

AMENDED AGENDA

POLICY AND RESOURCES COMMITTEE MEETING



Date: Wednesday 29 July 2015

Time: 6.30 pm

Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Mrs Blackmore, Brice, Chittenden,
Cox, Garland, Mrs Joy, McKay,
McLoughlin, Munford, Naghi, Ross,
Round, Sargeant, Mrs Stockell and
Mrs Wilson (Chairman)

Page No.

1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members
5. Date of Adjourned Meeting - 5 August 2015

Continued Over/:

Issued on 27 July 2015

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact CAROLINE MATTHEWS on 01622 602743**. To find out more about the work of the Committee, please visit www.maidstone.gov.uk

**Alison Broom, Chief Executive, Maidstone Borough Council,
Maidstone House, King Street, Maidstone Kent ME15 6JQ**

6.	Disclosures by Members and Officers	
7.	Disclosures of Lobbying	
8.	To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
9.	Minutes of the meeting held on 24 June 2015	1 - 6
10.	Presentation of Petitions (if any)	
11.	Questions and Answer Session for members of the public	
12.	Report of the Head of Policy and Communications - Annual Governance Statement 2014/15 and Local Code of Corporate Governance	7 - 51
13.	Report of the Head of Policy and Communications - Customer Feedback Report- Quarter 4 and End of Year 2014/2015	52 - 87
14.	Report of the Head of Policy and Communications - Equality Objectives	88 - 101
15.	Report of the Head of Revenues and Benefits - Irrecoverable Business Rates	102 - 108
16.	Report of the Communications Manager - Maidstone Borough Council Annual Report	109 - 128
17.	Report of the Communications Manager - Revised Appendix to Maidstone Borough Council Annual Report	129 - 144
18.	Report of the Head of Finance & Resources - Revenue & Capital Outturn 2014/15	145 - 155
19.	Report of the Head of Finance and Resources - Medium Term Financial Strategy 2016/17 Onwards	156 - 196
20.	PART II	

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

Head of Schedule 12 A and Brief Description

21.	Report of the Property & Procurement Manager - Bus Shelters	197 - 212
22.	Report of the Property & Procurement Manager - Maidstone Gateway	213 - 219

23. Report of the Property & Procurement Manager - Office Accommodation Strategy	220 - 225
24. Report of the Chief Executive - Proposed Senior Officer Leadership Arrangements	226 - 244
25. Report of the Chief Executive - Proposed Senior Officer Leadership Arrangements - Revised Appendix A	245

Agenda Item 9

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 24 JUNE 2015

Present: Councillor Mrs Wilson (Chairman), and
Councillors Mrs Blackmore, Brice, Chittenden,
Cox, Garland, Mrs Joy, McKay, McLoughlin, Munford,
Naghi, Ross, Round, Sargeant and Mrs Stockell

Also Present: Councillors Ash, Mrs Gooch and
Mrs Ring

6. **APOLOGIES FOR ABSENCE**

There were no apologies for absence. However, it was noted that Councillor Mrs Blackmore was delayed.

7. **NOTIFICATION OF SUBSTITUTE MEMBERS**

Councillor Mrs Ring indicated that she was substituting for Councillor Mrs Blackmore until she arrived.

8. **URGENT ITEMS**

The Chairman stated that in her opinion the updates from Officers for Agenda Item 13 – Economic Development Strategy should be taken as an urgent item as they had been received after the agenda was published.

Members were also reminded that they had been emailed a version of Appendix A to Agenda Item 15 – Installing Renewable Energy Technology which had been originally omitted from the papers. The Chairman also intended to take this as an urgent item.

9. **NOTIFICATION OF VISITING MEMBERS**

Councillor Mrs Gooch indicated her wish to speak on Agenda Item 13. Councillor Ash indicated he was just observing and Councillor Mrs Ring reserved her right to speak on Agenda Item 13.

10. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

11. **DISCLOSURES OF LOBBYING**

It was noted that the majority of the Committee had been lobbied on Agenda Item 13.

12. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

13. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

It was noted that no questions had been received from members of the public.

14. EXEMPT ITEMS

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

15. MINUTES OF THE MEETING HELD ON 26 MAY 2015

RESOLVED: That the Minutes of the meeting held on 26 May 2015 be approved and signed subject to some amendments made to those present.

16. REFERENCE FROM COUNCIL - CYCLING INFRASTRUCTURE

The Principal Planning Officer advised Members that this Reference from Council related to a project that the Economic Development Team had secured some funding for to improve the tow path along the River Medway between East Farleigh and Aylesford. As part of the Integrated Transport Strategy Spatial Policy were also refreshing their approach to cycling routes in the borough and were working closely with the re-energised Cycling Forum.

The Regeneration and Economic Development Manager then appraised Members of the progress made to date with regard to the funding for the cycle path along the Medway from Allington Lock to Barming or Teston Bridge.

It was noted that Tonbridge and Malling had originally indicated that they would not be able to provide any funding for this project, however they would be reviewing the situation and would consider it as part of their capital programme in September. It was noted that Kent County Council (KCC) were keen to see the scheme progressed and were carrying out some design work.

RESOLVED:

- 1) That the progress to date be noted; and
- 2) That any future reports should be presented to the Strategic Planning, Sustainability and Transport Committee on the cycling infrastructure for their consideration unless there is a delay on the funding, in which case it should come back to this Committee.

17. ANNUAL PERFORMANCE REPORT 2014/15

The Head of Policy and Communications presented her report on the Key Performance Indicators (KPIs) and the end of year Strategic Plan action dates, together with new Key Performance Indicators set and targets for the Strategic Plan 2015-20.

Members noted where good performance had been achieved and the action being taken by Officers for areas where performance had declined.

In response to Members' questions relating to areas where no KPIs existed, it was noted that Service Committees could take on the monitoring of those areas under their remit, of particular relevance was the Commercial Waste Service which had been in operation for some time now. It was agreed that this should be reviewed by the Communities, Housing and Environment Committee.

Members were also keen for a satisfaction performance target to be created for the voluntary organisations that the Council had contractual relationships with. The Director of Regeneration and Communities undertook to discuss this with the Head of Policy and Communications.

RESOLVED:

- 1) That the performance against the 2014/15 Key Performance Indicators (KPIs) and the end of year Strategic Plan action updates, as set out in Appendix A to the Report of the Head of Policy and Communications, be noted;
- 2) That the new Key Performance Indicators set and targets for the Strategic Plan 2015-20 set out in Appendix C to the report be agreed subject to the following amendments:-
 - (a) **Outcome 4: Ensuring there are good Leisure and Cultural Attractions**

Remove - MCL Number of people attending the Mela (NEW)

Include – User satisfaction with the Hazlitt Arts Centre (NEW)
 - (b) **Outcome 7: Promoting a range of employment opportunities and skills required across the Borough**

Include – Number of new businesses using the Business Hub in the Gateway Terrace (NEW)
- 3) That the Communities, Housing and Environment Committee be recommended to monitor the Commercial Waste Service in relation to its performance.

Voting: For – 14 Against – 0 Abstain - 0

18. ECONOMIC DEVELOPMENT STRATEGY

Members were presented with some urgent updates and the meeting was adjourned for several minutes in order that the papers could be read.

