vice-Chairman (Councillor Mrs Gooch) took the Chair.

##### 19. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

##### 20. URGENT ITEMS

There were no urgent items.

##### 21. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members, although Councillor Russell, the Cabinet Member for Communities, Leisure and Arts, was in attendance.

##### 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 ITEMS

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

##### 25. MINUTES OF THE MEETING HELD ON 6 JUNE 2023

**RESOLVED:** That the Minutes of the meeting held on 6 June 2023 be approved as a correct record and signed.

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

The Committee considered the Forward Plan for the period 31 May 2023 to 30 September 2023 in so far as it related to its terms of reference.

In response to questions, Councillor Russell, the Cabinet Member for Communities, Leisure and Arts, advised the Committee that the Policy Advisory Committees (PACs) were advisory committees and could only advise the Cabinet on matters within their remit. They did not have any power to make decisions on those matters. Proposed decisions were reported to the PACs for consideration and comment. Requests for updates should be directed to the appropriate Cabinet Member(s).

**RESOLVED:** That the Forward Plan relating to the Committee's terms of reference be noted.

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

Councillor Russell, the Cabinet Member for Communities, Leisure and Arts, introduced the biannual report on the implementation of the Biodiversity and Climate Change Action Plan following the annual review of the Action Plan agreed by the Executive in April 2023.

The Cabinet Member explained that one action relating to the terms of reference of the Committee - 6.6 (Work with local farms and landowners to deliver landscape scale biodiversity initiatives Nature Recovery Strategy, including reconnection of habitats, flood plain restoration, reduced chemical inputs and reintroduction of lost native species) had yet to commence as delivery relied very heavily on partnership working with farmers and landowners.

In response to questions, the Cabinet Member/Officers explained that:

- In terms of the actions aimed at encouraging a move to electric taxis, the location of additional rapid charge points had not yet been determined. The terms of reference of this Policy Advisory Committee covered the communications element of working with the taxi trade to facilitate the move to electric vehicles.
- With regard to the action aimed at increasing the Borough canopy, the terms of reference of this Policy Advisory Committee covered communications and partnership working to deliver tree planting and rewilding projects. The Officers had been in discussion with the Woodland Trust regarding the cost effectiveness of tree planting schemes and the carbon sequestration and would promote the Woodland Trust tree planting scheme as much as possible.
- The majority of the funding for decarbonising the Council's buildings would come from applications to the Public Sector Decarbonisation Scheme. Priority would be given to buildings where the biggest cuts in emissions could be achieved, or which had the oldest heating systems, and this would inform decisions going forward. Maidstone House was a priority because its heating system was coming to the end of its life. There was an opportunity to apply for Public Sector Decarbonisation Scheme funding this Autumn. In terms of the Leisure Centre, consideration would be given to the reduction in carbon

emissions achieved as a result of the improvement works already planned and funded when prioritising projects.

- The current Green Fleet Strategy which was to gradually transition vehicles to EV based on the market and operational need was considered to be a better approach than converting the entire fleet to electric in the medium-term. Waiting for other emerging technologies for the fleet transition such as hydrogen and other fuel types particularly for heavier vehicles was likely to save costs in the medium term.
- Investment in maximising the solar energy generation on Council property was considered to be good medium-term investment in terms of both savings to the Council and carbon reductions.
- The Council would seek to maximise external funding, but it also had money in the Capital Programme that could be used to match that external funding, prioritising schemes that would meet its investment criteria; for example, the installation of new equipment which is energy saving.
- The estimated costs of decarbonising key Maidstone Borough Council assets and the annual savings were based on site surveys and energy audits on each building by APSE Energy and were considered to be a good ballpark in terms of how much the Council would be saving.
- In-person training would be provided for Councillors on carbon, climate change and biodiversity.

During the discussion reference was made to:

- Planting projects undertaken by Parish Councils and community groups, and it was suggested that they be encouraged as partners.
- The importance of maintaining existing woodland as well as encouraging people to plant more trees. The Cabinet Member undertook to follow up concerns raised about the condition and maintenance of the Borough Council-owned Dove Hill Wood and to provide a briefing note for Members.

Members thanked the Officers for a very thorough report.

**RESOLVED to RECOMMEND to the CABINET:** That the Action Plan implementation updates and indicative costs of achieving net zero by 2030 for the Council's operations be noted.

28. COMMUNICATIONS AND ENGAGEMENT STRATEGY REFRESH AND ACTION PLAN 2023/24

Councillor Russell, the Cabinet Member for Communities, Leisure and Arts, introduced the report setting out an updated Communications and Engagement Strategy 2023/26 and Action Plan for 2023/24 explaining that:

- The Communications and Engagement Strategy was driven by the Strategic Plan which sets out the Council's long-term aspirations for the Borough and how they would be achieved. The aims and objectives of the Strategy were to support the delivery of the Strategic Plan by ensuring that all campaigns and

projects were aligned to and supported the narrative of the four priorities: Thriving Place; Homes and Communities; Embracing Growth and Enabling Infrastructure; and Safe, Clean and Green.

- The aim of the Communications Team was to promote, protect and uphold the reputation of the Council. It supported the delivery of the Strategic Plan through working with Members, services, residents and other key stakeholders to deliver timely and effective campaigns, messages and events which promote and deliver the Council's priorities. The key campaigns and actions the Communications Team would be undertaking were set out in the Action Plan for 2023/24 together with details of the communication channels and tools that would be used.

During the discussion:

- The Cabinet Member undertook to provide clarification regarding the figure of 644 million referenced in the report.
- The Communications and Engagement Manager provided more detail on events delivered/supported over the past year and associated press and publicity.
- It was noted that Boxley Ward Members would be willing to assist with delivery of the Insight magazine in some of the outlying areas in the north of the Borough.
- Members thanked the Officers for a very thorough report and comprehensive Strategy.

**RESOLVED to RECOMMEND to the CABINET:** That the refreshed Communications and Engagement Strategy 2023/26 and Action Plan for 2023/24, attached at Appendices 1 and 2 to the report of the Communications and Engagement Manager, be approved.

29. DURATION OF MEETING

6.30 p.m. to 7.20 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:

5	 <b>Councillor David Burton</b> Leader of the Council <a href="mailto:DavidBurton@maidstone.gov.uk">DavidBurton@maidstone.gov.uk</a> 07590 229910	 <b>Councillor Paul Cooper</b> Deputy Leader and Cabinet Member for Planning, Infrastructure and Economic Development <a href="mailto:PaulCooper@Maidstone.gov.uk">PaulCooper@Maidstone.gov.uk</a> 01622 244070	 <b>Councillor John Perry</b> Cabinet Member for Corporate Services <a href="mailto:JohnPerry@Maidstone.gov.uk">JohnPerry@Maidstone.gov.uk</a> 07770 734741
	 <b>Councillor Claudine Russell</b> Cabinet Member for Communities, Leisure and Arts <a href="mailto:ClaudineRussell@Maidstone.gov.uk">ClaudineRussell@Maidstone.gov.uk</a>	 <b>Councillor Patrik Garten</b> Cabinet Member for Environmental Services <a href="mailto:PatrikGarten@Maidstone.gov.uk">PatrikGarten@Maidstone.gov.uk</a> 01622 807907	 <b>Councillor Lottie Parfitt-Reid</b> Cabinet Member for Housing and Health <a href="mailto:LottieParfittReid@Maidstone.gov.uk">LottieParfittReid@Maidstone.gov.uk</a> 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**

<b>Details of the Decision to be taken</b>	<b>Decision to be taken by</b>	<b>Relevant Cabinet Member</b>	<b>Expected Date of Decision</b>	<b>Key</b>	<b>Exempt</b>	<b>Proposed Consultees / Method of Consultation</b>	<b>Documents to be considered by Decision taker</b>	<b>Representations may be made to the following officer by the date stated</b>
<p>Response to Shaping the Family Hubs and Start for Life Offer Consultation</p> <p>KCC Shaping the Family Hubs and Start for Life Offer Consultation - MBC response</p> <p>Consultation open until 13 September</p>	Cabinet Member for Communities, Leisure and Arts	Cabinet Member for Communities, Leisure and Arts	Before 13 Sep 2023	Yes	No	Communities, Leisure and Arts Policy Advisory Committee 5 Sep 2023	Response to Shaping the Family Hubs and Start for Life Offer Consultation	<p><b>Orla Sweeney, Anna Collier</b></p> <p>orlasweeney@maidstone.gov.uk, annacollier@maidstone.gov.uk</p>
1st Quarter Finance, Performance and Risk Monitoring Report	Cabinet	Cabinet Member for Corporate Services.	20 Sep 2023	No	No Open	<p>Communities, Leisure and Arts Policy Advisory Committee 5 Sep 2023</p> <p>Planning, Infrastructure and Economic Development Policy Advisory Committee 6 Sep 2023</p> <p>Housing, Health and Environment Policy Advisory</p>	1st Quarter Finance, Performance and Risk Monitoring Report	<p><b>Paul Holland</b></p> <p>paulholland@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
						<p>Committee 7 Sep 2023</p> <p>Corporate Services Policy Advisory Committee 11 Sep 2023</p>		
<p>Medium Term Financial Strategy 2024 to 2029 - Saving Proposals</p> <p>∞</p>	Cabinet	Cabinet Member for Corporate Services.	20 Sep 2023	Yes	No Open	<p>Communities, Leisure and Arts Policy Advisory Committee 5 Sep 2023</p> <p>Planning, Infrastructure and Economic Development Policy Advisory Committee 6 Sep 2023</p> <p>Housing, Health and Environment Policy Advisory Committee 7 Sep 2023</p> <p>Corporate Services Policy Advisory Committee</p>	<p>Medium Term Financial Strategy 2024 to 2029 - Saving Proposals</p>	<p><b>Mark Green, Adrian Lovegrove</b></p> <p>Director of Finance, Resources &amp; Business Improvement, Head of Finance</p> <p>markgreen@maidstone.gov.uk, adrianlovegrove@maidstone.gov.uk</p>

<b>Details of the Decision to be taken</b>	<b>Decision to be taken by</b>	<b>Lead Member</b>	<b>Expected Date of Decision</b>	<b>Key</b>	<b>Exempt</b>	<b>Proposed Consultees / Method(s) of Consultation</b>	<b>Documents to be considered by Decision taker</b>	<b>Representations may be made to the following officer by the date stated</b>
						11 Sep 2023  Overview & Scrutiny Committee 19 Sep 2023		
Maidstone Leisure Centre  🕒	Cabinet	Cabinet Member for Communities, Leisure and Arts	25 Oct 2023	Yes	No Part exempt	Communities, Leisure and Arts Policy Advisory Committee 3 Oct 2023	Maidstone Leisure Centre	<b>Mike Evans</b>  mikeevans@maidstone.gov.uk
Equality, Diversity and Inclusion - Annual Update	Cabinet	Cabinet Member for Communities, Leisure and Arts	22 Nov 2023	No	No Open	Communities, Leisure and Arts Policy Advisory Committee 7 Nov 2023	Equality, Diversity and Inclusion - Annual Update	<b>Orla Sweeney, Anna Collier</b>  orlasweeney@maidstone.gov.uk, annacollier@maidstone.gov.uk

# Agenda Item 10

## **Communities, Leisure, and Arts    5 September 2023 Policy Advisory Committee**

### **Response to Kent County Council's 'Kent Family Hub Services' Consultation**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Communities, Leisure, and Arts Policy Advisory Committee	5 September 2023
Cabinet Member for Communities, Leisure, and Arts	TBC

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	N/A  The deadline to submit a consultation response is 13 September 2023.
<b>Final Decision-Maker</b>	Cabinet Member for Communities, Leisure, and Arts
<b>Lead Head of Service</b>	Angela Woodhouse, Director of Strategy, Insight and Governance
<b>Lead Officer and Report Author</b>	Anna Collier, Insight Communities and Governance Manager Orla Sweeney, Senior Policy, and Communities Officer
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### **Executive Summary**

Kent County Council (KCC) are consulting on proposals which will affect the way in which Community Services are delivered across districts in Kent.

The proposals state that the introduction of the Family hubs will mean changes to some of the existing services provided for families and young people.

There will be changes to the way in which services are accessed. These are currently provided by Children's Centres, Youth Hubs and Community Youth provision, Health Visiting Services and Community-based midwifery care.

The consultation also proposes stopping provision of some Youth Services across Kent. For Maidstone these are predominantly in Shepway and Park Wood.

Proposals have been reviewed and an assessment of impact and risks to residents has been undertaken. This report presents a draft response from the Council to the consultation.

In summary it has been determined that the impact on Maidstone has not been properly evaluated and the proposals risk deepening existing inequalities in Maidstone and denying Maidstone residents access they need to vital community support services.

The main areas that the consultation response seeks to respond to and highlight are:

- The detrimental impact of the closure of youth support services in Shepway and Parkwood on families in an area of high need and the wider impact on the community, other public sector services and the voluntary and community sector.
- Concerns regarding Digital exclusion and the support needed in areas of high need to support the delivery of online services as part of the Family Hub model.
- Insufficient detail on the Family Hub model in terms of possible locations for services which hinders the ability of services users and organisation to make a meaningful response.
- Insufficient evidence on district level data in terms of need to be able to inform a robust Equalities Impact Assessment.

### **Purpose of Report**

To consider the Council's draft response to Kent County Council's Kent Family Hub Services Consultation and recommend to the Cabinet Member for Communities, Leisure and Arts its formal submission by the deadline of 13 September 2023.

### **This report makes the following recommendation to the Committee**

1. To consider the Council's draft response to Kent County Council's Kent Family Hub Services Consultation at Appendix A and recommend to the Cabinet Member for Communities, Leisure and Arts its formal submission by the deadline of 13 September 2023.

# Response to Kent County Council's 'Kent Family Hub Services Consultation'

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, submitting a response to influence the provision of KCC services in Maidstone will support the Council's overall achievement of its aims in the delivery its strategic plan objectives.	Insight, Communities and Governance Manager
<b>Cross Cutting Objectives</b>	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, submitting a response to influence the provision of KCC services in Maidstone will support the Council's overall achievement of its aims in the delivery its strategic plan objectives.	Insight, Communities and Governance Manager
<b>Risk Management</b>	Please refer to paragraph 5.1 of the report.	Insight, Communities and Governance Manager
<b>Financial</b>	There is no direct budgetary impact from the Kent County Council proposals described in this report. However, by reducing support for vulnerable families, they are likely to increase budgetary pressure on District Council services including homelessness.	Head of Finance
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Insight, Communities and Governance Manager
<b>Legal</b>	A failure to respond to the consultation which impacts on Maidstone residents could create reputational issues for the Council and could potentially limit any further steps the Council might wish to take.	Mid Kent Legal Services Interim Team Leader (Contentious and Corporate Governance)

<b>Information Governance</b>	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.	Information Governance Officer
<b>Equalities</b>	Whilst the decision isn't the Council's responding to this consultation would be acting in accordance with the Council's Equalities Objectives, in ensuring that the needs of our communities are considered.	Insight, Communities and Governance Manager
<b>Public Health</b>	By submitting a response to influence the provision of KCC services in Maidstone we will have an opportunity to positively impact population health or that of individuals.	Housing & Inclusion Team Leader
<b>Crime and Disorder</b>	KCC proposals risk having a negative impact on crime and disorder namely the removal of youth services, submitting a response to influence the provision of KCC services in Maidstone will support improved crime and disorder in Maidstone.	Insight, Communities and Governance Manager
<b>Procurement</b>	No impact identified	Director of Strategy, Insight and Governance
<b>Biodiversity and Climate Change</b>	There are no implications on biodiversity and climate change.	Biodiversity and Climate Change Officer

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Earlier this year Kent County Council (KCC) ran the Community Services consultation [www.kent.gov.uk/communityservicesconsultation](http://www.kent.gov.uk/communityservicesconsultation). Proposals included a reduction in the number of buildings currently being used to deliver services for children, young people, and families. This could mean that some services will be delivered in alternative ways, including outreach or digital solutions. A decision was due to be made in July.
- 2.2 KCC state that early feedback has told them that there are concerns about:
- Accessibility: How easily can children, families, or young people get to a building?
  - Belonging: How can children, young people and families feel they have their own space and identities in co-located buildings?
  - Resources: How can access and storage of specialised resources be managed, and how might this affect what can be offered and from where?
  - Special Educational Needs and Disability: How can factors such as location or group size be managed to ensure services are welcoming to all?

- 2.3 Feedback also included concerns around accessing services and the realities of 'outreach' provision. This consultation is on the Family Hub service offer. KCC are encouraging respondents to consider "the Council's proposals for buildings, in light of the information in this consultation about "what" we are proposing the Family Hub service offer will be." KCC will then review responses from the Family Hubs consultation before decisions are made to close buildings.
- 2.4 A decision on what services will be provided where is now planned to take place in winter 2023. A diagram of how both consultations work together from the KCC consultation document is shown below.

The diagram below explains how the two consultations will work together.