After the meeting was reconvened the Economic Development Manager presented his report. It was noted that the previous Economic Development Strategy was produced prior to the recession in 2008 and it was therefore vital for a new Economic Development Strategy to be produced to give Maidstone a direction of travel in terms of jobs and economic growth.

Members heard from members of Shared Intelligence who were commissioned to assist in the preparation of the Strategy and Facts International who carried out the residents' consultation.

It was noted that the Strategy would formulate a programme of actions to take forward the journey to deliver the Council's vision by 2031.

In response to concerns from some Members that Junction 8 had been specifically identified in paragraph 6.21 of the Strategy, it was emphasised that this had been included to demonstrate where suitable sites had been identified and also because it was in the Local Plan.

It was proposed by Councillor Mrs Stockell and seconded by Councillor Round that paragraph 6.21 of the draft Economic Development Strategy be removed from the Strategy. When put to the vote this proposal was lost.

Voting: For – 4 Against – 11 Abstain – 0

RESOLVED: That the changes to the Economic Development Strategy and Action Plan as set out in Appendix 3 to the report of the Director of Regeneration and Communities be agreed and that the draft Economic Development Strategy be adopted as the Council's Strategy to support economic growth and prosperity for the Borough.

Voting: For – 11 Against – 3 Abstain – 1

Councillor McKay left the meeting after this agenda item had concluded.

19. RISK MANAGEMENT PROCESS REFRESH

The Head of Audit Partnership presented his report on the Risk Management Process Refresh.

Members noted that the proposed changes to the risk management process were driven by a review that had been undertaken by Mid Kent Audit of risk management processes at another authority.

RESOLVED:

- 1) That the Committee approved moving ahead with the process to build and maintain a comprehensive risk register as set in Section 4 and Appendix 1 to the report of the Director of Environment and Shared Services;
- 2) That delegated authority is given to the Chief Executive (as the accountable officer) to take operational decisions necessary for the ongoing maintenance and review of the risk register; and
- 3) That the Committee receive and consider bi-annual summary risk register reports for review, scheduled for January and July.

Voting 13 – For 0 – Against 0 – Abstain

20. **INSTALLING RENEWABLE ENERGY TECHNOLOGY**

The Commercial Projects Manager presented his report on the installation of renewable energy technology.

Members were advised that solar panels had been installed at the Council's depot as a trial in March this year and had exceeded all expectations in terms of projected energy savings.

Following this success, a feasibility study of some of the Council's other sites was undertaken and five sites were identified. This would enable a wider take up of renewable energy across the Council's estate, and the wider Borough.

RESOLVED:

- 1) That the purchase, installation and operation of photovoltaic technology be approved on the following buildings with the Council's estate:-
 - (a) Lockmeadow Market Hall – 50kw Array
 - (b) Vinters Park Crematorium – 10kw and 4kw Array
 - (c) Magnolia House – 24kw Array
- 2) That the purchase of renewably generated electricity from a third party at Maidstone House be approved;
- 3) That a budget of £125,000 to implement the recommendations be approved;
- 4) That delegated authority be given to the Commercial Projects Manager to spend the budget and enter into the appropriate contracts to implement the recommendations;
- 5) That delegated authority be given to the Commercial Projects Manager to obtain the necessary permissions and licences to

implement the recommendations including the registration for Feed in Tariff; sale, export or purchase of electricity; and appropriate agreements with the District Network Operator; and to assign those permissions and licences as appropriate; and

- 6) That the progression of the work towards entering into an assignable power purchase agreement with a generator of renewable energy be approved and the trial for Maidstone House and the Gateway be agreed.

Voting: For – 14 Against – 0 Abstain - 0

21. DURATION OF MEETING

6.30 p.m. to 10.00 p.m.

Agenda Item 12

Policy and Resources Committee

29 July 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Annual Governance Statement 2014-15 & Local Code of Corporate Governance

Final Decision-Maker	Policy and Resources
Lead Director or Head of Service	Chief Executive
Lead Officer and Report Author	Angela Woodhouse
Classification	Non-exempt
Wards affected	

This report makes the following recommendations to the final decision-maker:

1. To review and approve the Annual Governance Statement and Local Code of Corporate Governance prior to signing by the Leader and Chief Executive

This report relates to the following corporate priorities:

- Great Place: Keeping Maidstone Borough an attractive place for all
- Great Opportunity: Securing a successful economy for Maidstone Borough
- Great People: Our mission "Putting People First"

Timetable

Meeting	Date
Audit, Governance and Standards Committee	20 July 2015
Policy and Resources Committee	29 July 2015
Council	N/A
Other Committee	N/A

Annual Governance Statement 2014-15 & Local Code of Corporate Governance

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Attached at **Appendix A** is the Annual Governance Statement for 2014-15, the purpose of the Annual Governance Statement is to provide assurance on the council's governance arrangements.
 - 1.2 The statement is a look back at the arrangements for 2014-15 with an action plan identified for 2015-16.
 - 1.3 The Local Code of Corporate Governance attached at **Appendix B** was adopted in 2003, since then the Code has been reviewed annually to ensure it remains fit for purpose and up to date.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 Corporate governance describes the processes, procedures and measures we use to manage ourselves and how we engage with and are accountable to our residents. Maidstone Borough Council must ensure that it does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. The Local Code of Corporate Governance identifies the six core principles of Corporate Governance and how the Council will fulfill these obligations.
- 2.2 The core principles are as follows:-
 - 1) The Authority will focus on its purpose and on outcomes for the community in creating and implementing a vision for the local area.
 - 2) Members and Officers will work together to achieve a common purpose with clearly defined functions and roles.
 - 3) Members and Officers will promote the core values for the Authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour.
 - 4) The Authority will take informed and transparent decisions which are subject to effective scrutiny and will manage risk.
 - 5) The Authority will develop the capacity and capability of Members and Officers to be effective.
 - 6) The Authority will engage with local people and other stakeholders to ensure robust public accountability.

2.3 In broad terms Maidstone Borough Council addresses corporate governance through the following areas:-

- a) **Constitution** – The Constitution has a comprehensive scheme of delegation to Members and Officers and therefore clearly sets out the arrangements for the provision of services. Audit, Governance and Standards Committee arrangements are in place. The Constitution includes Codes of Conduct for both Officers and Members;
- b) **Vision** - The Council has a long term vision (through the Sustainable Community Strategy) with short to medium term delivery through the Strategic Plan, which is reviewed annually. The delivery of priorities is related to funding availability and capacity through the Budget Strategy and is based on consultation with partners and the public;
- c) **Comprehensive Performance Management** - Arrangements are in place that incorporates strategic and service based risk management and business continuity. Reporting on performance is undertaken through quarterly reports on the Authority's Key Performance Indicators and monthly reviews by Officers of service performance through service performance indicators. The system of Performance Management runs in parallel with and is related to a comprehensive system of financial management;
- d) **Partners and Public** – Partners and the public are consulted regularly on the Authority's service priorities and budget issues and reports to the public on finance and performance are undertaken through Borough Update and an annual report; and
- e) **Staffing** – There is a comprehensive Code of Conduct for Officers and Corporate Governance is embedded in the Authority's core values: Service, Teamwork, Responsibility, Integrity, Value and Equality (STRIVE).