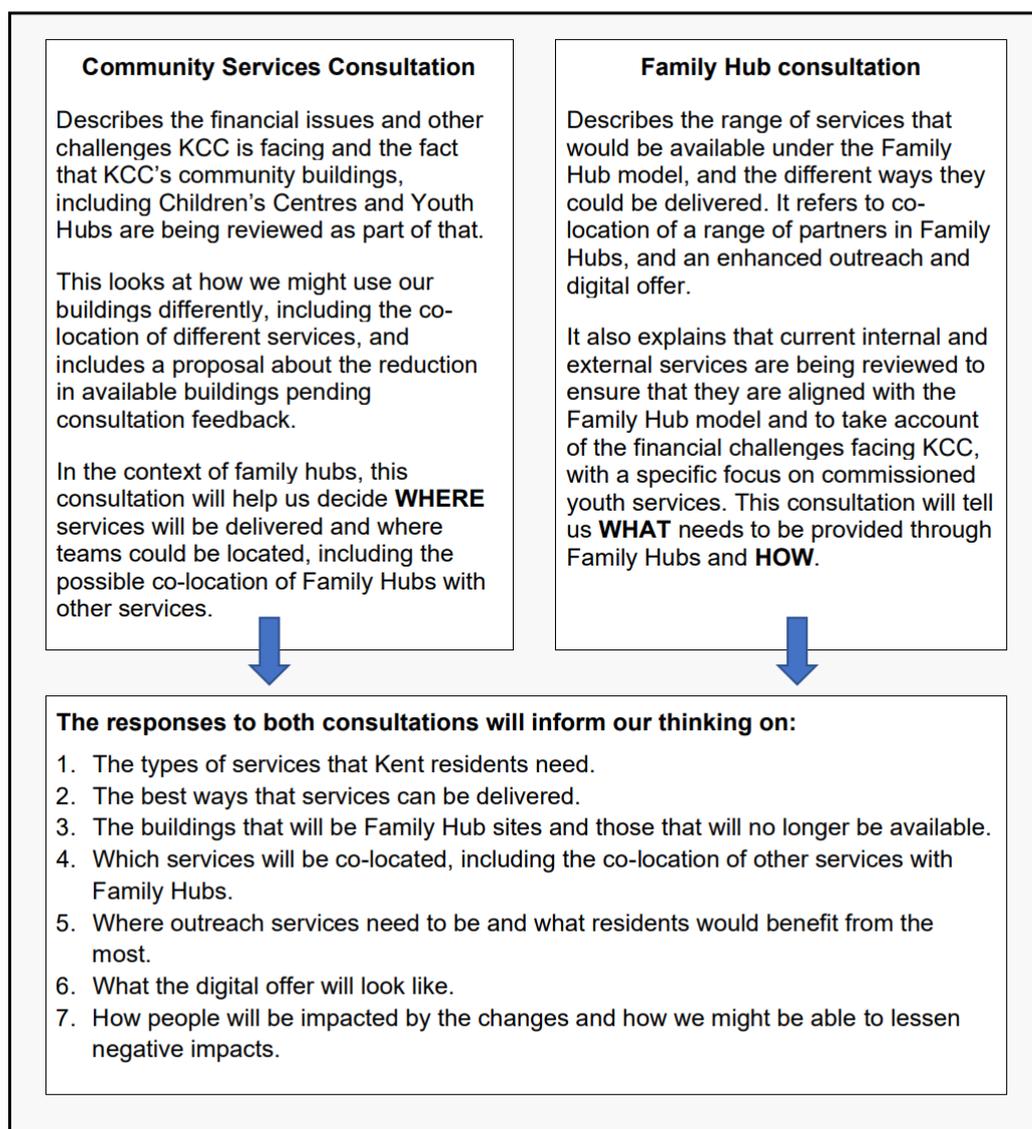


Diagram 2: How the Kent Community Services Consultation and Family Hub Consultation work together

- 2.5 The Kent Family Hub Services Consultation was launched on the 19 July by KCC. It asks service users and organisations to consider possible delivery

models for Family Hub Services. It also proposes a reduction in youth services across all districts.

2.6 Family Hubs are a national programme and propose bringing together a range of different services to provide the support needed to families and young people.

2.7 The Government has set out which services as a minimum must be delivered through Family Hubs. These are:

- parent-infant relationships and mental health support for new parents
- infant feeding support
- parenting support
- support with early language development and the home learning environment
- support for children with special educational needs and disabilities (SEND)
- safeguarding

2.8 Additionally, KCC have included in this consultation, proposals to stop funding youth provision run by non-KCC organisations due to financial pressures. The affected activities in Maidstone are shown below.

**Maidstone district - activity provider: Salus**

- Sutton Valence - Village Hall - Junior youth club (Mon)
- Shepway – Youth and Community Centre - Junior club and Senior Youth club (Tues) Junior club and Senior club - (Fri) Olympia Boxing (Fri) one to one and small group work sessions
- Parkwood - Youth Centre - Junior club and Senior club (Thurs)
- Signs of Safety - District wide annual activity to focus on transition from Primary to Secondary education

2.9 To reduce the impact on vulnerable young people, KCC are proposing that any future commissioning would be aligned to education services that support children with SEND, reducing the overall saving being made.

2.10 KCC have also stated they will continue with youth provision run by KCC, which would remain a mix of activity at KCC centres and outreach locations. They also intend to develop community-based youth work by supporting existing or new local volunteer-led groups. They will develop services specifically for families of young people, targeting where there is greatest need. However, no further information is provided on what this may look like.

Consultation document

2.11 The Consultation asks for comment on the following areas of the proposals.

- Co-location of services
- Outreach
- The Family Hub model
- Accessing Service online

2.12 The consultation documents do not provide details on how the proposals will be developed, nor provide a timeline. Little context has been provided on what the direct impact would be for Maidstone (or other districts), such as location of family hubs and services available as stated above this decision KCC state is planned for Winter 2023.

2.13 The draft consultation response at Appendix A states that the Council cannot adequately respond to the proposals, that will have such a significant impact on residents in Maidstone, as significant information is missing.

2.14 An assessment of the consultation process has also been included (in the draft response) as the engagement events being held for Maidstone are both at Sessions House which isn't in line with the offer for other districts.

### **Recommendation - The Council's Response**

2.29 The impact of the proposals on Maidstone has not been properly evaluated and a response should be made to ensure that Maidstone residents have the access they need to vital community support services.

2.31 The main areas that the consultation response seeks to respond to and highlight are:

- The detrimental impact of the closure of youth support services in Shepway and Parkwood on families in an area of high need and the wider impact on the community, other public sector services and the voluntary and community sector.
- Concerns regarding Digital exclusion and the support needed in areas of high need to support the delivery of online services as part of the Family Hub model.
- Insufficient detail on the Family Hub model in terms of possible locations for services which hinders the ability of services users and organisation to make a meaningful response.
- Insufficient evidence on district level data in terms of need to be able to inform a robust Equalities Impact Assessment
- The risks of lack of services due to reliance on volunteering and the knock-on impact this may have to the VCS.

2.32 Without further information the current proposals risks deepening existing inequalities in Maidstone and denying Maidstone residents access they need to vital community support services.

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## **3. AVAILABLE OPTIONS**

3.1 To recommend to the Cabinet Member for Communities, Leisure and Arts that the consultation be responded to and that the draft response at Appendix A is submitted by the consultation deadline of 13 September 2023.

- 3.2 To recommend to the Cabinet Member for Communities, Leisure and Arts that no response is submitted to the consultation.
  - 3.3 To make an alternative recommendation which may include the addition of further points to include in the consultation response.
- 

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

- 4.1 The preferred option is outlined at 3.1 of this report, to respond to the consultation and highlight the significant and detrimental impact of the proposal on Maidstone residents and vulnerable groups in Maidstone. This is recommended based upon the findings of the assessment of the proposals and the insights provided by Census and Health Inequality data.
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#### **5. RISK**

- 5.1 The Council has an opportunity to respond to Kent County Council's Community Services Consultation. The proposals will have a significant, detrimental impact on Maidstone residents and are likely to affect vulnerable groups in Maidstone's most deprived wards. Not taking this opportunity to respond to this could increase access to services provided by the Council or cause reputational damage.
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#### **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 Link to the previous consultation response is provided in the background documents.
- 

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

- 7.1 The approved response will be submitted to KCC via email, as the deadline for consultation is 13 September 2023. At the meeting, the Committee will be informed of the proposed decision date and the process to be followed to meet the consultation deadline.
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#### **8. REPORT APPENDICES**

- Appendix A: Draft Response to Consultation
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#### **9. BACKGROUND PAPERS**

Response to Kent County Council's Community Services Consultation

[https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/your-councillors?sq\\_content\\_src=%2BdXJsPWh0dHBzJTNBjTjGjTjGbWVldGluZ3MubWFpZHN0b25lLmdvdi51ayUyRmRvY3VtZW50cyUyRnM4NjgyMyUyRktDQyUyMENvbW11bml0eSUyMFNlcnZpY2VzJTlwQ29uc3VsdGF0aW9uJTlwcmVzcG9uc2UucGRmJmFsbD0x](https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/your-councillors?sq_content_src=%2BdXJsPWh0dHBzJTNBjTjGjTjGbWVldGluZ3MubWFpZHN0b25lLmdvdi51ayUyRmRvY3VtZW50cyUyRnM4NjgyMyUyRktDQyUyMENvbW11bml0eSUyMFNlcnZpY2VzJTlwQ29uc3VsdGF0aW9uJTlwcmVzcG9uc2UucGRmJmFsbD0x)

KCC Consultation and background documents

<https://letstalk.kent.gov.uk/family-hubs-and-start-for-life-offer>

# Shaping the Family Hubs and Start for Life Offer

Public consultation 19 July to 13 September 2023

## Consultation Questionnaire

We recommend that you read the consultation document (either the Summary or the Full document) before answering the questions.

To take part in the consultation please go to [www.kent.gov.uk/familyhubservices](http://www.kent.gov.uk/familyhubservices) to complete the online questionnaire.

Alternatively, fill in a Word/paper version and return it by email:

[familyhubsfeedback@kent.gov.uk](mailto:familyhubsfeedback@kent.gov.uk)

Or you can post it to: Freepost FAMILY HUB SERVICES CONSULTATION

**We also welcome your feedback by email, letter or phone if you don't want to fill out the questionnaire.**

If you have any questions, please contact us on [familyhubsfeedback@kent.gov.uk](mailto:familyhubsfeedback@kent.gov.uk) or telephone us on 03000 419292. This number goes to an answering machine which is monitored during office hours. You can also meet us at an event over the summer. Details of these events are in the consultation document and on the consultation webpage:

[www.kent.gov.uk/familyhubservices](http://www.kent.gov.uk/familyhubservices).

Following the end of the consultation we will take all responses into consideration and produce a consultation report. We expect a final decision on the proposals to be made in Autumn 2023.

**Alternative formats:** If you require any of the consultation material in an alternative format or language, please email: [alternativeformats@kent.gov.uk](mailto:alternativeformats@kent.gov.uk) or call: 03000 421553 (text relay service number: 18001 03000 421553). This number goes to an answering machine, which is monitored during office hours.

**Privacy:** Kent County Council (KCC) collects and processes personal information in order to provide a range of public services. KCC respects the privacy of individuals and endeavours to

## **Shaping the Family Hubs and Start for Life Offer**

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ensure personal information is collected fairly, lawfully, and in compliance with the General Data Protection Regulation and Data Protection Act 2018. Read the full Privacy Notice on our website, or contact us to send you a copy.

# Shaping the Family Hubs and Start for Life Offer

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## Section 1 – About you

This questionnaire is for people that wish to respond in a professional capacity (as staff, individuals or as part of an organisation).

Parents/carers, young people and other individuals have a separate questionnaire which is available on our website or from children’s centres and youth hubs.

### Q1. Please tell us in what capacity you are completing this questionnaire:

Please select the option that **most closely** represents how you will be responding to this consultation. Please select **one** option.

- |                          |   |
|--------------------------|---|
| <input type="checkbox"/> | Kent County Council staff   |
| <input type="checkbox"/> | Community-based midwifery staff   |
| <input type="checkbox"/> | Health Visiting staff   |
| <input type="checkbox"/> | Staff from another health-related organisation  |
| <input type="checkbox"/> | As a representative of a local community group or residents’ association                    |
| <input type="checkbox"/> | On behalf of an educational establishment, such as a school, college or early years setting |
| <input type="checkbox"/> | / On behalf of a Parish / Town / Borough / District Council in an official capacity         |
| <input type="checkbox"/> | As a Parish / Town / Borough / District / County Councillor                                 |
| <input type="checkbox"/> | As a Kent business owner or representative  |
| <input type="checkbox"/> | On behalf of a charity, voluntary or community sector organisation (VCS)                    |
| <input type="checkbox"/> | On behalf of a faith group  |

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Other, please specify:

**Q1a. If you are responding on behalf of an organisation or group, please tell us the name of your organisation or group. Please write in below.**

Maidstone Borough Council

**Q2. Please tell us the first five characters of your postcode:**

ME15 6JQ

If you are responding on behalf of an organisation, please use your organisation's postcode (Please do not reveal the whole postcode). We use this to help us to analyse our data. It will not be used to identify who you are.

**Q3. How did you find out about this consultation?** Please select **all** that apply.

Facebook

Twitter

From a friend or relative

Kent.gov.uk website

At a KCC building (e.g. children's centre, youth hub, library or Gateway)

Local KCC County Councillor

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<input type="checkbox"/>	District Council / Councillor
<input type="checkbox"/>	Newspaper
<input type="checkbox"/>	Poster / postcard
<input type="checkbox"/>	An email from KCC
<input type="checkbox"/>	KCC's staff intranet
<input type="checkbox"/>	Other, please specify:

Officers and Councillors advised by Kent Country Council that the consultation would be taking place in follow up to the previous consultation on Community Services.

### Section 2 – Family Hub Services

In the consultation document we tell you the activities and services that we must make sure are part of the Family Hubs model. However, there are other activities which are additional and there is choice over what we do. Some of them could form part of the Family Hub service. Below is a list of some of these additional activities. These might be accessed in community settings or by being given information or advice about them and on how to access them.

- Face to face (in person)
- Online services are digital services that users can access at their own pace and time.
- Virtual services are digital services that users must access live at specific times and days. These services require someone to be delivering them.

**Q4. For each service below, please select the access methods you think are suitable. You can select one, two or three options for each service.**

Please select **all** that apply.

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### Education for parents on child development

- |   |   |
|---|---|
| / | Face to face (in person)                                  |
| / | Online services (accessing information)                   |
| / | Virtual services (e.g. groups, courses, live chat online) |

### Activities for children aged 0-5

- |   |   |
|---|---|
| / | Face to face (in person)                                  |
| / | Online services (accessing information)                   |
| / | Virtual services (e.g. groups, courses, live chat online) |

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### Activities for older children and young people

- / Face to face (in person)
- / Online services (accessing information)
- / Virtual services (e.g. groups, courses, live chat online)

### Information, advice and guidance about support services for children and young people with Special Education Needs and Disabilities (SEND)

- / Face to face (in person)
- / Online services (accessing information)
- / Virtual services (e.g. groups, courses, live chat online)

### Information and signposting to mental health services (children and adults)

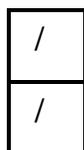
- / Face to face (in person)
- / Online services (accessing information)
- / Virtual services (e.g. groups, courses, live chat online)

### Support for parents/carers of adolescents (teenagers)

- / Face to face (in person)

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Online services (accessing information)

Virtual services (e.g. groups, courses, live chat online)

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### Online safety for children and young people

- |   |   |
|---|---|
| / | Face to face (in person)                                  |
| / | Online services (accessing information)                   |
| / | Virtual services (e.g. groups, courses, live chat online) |

### Support for young people with substance misuse (alcohol/drugs)

- |   |   |
|---|---|
| / | Face to face (in person)                                  |
| / | Online services (accessing information)                   |
| / | Virtual services (e.g. groups, courses, live chat online) |

### Domestic abuse support

- |   |   |
|---|---|
| / | Face to face (in person)                                  |
| / | Online services (accessing information)                   |
| / | Virtual services (e.g. groups, courses, live chat online) |

### Debt and welfare advice

- |   |                          |
|---|--------------------------|
| / | Face to face (in person) |
|---|--------------------------|

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/
/

Online services (accessing information)

Virtual services (e.g. groups, courses, live chat online)

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### Signposting to information to support separating and separated parents

/	Face to face (in person)
/	Online services (accessing information)
/	Virtual services (e.g. groups, courses, live chat online)

**Q5. If you have any comments about any of these methods for a particular service, please tell us below.**

It is important that our communities, particularly those in rural areas, continue to receive an accessible service to ensure the health and wellbeing of both children and parents. These services not only provide valuable support to infants, but they also enable people to build trusting relationships, which enables them reach out for support with issues such as domestic abuse, poverty, substance addiction and other concerns. The proposed changes need to continue to provide the opportunity for people to build those relationships and enable professionals the contact with residents to be able to use professional curiosity to really ensure someone is OK. A face-to-face offer is key to this.

#### **The delivery of online services and Digital Exclusion in Maidstone**

Online and Virtual Services without a face-to-face offer would be insufficient to meet the needs of vulnerable or disadvantaged groups in Maidstone. This is a particular concern as digital exclusion is likely to be compounded by poverty. Access to a mobile phone is very different to having access to a desktop and broadband, nor does it indicate a willingness to engage in this way.

The people that you reach via this consultation exercise are likely to be digitally included. The consultation is online (although a paper copy is available on the online platform at the end of long list of supporting documents which could very easily be missed). Additionally

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in order to complete the survey online you have to register an account which is a barrier in itself. There does not appear to be any proactive engagement with groups in communities aside from 'family fun days' at two children's centres in Maidstone. (Whilst they are described as engagement events in the consultation literature but when you follow the link to the 'drop in events' they are advertised as family fun days with no mention of the consultation).

### Data

The 2021 Census tells us on average 93% of Maidstone households returned their census results online, when a digital first approach was adopted for the first time in Census history in in 2021. However, it was identified that two wards in Maidstone had a much lower uptake of digital first, instead opting to return their results using the paper form. These wards were Park Wood, with only 68% returning online, and Shepway South, with only 79% returning online. This tells us that residents in these wards are much less likely to engage digitally which could be due to deprivation and affordability of hardware and broadband. It could also be an indicator of lower levels of digital literacy in these wards.

### Digital Kent

How is the Digital Kent Programme supporting this project?

From our experience with the project, it hasn't gone far enough to support groups who require assistance accessing online services and there is a lack of knowledge of district level need despite our willingness to engage as a Council.

### Location of Family Hubs

In terms of Family Hubs – the location is key. We don't know from this consultation proposal how many Family Hubs there will be or where they will be located. It is essential that in Maidstone our most vulnerable and disadvantaged families have access.

Maidstone has two neighbourhoods (LSOAs) that rank within the Country's 10% most deprived areas, the needs of which should be closely considered. These areas are in

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Parkwood (ranked 2,915 in the country) and Shepway South. In addition, there are four further LSOAs that rank under 5,000 most deprived in the Country (out of 32,844). These areas are in Parkwood, Shepway South, High Street and Shepway North wards.

There is no information or data included as part of this consultation to suggest that deprivation and high need have informed the proposals. We urge you to engage with districts and to ensure that the future provisions are robust and able meet the needs of children and families in Maidstone and Kent. Please see the data provided in response to Q13 and Q14 which illustrates the need and health inequalities in the most deprived wards in Maidstone.