2.4 The Council produces an Annual Governance Statement (AGS) to accompany the statement of the accounts. The AGS went to the Audit, Governance and Standards Committee on the 20th of July for approval prior to agreement by Policy and Resources Committee and signing by the Leader and Chief Executive.

2.5 The Accounts and Audit (England) Regulations 2011 recognise the Annual Governance Statement as a key statement in its own right. To this end it is no longer required to be "included in" the Statement of Accounts. From 31st March 2011 the regulations require that the Annual Governance Statement "accompanies" the Statement of Accounts instead.

3. AVAILABLE OPTIONS

3.1 It is possible for Councillors to disagree with the details of the Statement, to ask for further details to be included or evidence to be produced. However,

the statement is signed by the Chief Executive and the Leader of the Council and must accompany the Statement of Accounts to be agreed by Audit Committee before the end of September 2015.

- 3.2 The Annual Governance Statement can be presented in any way the Council deems appropriate. The format was last reviewed in 2013 in-line with guidance from Grant Thornton our external auditors, namely that the statement should not repeat the local code of governance. It should have user friendly language and layout with more emphasis on significant governance or control issues that arise in earlier sections of the document. Grant Thornton publish guidance annually and this has been considered in the development of this year's statement. Future options could be combining the AGS with the Council's Annual report for example.
- 3.3 The Policy and Resources Committee can review the Code of Corporate Governance and identify changes as appropriate prior to its sign-off by the Leader and Chief Executive.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Annual Governance Statement Attached at **Appendix A**, looks back at the governance assurance in place for 2014-15 as such it makes reference to the Cabinet and Scrutiny Committee system. Where appropriate the new governance arrangements have been referenced.
- 4.2 The AGS covers: the Council's responsibilities, the purpose of the governance framework, the framework we have in place and a review of our effectiveness for 2014-15.
- 4.3 Last year action was taken in regard to improving our communication and engagement, reviewing our approach to risk management and making changes to improve information management.
- 4.4 In terms of future issues the Corporate Governance Group has identified the embedding of the risk management framework recently approved by Policy and Resources Committee, implementation of the communication and engagement strategy, the new governance arrangements and the potential disaggregation of the Planning Support Shared Service.
- 4.5 The Local Code of Corporate Governance at **Appendix B** has been reviewed alongside the preparation of the Annual Governance Statement. Amendments have been made to reflect the establishment of the committee system of governance.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Head of Internal Audit Partnership, the Monitoring Officer and the Section 151 Officer have reviewed the Local Code of Corporate Governance. The Corporate Leadership Team considered the Annual Governance Statement and Action Plan.
- 5.2 Audit, governance and Standards Committee considered both items at its meeting on the 20th of July both documents were approved subject to minor amendments to reflect the change in governance arrangements and strengthen part of the Annual Governance Statement.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The statement once agreed by the Policy and Resources Committee will be signed by the Leader and Chief Executive. It will be made available on the Council's website and shared with our External Auditors alongside the statement of accounts.
- 6.2 The Local Code of Corporate Governance will also be made available on the Council's website once signed.
-

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.	Head of Policy and Communications
Risk Management	The AGS considers and gives assurance on the Council's approach to risk management.	
Financial	N/A	[Section 151 Officer & Finance Team]

Staffing	N/A	Head of Policy and Communications
Legal	The Annual Governance Statement assists the Council in having good corporate governance arrangements which are essential in ensuring robust and lawful decision-making and therefore minimising the risk of legal challenge.	Team Leader Corporate Governance
Equality Impact Needs Assessment	N/A	Policy & Information Manager
Environmental/Sustainable Development	N/A	Head of Policy and Communications
Community Safety	N/A	Head of Policy and Communications
Human Rights Act	N/A	Head of Policy and Communications
Procurement	N/A	Head of Policy and Communications
Asset Management	N/A	Head of Policy and Communications

8. REPORT APPENDICES

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

- Appendix A: Annual Governance Statement 2014-15
- Appendix B: Local Code of Corporate Governance

9. BACKGROUND PAPERS

None

Annual Governance Statement

2014/15

1. SCOPE OF RESPONSIBILITY

- 1.1 Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Council's section 151 Officer and the Monitoring Officer are key members of the Corporate Leadership Team, reviewing all decisions taken through management team, Committees and Full Council.
- 1.2 In discharging this overall responsibility, Maidstone Borough Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.
- 1.3 Where actions have been identified they are highlighted in speech bubbles at the appropriate point in the statement.
- 1.4 Maidstone Borough Council has approved and adopted a Local Code of Corporate Governance updated in 2015 as part of the development of the new constitution. The Local Code of Corporate Governance is consistent with the principles of the CIPFA/SOLACE framework "Delivering Good Governance in Local Government". A copy of the Code is on the website at www.maidstone.gov.uk or can be obtained from the Council at Maidstone House, King Street, Maidstone, Kent ME15 6JQ. This statement explains how Maidstone Borough Council has complied with the code and also meets the requirements of regulation 4(3) of the Accounts and Audit (England) Regulations 2011.

2 **THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Maidstone Borough Council's policies, aims and objectives. It evaluates the likelihood of those risks being realised and the impact should they be realised then provides a means of managing the risks efficiently, effectively and economically.
- ~~2.3~~
5 This governance framework was in place at Maidstone Borough Council for the year ended 31 March 2015 and up to the date of approval of the Statement of Accounts.

3 THE GOVERNANCE FRAMEWORK

- 3.1 The monitoring of Corporate Governance has a high priority at the Council. The Head of Policy and Communications is responsible for Corporate Governance. A small working group made up of the Head of Finance and Resources, the Head of Legal Partnership (Monitoring Officer) and the Head of Policy and Communications assisted by the Head of Audit Partnership reporting six monthly to the Corporate Leadership Team and the Audit Committee on governance matters.
- 3.2 At appendix A are the Council's pillars of governance this identifies the key strands of governance and the documents and actions represented within each.
- 3.3 The Governance Framework is based on the CIPFA/SOLACE six principles of effective governance

61

- 1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
- 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
- 3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- 5. Developing the capacity and capability of members and officers to be effective
- 6. Engaging with local people and other stakeholders to ensure robust public accountability

How we deliver good governance 2014-15

Principle	Governance Mechanism (what we are doing)	Assurance
Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	<ul style="list-style-type: none"> The vision for Maidstone is set out in our Sustainable Community Strategy. The Strategic Plan reflects the vision and sets out our priorities and outcomes. Each outcome has an action plan performance indicators and targets. The Annual Corporate Planning Cycle approved by Cabinet in 2014 facilitates the effective planning of service delivery, including the identification of risks, and budget requirements. Policy and Resources will revisit this in 2015. Performance Management of delivering our priorities and services is achieved through 'Reach the Summit' and the Council's Performance Plan and Scrutiny Committees for 2014-15. The Council's Values have been identified under the acronym STRIVE which stands for Service, Teamwork, Responsibility, Integrity, Value and Equality. A project overview board exists and a project management 	<ul style="list-style-type: none"> The Sustainable Community Strategy was developed following consultation with residents and engagement in events to determine the priorities and vision for the borough. One Council Engagement Plan is in place to communicate our priorities internally. Resident Survey undertaken every two years to understand priorities and issues for residents Monitoring against the key measures of success is reported six monthly to Cabinet and Scrutiny. In the future will be reported to Policy and Resources Key Performance Indicator outturns are subject to review by Cabinet, Overview and Scrutiny committees and ultimately, by full Council. This role will be undertaken by Policy and Resources in 2015-16. Annual STRIVE staff awards based on our values.

A new Strategic Plan for 2015-2020 was developed and approved in 2015

Principle	Governance Mechanism (what we are doing)	Assurance
	<p>toolkit is utilised to develop and monitor major projects.</p> <div data-bbox="490 459 1171 587"> <p>The Council developed and approved a new constitution in April 2015</p> </div>	<ul style="list-style-type: none"> • The project board comprising CLT considers the major projects currently being undertaken by the Council at a strategic level and ensures resources are applied and actions taken to maintain control over all such projects.
<p>Members and Officers working together to achieve a common purpose with clearly defined functions and roles</p>	<ul style="list-style-type: none"> • The Council's Constitution specifies the roles and responsibilities of Members and Officers and lays down financial and contract procedural rules for the efficient and effective discharge of the Council's business. The Constitution includes the roles and responsibilities of the new Service Committees and Audit Committees. • A well established and effective Audit Committee and Overview and Scrutiny function for 2014-15. 	<ul style="list-style-type: none"> • The constitution is kept under review by the Monitoring officer. • Half yearly reports are produced for Audit Committee which evaluates the overall internal control environment tested through the internal audit work. • An annual review of audit work and the effectiveness of the audit process is produced for Audit Committee. • Governance Arrangements were reviewed during 2014-15 and the Council changed to a Committee System of governance in May 2015. • For 2014-15 a protocol was put into place between Audit and Scrutiny Committees to avoid duplication and overlap on the work programme and facilitate appropriate references between the committees. • The Council is a member of a well-established and effective Internal Audit partnership that works to an approved annual audit plan.

Principle	Governance Mechanism (what we are doing)	Assurance
	<ul style="list-style-type: none"> • Effective Audit function. • The Council has appointed a Monitoring Officer to oversee its compliance with laws and statutory obligations. • The Council has clearly defined roles and responsibilities for Members and Officers. • The Council has a Corporate Improvement Board who identify improvement projects and review the impact of change and improvement on a quarterly basis. 	<ul style="list-style-type: none"> • The Internal Audit partnership externally assessed as fully conforming with the Public Sector Audit Standards. • Individual audit reports are produced for the relevant managers, with a copy to the Chief Executive and appropriate Director. • External Audit produce a number of reports which are reported to management and Members. Recommendations and comments are considered and, where necessary, action is taken to address any issues raised. • Scheme of Delegation is in place as defined in the constitution. A register of all delegations for Officers will be held centrally by the Monitoring Officer to ensure consistency. • Update on the Corporate Improvement Programme reported to Cabinet twice a year. This will be reviewed by Policy and Resources in 2015-16.

Principle	Governance Mechanism (what we are doing)	Assurance
	<ul style="list-style-type: none"> • Code of Corporate Governance in place. 	<ul style="list-style-type: none"> • The Local Code of Corporate Governance was reviewed and updated in July 2014.
Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	<ul style="list-style-type: none"> • Good Corporate Governance is at the heart of everything the Council does, for staff this is incorporated into our six core values (STRIVE) in the delivery of services and in particular the value: Integrity and High Standards of Corporate Governance. The Council has an annual award ceremony focussed on our values, where individuals and teams are given awards for demonstrating the values. • At the mid-year and full year appraisal points all staff are asked how they demonstrate the values. • The Audit Committee has a responsibility to monitor and improve the arrangements for Corporate Governance within the Council. • The Council's Monitoring Officer is responsible for ensuring that the Council acts in accordance with the constitution. • The Council has adopted a local code of conduct for Members and Officers. • The Council meets the requirements of the Public Sector Equality Duty. 	<ul style="list-style-type: none"> • Annual Award Ceremony for Staff focused on the Values. • The competency framework is aligned to the council's values. • The Audit Committee provides an Annual Report to Council on its effectiveness. • The Monitoring Officer reports to Council and provides advice to Members and Officers. • The Section 151 officer and monitoring officer review all reports for decision via our committee report management system (moderngov). • Equality Impact Assessments are carried out to demonstrate equalities being taken into account in our decision making. In 2013 Audit reviewed our

Principle	Governance Mechanism (what we are doing)	Assurance
	<ul style="list-style-type: none"> HR procedures and systems are in place for disciplinary and capability management 	<p>compliance with the Public Sector Equality Duty which was followed by a public sector equality duty self-assessment and a peer review in 2014-15.</p> <ul style="list-style-type: none"> Corporate Equality Policy. <p>We will be setting new equality objectives in 2015.</p>
Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	<ul style="list-style-type: none"> The Council agreed to review the governance arrangements in September 2014. In December 2014 a new Committee System was approved for 2015 onwards. An agreed Risk Management Strategy is in place with identified corporate strategic risks and Management Action Plans. Risk management is a standard heading for consideration of all reports to Management Team and Members. A formal risk assessment is required for reports which require decisions on strategic issues or which seek approval for significant projects. Heads of Service are asked to identify risks as part of their annual review of service plans. The Council publishes details of all Council spending to suppliers, senior officer salaries and details of all new contracts via its website. 	<ul style="list-style-type: none"> Overview and Scrutiny report annually to full council on their effectiveness and outcomes. The Strategic Risk Register is subject to regular review. Risks to service delivery (operational risks) have been accepted as the responsibility of individual authorised officers and incorporated into Service Plans. Heads of Service are responsible for ensuring that their service managers retain an effective operational risk <p>A new Risk Management framework was agreed by Policy and Resources in June 2015.</p> <ul style="list-style-type: none"> Risk assessments for service plans are logged in covalent <p>Risks are being identified by services for 2015-2016</p>

Principle	Governance Mechanism (what we are doing)	Assurance
	<ul style="list-style-type: none"> Open meetings and webcasting. Transparent and Evidence based decision making. 	<ul style="list-style-type: none"> Meetings are webcast. Agenda papers and the access to information procedure rules are complied with Reports include information on the options considered alternatives and reason for decision
Developing the capacity of Members and Officers to be effective	<ul style="list-style-type: none"> The Council has had an “Investors in People” (IiP) award for a number of years, which involves demonstrating that the Council has regular appraisals, service and training planning, training evaluation forms, recruitment and selection procedures and initiatives such as Work/Life Balance. The Council was re-accredited with IiP early in 2011. We have revised our Member Development Policy. Annual Member development programme. New Member induction programme. A well-established staff appraisal process is in place and guidance and training is available for all staff and managers. 	<ul style="list-style-type: none"> The council was assessed as level Silver for IiP in 2013. Regular Member seminars and workshops. The Employment and Member Development Panel reviewed the development programme and budget for Members annually this will now pass to the Democracy Committee. Appraisals are held at mid-year and end of year points with all staff, they include a section to

We will be reviewing our webcasting in 2015-16

The new Democracy Committee has responsibility for Member Development and will be reviewing this in 2015-16.