**Q6. Please tell us your suggestions for what services could be delivered online and how. (For example, group sessions using technology like Zoom.)**

This question is difficult to answer as there is a lack of information in the consultation documentation on what services will exist and where.

Accessibility must be a key consideration. Schemes to increase digital accessibility, particularly in areas of deprivation, are required to support residents with any changes to the way services are delivered.

As expressed in Q5, we have now found that the Digital Kent project has gone far enough to support residents experiencing digital exclusion. It would have been useful if the measures of success from the Digital Kent project had been included in this document to provide assurances that this model is supporting access to online services for residents, providing confirmation that this is the right direction for services to develop in.

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**Q7. In the consultation document we list the mandatory and additional activities that could be part of the Family Hub network. Is there anything else you think should be available for children, families and young people through the Family Hub network in Kent?**

The additional services listed in the consultation document are described as services that 'could be' included. There are:

Education for parents on child development • Activities for children aged 0-5 • Activities for older children and young people • Information, advice and guidance about support services for children and young people with Special Education Needs and Disabilities (SEND) • Information and signposting to mental health services (children and adults) • Support for parents/carers of adolescents (teenagers) • Online safety for children and young people • Support for young people with substance misuse (alcohol/drugs) • Domestic abuse support • Debt and welfare advice • Signposting to information to support separating and separated parents

All these services are vital to supporting children and families across Maidstone and should be accessible to all. Need will vary from ward to ward across Maidstone. Therefore, the location of services and resources made available should be need led to ensure that the services offered can meet the needs of children and families in the area. (Please see the data included in response to Q13 and Q14).

Annex F to the Government's guidance for Family Hubs sets out the **core services** that local authorities are expected to deliver through their family hubs and sets out the minimum expectations of the **services which are not receiving additional investment** through the programme. These include **housing**. The guidance sets out minimum expectations and go further provision for family hubs when they can make a more mature offering.

District councils have not yet been engaged by KCC to ensure that the minimum expectations at least are met. The need to do this was brought to the attention of senior KCC officers via Joint Kent Chief Executives who were advised that KCC hasn't had

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sufficient time to engage on this topic. This needs to be addressed with timely and meaningful engagement and collaboration so that to meet minimum expectations family hub staff can be trained to provide signposting and where needed referral to district services and for the go further standard specialist housing advisors can be available face to face.

The minimum expectation is that,

Service available face to face at a family hub:

- Staff in the family hub have a good understanding of housing issues that families may be facing and are able to connect families to appropriate housing support services within the network Service available through the family hub but received elsewhere in the network:
- There is a mechanism for families, particularly those at risk of homelessness, to be connected to wider local housing services within the hub network and/or VCS organisations who can offer more specific or specialist housing advice to families

Virtual services available through the family hub, including static online information and/or interactive virtual services:

- The online family hub presence offers universal materials and information about how to find and access local housing support services

Go further Service,

Service available face to face at a family hub:

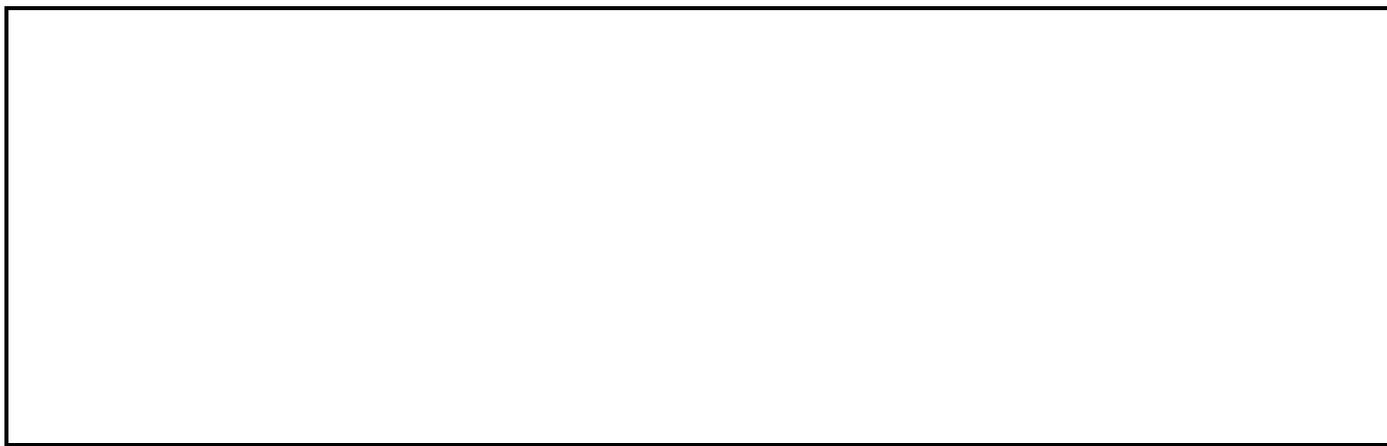
- There is specialist VCS and/or local authority housing staff on site at the family hub at certain times. Where eligible and needed, specialist housing staff will liaise with the landlord or housing service to escalate the issue.

Virtual services available through the family hub, including static online information and/or interactive virtual services:

- Online/virtual support is available at certain times and accessible via the family hub

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## Shaping the Family Hubs and Start for Life Offer

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### Family Coaches

We recognise that parents are experts in their own children and have significant life experience that could be supportive to other families. We propose to strengthen family and community resilience by bringing Family Coaches and a peer-to-peer support offer into the Family Hub network and service.

- Volunteers will have the opportunity to become Family Coaches and will be offered additional support, training, and development to enhance their roles in the Family Hub network.
- Family Coaches will benefit from learning skills in addition to the knowledge they gain through training.
- Opportunities for peer-to-peer support will be developed.

### Q8. Please tell us if you have any comments about Family Coaches.

The consultation documentation doesn't explain what role the Family Coach/Volunteer will be replacing? What types of skills gaps are these coaches going to fill? Will Volunteers be recruited to support the demographic needs within each District. For example, language barriers. What happens if there are not enough volunteers within a district how will the gap be filled. There is not enough information on this to be able to make an adequate response.

We are concerned that Maidstone residents could be disadvantaged by this as we are aware that there is a shortage of Volunteers within Maidstone borough. We are also concerned about the impact on organisations and groups within the Voluntary and Community Sector who are already struggling to recruit volunteers and how they will be impacted.

From our experience and engagement with organisations and groups across the Voluntary and Community Sector, Volunteers are increasingly difficult to secure. We encourage you to actively liaise with the VCS to understand the barriers and issues to volunteering and to engage with wider schemes such as the Government Refugee Schemes.

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**Q9. If you are responding on behalf of an organisation, would your organisation be interested in supporting the development of Family Coaches and peer to peer support?**

/	Yes
	No
	Don't know

**Q10. If your organisation was to be part of the Family Hubs network, what support, advice or opportunities would you want to see as a member of that network?**

Please select **all** that apply.

/	Facilitation of local partner network meetings
/	Training and development opportunities
/	Support and advice for community groups to help them set up and work effectively
/	Opportunities for organisations to share their knowledge and expertise
/	Opportunities for organisations to deliver their services alongside other Family Hub network partners
	Other, please specify:

Support to train family hub staff so that they can meet the minimum expectations for housing services provided from the hubs.

## Shaping the Family Hubs and Start for Life Offer

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Support for older children to reduce anti-social behaviour

### **Q11. Please tell us if there is anything else you think we should consider in the development of Family Hub services.**

Accessibility should be a key consideration. Schemes to increase digital accessibility, particularly in areas of deprivation, are required to support residents with any changes to the way services are delivered.

In terms of Family Hubs – the location is key. We don't know from this consultation proposal where Family Hubs will be located. It is essential that in Maidstone our most vulnerable and disadvantaged families have access and that these hubs are also based for easy rural access where public transport and digital accessibility can be more limited.

Need will vary from ward to ward across Maidstone. Therefore, the location of services and resources made available should be data led (Please see the data included in response to Q13 and Q14) and with an awareness of what other services exist in each geographical area and how support/partners can be bridged. This is key for the community when services are being lost. For example to link with:

- a. the delivery of the One Stop Shop at Trinity support their service of Domestic Abuse support.
- b. Other KCC commissioned services such as CGL for substance misuse
- c. 365 Youth Club in the Mall and Switch Youth Café
- d. The link with schools

## Section 3 - Proposed changes to youth services

## Shaping the Family Hubs and Start for Life Offer

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As part of this consultation, we are proposing to stop funding the youth provision which is run by non-KCC organisations. This is due to the financial pressures we are facing. This means that some activities and clubs would stop unless the organisations are able to find alternative funding (these are shown below).

**Q12. We would like to understand your views on the proposal to stop funding this youth provision. Please select from the list below whether there are any district activities in particular that you would like to comment about. Otherwise, please make a general comment about this proposal.**

Please select **all** that apply.

<b>Ashford district</b> - activity provider: The Canterbury Academy	
Tenterden - Highbury Hall youth sessions	
Tenterden - Skate Project (Mon)	
Ashford Stanhope - Girls netball	
Ashford John Wallis - Boxing	
Ashford John Wallis - Tennis	
Ashford John Wallis - Basketball	
Ashford John Wallis – British Sign Language	
Ashford Sk8side - Girls Skate project	
Ashford Sk8side - other activities	
Detached community work - Bockhanger and McDonalds	

<b>Canterbury district</b> - activity provider: The Canterbury Academy	
Pyxis (Sun and Mon)	
Riverside - Youth session (Wed)	
Riverside - Neuro diverse group (Thurs)	
Riverside - Volunteer group (Tues)	
Spring Lane - Youth club (Tues, Wed and Thurs)	

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Canterbury bike project (not solely funded by KCC, so may not be impacted)	
Detached community work - City Centre, Sturry Road, Wincheap, Thannington, Hales place and Westgate (Thurs – rotates around various locations)	

<b>Dartford district</b> - activity provider: Play Place	
Bean - Recreation Ground - Juniors (Tues)	
Darenth - Hillrise Park - Seniors (Tues)	
Stone - Stone Baptist Church - Junior and Senior youth clubs (Weds)	
Homework Heroes - Seniors (Weds and Thurs)	
Stone Recreation Ground - Juniors (Thurs)	
Stone Pavilion – Junior and Senior youth club (Fri)	
Knockhall - Greenhithe Community Centre - Junior club (Thurs)	
Temple Hill - Playground – Mixed age	

<b>Dover district</b> - activity provider: Pie Factory	
Aylesham - Junior youth club, Senior youth club (Tues)	
Biggin Hall - Youth session (Wed)	
Linwood - Youth Hub session (Thurs)	
Astor School - Youth session (Thurs)	

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<b>Folkestone and Hythe district - activity provider: Salus</b>	
Hythe - Youth Centre - Juniors (Mon)	
Hythe - Youth Centre - Senior club (Weds)	
Hythe - Youth Centre - Junior club (Fri)	
Hythe - Shepway Autism Support Group - All age (Fri)	
New Romney - Phase 2 - Junior club (Thurs)	
Safety in Action - Local schools - District wide	
D of E (Duke of Edinburgh) Awards	
Residential Junior and Senior Leaders courses	

<b>Gravesham district - activity provider: The Grand</b>	
Gravesend - Youth Job Club (Mon)	
Gravesend - GYG Gone Wild (Mon)	
Gravesend - Mini GYGers (Tues)	
Gravesend - GYG Glam (Tues and Wed)	
Gravesend - GYG Performers (Wed)	
Gravesend - GYG Creative (Wed)	
Gravesend - Higham Youth Club (Wed)	
Gravesend - GYG Committee (Thurs)	
Gravesend - Active Listening Service	
Cobham Youth Club (Fri)	

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<b>Maidstone district - activity provider: Salus</b>	
Sutton Valence - Village Hall - Junior youth club (Mon)	/
Shepway - Youth and Community Centre - Junior club and Senior youth club (Tues)	/
Shepway - Youth and Community Centre - Junior club and Senior club - (Fri)	/
Shepway - Youth and Community Centre - Olympia Boxing (Fri)	/
Shepway - Youth and Community Centre - One to one sessions	/
Shepway - Youth and Community Centre - Small group work sessions	/
Parkwood - Youth Centre - Junior club and Senior club (Thurs)	/
Signs of Safety - District wide annual activity to focus on transition from Primary to Secondary education	/

## Shaping the Family Hubs and Start for Life Offer

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<b>Sevenoaks district</b> – activity provider: West Kent Extra	
Sevenoaks - The Hope Church, Youth Group (Tues)	
Swanley - The Junction, St Marys Road Youth Group (Fri)	
Swanley - The Junction, nurture group (Tues)	
West Kingsdown - Youth group (Wed)	
Edenbridge - Eden Centre youth group	
Edenbridge - House (Tues, Wed and Fri)	
Edenbridge - 8-12s session	
Edenbridge - Olympia Boxing (Thurs)	
Edenbridge - Nurture group (Thurs)	
Dunton Green Pavilion - (Mon)	
Westerham - Youth session (Fri)	
Westerham - Olympia Boxing (Wed)	

<b>Swale district</b> – activity provider: Southern Housing	
Faversham Baptist Church - Disability Youth Club (Mon)	
Sheerness Healthy Living Centre – Absolute Arts youth club (Mon)	
Newington – Youth club (Tues)	
Sheerness County Youth Centre – Sheerness Seniors Youth Club (Tues)	
Rushenden – Youth club (Wed)	
Thistle Hill - Detached provision (Wed)	
Faversham Baptist Church – 812 youth club (Thurs)	
Sheerness Youth Centre – Youth club (Thurs)	
Teynham – Detached provision (Thurs)	
Faversham Recreation Ground – Detached (Fri)	

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Swale – School work (various)	
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<b>Thanet district</b> - activity provider: Pie Factory	
Ramsgate Youth Centre - Bike Project (Mon)	
Ramsgate Youth Centre - The Live Room (Mon)	
Ramsgate Youth Centre - ACT! Youth Volunteer Group (Tues)	
Ramsgate Youth Centre - Band Room (Tues)	
Ramsgate Youth Centre - Junior youth club (Thurs)	
Ramsgate Youth Centre - Open Arms (Fri)	
The Pavilion Youth & Community Café - Youth café sessions (Tues, Thurs and Fri)	
Parent and Child group (Wed, all age)	
Detached Community work - Streets based in Ramsgate (Fri)	

<b>Tonbridge and Malling district</b> – activity provider: Salus	
Ditton - Junior youth club and Senior youth club (Mon)	
Snodland - Junior youth club and Senior youth club (Wed)	
East Malling / Larkfield - Junior youth club and Senior youth club (Thurs)	
Detached sessions in Larkfield – Larkfield skate park and other locations when required	
Signs of Safety - District wide annual activity to focus on transition from Primary to Secondary education	

<b>Tunbridge Wells district</b> – activity provider: Salus	
Paddock Wood - Junior youth club and outreach (Mon)	
Rusthall - Detached sessions (Tues)	
Langton Green - youth club (Tues)	
Cranbrook - Junior and Senior mixed youth club and outreach (Thurs)	
Sherwood - Detached sessions	

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Safety in Action - annual activity for year 6 students to focus on the transition from primary to secondary school	
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**Q12a. Please tell us how you think the proposal to stop these activities in the district(s) you have selected would make a difference to people.**

**If you have not selected districts, please move on to the next question.**

The proposals to stop the youth services in Maidstone are very concerning as they are predominantly in areas of deprivation (Shepway and Park Wood).

Young people may feel more disconnected from their communities if they lose access to youth activities and clubs that provide them with opportunities for socialisation, learning, expression, and participation. They may also feel less supported by adults who understand their needs and challenges. This might in turn lead to an increase in risk taking behaviours or becoming involved in crime or anti-social behaviour if they do not have positive alternatives or role models. They may also face more barriers to education, employment, or training if they do not have adequate guidance or resources that youth services provide to supplement that.

Salus, the service provider for the services that are currently delivered, has a strong offer in terms of its approach to youth provision and values working with young people at risk of social exclusion. The organisation's aim is to 'improve young people's social skills and emotional health and wellbeing. They engage and build positive relationships with families, the wider community and partners.

The withdrawal of services designed to make such a positive impact on areas of high need would be an enormous loss. There would no doubt wider consequences for young people and the communities as a result (ASB data??)

We have consulted with local Councillors who are supporting children and families in the areas that the proposals will affect and there is great concern about the withdrawal of these services and the detrimental impact it will have on the well-being and development of young people and the community as a whole now and for future generations. The services are well used and engage young people up to the age of 19 in some areas.

The withdrawal of the Signs of Safety programme would impact all Year 6 children across Kent. It is delivered at a key time when children are transitioning from Primary

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to Secondary education. The programme is designed to provide Year 6 children with advice about how they can stay safe, access services and develop personal and social skills.

**Q13. Please tell us your general comments on how you think the proposal to stop these activities across Kent would make a difference to people.**

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Withdrawing services from areas of high deprivation and need (health, education, financial) will deepen inequality in an already disadvantaged area.

Maidstone has two neighbourhoods (LSOAs) that rank within the Country's 10% most deprived areas, the needs of which should be closely considered. These areas are in Parkwood (ranked 2,915 in the country) and Shepway South. In addition, there are four further LSOAs that rank under 5,000 most deprived in the Country (out of 32,844). These areas are in Parkwood, Shepway South, High Street and Shepway North wards.

The Youth Services in Maidstone that are being proposed to be withdrawn are in Shepway, Park Wood and Sutton Valence.

The following data which is missing from the equalities assessment (as only district level data is considered) illustrates the need in Maidstone and should be considered as part of these proposals (including Family Hubs):

### **Park Wood**

There are 2,700 children aged 15 years and under living in Park Wood ward.

This area has seen a massive increase in the population of children since the 2011 census, with a total increase in 15 and under population of 44.2%, rising from 1,872 to 2,700. The most significant increase was in the 5 – 9 years age group, which saw a 70.8% change between the Census', rising from 530 to 905.

### **Deprivation**

- 1,144 households in Park Wood are suffering from at least one level of deprivation, an increase of 37.2% since 2011. This accounts for 32.7% of all households in this ward.
- 19.7% of households in this ward have no access to a car or van for travelling. This equates to 689 households.
- There are currently 1,034 low-income households, with a total of 1,016 children. Of those households, 316 of them are living below the poverty line, which includes 369 children.