Principle	Governance Mechanism (what we are doing)	Assurance
	<ul style="list-style-type: none"> Workforce Strategy 	<p>identify development needs.</p> <ul style="list-style-type: none"> Service delivery by trained and experienced people. Regular reports to the Member and Employment Development Panel.
Engaging with local people and other stakeholders to ensure robust public accountability	<ul style="list-style-type: none"> Consultations are held on decisions affecting local people and local people are encouraged to be involved, for example the work on developing the Council's Economic Development Strategy Engagement with stakeholders through various groups such as the older person's forum. Membership of the Chamber of Commerce and work through the Chamber, Federation of Small Businesses, Town Centre Management, Maidstone Tourism Association and Rural Business Forums to engage businesses. Annual consultation with residents on our budget. 	<ul style="list-style-type: none"> Consultation feedback for example from the budget and Local Plan development. Focus groups to inform policies and plans as they develop. Cabinet Roadshows in 2014 on the Budget and Strategic Plan. Series of events and consultation via survey for the Economic Development Strategy. A new Communication and Engagement Strategy was agreed in 2015. Community Development Strategy Single point of contact for businesses in the Borough established through the Economic Development Team Business Visits, Business Breakfasts and Lunch with Mayor held in order to develop better relationships with the business

Principle	Governance Mechanism (what we are doing)	Assurance
	<ul style="list-style-type: none"> • We carry out a survey of residents every other year. • We launched a new website in 2013. • We ran a programme of neighbourhood action planning (action plans to address issues identified by residents) working locally with you to identify how we can improve where you live. • Regular consultation with residents to inform our decision making. 	<p>community.</p> <ul style="list-style-type: none"> • Budget Roadshows and/or online consultation. • Resident Survey • Website tested by residents to ensure it is user friendly. • Neighbourhood action was reviewed and monitored by scrutiny.

4 REVIEW OF EFFECTIVENESS

- 4.1 Maidstone Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of corporate governance and internal control. This is undertaken by the Corporate Leadership Team. The review of effectiveness undertaken in 2014/15 is informed by the work of the internal auditors and the Council's Senior Officers who have responsibility for the development and maintenance of the overall governance environment, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The Council's internal audit service (Mid Kent Audit) has been provided since 2010 through a four way shared service partnership with Ashford, Tunbridge Wells and Swale Borough Councils. Internal audit works to a plan discussed and agreed with officers and Members, at the Audit Committee on 25 March 2013.
- 4.3 The overall conclusions of the work of Internal Audit will be presented to the Audit Committee on 20 July 2015 in the Internal Audit Annual Report. This report includes the Head of Internal Audit Opinion, issued in line with Public Sector Internal Audit Standards and covering the period 1 April 2014 to 31 March 2015.
- 4.4 The Head of Internal Audit Opinion considered the Council's internal control, corporate governance and risk management arrangements, informed by work completed during 2014/15. The Head of Audit Partnership issued an unqualified opinion:
- 4.5 **Internal control**
- 4.5.1 *"From the Internal Audit work undertaken in relation to 2014/15 it is my opinion that I can provide assurance that the system of internal control that has been in place at Maidstone Borough Council (the Council) for the year ended 31 March 2015 accords with proper practice. This assurance extends to both the financial and non-financial systems of the Council insofar as they have been subject to audit review."*
- 4.6 **Corporate governance**
- 4.6.1 *"In my opinion the corporate governance framework complies in all significant respects with the best practice guidance on corporate governance issued by CIPFA/SOLACE."*
- 4.7 **Risk management**
- 4.7.1 *"I am satisfied that the risk management processes are effective and provide regular information on key risks and issues to the Council's management team and through to Members."*

- 4.8 Audit reports are generally graded individually to report on the level of assurance available to the Council from the area under review. Conclusions for this year were:

Level of Assurance	Description	Number of Projects
STRONG	Service/system is performing well	4
SOUND	Service/system is operating effectively	11
WEAK	Service/system requires support to consistently operate effectively	4
POOR	Service/system is not operating effectively	0
NOT RATED		10

- 4.9 Of the four reports which received weak assurance:

- **ICT Service Desk (Mid Kent ICT):** The audit highlighted inconsistencies in how incidents are logged, categorised and handled. The service lacked defined procedures and guidance to ensure service delivery in accordance with the ICT collaboration agreement. All recommendations were accepted and the service has taken part in a special meeting of the shared service board dedicated to addressing the issues raised. The recommendations fall due for implementation in 2015/16 and will be fully followed up by the internal audit team.
- **Emergency Planning:** The audit highlighted weaknesses in the plans and processes leaving the Council potentially vulnerable in being able to deal effectively with larger or more sustained events. Over the course of the year, the service has made significant progress to implement the recommendations and address the issues identified in the review. At the close of 2014/15 there were 2 outstanding recommendations due to be implemented in early 2015/16. The level of assurance offered will be re-assessed in early 2015/16.
- **Data Protection:** The audit highlighted some areas of non-compliance with the data protection principles. This included uncertainty on retention and destruction of data, and weaknesses in processing, receiving and transporting data. All of the recommendations were accepted by management, and an action plan was reviewed by the Council's Information

Management Group. The recommendations fall due for implementation in 2015/16 and will be fully followed up by the internal audit team.

- **Officers Declarations of Interest:** The audit identified weaknesses in the design and operation of system and procedures to collect and monitor officer's interests. Since the review responsibility for the declarations process has been allocated to the Council's Monitoring Officer and Mid Kent Legal Services. All recommendations were accepted and fall due in 2015/16 for follow up.

- 4.10 During 2014/15 a revised follow up process was implemented. All agreed audit recommendations are now followed up as they fall due, and are reported quarterly to senior management. Progress against the implementation of the audit recommendations is also reported twice yearly to Audit Committee. Progress made to date with those reviews that received weak assurance will be monitored in the action plan for 2015/16 in section 5.
- 4.11 The Council is able to confirm that its financial management arrangements conform with the governance requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2010).
- 4.12 A number of areas were identified in the proceeding statement where action is required these have been included within our significant governance issues for 2015-16 action plan below.

5 SIGNIFICANT GOVERNANCE ISSUES

Action taken to address governance issues in 2014-15

Governance Issue	Action Taken	By When	By Whom
Implementation of the Information Management Action Plan	<p>The Information Management Strategy has been to Leadership Team including an action plan and resources required.</p> <p>Information Management Group meet regularly.</p> <p>Information liaison Officers identified throughout the Council.</p> <p>Intranet pages and guidance updated for Information Management.</p>	The action plan has targets for the next year.	Head of Policy and Communications
Embedding Corporate Governance and Ensuring Best Practice is identified	<p>The Corporate Governance Working Group have met quarterly.</p> <p>The Head of Policy and Communications is undertaking a CIPFA certificate in corporate governance certificate and has been sharing learning from this with the group and the Chief Executive to</p>	Quarterly meetings with updates to Audit Committee and CLT every six months.	Head of Policy and Communications

Governance Issue	Action Taken	By When	By Whom
	improve governance.		
A new Communication and Engagement Strategy will be put in place to run from 2015-2020 alongside the Strategic Plan	Strategy Approved and Action Plan in progress.	April 2015	Head of Policy and Communications
The residents survey identified that more work needed to be done on developing residents involvement in decision making as only 29% of respondents believe they can influence decision making in their area.	<p>The council held several events to engage residents including the budget and strategic plan roadshow and events and consultation on the Economic Development Strategy.</p> <p>The Strategic Leadership and Corporate Services Overview and Scrutiny Committee held a session to consider actions to increase resident involvement in decision making.</p>	April 2015	Head of Policy and Communications
Updating the Strategic Risk Register	The Council has agreed a new approach to Strategic Risk Management.	June 2015	Policy and Resources Committee
Audit Reviews with Limited Assurance: Housing	Action Plans have been put in place and reported to the Audit Committee.	Reported during 2014-15	Head of Housing and Community Services

Governance Issue	Action Taken	By When	By Whom
Freedom of Information Museum Collections			Head of Policy and Communications Head of Commercial and Economic Development

Actions for 2015-16 as identified in the current Annual Governance Statement

30

Governance Issue	Action	By When	By Whom
Implementation of the Information Management Action Plan	The Information Management Strategy has been to Leadership Team including an action plan and resources required.	Actions completed as timetabled throughout 2015-16	Head of Policy and Communications
Embedding Corporate Governance and Ensuring Best Practice is identified	The Corporate Governance Working Group will continue.	Quarterly meetings with updates to Audit Committee and CLT every six months.	Head of Policy and Communications
Communication and Engagement of the New Strategic Plan	Strategy and Annual Action Plan approved Engagement Plan in place for Employees.	Action plan covers 2015-16	Head of Policy and Communications Learning and Development Manager
The residents survey identified that more work needed to be done on developing residents	The Communication and Engagement action plan for 2015-16 includes actions to run you said we did campaigns.	Action plan covers 2015-16	Head of Policy and Communications

Governance Issue	Action	By When	By Whom
involvement in decision making as only 29% of respondents believe they can influence decision making in their area.	<p>The plan also includes actions to promote the new committee system of governance including public question time at meetings.</p> <p>Webcasting is being reviewed including looking at how to have more resident engagement in meetings.</p> <p>There will be a resident survey in Autumn 2015 to which will identify the progress that has been made.</p>		
Updating the Strategic Risk Register	<p>A framework has now been approved and risks now need to be identified and managed.</p> <p>Audit attendance at service management meetings and project boards across the Council to develop service/project risk registers.</p> <p>Based on the strategic plan, risk workshop with senior officers and Members looking to refresh and update the 'strategic' risks.</p>	<p>June 2015</p> <p>July-October 2015</p> <p>Autumn 2015</p>	Director of Environment and Shared Services supported by the Head of Audit Partnership

Governance Issue	Action	By When	By Whom
	<p>First comprehensive risk register compiled by audit.</p> <p>First summary risk register review by Corporate Leadership Team.</p> <p>First summary risk register review by Policy and Resources.</p> <p>Risks refreshed as part of revised service planning process.</p> <p>Audit, Governance and Standards Committee review of effectiveness of the risk management process.</p>	<p>November 2015</p> <p>December 2015</p> <p>January 2016</p> <p>Spring 2016</p> <p>Spring/Summer 2016</p>	
Disaggregation of Planning Support Shared Service	Tunbridge Wells Borough Council (TWBC) is exploring withdrawal from the Mid Kent Planning Support partnership. A Planning Support Disaggregation Board has been set up to manage this. Tunbridge Wells will be considering an in-principle decision to withdraw from the partnership on 6 August 2015.	Updates will be given to Councillors via the relevant Service Committee.	Director of Environment and Shared Services
Audit Reviews with weak Assurance.	Action Plans and implementation dates have been put in place and agreed. Three are of particular interest in relation to governance are Data Protection and Emergency	<p>Actions to be followed up as they fall due.</p> <p>To be reviewed as part of the six monthly</p>	<p>Head of Policy & Communications</p> <p>Director of Environment and Shared Services</p>

Governance Issue	Action	By When	By Whom
	Planning Audits.	review of the annual governance statement action plan	
New Committee System of Governance	A review of the effectiveness of the new system to identify what is working well and any improvements that need to be made will be carried out by the Democracy Committee in early 2016, this could involve external assistance if appropriate.	March 2016	Democracy Committee
Appointment of Mayor	The Democracy Committee will be carrying out a review of the process for appointing the Mayor.	February 2016	Democracy Committee supported by Democratic Services

6 Certification

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvement that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