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- 186 of these low-income households have been impacted by Welfare Reforms over the last ten years and are currently (on average) £21.70 worse off each week because of this.
- Kent County Council predict that the 0 – 5-year-old age bracket will continue to increase in Maidstone, with an average increase across the borough of 10.1% by 2040 (which is in line with census data predictions)
- There are 502 lone parent families (with dependent children) living in Park Wood ward, an increase of 9.6% since 2011.

### **In terms of Health Inequalities:**

- The percentage of babies born with a low birth weight is also significantly higher than both Maidstone and Kent percentages, with 6.4% of births being born with a low birth weight (under 2.5kg). This compares to 5.5% in Maidstone and 5.8% in Kent.
- New mothers living in the area are much less likely to breastfeed, with only 46.6% choosing to breastfeed their infants, compared to 59.1% in Maidstone and 58.1% in Kent.
- Obesity in reception aged children (aged 4 and 5 years) is more prevalent, with 12.3% being recorded as obese, compared to 8.5% on average in Maidstone and 9.4% on average in Kent.
- Obesity prevalence also continues into year six children (aged 10 and 11 years) with 23.7% being recorded as obese, compared to 17.2% on average in Maidstone.

### **Shepway South**

There are 1,225 children aged 15 years and under living in Shepway South ward.

This area has seen an increase in the population of children since the 2011 census, with a total increase in 15 -years-and-under population of 8.6%, rising from 1,128 to 1,225. The most significant increase was in the 5 – 9 years age group, which saw a 17% change between the Census', rising from 329 to 385.

### **Deprivation**

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- 895 households in Shepway South are suffering from at least one level of deprivation, which is not a significant change from 2011. This accounts for 36.4% of all households in this ward.
- 26.7% of households in this ward have no access to a car or van for travelling. This equates to 658 households.
- There are currently 753 low-income households, with a total of 369 children. Of those households, 235 of them are living below the poverty line, which includes 174 children.
- 95 of these low-income households have been impacted by Welfare Reforms over the last ten years and are currently (on average) £21.10 worse off each week because of this.
- There are 203 lone parent families (with dependent children) living in Shepway South ward.

### **In terms of Health Inequalities:**

- The percentage of babies born with a low birth weight is also significantly higher than both Maidstone and Kent percentages, with 6.4% of births being born with a low birth weight (under 2.5kg). This compares to 5.5% in Maidstone and 5.8% in Kent.
- New mothers living in the area are much less likely to breastfeed, with only 46.6% choosing to breastfeed their infants, compared to 59.1% in Maidstone and 58.1% in Kent.
- Obesity in reception aged children (aged 4 and 5 years) is more prevalent, with 12.3% being recorded as obese, compared to 8.5% on average in Maidstone and 9.4% on average in Kent.
- Obesity prevalence also continues into year six children (aged 10 and 11 years) with 23.7% being recorded as obese, compared to 17.2% on average in Maidstone.

### **Shepway North**

There are 1,901 children aged 15 years and under living in Shepway North ward.

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Whilst there has been a decline in the age bracket 0 – 4 years (-11.6%) here has been an increase in the number of 5 - 9-year-olds (8.4% increase).

### Deprivation

- 1,275 households in Shepway North are suffering from at least one level of deprivation, an increase of 11.16%. This accounts for 36.9% of all households in this ward.
- 17% of households in this ward have no access to a car or van for travelling. This equates to 593 households.
- There are currently 682 low-income households, with a total of 513 children. Of those households, 251 of them are living below the poverty line, which includes 265 children.
- 108 of these low-income households have been impacted by Welfare Reforms over the last ten years and are currently (on average) £22.30 worse off each week because of this.

### In terms of Health Inequalities:

- The percentage of babies born with a low birth weight is also significantly higher than both Maidstone and Kent percentages, with 6.4% of births being born with a low birth weight (under 2.5kg). This compares to 5.5% in Maidstone and 5.8% in Kent.
- New mothers living in the area are much less likely to breastfeed, with only 46.6% choosing to breastfeed their infants, compared to 59.1% in Maidstone and 58.1% in Kent.
- Obesity in reception aged children (aged 4 and 5 years) is more prevalent, with 12.3% being recorded as obese, compared to 8.5% on average in Maidstone and 9.4% on average in Kent.
- Obesity prevalence also continues into year six children (aged 10 and 11 years) with 23.7% being recorded as obese, compared to 17.2% on average in Maidstone.

### Sutton Valence and Langley

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### **ward:**

There are 509 children aged 15-years-and-under living in Sutton Valence and Langley ward.

This area has seen an increase in the population of children since the 2011 census, with a total increase in 15-years-and-under population of 6.9%, rising from 476 to 509. The most significant increase was in the 5 – 9 years age group, which saw a 13% change between the Census', rising from 131 to 148.

### **Deprivation**

- 414 households in Sutton Valence and Langley are suffering from at least one level of deprivation, which is an increase of 14%. This accounts for 34.4% of all households in this ward.
- 7.3% of households in this ward have no access to a car or van for travelling. This equates to 88 households.
- There are currently 150 low-income households, with a total of 87 children. Of those households, 42 of them are living below the poverty line, which includes 23 children.
- 18 of these low-income households have been impacted by Welfare Reforms over the last ten years and are currently (on average) £36.20 worse off each week because of this.
- There are 58 lone parent families (with dependent children) living in Sutton Valence and Langley ward, an increase of 13.7% since 2011.

### **In terms of Health Inequalities:**

- The percentage of babies born with a low birth weight is also significantly higher than both Maidstone and Kent percentages, with 6.4% of births being born with a low birth weight (under 2.5kg). This compares to 5.5% in Maidstone and 5.8% in Kent.
- New mothers living in the area are much less likely to breastfeed, with only 46.6% choosing to breastfeed their infants, compared to 59.1% in Maidstone and 58.1% in Kent.

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- Obesity in reception aged children (aged 4 and 5 years) is more prevalent, with 12.3% being recorded as obese, compared to 8.5% on average in Maidstone and 9.4% on average in Kent.

Obesity prevalence also continues into year six children (aged 10 and 11 years) with 23.7% being recorded as obese, compared to 17.2% on average in Maidstone.

### Section 4 – Equality Analysis

To help ensure that we are meeting our obligations under the Equality Act 2010 we have prepared an Equality Impact Assessment (EqIAs) on the proposals.

An EqIA is a tool to assess the impact any proposals would have on the protected characteristics: age, disability, sex, gender identity, sexual orientation, race, religion or belief, and carer's responsibilities. The EqIA is available online at [www.kent.gov.uk/familyhubservices](http://www.kent.gov.uk/familyhubservices) or on request.

**Q14. We welcome your views on our equality analysis and if you think there is anything we should consider relating to equality and diversity. Please add any comments below.**

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Yes, we feel that more could be done in terms of engagement with Maidstone to ensure that the needs assessment is accurate, and data led. The impact of the proposals on areas of deprivation has not been properly considered. This of great concern because the proposals for the closure of youth services will predominantly affect areas of high need.

In terms of the location of Family Hubs and the service delivery model, it is essential that the future location of Family Hubs are accessible to all children and families across Maidstone. Digital accessibility appears to be a key feature of the model. Digital exclusion must be considered and addressed.

Maidstone has two neighbourhoods (LSOAs) that rank within the Country's 10% most deprived areas, the needs of which should be closely considered. These areas are in Parkwood (ranked 2,915 in the country) and Shepway South. In addition, there are four further LSOAs that rank under 5,000 most deprived in the Country (out of 32,844). These areas are in Parkwood, Shepway South, High Street and Shepway North wards. Data at the level is key to properly understand need.

The needs of these areas MUST be considered as part of these proposal so that existing inequalities are not deepened by these proposals. In addition to the data provided in response to Q13 on the areas of deprivation that will be affected by the proposed withdrawal of Youth Services, please also consider the other key area of deprivation in Maidstone, High Street, in relation to the location of Family Hubs. The data tells us that:

### **High Street**

There are 2,298 children aged 15-years-and-under living in High Street ward. This area has seen a significant increase in the population of children since the 2011 census, with a total increase in 15-years-and-under population of 20.7%, rising from 1,904 to 2,298. The most significant increase was in the 5 – 9 years age group, which saw a 42.1% change between the Census', rising from 520 to 739

### **Deprivation**

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- There are 1,843 households suffering from at least one level of deprivation, a significant increase of 31.17% compared to 2011 (1,405). This accounts for 31.6% of all households in this ward.
- 32.1% of all households living in High Street ward have no access to a car or van. This is 1,637 households.
- There are currently 1,165 low-income households in High Street ward, with a total of 701 children. Of those households, 399 of them are living below the poverty line, which includes 281 children.
- 221 of these low-income households have been impacted by Welfare Reforms over the last ten years and are currently (on average) £30.5 worse off each week because of this.
- There are 397 lone parent families (with dependent children) living in High Street ward, an increase of 3.39%.

### **Health Inequalities data for High Street Ward (Kent Public Health Observatory) tells us:**

- The data suggests that obesity in children is an issue in the High Street ward. High Street ward has a greater proportion of reception age children measured as obese at 10.8% compared to 9.4% in Kent overall and a greater proportion of children at year 6 (10-11 years) also measuring as obese at 22.9% compared to 18.0% in Kent.
- There are 110 more premature deaths per 100,00 people (under 75 years) in the High Street ward compared to in Kent overall. The rate for the High Street ward is also significantly greater than that for Kent at 427.4 deaths per 100,000 population compared to 280.2 for Maidstone overall.
- Males in High street ward have a life expectancy of 2.6 years less than Kent overall.

## Shaping the Family Hubs and Start for Life Offer

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### Section 5 – More about you

We want to make sure that everyone is treated fairly and equally, and that no one gets left out. That's why we are asking you these questions. We'll only use the information to help us make decisions and improve our services.

**If you would rather not answer any of these questions, you don't have to.**

**It is not necessary to answer these questions if you are responding on behalf of an organisation.**

**Q15. Are you...? Please select **one** option.**

<input type="checkbox"/>	Male
<input type="checkbox"/>	Female
<input type="checkbox"/>	I prefer not to say

**Q16. Is your gender the same as your birth? Please select **one** option.**

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
<input type="checkbox"/>	I prefer not to say

**Q17. Which of these age groups applies to you? Please select **one** option.**

0-15	<input type="checkbox"/>	16-24	<input type="checkbox"/>	25-34	<input type="checkbox"/>	35-49	<input type="checkbox"/>	50-59	<input type="checkbox"/>
60-64	<input type="checkbox"/>	65-74	<input type="checkbox"/>	75-84	<input type="checkbox"/>	85+ over	<input type="checkbox"/>	I prefer not to say	<input type="checkbox"/>

## Shaping the Family Hubs and Start for Life Offer

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**Q18. Which of the following applies to you?** Please select those that apply.

- |                          |                                 |
|--------------------------|---------------------------------|
| <input type="checkbox"/> | I/we have children              |
| <input type="checkbox"/> | I am / we are expecting a child |
| <input type="checkbox"/> | I/we do not have children       |
| <input type="checkbox"/> | I prefer not to say             |

**Q18a. If you answered 'I/we have children' to Q18, which of the following age groups does your child/children fall into?** Please select **all** that apply.

- |                          |                     |
|--------------------------|---------------------|
| <input type="checkbox"/> | 0–1-year-old        |
| <input type="checkbox"/> | 2 to 5 years old    |
| <input type="checkbox"/> | 6 to 10 years old   |
| <input type="checkbox"/> | 11 to 19 years old  |
| <input type="checkbox"/> | I prefer not to say |

**Q19. Do you regard yourself as belonging to a particular religion or holding a belief?**

Please select **one** option.

- |                          |                     |
|--------------------------|---------------------|
| <input type="checkbox"/> | Yes                 |
| <input type="checkbox"/> | No                  |
| <input type="checkbox"/> | I prefer not to say |

**Q20a. If you answered 'Yes' to Q19, which of the following applies to you?** Please select **one** option.

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- |                          |                     |
|--------------------------|---------------------|
| <input type="checkbox"/> | Christian           |
| <input type="checkbox"/> | Buddhist            |
| <input type="checkbox"/> | Hindu               |
| <input type="checkbox"/> | Jewish              |
| <input type="checkbox"/> | Muslim              |
| <input type="checkbox"/> | Sikh                |
| <input type="checkbox"/> | Other               |
| <input type="checkbox"/> | I prefer not to say |

If you selected Other, please specify:

The Equality Act 2010 describes a person as disabled if they have a long standing physical or mental condition that has lasted, or is likely to last, at least 12 months; and this condition has a substantial adverse effect on their ability to carry out normal day-to-day activities. People with some conditions (cancer, multiple sclerosis and HIV/AIDS, for example) are considered to be disabled from the point that they are diagnosed.

**Q21. Do you consider yourself to be disabled as set out in the Equality Act 2010?** Please select **one** option.

- |                          |                     |
|--------------------------|---------------------|
| <input type="checkbox"/> | Yes                 |
| <input type="checkbox"/> | No                  |
| <input type="checkbox"/> | I prefer not to say |

**Q22a. If you answered 'Yes' to Q21, please tell us the type of impairment that applies to you.**

## Shaping the Family Hubs and Start for Life Offer

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You may have more than one type of impairment, so please select all that apply. If none of these applies to you, please select 'Other' and give brief details of the impairment you have.

<input type="checkbox"/>	Physical impairment
<input type="checkbox"/>	Sensory impairment (hearing, sight or both)
<input type="checkbox"/>	Longstanding illness or health condition, such as cancer, HIV/AIDS, heart disease, diabetes or epilepsy
<input type="checkbox"/>	Mental health condition
<input type="checkbox"/>	Learning disability
<input type="checkbox"/>	I prefer not to say
<input type="checkbox"/>	Other

## Shaping the Family Hubs and Start for Life Offer

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A Carer is anyone who cares, unpaid, for a friend or family member who due to illness, disability, a mental health problem or an addiction cannot cope without their support. Both children and adults can be carers.

**Q23. Are you a Carer?** Please select **one** option.

- Yes
- No
- I prefer not to say

**Q24. Are you ...?** Please select **one** option.

- Heterosexual/Straight
- Bi/Bisexual
- Gay man
- Gay woman/Lesbian
- I prefer not to say
- Other

Other, please specify:

## Shaping the Family Hubs and Start for Life Offer

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**Q25. To which of these ethnic groups do you feel you belong?** Please select **one** option.  
(Source 2011 Census)

White English	<input type="checkbox"/>	Mixed White & Black Caribbean	<input type="checkbox"/>
White Scottish	<input type="checkbox"/>	Mixed White & Black African	<input type="checkbox"/>
White Welsh	<input type="checkbox"/>	Mixed White & Asian	<input type="checkbox"/>
White Northern Irish	<input type="checkbox"/>	Mixed Other*	<input type="checkbox"/>
White Irish	<input type="checkbox"/>	Black or Black British Caribbean	<input type="checkbox"/>
White Gypsy/Roma	<input type="checkbox"/>	Black or Black British African	<input type="checkbox"/>
White Irish Traveller	<input type="checkbox"/>	Black or Black British Other*	<input type="checkbox"/>
White Other*	<input type="checkbox"/>	Arab	<input type="checkbox"/>
Asian or Asian British Indian	<input type="checkbox"/>	Chinese	<input type="checkbox"/>
Asian or Asian British Pakistani	<input type="checkbox"/>	I prefer not to say	<input type="checkbox"/>
Asian or Asian British Bangladeshi	<input type="checkbox"/>		
Asian or Asian British Other*	<input type="checkbox"/>		

\*Other - If your ethnic group is not specified on the list, please describe it here:

## **Shaping the Family Hubs and Start for Life Offer**

**Public consultation 19 July to 13 September 2023**

Thank you for taking the time to complete this questionnaire; your feedback is important to us.  
All feedback received will be reviewed and considered.

**Closing date for responses: 13 September 2023**

**COMMUNITIES, LEISURE & ARTS  
POLICY ADVISORY COMMITTEE**

**5 September  
2023**

**1<sup>st</sup> Quarter Finance Update & Performance Monitoring  
Report 2023/24**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Communities, Leisure & Arts Policy Advisory Committee	5 September 2023
Cabinet Meeting	20 September 2023

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Cabinet
<b>Lead Head of Service</b>	Mark Green, Director of Finance, Resources & Business Improvement
<b>Lead Officer and Report Author</b>	Paul Holland, Senior Finance Manager Carly Benville, Senior Information Analyst
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

This report sets out the 2023/24 financial and performance position for the services reporting into the Communities, Leisure & Arts Policy Advisory Committee (CLA PAC) as at 30<sup>th</sup> June 2023 (Quarter 1). The primary focus is on:

- The 2023/24 Revenue and Capital budgets; and
- The 2023/24 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked.

### Budget Monitoring

Overall net expenditure at the end of Quarter 1 for the services reporting to CLA PAC is -£41,000, compared to the approved profiled budget of -£87,000, representing an overspend of £46,000.

Capital expenditure at the end of Quarter 1 for CLA PAC was £34,000 against a total budget of £4.216m.

### Performance Monitoring

75% (3 of 4) of the KPIs falling under this PAC achieved their quarter 1 targets.

### Recovery & Renewal Update

A number of actions across the three areas of focus in the Recovery and Renewal Action have now been completed. This is shown in the update at Appendix 3.

### UK Shared Prosperity Fund Update

An update on progress made against schemes using this funding is shown at Appendix 4.

## **Purpose of Report**

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 30<sup>th</sup> June 2023.

## **This report makes the following recommendations to the Communities, Leisure & Arts Policy Advisory Committee:**

1. That 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. That the Capital position at the end of Quarter 1 for 2023/24 be noted;
3. That the Performance position 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. That the Recovery & Renewal Update, attached at Appendix 3 be noted; and
5. That the UK Shared Prosperity Fund update, attached at Appendix 4 be noted.