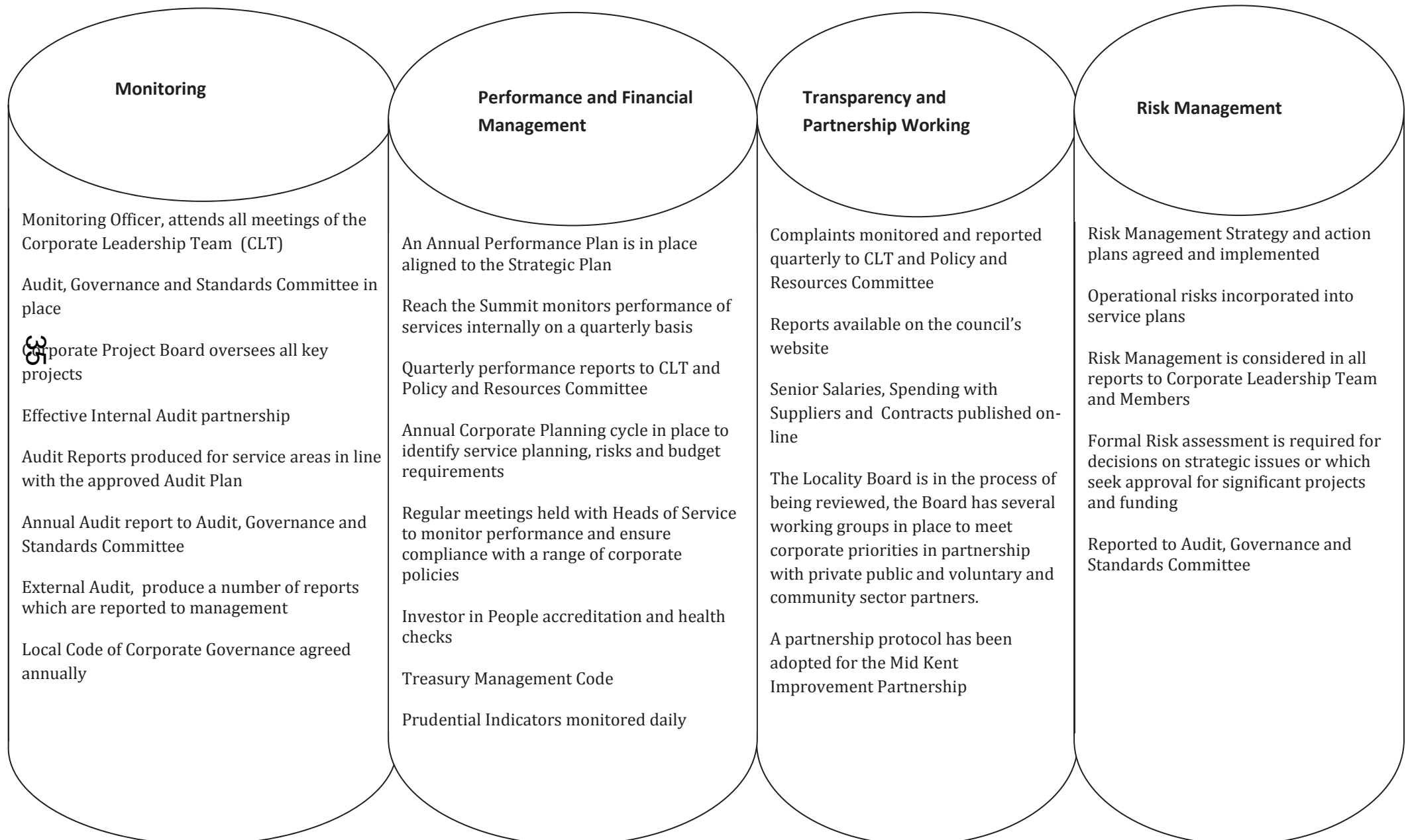
Leader of the Council: _____

Date: _____

Chief Executive: _____

Date: _____

Appendix A - Pillars of Governance



MAIDSTONE BOROUGH COUNCIL
LOCAL CODE OF CORPORATE GOVERNANCE
JULY 2015

1. What is Corporate Governance

- 1.1 Corporate Governance is the processes, procedures and measures we use to manage ourselves and how we engage with and are accountable to our residents.
- 1.2 The Council acknowledges the work undertaken by CIPFA/SOLACE on establishing a framework for corporate governance in local government. This work includes the 2007 guidance contained in the publication Delivering Good Governance in Local Government and the subsequent 2012 update to the framework and guidance.

2. Core Principles of Corporate Governance

- 2.1 The Council endorse the core principles and the supporting principles as set out in the CIPFA/SOLACE publication on Delivering Good Governance in Local Government, published in 2007 and intend to use these principles to monitor and control Corporate Governance in Maidstone Borough Council to ensure that the Authority is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 2.2 The core principles are as follows:-
 - 1) The Authority will focus on its purpose and on outcomes for the community in creating and implementing a vision for the local area.
 - 2) Members and Officers will work together to achieve a common purpose with clearly defined functions and roles.
 - 3) Members and Officers will promote the core values for the Authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour and will:
 - 4) The Authority will take informed and transparent decisions which are subject to effective scrutiny and will manage risk.

- 5) The Authority will develop the capacity and capability of Members and officers to be effective.
- 6) The Authority will engage with local people and other stakeholders to ensure robust public accountability.

3. Maidstone Borough Council's Position

- 3.1 Attached at Appendix 1 is a schedule showing the detailed arrangements within Maidstone Borough Council for delivery of the core principles.

4. Monitoring and Review

- 4.1 Each year we will carry out a review of our Governance arrangements to ensure compliance with this Code and the delivery of Good Governance within the local Government Framework. The purpose of the review will be to provide assurance that governance arrangements are adequate and operating effectively or to identify action which is planned to ensure effective governance in the future.
- 4.2 The outcome of the review will take the form of an Annual Governance Statement prepared on behalf of the Leader at the Council and Chief Executive.

.....
Chief Executive

Date.....

.....
Leader

Date.....

LOCAL CODE OF CORPORATE GOVERNANCE

SCHEDULE 1

PRINCIPLE 1. FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA

Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users	Develop and promote the authority's purpose and vision	<ul style="list-style-type: none"> • Sustainable Community Strategy adopted following consultation with the public • Strategic Plan agreed and reviewed annually in parallel with Budget Strategy • Communication & Engagement Strategy agreed and an Action Plan in place for 2015-16 • Service Plans based on cascade from Strategic Plan • Engagement Plan in place for staff and Team Talks, One Council sessions on the council's vision and priorities
	Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements	<ul style="list-style-type: none"> • Annual Corporate Governance Statement produced • Annual review of Local Code of Corporate Governance
	Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties	<ul style="list-style-type: none"> • Partnership (shared service) protocol agreed which includes the requirement for a business case, risk assessment, exit strategy and other aspects of good management
	Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance	<ul style="list-style-type: none"> • Annual report approved by Policy and Resources in July then published on website

PRINCIPLE 1. FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA		
Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
69	Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	<ul style="list-style-type: none"> • Strategic Plan and Budget Strategy include Performance and resource requirements • Medium Term Financial Strategy plans resource requirements and affordability • Effective performance management system in place • Annual performance report is produced and published on the website
	Put in place effective arrangements to identify and deal with failure in service delivery	<ul style="list-style-type: none"> • A clear Complaints procedure and policy is in place. There are reports on complaints trends, service improvements and performance • Annual programme of internal audit activity. • Quarterly report on complaints to Policy and Resources • Effective performance management process in place with reports quarterly to CLT
	Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money	<ul style="list-style-type: none"> • Performance is measured through Key Performance indicators aligned to the council's strategic priorities these are reported on a quarterly basis to Corporate Leadership Team and Policy and Resources • The Corporate Improvement Board co-ordinates and initiates value for money agenda • Decision reports include a section on implications including resources and environmental impact.

PRINCIPLE 2. MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES

40

Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.	Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice.	<ul style="list-style-type: none"> • Constitution sets out roles and responsibilities including a scheme of delegation • Protocol on relationships between Members and Officers in place • All decisions recorded and distributed
	Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers.	<ul style="list-style-type: none"> • Constitution • Conditions of employment
Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to a high standard.	Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking account of relevant legislation, and ensure that it is monitored and updated when required.	<ul style="list-style-type: none"> • Constitution and scheme of delegation • Regular review and amendment to Constitution to reflect changes
	Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management	<ul style="list-style-type: none"> • Performance management system • Chief Executive is Head of Paid Service with written conditions of employment and job description • Scheme of delegation included in Constitution • Regular Performance Appraisal by Members
	Develop protocols to ensure that the leader and chief executive (or equivalents) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.	<ul style="list-style-type: none"> • Regular meetings between Leader and Chief Executive • Strategic Plan developed with Councillors and Leadership team