# 1<sup>st</sup> Quarter Finance Update & Performance Monitoring Report 2023/24

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p><b>Impact on Corporate Priorities</b></p>	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council’s Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The Key Performance Indicators and strategic actions are part of the Council’s overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
<p><b>Cross Cutting Objectives</b></p>	<p>This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.</p>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
<p><b>Risk Management</b></p>	<p>This is addressed in Section 5 of this report.</p>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
<p><b>Financial</b></p>	<p>Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p> <p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money.</p>	<p>Senior Finance Manager (Client)</p>

	<p>The financial implications of any proposed changes are also identified and taken into account in the Council's Medium-Term Financial Strategy and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p>	
<b>Staffing</b>	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
<b>Legal</b>	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p>	<p>Senior Legal Advisor – Corporate Governance</p>
<b>Information Governance</b>	<p>The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.</p>	<p>Policy and Information Team</p>
<b>Equalities</b>	<p>There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a</p>	<p>Equalities and Communities Officer</p>

	policy or service change, should one be identified.	
<b>Public Health</b>	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
<b>Crime and Disorder</b>	There are no specific issues arising.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
<b>Procurement</b>	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
<b>Biodiversity and Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no direct implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium-Term Financial Strategy for 2023/24 to 2027/28 - including the budget for 2023/24 - was approved by full Council on 22<sup>nd</sup> February 2023. This report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 2.2 The financial position for CLA needs to be considered within context of the overall financial position for Maidstone. Currently there is a forecast overspend that will need to be managed over the rest of the year to come back within budget. We know this may fluctuate as demand as costs settle during the year. The CLA PAC will need to consider any actions it may need to take to ensure it manages within its controllable budgets.
- 2.3 Attached at Appendix 1 is a report setting out the revenue and capital spending position at the Quarter 1 stage. Overall net expenditure at the end of Quarter 1 for the services reporting to CLA PAC is -£41,000 compared to the approved profiled budget of -£87,000, representing an overspend of

£46,000. Capital expenditure at the end of Quarter 1 for CLA PAC was £34,000 against a total budget of £4.216m. There is one significant variance that is currently forecast by the end of the year, and this is detailed in Appendix 1.

- 2.4 Attached at Appendix 2 is a report setting out the position for the KPIs for the corresponding period. Attached at Appendix 3 is an update on progress against the Recovery & Renewal Plan and attached at Appendix 4 is an update on the UK Shared Prosperity Fund.

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### 3. **AVAILABLE OPTIONS**

- 3.1 The Committee is asked to note the contents but may choose to comment.

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

- 4.1 In considering the current position on the Revenue budget, the Capital Programme, and the KPIs at the end of June 2023, the Committee can choose to note this information or could choose to comment.

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### 5. **RISK**

- 5.1 This report is presented for information only and has no direct risk management implications.
- 5.2 The Council produced a balanced budget for both revenue and capital income and expenditure for 2023/24. The budget is set against a continuing backdrop of limited resources and the continuation of a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.

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

- 6.1 The KPIs update ("Performance Monitoring") are reported to the Policy Advisory Committees (PAC) quarterly: Communities, Leisure & Arts PAC, Housing, Health & Environment PAC and Planning, Infrastructure & Economic Development PAC. Each committee also receives a report on the relevant priority action areas. The report is also presented to the Corporate Services PAC reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".

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

- 7.1 The Quarter 1 Budget & Performance Monitoring reports are being considered by the relevant Policy Advisory Committees during September 2023.
- 

**8. REPORT APPENDICES**

- Appendix 1: First Quarter Budget Monitoring 2023/24
  - Appendix 2: First Quarter Performance Monitoring 2023/24
  - Appendix 3: Recovery & Renewal Update 2023/24
  - Appendix 4: UK Shared Prosperity Fund Update 2023/24
- 

**9. BACKGROUND PAPERS**

None.

# APPENDIX 1 – FIRST QUARTER BUDGET MONITORING

## Contents

### **Part A: First Quarter Revenue Budget 2023/24**

- A1) Revenue Budget
- A2) Significant Variances

### **Part B: First Quarter Capital Budget 2023/24**

- B1) Capital Budget
- B2) Significant Variances

## Part A - First Quarter Revenue Budget 2023/24

### **A1) Revenue Budget: Communities, Leisure & Arts (CLA) PAC**

- A2.1 The table below provides a detailed summary of the budgeted net expenditure position for the services reporting directly into CLA PAC at the end of Quarter 1. The financial figures are presented on an accruals basis (i.e. expenditure for goods and services received, but not yet paid for, is included).
- A2.2 This table now shows the variance split between expenditure and income to give more of an insight into the nature of the variance.

## CLA Revenue Budget: NET EXPENDITURE (@ 1<sup>st</sup> Quarter 2023/24)

Cost Centre	Approved Budget for Year	Approved Budget to 30 June 2023	Actual as at 30 June 2023	Variance as at 30 June 2023			Forecast March 2024	
	Net £000	Net £000	Net £000	Expenditure £000	Income £000	Net £000	Forecast Net £000	Forecast Variance £000
Cultural Development Arts	72	4	5	10	-11	-0	72	0
Museum	44	2	-6	12	-5	8	44	0
Carriage Museum	4	1	1	0	-1	-1	4	0
Museum-Grant Funded Activities	0	-6	-18	4	7	12	0	0
Hazlitt Arts Centre	331	90	81	9	0	9	331	0
Festivals and Events	9	-15	1	-35	19	-16	9	0
Leisure Centre	-153	-47	-23	-21	-2	-23	-153	0
Mote Park Adventure Zone	-72	-18	-23	0	4	4	-72	0
Cobtree Golf Course	-35	0	0	0	0	0	-35	0
Mote Park Cafe	-64	-16	-19	0	3	3	-64	0
Parks & Open Spaces Leisure Activities	-2	-0	-1	0	1	1	-2	0
Mote Park Leisure Activities	-43	-40	-14	0	-26	-26	-43	0
Tourism	11	3	-13	7	9	16	11	0
Museum Shop	-22	-6	-2	-0	-3	-3	-22	0
Lockmeadow	243	116	125	-9	0	-9	243	0
Lockmeadow Complex	-1,452	-943	-908	33	-67	-34	-1,392	-60
Market	26	31	28	4	-1	3	26	0
Performance & Development	63	28	18	10	0	10	63	0
Press & Public Relations	5	5	-0	0	5	5	5	0
Grants	166	77	71	6	0	6	166	0
Delegated Grants	2	2	1	1	0	1	2	0
Parish Services	144	75	69	6	0	6	144	0
Leisure Services Section	71	29	27	2	0	2	71	0
Cultural Services Section	416	104	126	-22	0	-22	416	0
Visitor Economy Section	133	33	40	-6	0	-6	133	0
Market Section	98	24	20	4	0	4	98	0
Communications Section	261	65	61	4	-0	4	261	0
Policy & Information Section	554	138	133	7	-1	6	554	0
Customer Services Section	744	188	179	9	0	9	744	0
Salary Slippage	-43	-11	0	-11	0	-11	-43	0
<b>Totals</b>	<b>1,510</b>	<b>-87</b>	<b>-41</b>	<b>24</b>	<b>-70</b>	<b>-46</b>	<b>1,570</b>	<b>-60</b>

71 These budget areas are all covered by the Cabinet Member for Communities, Leisure & Arts.

## A2) CLA Revenue Budget: Significant Variances

A2.1 Within the headline figures, there are a number of both adverse and favourable net expenditure variances for individual cost centres. It is important that the implications of variances are considered at an early stage, so that contingency plans can be put in place and, if necessary, be used to inform future financial planning. Variances will be reported to each of the Policy Advisory Committees on a quarterly basis throughout 2023/24.

A2.2 The table below highlights and provides further detail on the most significant variances at the end of Quarter 1.

### CLA PAC Variances (@ 1<sup>st</sup> Quarter 2023/24)

	Positive Variance Q4	Adverse Variance Q4	Year End Forecast Variance
<b>Communities, Leisure &amp; Arts</b>	<b>£000</b>		
<b>Lockmeadow Complex</b> – There have been additional service charge costs for Love Food relating to 2022/23. Service charge costs continue to exceed budgeted levels, leading to a projected overspend for the year.		-34	-60

# Part B - First Quarter Capital Budget 2023/24

## B1) Capital Budget 2023/24 (@ 1<sup>st</sup> Quarter 2023/24)

Capital Programme Heading	Adjusted Estimate 2023/24 £000	Actual to June 2023 £000	Budget Remaining £000	Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2024/25 £000
<b>Communities, Leisure &amp; Arts</b>								
Mote Park Lake - Dam Works	188		188	50			50	
Museum Development Plan	389	22	367	28	202	89	341	48
Leisure Provision	3,100		3,100			500	500	2,600
Tennis Courts Upgrade	40	12	27	27			40	
Riverside Walk Works	250		250		50	200	250	
Mote Park Kiosk Refurbishment & Extension	250		250	10	10	120	140	110
<b>Total</b>	<b>4,216</b>	<b>34</b>	<b>4,182</b>	<b>115</b>	<b>262</b>	<b>909</b>	<b>1,320</b>	<b>2,758</b>

## B2) Capital Budget Variances (@ 1<sup>st</sup> Quarter 2023/24)

<b>Communities, Leisure &amp; Arts</b>
<b>Mote Park Lake Dam Works</b> – This project is now substantially complete with just the final payment due to the contractor and has come in under budget.
<b>Leisure Provision</b> – Discussions are ongoing with the current operator regarding this budget, and at present it is anticipated that there will be some initial spend on improvements at the centre in the final quarter of the year. There will be a further update on the this in the 2 <sup>nd</sup> quarter report.
<b>Riverside Walk Works</b> – The plans for this project are currently in development, and whilst it is hoped that it can be completed within the current financial year there is some uncertainty over the timing of the works, so it could slip into 2024/25. There will be a further update on the this in the 2 <sup>nd</sup> quarter report.

# APPENDIX 2 – FIRST QUARTER PERFORMANCE MONITORING

## Key to performance ratings

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

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

## Performance Summary

RAG Rating	Green	Amber	Red	N/A <sup>1</sup>	Total
KPIs	3	0	1	4	8
Direction	Up	No Change	Down	N/A	Total
Last Quarter	2	0	1	5	8
Last Year	2	0	1	5	8

- 75% (3 of 4) key performance indicators (KPIs) falling under this PAC achieved their quarter 1 (23/24) targets.
- Compared to last quarter (Q4 22/23), performance has improved for 66.6% (2 of 3) the indicators and declined for 33.3% (1 of 3) of the indicators.
- Compared to last year (Q1 2022/23), performance has improved for 66.6% (2 of 3) the indicators and declined for 33.3% (1 of 3) of the indicators.

## Communities, Leisure & Arts Q1 Performance

Performance Indicator	Q1 2023/24				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Number of households at risk of (or in) financial crisis (LIFT data) <i>June 2023</i>	756			N/A	N/A
Percentage change in Utility costs for public use leisure assets	Bi-Annual Indicator				
Number of outreach projects/work undertaken by the Hazlitt	32			N/A	N/A
Percentage of tickets sold at the Hazlitt	62.6%	50%			

<sup>1</sup> PIs rated N/A are not included in the summary calculations

Performance Indicator	Q1 2023/24				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Footfall at the Museum and Visitors Information Centre	7,607	12,500			
Number of users at the Leisure Centre	135,178	126,033			
Market Hall Occupancy Percentage	81.32%	75%		N/A	N/A
Extra visits to the Borough for Events (HUQ)	Annual Indicator				

The **Number of households at risk of (or in) financial crisis** is a new indicator for 23/24 tracking the number of low-income households in Maidstone. For comparison, looking at January 2023, the number was 765. 'At risk' or 'in crisis' households are those who can cover their rent and council tax each month, but nothing more than this (i.e., cannot cover their food or fuel).

The key performance indicator monitoring the "**Footfall at the Museum and Visitors Information Centre**" missed the target by more than 10%, achieving 7,607 against a target of 12,500. It's important to note that Museums nationally are experiencing a decline in footfall. However, we are taking proactive steps to address this issue. A new marketing plan and promotional campaign during the summer holidays will position the Museum as a free and fun resource, aiming to increase visitor numbers and improve the footfall figures. By leveraging these efforts, we anticipate a positive impact on the footfall metrics in the coming months.

The key performance indicator monitoring the "**Market Hall Occupancy**" is a new indicator for 23/24, which informs us how booked the hall in the period. In quarter one, the Market Hall was available for bookings on 91 days and, of those, it was booked out for 74 days, giving an occupancy percentage of 81.32%.

Appendix 3 Recovery and Renewal Action Plan

RESILIENT COMMUNITIES					
<p><b>Support and Encourage Volunteering in the Borough.</b></p>	<p>£25,000 Recovery Fund</p>	<p>Jun-21</p>	<p>Oct-22</p>	<p><b>Increase in the number of volunteers, volunteering in the Borough and as a consequence more community initiatives delivered. Work with involve to develop an indicator</b></p>	<p>Volunteering &amp; Funding online event held on 20 July 2023, focussing on supporting VCS organisations with funding opportunities and managing and supporting volunteers. Presentations with information and advice were given by:                      National Lottery                      Space Hive &amp; Crowd Fund Kent                      Refer Kent                      MBC Community Larder                      Imago</p> <p>Representatives from the below 14 organisations attended:                      Involve                      Street Pastors                      The Stones Community Trust                      Maidstone Interfaith Network                      Headcorn Community Group                      Hi Kent                      MADM                      Tenterden Counselling                      Maidstone Operatic Society                      CAB                      Maidstone WINTER shelters                      St Martin’s Church                      Mid Kent Motor Neurone Assoc.                      The Princess Project                      Making Miracles                      Event was well received with interest on this becoming a regular forum.</p>

**Appendix 3 Recovery and Renewal Action Plan**

<p><b>Community Resilience Fund</b></p>	<p>£150,000 Recovery Fund</p>	<p>Oct-21</p>	<p>Oct-24</p>	<p><b>30 projects delivered by a variety of community and voluntary sector groups and organisations.</b></p>	<p>The latest round of funding was to support projects to help improve mental health through a range of activities and therapies across the borough, and to a range of different groups. 45 Projects received funding to the Value of just over £54K.</p> <p>Projects included A mobile sight centre to increase access to community support for those affected by sight loss. Improved community facilities, social groups, support groups for men. Sessions for those experienced or beginners in Fishing to learn a new sport and to chat and animal therapies amongst other projects.</p> <p>Just under £60K remains and discussions have started as to how to maximise the effectiveness of this pot of money.</p>
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**Appendix 3 Recovery and Renewal Action Plan**

<p><b>Online Community Participation</b></p>	<p>£15,000 Recovery Fund</p>	<p>Sep-21</p>		<p><b>Online tool in place and used to successfully engage with the public on projects and initiatives.</b></p>	<p>Complete</p>
<p><b>Establish Community Compact</b></p>	<p>N/A</p>	<p>May-21</p>	<p>N/A</p>	<p><b>Partnership in place between the community and voluntary sector and the council. Joint projects completed and greater resilience</b></p>	<p>Project closed</p>
<p><b>Love Where You Live and Get Involved.</b></p>	<p>£35,000 Recovery Fund</p>	<p>Sep-21</p>	<p>Sep-22</p>	<p><b>8 community environmental projects delivered. Civic Pride increased as measured by the Resident's Survey. Baseline the number of participants in the project.</b></p>	<p>Complete</p>

**UKSPF 2023/4 Quarter 1 Update:**

In July 2023 the Department for Levelling up, Housing & Communities (DLUHC) confirmed that the End of Year Report submitted in May 2023 for the year 2022/23 was approved, this also confirmed our approach to the underspend from Year 1 is accepted. We have also returned the Memorandum of Understanding and should receive the grant for Year 2 shortly.

Rural Fund: The authority has been allocated £134,932 for this financial year, the first round for submissions was opened in April and closed in June. The submissions were reviewed by a panel in July, further information is required on those that have made it through the initial filtering stage, this includes detailed costings and project delivery timeline. The panel will then come back together in September to review and finalise Year 1 projects.

**Year 2 projects and an update:**

Intervention	Project	Detail	2023/24 budget	Amount spent:	£ Committed	Q1 Update:
E6: Local arts, cultural, heritage & creative activities	Project A - Building Pride in Place through promotion of the Town Centre and Events.	Creative communities fund for local organisations and groups to support events	£35,830	£30,000	£0	19 applications were received for the last round of which 11 will be awarded grants.
		Literature Festival	£15,000	£0	£0	The event will be held in October, organising and advertising for the event has begun. A company has been commissioned to support the delivery of the event.
		Iggy Sculpture Trail	£60,000	£510	£0	Locations for the sculptures has been agreed, and an artist to produce the sculptures has been commissioned. The trail will be supported by a digital trail app, that has been procured and is currently being designed.
		Equipment purchases to support events	£2,751	£62	£2,510	£2,510 has been committed to purchase a set of temporary exhibition walls, and 2 microphones have been purchased as well.
		Arts Carnival	£20,000	£20,000	£0	Due to adverse weather the original date for the Arts Carnival was cancelled, it has been rescheduled for Saturday 9 <sup>th</sup> September.

		Partner for Elmer 2	£40,000	£0	£0	Contract is in the process of being signed.
	Project C- A Community Arts Hub & Maker Space	Feasibility Study	£5,000	£0	£3,200	The final feasibility report was received at the end of July.
E8: Campaigns to encourage visits and exploring of local area	Project A - Building Pride in Place through promotion of the Town Centre and Events.	Advertising budget to promote events across all channels	£15,000	£3,924	£0	The majority has been allocated to promote events later in the year.
		Borough Insight Events and Town centre focussed	£30,000	£0	£0	This will be spent on the Autumn 2023 edition of the magazine.
		Promotional video for business and events in TC	£5,000	£0	£0	This will be used later in the year to capture footage of events.
E9: Impactful Volunteering and/or Social action Projects	Project B- A Safe and Attractive Town Centre achieved through Greening and Lighting	An externally commissioned green Volunteering Project to Improve Town Centre Green Spaces, Increase Volunteering and Improve Wellbeing.	£60,000	£0	£0	Five sites have been worked with 18 volunteers involved. The sites are Maidstone Community Support Centre, Trinity House, Brenchley Gardens, Fairmeadow and planters in the Town Centre.
Management Overheads			£9,897	£2,474	£7,423	
<b>Total:</b>			<b>£298,478</b>	<b>£57,480</b>	<b>£75,302</b>	
				<b>£132,782</b>		

**COMMUNITIES, LEISURE AND  
ARTS POLICY ADVISORY  
COMMITTEE**

**5 September 2023**

**Medium Term Financial Strategy and Budget Proposals**

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Communities, Leisure and Arts Policy Advisory Committee	5 September 2023
Cabinet	20 September 2023

<b>Will this be a Key Decision?</b>	Yes
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Council
<b>Lead Head of Service</b>	Mark Green, Director of Finance, Resources and Business Improvement
<b>Lead Officer and Report Author</b>	Adrian Lovegrove, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

This report forms part of the process of agreeing a budget for 2024/25 and setting next year's Council Tax. The report sets out a draft Medium Term Finance Strategy for 2024/25 – 2028/29 and budget proposals for services within the remit of the Committee. These proposals will then be considered by the Cabinet at its meeting on 20 September 2023.

The Cabinet will subsequently consider any remaining budget issues at its meeting on 7 February 2024, with a view to determining a final set of proposals for submission to Council on 21 February 2024.

**Purpose of Report**

Recommendation to Cabinet

**This report makes the following recommendation to the Committee:**

**That the Cabinet be recommended to:**

1. Approve the draft Medium Term Financial Strategy for 2024/25 to 2028/29 set out in Appendix A to the report.
2. Approve the budget proposals set out in Appendix B to the report.

# Medium Term Financial Strategy and Budget Proposals

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

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

	<p>with the requirements of sections 31A and 31B to the Local Government Finance Act 1992 (as amended by sections 73-79 of the Localism Act 2011).</p> <p>The Council is required to determine whether the basic amount of council tax is excessive as prescribed in regulations – section 52ZB of the 1992 Act as inserted under Schedule 5 to the Localism Act 2011. The Council is required to hold a referendum of all registered electors in the borough if the prescribed requirements regarding whether the increase is excessive are met.</p> <p>Approval of the budget is a matter reserved for full Council upon recommendation by the Cabinet on budget and policy matters.</p>	
<b>Privacy and Data Protection</b>	<p>Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report.</p>	<p>Section 151 Officer &amp; Finance Team</p>
<b>Equalities</b>	<p>The MFTS report scopes the possible impact of the Council’s future financial position on service delivery. When a policy, service or function is developed, changed or reviewed, an evidence-based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.</p>	<p>Section 151 Officer &amp; Finance Team</p>
<b>Public Health</b>	<p>The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.</p>	<p>Section 151 Officer &amp; Finance Team</p>
<b>Crime and Disorder</b>	<p>The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.</p>	<p>Section 151 Officer &amp; Finance Team</p>
<b>Procurement</b>	<p>The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.</p>	<p>Section 151 Officer &amp; Finance Team</p>
<b>Biodiversity and Climate Change</b>	<p>The resources to achieve the Council’s objectives are allocated through the development of the Medium Term Financial Strategy.</p>	<p>Section 151 Officer &amp; Finance Team</p>

## **2. INTRODUCTION AND BACKGROUND**

### **Medium Term Financial Strategy**

- 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 2023/24 to 2027/28 reflects the Strategic Plan. The new MTFS will continue to reflect the Strategic Plan priorities.
- 2.2 A draft MTFS is attached to this report as Appendix A. As background, it comprises an assessment of the economic environment and the Council's own financial position. It will be seen that the Council faces a budget gap, given the expected impact of inflation on costs, compared with the lower projected rate of growth in Council resources.

### **Budget Savings**

- 2.3 A key outcome of the process of updating the MTFS is to set a balanced budget and agree a level of council tax for 2024/25 at the Council meeting on 21 February 2024. The draft MTFS describes how, in bridging the budget gap, the Council needs to balance the requirement to make savings or generate increased income against the key priorities set out in the Council's Strategic Plan.
- 2.4 The draft MTFS explains that all budgets are reviewed in detail 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 would need to be offset by further savings.
- 2.5 The following savings for 2024/25 have been identified in the services falling within the remit of this committee and are shown in Appendix B.

### **Museum - Business rates saving - £35,000**

A revaluation of the Museum's rating assessment has meant that the Museum no longer has to pay business rates, allowing the budget to be saved.

### **Strategy, Insight and Governance - Sell internal printing services externally - £5,000**

The Council has a print room which continues to support Council committees, produce marketing material and provide a range of other services. It is well-resourced and already carries out work for another local authority. There is scope for further income to be generated from external customers.

- 2.6 Savings have been identified within the remit of the other Policy Advisory Committees which, all other factors remaining equal, and assuming fees and charges are increased in line with the MTFS inflation assumption, would allow the Council to set a balanced budget for 2025/26.
- 

### **3. AVAILABLE OPTIONS**

- 3.1 Agree the Medium Term Financial Strategy and the budget proposals relating to this Committee as set out in Appendices A and B respectively for onward submission to the Cabinet.
- 3.2 Propose changes to the budget proposals.
- 3.3 Make no comment on the budget proposals.
- 

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

- 4.1 The Cabinet must recommend to Council at its meeting on 7 February 2024 a balanced budget and a proposed level of Council Tax for the coming year. The overall strategy and the budget proposals included in this report will assist the Cabinet in doing this. Accordingly, the preferred option is that this Committee agrees the Medium Term Financial Strategy and the budget proposals at Appendices A and B respectively for onward submission to the Cabinet.
- 

### **5. RISK**

- 5.1 The Council's finances are subject to a high degree of risk and uncertainty. The draft MTFS includes an evaluation of the Council's financial resilience, from which it can be seen that it has adequate, but not excessive, reserves and is positioned well to manage the financial challenges that it faces.
- 5.2 In order to address risk on an ongoing basis in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each of its meetings.
- 

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

- 6.1 The Cabinet received an initial report on the MTFS at its meeting on 26 July 2023 and it agreed the approach set out in that report to development of an MTFS for 2024/25 - 2028/29 and a budget for 2024/25.

6.2 Public consultation on the budget has been carried out, with a survey which is due to close on 28 August 2023. Details will be circulated to members once they are available and they are encouraged to review the findings and assess whether the budget proposals are consistent with public expectations and aspirations.

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

7.1 The timetable for developing the budget for 2024/25 is set out below.

<b><i>Date</i></b>	<b><i>Meeting</i></b>	<b><i>Action</i></b>
September 2023	All Policy Advisory Committees	Consider 24/25 budget proposals and draft MTFS
20 September 2023	Cabinet	Agree 24/25 budget proposals and draft MTFS
5 February 2024	Corporate Services Policy Advisory Committee	Consider final budget proposals and MTFS
7 February 2024	Cabinet	Agree final budget proposals and MTFS for recommendation to Council
21 February 2023	Council	Approve 24/25 budget

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## **8. REPORT APPENDICES**

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

- Appendix A: Draft Medium Term Financial Strategy 2024/25 – 2028/29
  - Appendix B: Budget Proposals 2024/25
- 

## **9. BACKGROUND PAPERS**

There are no background papers.

# **MAIDSTONE BOROUGH COUNCIL**

## **MEDIUM TERM FINANCIAL STRATEGY 2024/25 – 2028/29**



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## 1. OVERVIEW AND SUMMARY OF MEDIUM TERM FINANCIAL STRATEGY

- 1.1 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's Strategic Plan, agreed in December 2018, covers the period 2019 to 2045. The Strategic Plan incorporates four key objectives: embracing growth and enabling infrastructure; homes and communities; a thriving place; and safe, clean and green. Further details are set out in **Section 2**.
- 1.2 Delivering the Strategic Plan depends on the Council's financial capacity and capability. Accordingly, the MTFS considers the economic environment and the Council's own current financial position. The external environment (**Section 3**) is challenging because of high inflation and the state of the UK's public finances. In assessing the Council's current financial position (**Section 4**), attention is paid to its track record of budget management, current financial performance and the level of reserves that it holds.
- 1.3 It is imperative that the MTFS both ensures Maidstone Council's continuing financial resilience and is sufficiently flexible to accommodate a range of potential scenarios. The Council has prepared financial projections under different scenarios, continuing a practice that has been followed for several years. Details of the different scenarios are set out in **Section 5**.
- 1.4 Planning assumptions for the different scenarios are set out in **Section 6**. A key assumption is the level of Council Tax, as this is the council's principal source of income. Increases in Council Tax are subject to a referendum limit, which at the time of writing (August 2023) is expected to be 3% for 2024/25. This is significantly less than the current rate of inflation, which means that there will be a budget gap, all other factors being equal. The position for future years is even more challenging, given that the expected reset of local government funding is unlikely to be favourable for Maidstone.
- 1.5 Fees and charges in aggregate make an equally important contribution to the Council's resources. Given the rise in the Council's input costs, it is important that these rise in line with inflation. For the purpose of the 2024/25 budget this has been assumed to be 5%.
- 1.6 The MTFS sets out financial projections based on these assumptions in **Section 7**. These are based on scenario 4, which assumes that inflation will remain elevated and central government continues to give the council limited funding flexibility. The table below shows projections for scenario 4, before taking account of the budget changes that are due to be considered by members at meetings of the PACs, Overview and Scrutiny Committee and Cabinet in September 2023.

**Table 1: MTFS Revenue Projections 2024/25 – 2028/29**

	24/25	24/25	25/26	26/27	28/29
	£m	£m	£m	£m	£m
Total Resources	53.7	54.7	56.4	58.5	60.2
Predicted Expenditure	55.3	59.2	61.0	61.9	62.7
Budget Gap	1.6	4.5	4.6	3.4	2.5
Existing Planned Savings	0.7	0.0	0.2	0.1	0.1
Savings Required	0.9	4.5	4.4	3.3	2.4

In accordance with legislative requirements the Council must set a balanced budget. Section 7 concludes by setting out a proposed approach which will specifically address the budget gap in 2024/25. The position in future years is much more challenging and will require a more radical approach.

- 1.7 The Council's strategic priorities are met not only through day-to-day revenue spending but also through capital investment. The Council's programme of building 1,000 Affordable Homes is the centre-piece of the Capital Strategy. Capital investment therefore serves to deliver the Council's strategic priorities, but must remain affordable and sustainable. As set out in **Section 8** below, funds have been set aside for capital investment, using prudential borrowing, and further funding may be available by taking advantage of opportunities to bid for external funding.
- 1.8 The MTFS concludes by describing the process of agreeing a budget for 2024/25, including consultation with all relevant stakeholders, in **Section 9**.

## 2. CORPORATE OBJECTIVES AND KEY PRIORITIES

2.1 The Council has a Strategic Plan which was originally adopted by Council in December 2018. The Strategic Plan has been refreshed in light of the Covid-19 pandemic. Each year the Strategic Plan is refreshed as appropriate. For 2023/24, the Strategic Plan was updated to reflect the Council's ambition in regard to Biodiversity and Climate Change, the emerging Town Centre Strategy, community resilience, and delivering 1,000 Affordable Homes.

2.2 Cabinet agreed at its meeting on 26 July 2023 that no further review of the Strategic Plan would be required for 2024/25. The four key objectives remain as follows:

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

'Embracing growth and enabling infrastructure' recognises that 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.

'Homes and communities' expresses that 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.

'A thriving place' 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

A 'safe, clean and green' place is one where 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.

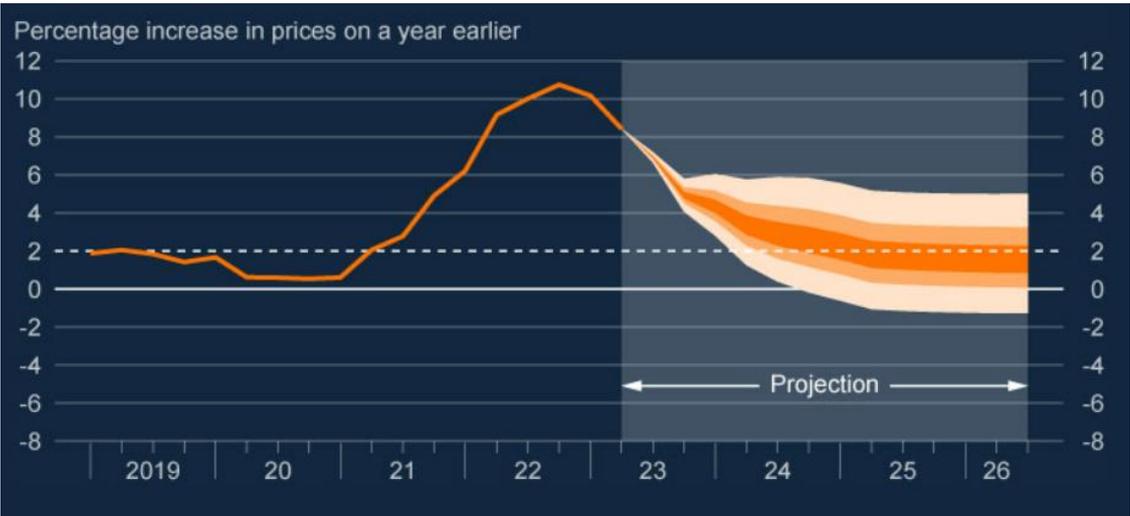
- 2.3 Since the adoption of the Strategic Plan in December 2018, the objective of 'Embracing growth and enabling infrastructure' has started to be realised, for example the completion of the Innovation Centre and development a new Garden Community.
- 2.4 Amongst initiatives to help make Maidstone a 'Thriving Place' have been MBC investment at Lockmeadow and on the Parkwood Industrial Estate, along with the emerging plans for developing a Town Centre Strategy. We will continue to leverage the Council's borrowing power, if appropriate in conjunction with partners, to realise our ambitions for the borough.
- 2.5 Our 'Homes and Communities' aspirations are being achieved by investment in temporary accommodation and the Trinity Centre and the Leader's commitment to build 1,000 new affordable homes.
- 2.6 The objective of a 'Safe, Clean and Green' place has been emphasised by the Council's commitment to a carbon reduction target and the capital investment to help enable this to be delivered and timely preparation for new waste management arrangements.
- 2.7 Within the framework of the existing Strategic Plan, the Council is therefore prioritising:
- development of the Local Plan and related strategies and policies, in particular the Town Centre Strategy
  - continued investment to make Maidstone a thriving place
  - investment in 1,000 new affordable homes
  - measures to enable the Council's carbon reduction target to be met.
- 2.8 The funding envelope within which these priorities must be delivered depends heavily on the Council's own revenue-generating capacity. The Council is largely self-sufficient financially, drawing most of its income from Council Tax and a range of other locally generated sources of income, including Parking, Planning Fees and the Council's property portfolio. However, it operates within the local authority funding framework set by central government, which is likely to impose tight constraints, and is affected by macro-economic conditions, in particular the rate of inflation. The two key variables in financial planning are therefore the restriction set by central government on the amount by which Council Tax can be increased and the rate of inflation. The financial implications are set out in section 6 below.

### 3. ECONOMIC ENVIRONMENT

#### Macro outlook

3.1 The UK economy has been battered by a series of shocks over the past three years. The Covid pandemic was followed by Russia’s invasion of Ukraine, which led to big increases in energy and food prices. The number of people available to work has not recovered from the Covid pandemic and productivity growth is low. This has led to high inflation, which is only just beginning to fall.

**Figure 1: CPI inflation projection based on market interest rate expectations**



*Source: Bank of England Monetary Policy Committee report, August 2023*

3.2 Whilst inflation is projected to fall to 2% by early 2025, Bank of England forecasts have proved consistently over-optimistic and there is a high risk that inflation levels will remain elevated.

#### Public Finances

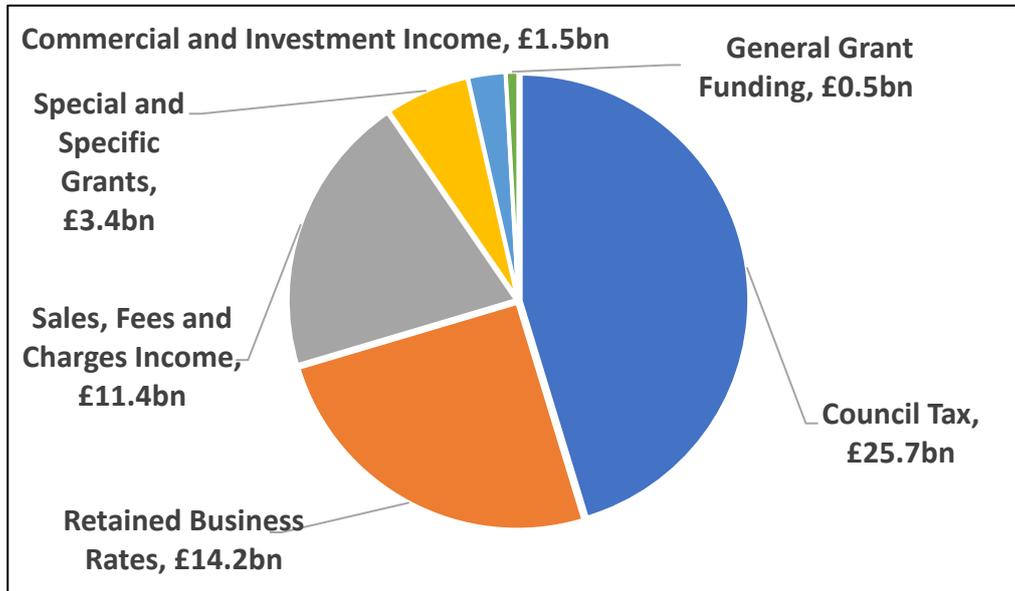
3.3 Slow growth and higher interest rates have negatively impacted the public finances. To address this, HM Treasury envisages a programme of fiscal consolidation over the next few years, with taxes set to rise to nearly 38% of GDP and increases in public service spending limited to 1% a year in real terms. This means that whoever is in government after the forthcoming general election will face very tough choices on tax and spending.

3.4 The overall public expenditure context is relevant for the council, because the local authority funding framework set by government is a crucial determinant of the Council’s 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.

## Local Government Funding

3.5 The main sources of local government funding nationally are set out below.

**Figure 2: How Council Services are funded**



Source: IFS, 'Does Funding Follow Need?', October 2022

- 3.6 In recent years, the reduction in direct central government funding for local government has been mitigated by increases in locally generated sources of income, with Council Tax rising by more than the overall rate of inflation. Upper tier authorities in particular have been able to raise additional tax through a social care precept. This has led the government's preferred measure of council spending, 'Council spending power', to increase, even though it may not reflect the actual resources available. However, funding has failed to keep up with the increased demands on council services, particularly for social care and housing.
- 3.7 The other main element of local government funding, beside Council Tax, is Business Rates. The 2010-15 Coalition Government transferred a notional 50% of locally-collected Business Rates income back to local government, but the requirement to adjust the amount of business rates retained between authorities, based on respective service needs, means that authorities with an active commercial sector and low perceived levels of need, like Maidstone, retain a low proportion of business rates (just 10% in Maidstone's case). It was originally intended to increase the 50% share of business rates retained locally to 75%, but this is no longer government policy.

- 3.8 The gradual squeeze on council funding means that an increasing number of councils are unable to set balanced budgets. This is formally signalled by the issue of a section 114 report. The councils that are most vulnerable tend to be those facing social care cost pressures, ie upper tier or single tier authorities, so it is likely that any additional support for local government in 2024/25 will be focused on them.

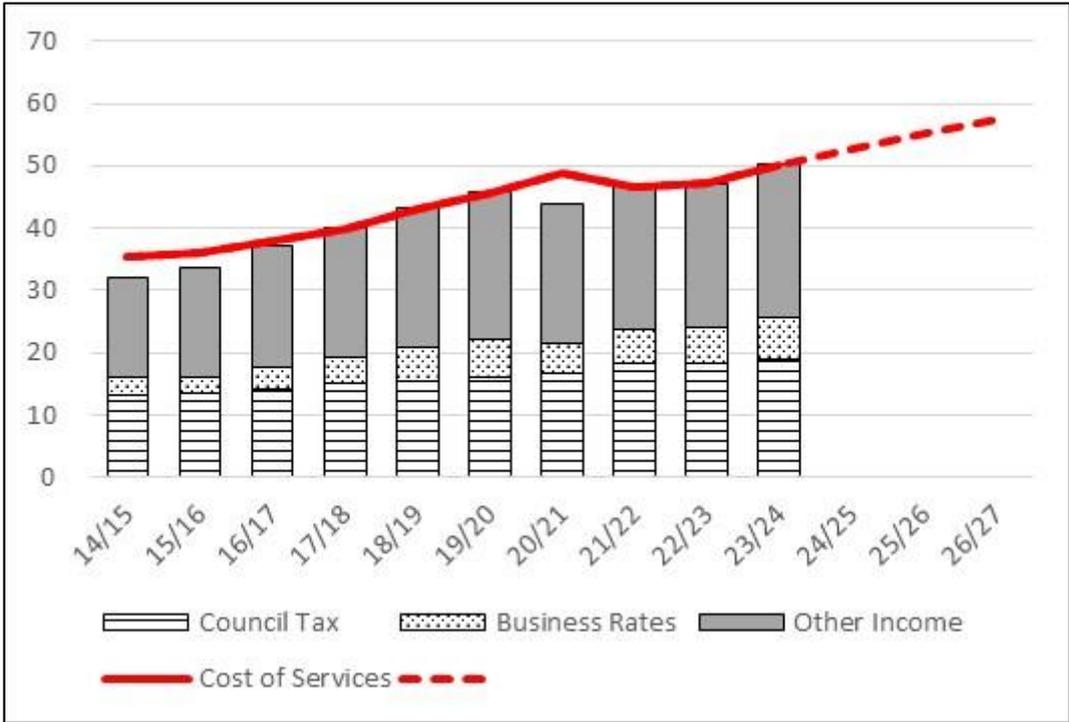
### **Conclusion**

- 3.9 The UK economy faces low growth prospects and continued high inflation. This limits the scope for any increase in public expenditure. To the extent that the funding framework for local government will be flexed to alleviate financial pressures caused by expenditure growth, this is likely to benefit upper tier or single tier authorities, not lower tier authorities like Maidstone.

#### 4. CURRENT FINANCIAL POSITION

- 4.1 As a lower tier authority, Maidstone Borough Council is not subject to the extreme pressures currently faced by upper tier authorities arising in particular with respect to adults’ and children’s social care.
- 4.2 The Council is broadly self-sufficient financially. It ceased receiving direct government support in the form of Revenue Support Grant (RSG) in 2016/17 and relies 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. During the pandemic, income fell and expenditure increased, but the consequent budget gap, being the difference between cost of services and aggregate income, was covered with direct government funding. This is illustrated in the graph below.

**Figure 3: Sources of Council funding**



- 4.3 The Council’s financial resilience can be assessed using CIPFA’s Resilience Index. The screen shot below shows Maidstone’s scores for 2021/22 (the most up to date data).

**Figure 4 – CIPFA Resilience Index for the Council in 2021/22**



Source: <https://www.cipfa.org/services/financial-resilience-index/resilience-index>

4.4 There are a number of measures captured by the Resilience Index that contribute to financial resilience, according to CIPFA, based on the Revenue Outturn data submitted to central government for 2021/22.

Reserves:

- sustainability of reserves
- level of reserves
- change in reserves
- level of unallocated reserves
- level of earmarked reserves
- change in unallocated reserves
- change in earmarked reserves.

Indebtedness:

- interest payable / net revenue expenditure
- gross external debt.

Financial profile:

- fees and charges as a % of service expenditure
- council tax requirement as % of net revenue expenditure
- growth above the government's business rates baseline.

4.5 CIPFA also considers that financial resilience depends on the quality of management, as evidenced by:

- quality of financial management, including use of performance information
- effective planning and implementation of capital investment
- ability to deliver budget savings if necessary
- risk management.

An assessment is set out below of how the Council performs on these measures.

## Reserves

- 4.6 Indicators of financial stress relating to reserves for Maidstone are generally towards the 'lower risk' end of the spectrum, as compared with our peers. As at 31 March 2023 the Council had unallocated General Fund reserves of £13 million. This corresponds to three months of service expenditure, thus providing an adequate but not excessive level of 'cushion' against unforeseen events.
- 4.7 It should be noted that 'earmarked reserves' are shown as being towards the higher end of the risk spectrum, meaning that the Council holds lower earmarked reserves than many of its peers. Given that such reserves are, by definition, 'earmarked', it is not necessarily the case that high levels of earmarked reserves should be regarded as reducing risk. Drawing on such reserves could mean diverting them from the projects for which they were intended. A high level of earmarked reserves could also indicate a failure in project delivery.
- 4.8 It is nevertheless the case that the council needs to build up its Housing Investment Fund, which comes within the category of earmarked reserves. This is because the affordable housing programme requires a revenue subsidy, which needs to be in place before properties are transferred to a Housing Revenue Account (see paragraph 8.7 below).
- 4.9 Reserves are shown below within the context of the council's overall financial position, as represented by its most recent balance sheet (previous year shown for comparative purposes).

**Table 2: Maidstone Borough Council balance sheet (unaudited)**

<b>31st March 2022 £000</b>		<b>31st March 2023 £000</b>
185,324	<b>Long Term Assets</b>	194,687
53,195	<b>Current Assets</b>	25,338
77,649	<b>Current Liabilities</b>	52,577
97,854	<b>Long Term Liabilities</b>	23,643
<b>63,016</b>	<b>Net Assets</b>	<b>143,805</b>
12,516	Unallocated General Fund Balance	12,983
21,375	Earmarked General Fund Balance	21,376
288	Capital Reserves	369
28,837	Unusable Reserves	109,077
<b>63,016</b>	<b>Total Reserves</b>	<b>143,805</b>

4.10 The main changes between the two balance sheet dates and the principal reasons are as follows:

- *Increase in long term assets:* A number of additional properties were purchased during 2022/23.
- *Decrease in current assets:* These have reduced as the short-term liquid investments held at the start of the year have been used to fund the capital programme and make Support for Energy payments to eligible households along with some other Covid-19 related payments.
- *Decrease in current liabilities:* The decrease in liabilities is mainly owing to the deployment of government grants, previously held as liquid investments pending use for the purposes described above.
- *Decrease in long term liabilities:* There has been a significant reduction in the pensions liability. This has come about due to a change in the discount rate used, which is linked to short-term interest rates, which rose between March 2022 and March 2023.
- *Increase in unusable reserves:* This arises because the pension asset / liability in the balance sheet is treated as unusable. As the liability has fallen (see above) so the level of reserves increases.

4.11 The unallocated general fund balance, part of usable reserves, represents the Council's core reserves. It is an essential part of the Council's strategic financial planning, as this amount represents the funds available to address unforeseen financial pressures.

4.12 For local authorities there is no statutory minimum level of unallocated reserves. It is for each Council to take a view on the required level having regard to matters relevant to its local circumstances. CIPFA guidance issued in 2014 states that to assess the adequacy of unallocated general reserves the Chief Financial Officer should take account of the strategic, operational and financial risks facing their authority. The assessment of risks should include external risks, such as natural disasters, as well as internal risks such as the achievement of savings.

4.13 Maidstone Council historically set £2 million as a minimum level for unallocated reserves. In the light of the heightened risk environment facing the Council, it was agreed from 2021/22 that this minimum should be increased to £4 million. In practice, the level of unallocated reserves held is higher, at £13 million, thus providing a reasonable, but not excessive, level of additional assurance.

### **Indebtedness**

4.14 The Council has a relatively low level of external debt. As at 31 March 2023 this amounted to £10 million. Although the Council has expanded its property portfolio in recent years, this has largely been funded from internal sources.

4.15 The CIPFA Resilience Index shows interest payable compared with net revenue expenditure as being towards the higher risk end of the spectrum.

However, this is somewhat misleading, because the figure used for interest payable comprises just £100,000 payable on external debt and £1.8 million representing a notional interest charge on pension liabilities.

### Financial profile

- 4.16 Three of the metrics used by CIPFA indicate the authority’s underlying financial strength. These reflect the profile of the local economy and are usually of very long historical standing.

*Fees and charges as a % of service expenditure* measures the extent to which an authority can cover service expenditure through fees and charges. It is beneficial, for example, if an authority can generate substantial parking income. Maidstone tends towards ‘higher risk’ on this measure, possibly indicating that it is not exploiting such sources of income as effectively as it could do.

*Council tax requirement as % of net revenue expenditure* measures the extent to which Council Tax income covers revenue expenditure. Maidstone is very low risk on this basis, as it can cover revenue expenditure fully through council tax income, without being dependent on external income or government funding.

*Growth above baseline* measures the rate of business rates growth as compared to the government’s baseline. An area with a strong local economy would perform well on this metric. Maidstone is in the middle of the risk spectrum.

### Financial management

- 4.17 The Council has a strong track record of managing finances within the agreed budgets. The revenue out-turn for 2022/23 is set out below, showing that the Council ended the year spending just £212,000 (1%) less than the agreed budget for the year.

**Table 3: 2022/23 Revenue Out-turn**

<b>Service</b>	<b>Budget £000</b>	<b>Actual £000</b>	<b>Variance £000</b>
Economic Development	620	720	-100
Planning	2,112	2,444	-332
Parking	-1,410	-1,865	455
Corporate Services	10,894	10,270	624
Housing & Health	2,726	3,711	-985
Environmental Services	6,874	6,364	510
Communities, Leisure & Arts	1,414	1,375	39
<b>Total</b>	<b>23,231</b>	<b>23,019</b>	<b>212</b>

- 4.18 Financial management at Maidstone Borough Council contains a number of elements. Officers and members are fully engaged in the annual budget

setting process, which means that there is a clear understanding of financial plans and the resulting detailed budgets

- 4.19 Detailed financial reports are prepared and used on a monthly basis by managers, and on a quarterly basis by elected members, to monitor performance against the budget. Reports to members are clear, reliable and timely, enabling a clear focus on any areas of variance from the plan.
- 4.20 Financial reports are complemented by performance indicators, which are reported both at the service level to the wider leadership team, and at a corporate level to members. Member reports on performance indicators are aligned with the financial reports, so that members see a comprehensive picture of how services are performing.
- 4.21 Financial management and reporting is constantly reviewed to ensure that it is fit for purpose and meets the organisation's requirements. Quarterly financial reports to members have been redesigned over the last two years to make them more user-friendly.
- 4.22 Where variances arise, prompt action is taken to address them. Action plans are put in place at an early stage if it appears that there is likely to be a budget overspend.
- 4.23 The authority consistently receives clean external and internal audit opinions.

### **Capital investment**

- 4.24 The Council has a capital programme amounting to around £200 million over the next five years. The main element within the programme is the housing programme. Site acquisitions to date provide the capacity to deliver around 500 units. These will comprise a mix of tenures but a significant element will contribute to the overall target of delivering 1,000 affordable homes over the next ten years.
- 4.25 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code, which requires that capital investment should be funded in a way that is prudent, affordable and sustainable. Accordingly, an investment appraisal is undertaken prior to any site acquisitions for the housing programme.
- 4.26 The capital programme is largely funded through external sources, so it depends on the availability of funding, whether through Public Works Loan Board borrowing or other sources of finance. The Council has locked in £80 million of future borrowing, to be drawn down between 2024 to 2026, in order to mitigate the funding risk.
- 4.27 Member oversight is ensured, first by inclusion of schemes in the capital programme that is approved as part of the annual budget setting process. Subsequently, prior to any capital commitment being entered into, a report setting out details of the capital scheme is considered by the relevant service committee.

- 4.28 The Council has a corporate project management framework that applies to projects included within the capital programme. This provides for designation of a project manager and sponsor and includes a mechanism for progress on major projects to be reported to a Strategic Capital Investment Board.
- 4.29 So far as the housing programme is concerned, effective delivery of the programme is assured through an experienced in-house client team, which sources appropriate external skills (architects, employers' agents, contractors) to implement individual schemes. Each scheme is monitored from a financial and operational viewpoint and financial monitoring of capital projects is incorporated within the quarterly reports to Service Committees.

### **Ability to deliver budget savings**

- 4.30 The Council has a good track record of delivering budget savings, whilst sustaining and investing in services. Savings initiatives are planned so far as possible across the five-year period of the MTFS, rather than the focus being simply on achieving whatever savings are necessary in order to balance the budget for the coming year.
- 4.31 A common criticism of local authority financial planning is that proposed savings are often over-optimistic and are not based on realistic evidence of what is achievable. The Council aims to mitigate this risk with a robust process for developing budget savings proposals:
- New and updated savings proposals are sought on a regular annual cycle, with Service Managers typically briefed on the savings remit in August/September
  - Savings proposals are then developed over a period of around two months
  - Savings proposals have to be formally documented and signed off by the Service Head who will be responsible for delivering them.
- 4.32 Once savings have been built into the budget, their achievement is monitored as part of the regular financial management process described above.

### **Risk management**

- 4.33 The Council's MTFS is subject to a high degree of risk and uncertainty. In order to address this in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each meeting.
- 4.34 The major risk areas that have been identified as potentially threatening the Medium Term Financial Strategy are as follows, in ranking order.

- Inflation rate is higher than 2% government target
- Capital programme cannot be funded
- Constraints on council tax increases
- Failure to contain expenditure within agreed budgets
- Financial impact from major emergencies such as Covid-19
- Planned savings are not delivered
- Business Rates pool fails to generate sufficient growth
- Collection targets for Council Tax and Business Rates missed
- Adverse impact from changes in local government funding
- Financial impact from IT security failure
- Pension liability cannot be funded
- Other income fails to achieve budget
- Fees and Charges fail to deliver sufficient income
- Litigation costs exceed budgeted provisions
- Increased complexity of government regulation
- Shared services fail to meet budget
- Council holds insufficient balances

4.35 The Council has implemented JCAD risk management software, which allows individual service areas to log and monitor risks. By reviewing risks on a regular basis in this way, it is expected that any major new risks will be identified and appropriate mitigations developed.

### **Conclusion**

4.36 When assessed against the CIPFA criteria for financial resilience, the Council can be seen to have adequate reserves in the short term and to be positioned well to manage the financial challenges it will face. The following section considers whether this position is sustainable.

**5. SCENARIO PLANNING**

5.1 As Maidstone’s financial position is dependent on government policy and on broader economic factors such as inflation, neither of which can be predicted with any certainty, it is appropriate to model the impact of different scenarios on the Council. Following a similar approach to that adopted when developing the current 2023/24 – 2027/28 Medium Term Financial Strategy, the following four scenarios can be sketched out.

<p><b>Scenario 1: Inflation falls, limited funding flexibility</b></p> <p>The rate of price inflation falls in line with BoE forecasts, but government maintains existing constraints on local government finances in order to reduce debt and create capacity for tax cuts.</p>
<p><b>Scenario 2: Inflation falls, some funding flexibility</b></p> <p>Inflation falls in line with BoE forecasts, and government adopts more accommodative local government finance settlements to help councils address demand pressures.</p>
<p><b>Scenario 3: Inflation remains elevated, some funding flexibility</b></p> <p>Inflation only reaches the target level of 2% at the end of the MTFS planning period. Owing to the continued high level of inflation, government relaxes constraints on local government finances to allow council services to be protected.</p>
<p><b>Scenario 4: Inflation remains elevated, limited funding flexibility</b></p> <p>Inflation only reaches the target level of 2% at the end of the MTFS planning period, but government maintains the existing level of constraints on local government finances.</p>

Scenario 4 is the most challenging of those sketched out above, as it represents a combination of continued high inflation and tight constraints on the Council’s revenue raising capacity. For planning purposes, we consider it prudent at this stage to adopt Scenario 4. However, the other scenarios will be modelled and the implications considered when developing the detailed Medium Term Financial Strategy.

5.2 The next section sets out planning assumptions under each of the above scenarios.

## 6. PLANNING ASSUMPTIONS

6.1 In drawing up financial projections, assumptions need to be made about what future scenarios might mean. 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 and government policy on distributing Business Rates income;
- (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*

6.2 Council Tax is a product of the tax base and the level of tax set by 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.

6.3 The tax base has increased steadily in recent years, reflecting the number of new housing developments in the borough. See table below:

**Table 4: Number of Dwellings in Maidstone**

	2018	2019	2020	2021	2022
Number of dwellings	70,843	71,917	73,125	75,034	76,351
% increase compared with previous year	1.74%	1.52%	1.68%	2.61%	1.76%

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

6.4 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.

6.5 Future growth assumptions for each scenario are set out below.

<b>Council Tax base growth assumptions</b>					
	24/25	25/26	26/27	27/28	28/29
Scenario 1 – Inflation falls, limited funding flexibility	1.5%	1.5%	2.0%	2.0%	2.0%
Scenario 2 – Inflation falls, some funding flexibility	1.5%	1.5%	2.0%	2.0%	2.0%
Scenario 3 – Inflation remains elevated, some funding flexibility	1.5%	1.0%	1.0%	1.0%	1.0%
Scenario 4 – Inflation remains elevated, limited funding flexibility	1.5%	1.0%	1.0%	1.0%	1.0%

### *Level of Council Tax*

6.6 The level of council tax increase for 2024/25 is a decision that will be made by Council based on a recommendation made by the Cabinet. 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 2023/24, the limit was 3%. 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.

6.7 Given that CPI inflation was 8.7% for the year to May 2023, it is hard to see the referendum limit being reduced from the current level of 3%. A prudent assumption (Scenario 4) would therefore be that the referendum limit will be 3% in 2024/25, but after the General Election that is due to take place by January 2025, the government will seek to bear down on inflation by restricting the limit to 2%, being the target level of inflation<sup>1</sup>.

6.8 Future growth assumptions for each scenario are set out below.

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<sup>1</sup> The Leader of the Labour Party announced in March 2023 that a Labour government would freeze Council Tax in 2024/25, using the proceeds of a windfall tax on oil and gas companies. Presumably this means that central government would reimburse local authorities with an amount equivalent to that by which they would have increased tax locally.

<b>Council Tax increase assumptions</b>					
	24/25	25/26	26/27	27/28	28/29
Scenario 1 – Inflation falls, limited funding flexibility	3.0%	2.0%	2.0%	2.0%	2.0%
Scenario 2 – Inflation falls, some funding flexibility	3.0%	2.0%	2.0%	2.0%	2.0%
Scenario 3 – Inflation remains elevated, some funding flexibility	5.0%	3.0%	2.0%	2.0%	2.0%
Scenario 4 – Inflation remains elevated, limited funding flexibility	3.0%	2.0%	2.0%	2.0%	2.0%

- 6.9 A key MTFS assumption is that Council Tax increases are maximised within the constraints of the referendum limit.

*Retained business rates*

- 6.10 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 through a system of tariffs and top-ups.

**Table 5: Baseline Business Rates Income 2023/24**

	£000	%
Baseline Business Rates income	62,333	100
Government share	-31,166	-50
Kent County Council / Kent Fire & Rescue Authority	-6,233	-10
Government tariff	-21,551	-35
Baseline Business Rates income retained by MBC	3,382	-5

To the extent that business rates income exceeds the baseline, this growth element is retained locally, subject to a levy payable to central government by tariff authorities like Maidstone.

- 6.11 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 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).
- 6.12 Business rates pool income is allocated, in accordance with the Pool Memorandum of Understanding between Kent authorities, as follows.

Maidstone Borough Council – used for specific projects that form part of the Economic Development strategy. £250,000 of this amount is top-sliced in the budget for ED salaries and spatial planning.	30%
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Growth Fund – In Maidstone this is split 50:50 between MBC and Kent County Council for the regeneration of the Town Centre and is deployed at Maidstone East and Sessions House / Invicta House respectively.	30%
Kent County Council	30%
Contingency - To compensate Kent local authorities who do not benefit directly from pool membership (eg because their business rates growth is lower than the baseline)	10%

6.13 There are a number of factors affecting the future pattern of business rates income:

- Government uses the share of business rates that local authorities are allowed to retain as a mechanism for directing resources towards the areas of perceived need (hence Maidstone, as a relatively prosperous area, only retaining 5% of baseline business rates). This resource allocation has remained broadly unchanged since 2014, when the current local government funding system was introduced, but a 'fair funding review', which will update the resource allocation, has been mooted for several years. In practice it is now unlikely to be implemented before 2026/27.
- The government share of business rates and the tariff (see Table 4 above) are fixed £ amounts, based on a predetermined business rates baseline. This has benefited the Council over the past ten years, as the rate of business rates growth has been greater locally than general price inflation, and the Council has benefited from this excess growth. However, the reverse could be the case if there is a downturn in total business rates income.
- As part of any change to the funding system, the business rates baseline is expected to be adjusted. This will give a higher baseline for the Council, with the result that the accumulated business rates growth of the past ten years, which (subject to the levy) is currently retained locally, would be lost.

6.14 These factors are generally likely to have an adverse impact on business rates income. However, the government has indicated that changes such as implementation of the fair funding review and a revision of the baseline would be implemented over a period of time, dampening any immediate adverse impact.

6.15 Future growth assumptions for each scenario are set out below.

<b>Business rates growth assumptions</b>					
	24/25	25/26	26/27	27/28	28/29
Scenario 1 – Inflation falls, limited funding flexibility	3.0%	2.0%	-2.0%	-2.0%	-2.0%
Scenario 2 – Inflation falls, some funding flexibility	3.0%	2.0%	0.0%	0.0%	0.0%
Scenario 3 – Inflation remains elevated, some funding flexibility	5.0%	3.0%	0.0%	0.0%	0.0%
Scenario 4 – Inflation remains elevated, limited funding flexibility	5.0%	2.0%	-2.0%	-2.0%	-2.0%

### *Other income*

- 6.16 Other income, in aggregate, is now a major contributor to the Council’s total revenue budget. The main components of other income are set out below:

**Table 6: Projected Other Income 2023/24**

	£ million
Fees and charges	10.5
Property rental income	7.1
Shared services trading income	3.7
Other income	2.8
<b>TOTAL</b>	<b>24.1</b>

The Council has a policy that guides officers and councillors to set the appropriate level of fees and charges based on demand, affordability and external factors. Given the current inflationary environment, it is important to target an appropriate overall increase in the amount of fees and charges to mitigate the expected increase in the Council’s input costs. The alternative would be for the Council to have to make further savings, potentially reducing the level of services that it provides to residents.

- 6.17 Note that some fees and charges are set by central government and are not necessarily increased annually. Rents may only change at the point of periodic rent reviews.
- 6.18 Future growth assumptions for each scenario are set out below. These correspond to the inflation level projected for the respective scenarios, on the basis that it is reasonable to expect income to increase in line with expenditure. A key MTFS assumption is that overall income from fees and charges increases in line with expected increases in the Council’s input costs.

<b>Other income growth assumptions</b>					
	24/25	25/26	26/27	27/28	28/29
Scenario 1 – Inflation falls, limited funding flexibility	3.0%	2.0%	2.0%	2.0%	2.0%
Scenario 2 – Inflation falls, some funding flexibility	3.0%	2.0%	2.0%	2.0%	2.0%
Scenario 3 – Inflation remains elevated, some funding flexibility	5.0%	5.0%	4.0%	3.0%	2.0%
Scenario 4 – Inflation remains elevated, limited funding flexibility	5.0%	5.0%	4.0%	3.0%	2.0%

### *Cost of services*

- 6.19 The cost of services is subject to inflation. Service cost increases tend to lag behind published inflation indices, but they are likely to follow the same pattern. Salaries account for around 50% of total input costs, and 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.
- 6.20 As described above, there is considerable doubt about whether inflation will fall as quickly as official forecasts suggest. Accordingly, the preferred scenario 4 adopts a more prudent approach than simply following the Bank of England forecast.

<b>Cost of services growth assumptions</b>					
	23/24	24/25	25/26	26/27	27/28
Scenario 1 – Inflation falls, limited funding flexibility	3.0%	2.0%	2.0%	2.0%	2.0%
Scenario 2 – Inflation falls, some funding flexibility	3.0%	2.0%	2.0%	2.0%	2.0%
Scenario 3 – Inflation remains elevated, some funding flexibility	5.0%	5.0%	4.0%	3.0%	2.0%
Scenario 4 – Inflation remains elevated, limited funding flexibility	5.0%	5.0%	4.0%	3.0%	2.0%

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.

## 7. REVENUE PROJECTIONS

- 7.1 Strategic revenue projections for scenario 4 are summarised in table 7 below. 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.

**Table 7: MTFS Revenue Projections 2024/25-2028/29**

	24/25	25/26	26/27	27/28	28/29
	£m	£m	£m	£m	£m
<b>Scenario 4</b>					
Total Resources	53.7	54.7	56.4	58.5	60.2
Predicted Expenditure	55.3	59.2	61.0	61.9	62.7
Budget Gap	1.6	4.5	4.6	3.4	2.5
Existing Planned Savings	0.7	0.0	0.2	0.1	0.1
Savings Required	0.9	4.5	4.4	3.3	2.4

- 7.2 Issues contributing to the budget gap in 2024/25 are inflation and £700,000 of additional growth in 2023/24 which was funded from one-off resources and is now built into base budgets. In 2025/26 and future years, the potential loss of funding from a local government funding reset and the cost of borrowing for the capital programme lead to much larger budget gap figures.
- 7.3 Note that all these assumptions assume that Council Tax income is increased by the maximum possible given the referendum limit, and fees and charges are increased in line with inflation. In all cases, the budget gap would be greater if these measures were not taken. See below for illustrative figures for 2024/25.

	£000
'Do nothing' budget gap	2,023
Increase Council Tax by 3%	-573
Increase Other Income by 5%	-525
Budget gap per Strategic Revenue Projection	925

- 7.4 In summary, it is assumed here that Council Tax is increased by the maximum possible, which in Scenario 4 is 3%; and that in order to deliver a 5% increase in other income, fees and charges are increased appropriately. To the extent that individual categories of fees and charges are not increased by this amount, compensating additional increases would need to be found elsewhere.

### Approach to balancing the budget

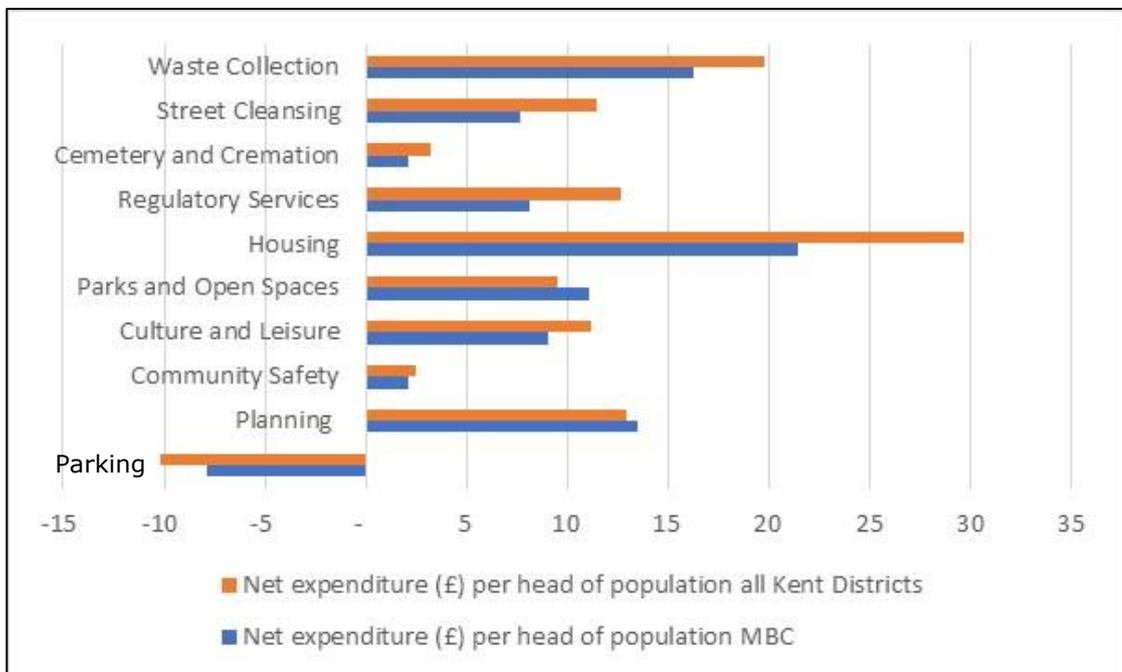
- 7.5 The immediate priority in setting a balanced budget for 2024/25 is to close the budget gap of £925,000 for next year. In line with the Council's usual

practice, savings proposals have been sought from service managers. Whilst individual proposals may not amount to significant sums, in aggregate they may contribute substantially to meeting the deficit.

7.6 It can be seen from the table above that savings on a much greater scale will be required in subsequent years. Assuming that the projections remain broadly unchanged, this will demand a much more thoroughgoing review of Council budgets, and potentially service reductions. In seeking areas where there may be potential for making savings, it is worth comparing the Council's most recent spending data with those of its peers – the other district Councils of Kent. This is not to imply that this Council is over-spending or under-spending in particular areas. Rather, it is intended to put our allocation of expenditure against the different priorities in context.

**Figure 5: Expenditure per head of population**

*Source: Local Authority 2021/22 Revenue Outturn returns*



7.7 From this it can be seen that MBC spends more than its peers on:

- Parks and Open Spaces
- Planning and Development
- Parking (ie income is lower than average).

6.7 Work will need to take place over the coming year so that savings proposals are ready for the start of the 2025/26 budget process.

## 8. CAPITAL STRATEGY

8.1 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, in particular the 1,000 Affordable Homes programme, can be realised. The capital programme has an impact on revenue, because of the cost of borrowing and the annual charge (Minimum Revenue Provision – MRP) that the Council is required to make to set aside sufficient money to fund the repayment of borrowing.

8.2 The profile of the current five year capital programme is as follows.

**Table 8: Capital Programme 2023/24 – 2027/28**

	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Affordable Housing	6,123	20,080	22,825	25,487	22,442	96,958
Social Housing Grant	-5,790	-3,120	-1,290	-8,250	-6,060	-24,510
Private Rented Sector	3,090	6,765	6,832	9,578	6,861	33,125
Temporary Accommodation	12,000	12,000	8,000	0	0	32,000
Disabled Facilities	800	800	800	800	800	4,000
Housing – Other	675	1,325	974	543	100	3,616
Environment	6,970	880	730	580	590	9,750
Communities, Leisure & Arts	4,329	3,700	3,350	1,000	1,000	13,379
Planning & Infrastructure	206	0	0	0	0	206
Corporate Services	10,514	7,280	5,423	5,249	4,903	33,369
<b>Total</b>	<b>38,917</b>	<b>49,710</b>	<b>47,644</b>	<b>34,986</b>	<b>30,636</b>	<b>201,893</b>

8.3 As the level of investment increases, the revenue cost of borrowing increases. Ultimately this is offset by income, to the extent that capital schemes generate income, eg in the form of housing rents. However, there is a period during which capital schemes need to be funded before they start to generate income.

8.4 There are a number of risks associated with the capital programme which potentially will impact the revenue account, to the extent that capital expenditure is abortive or leads to the write-down of capital investments:

- Construction price
- Contractor failure / liquidation
- Availability / cost of finance (currently the Council has arranged £80 million of funding, but the availability and cost of finance when this is exhausted is not known).

- 8.5 Finally, there is a specific requirement in relation to the Affordable Housing programme to provide the necessary subsidy for tenants. The requirement for a subsidy arises because affordable housing (ie housing to be let at a rent of no more than 80% of the Local Housing Allowance) does not achieve the normal rate of return that is required on Council investments in order to satisfy the prudential borrowing rules.
- 8.6 In order to avoid the Council facing an ongoing revenue burden from subsidising affordable housing tenants, and to avoid setting deficit budgets in the Housing Revenue Account (HRA) when it is established, it is assumed that a capital sum of around £50,000 per unit must be set aside for each unit of affordable housing. Note that there are strict rules about the HRA ringfence, above all the fact that the HRA cannot set a deficit budget. The capital sum must be set aside **before** housing units are transferred into the HRA. Otherwise, the HRA would run a deficit for every unit of housing transferred in, because of the excessive cost of funding housing stock that is transferred into it.
- 8.7 If the target of 1,000 affordable homes is to be achieved over a ten year period, the Council needs to set aside funds now to provide the necessary subsidy. An opportunity to provide this subsidy, without impacting core revenue spending, is available thanks to the government's continued deployment of one-off resources each year to local authorities in the form of New Homes Bonus and Services Grant. In 2022/23, an initial tranche of £3.2 million was earmarked from New Homes Bonus and transferred to a Housing Investment Fund. Although there is no assurance that such grants will continue to be available into the future, if the Council is to provide affordable homes as part of its capital programme, it needs to maximise the amount of one off resources, eg New Homes Bonus and Services Grant, that are transferred into the Housing Investment Fund. Note that there is a risk that New Homes Bonus will reduce in future, as housing growth falls, so any other one off resources will likely be required as well.
- 8.8 It is proposed that a key MTFs assumption is that one-off resources such as New Homes Bonus and Services Grant are earmarked for the Housing Investment Fund.

## **9. CONSULTATION AND NEXT STEPS**

- 9.1 Each year the Council carries out consultation as part of the development of the MTFS. A budget survey is being carried out and is due to close on 28<sup>th</sup> August 2023. The results will be reported to members to aid their consideration of the budget proposals.
- 9.2 Consultation with members will take place in September 2023 on detailed revenue budget proposals. Individual Policy Advisory Committees will consider the budget proposals relating to the services within their areas of responsibility, and Overview and Scrutiny Committee and Cabinet will consider the budget proposals for the Council as a whole.
- 9.3 Proposed fees and charges for 2024/25 will be considered by the Policy Advisory Committees and Cabinet later in the Autumn; capital budget proposals will be considered by the Corporate Services PAC and Cabinet in January 2024. The final budget will be presented to Council on the 21st February 2024.

## Revenue Budget Proposals 2024/25 - 2028/29

Service	Proposal	23/24	24/25	25/26	26/27	27/28	Total
		£000	£000	£000	£000	£000	£000
Museum	Museum business rates saving	-35					-35
Strategy, Insight and Governance	Sell internal printing services externally	-5	-5				-10
<b>OVERALL CHANGE IN BUDGET (£000)</b>		<b>-40</b>	<b>-5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-45</b>

Negative figures shown above represent a reduction in expenditure budgets, or increased income targets. Positive figures indicate increased expenditure, or a reduction in the income budget.