	Make a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.	<ul style="list-style-type: none"> • The Director of Regeneration & Communities is the Section 151 Officer • Member of Corporate Leadership Team • Responsibilities set out in Constitution/Financial Procedure Rules • Budget Strategy and other Finance reports presented by the Head of Finance and Resources /Director of Regeneration & Communities • Job Description and conditions of employment in place
	Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	<ul style="list-style-type: none"> • The Head of Legal Services is Monitoring Officer • Job description and conditions of employment in place • Responsibilities set out in Constitution • Member of Corporate Leadership Team
<p>Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.</p>	Develop protocols to ensure effective communication between members and officers in their respective roles	<ul style="list-style-type: none"> • Protocol in place for Member/Officer relationship, revised as part of revision of the new constitution in 2015.
	Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable)	<ul style="list-style-type: none"> • Independent Remuneration Panel in place for Members • Procedures in place for agreeing pay and conditions for staff
	<ul style="list-style-type: none"> • Ensure that effective mechanisms exist to monitor service delivery 	<ul style="list-style-type: none"> • RTS reports quarterly on business units performance • KPI's performance reported to Cabinet and Overview & Scrutiny Committee
	<ul style="list-style-type: none"> • Ensure that the organisation's vision, Strategic Plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated 	<ul style="list-style-type: none"> • Communication and Engagement Plan in place • Strategic Plans and Budget Strategy developed with public consultation • Actual performance reported to public through Annual Report
	<ul style="list-style-type: none"> • When working in partnership ensure that members are clear about their roles and responsibilities both 	<ul style="list-style-type: none"> • Partnerships agreed by Members • Partnerships include clear statements of principles and objectives • Partnership information on website

	individually and collectively in relation to the partnership and to the authority	
	<ul style="list-style-type: none"> • When working in partnership: <ul style="list-style-type: none"> - Ensure that there is clarity about the legal status of the partnership - Ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions 	<ul style="list-style-type: none"> • Financial requirements of Partnerships set out in Financial Regulations in Constitution • Shared services partnerships are subject to a legal agreement

PRINCIPLE 3. PROMOTING VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR

Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and evidence
Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	<ul style="list-style-type: none"> • Effective Audit, Governance and Standards Committee • Annual Governance Statement approved by Policy and Resources and signed by the Leader and Chief Executive
	Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	<ul style="list-style-type: none"> • Member/officer protocols • Code of Conduct for Members • Performance appraisal processes in place • Staff Code of Conduct • Whistleblowing and Anti-Fraud and Corruption Policies in place • Audit Committee review governance policies • Member/Officer protocol agreed • Complaints procedures in place
	Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.	<ul style="list-style-type: none"> • Financial regulations • Constitution sets out requirements • Codes of Conduct in place • Financial Regulations in place and reviewed
Ensuring that organisational values are put into practice and are effective.	Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners	<ul style="list-style-type: none"> • Codes of Conduct in place • Core values STRIVE (Service, Teamwork, Responsibility, Integrity, Value and Equality) agreed and embedded • STRIVE forms the basis for the competency framework for officers
	Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice	<ul style="list-style-type: none"> • Codes of Conduct in place
	Develop and maintain an effective	<ul style="list-style-type: none"> • Standards role has been taken on by the Audit, Governance

	standards committee	and Standards Committee with training and support <ul style="list-style-type: none"> • Regular reports to Council
	Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority	<ul style="list-style-type: none"> • Reports to Executive and Corporate Leadership Team include a range of implications including impact on Key Priorities • STRIVE forms the basis for the competency framework for officers
	In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively	Partnership protocol agreed

PRINCIPLE 4. TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK

Supporting principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
45 Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.	Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible	<ul style="list-style-type: none"> The statutory requirement for Crime and Disorder Overview and Scrutiny is fulfilled by the Communities, Housing and Environment Service Committee.
	Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	<ul style="list-style-type: none"> Decision-making protocols record of decisions and supporting materials Constitution sets out delegation for decision making Agreed report format to ensure all relevant details included Agreed policy for recording decisions, including time for call-in by non-executive Councillors Procedure for urgent decisions including reporting to Council
	Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice	<ul style="list-style-type: none"> Codes of Conduct in place Whistleblowing policy in place Declarations of Interest in place Related Party Transactions Declarations in place
	Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee	<ul style="list-style-type: none"> Audit, Governance and Standards Committee in place with terms of reference and composition in line with CIPFA recommendations Regular training provided, Skills and competencies matrix prepared Annual review of effectiveness of Audit, Governance and Standards Committee Annual Audit Committee report to full Council Mid Kent Internal Audit partnership in place, which regularly reports to the Committee and provides support to the Committee – including training

	Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints	<ul style="list-style-type: none"> Complaints procedures and reporting arrangements in place. Procedure set out in website
Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.	Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications	<ul style="list-style-type: none"> Members induction scheme implemented annually Members professional development programme agreed annually Periodic Member Briefing Sessions on current issues Member's professional development policy in place
	Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately	<ul style="list-style-type: none"> Report format includes need to consider legal and financial implications The process of report approval requires agreement of finance and legal professionals where relevant
Ensuring that an effective risk management system is in place. 46	Ensure that risk management is embedded into the culture of the authority, with Members and Managers at all levels recognising that risk management is part of their jobs	<ul style="list-style-type: none"> Strategic Risk Strategy and Register regularly reviewed and reported to Policy and Resources and Audit Committee. Risk Management is included in standard report format Training provided to Members and managers
	Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the Authority have access	<ul style="list-style-type: none"> Whistleblowing policy in place. Policy is promoted to staff and contractors.
Using their legal powers to the full benefit of the citizens and communities in their area.	Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities	<ul style="list-style-type: none"> Constitution includes legal powers Report format covers legal implications New legislation is monitored by Monitoring Officer and Corporate Leadership Team
	Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law	<ul style="list-style-type: none"> Monitoring Officer in post and member of Corporate Leadership Team Legal implications part of standard report format

	Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes	<ul style="list-style-type: none">• Monitoring Officer in post and member of Corporate Leadership Team• Legal implications part of standard report format
--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

PRINCIPLE 5: DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE

Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and evidence
<p>Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</p>	<p>Provide induction programmes tailored to individual needs and opportunities for members and officer to update their knowledge on a regular basis</p>	<ul style="list-style-type: none"> • Induction programme for new Members • Annual Professional Development Plan for Members • Briefing Sessions for Members • Learning and Development Programme in place for Officers
	<p>Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority</p>	<ul style="list-style-type: none"> • Job description/personal specifications membership of Corporate Senior Leadership team • Annual performance appraisal
<p>Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</p>	<p>Assess the skills required by Members and officers and make a commitment to develop those skills to enable roles to be carried out effectively</p>	<ul style="list-style-type: none"> • Training Plans for Members and Officers • Investors in People accreditation (assessed as Silver in 2013) • Annual Central training budget • Training Plans in place • Officer review through Personal Appraisals Process. • Extensive officer Training Plan cascading from PAP process
	<p>Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed</p>	<ul style="list-style-type: none"> • Training and development plan reflect requirements of a modern councillor including: • Training Plans in place • Member development policy in place. • Regular training for Councillors
	<p>Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.</p>	<ul style="list-style-type: none"> • Performance management system • Delivery of Key Performance Indicators regularly reported • Member development policy in place

Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.	Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority	<ul style="list-style-type: none"> • Communication and Engagement plan in place
	Ensure that career structures are in place for members and officers to encourage participation and development	<ul style="list-style-type: none"> • Succession planning policy in place • Service structure in place • Workforce Strategy

PRINCIPLE 6. ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY

Supporting Principles	The Code should reflect the requirement for local authorities to:	MBC Arrangements and Evidence
<ul style="list-style-type: none"> Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships. 	Make clear to themselves, all staff and the community to whom they are accountable and for what	<ul style="list-style-type: none"> Community strategy in place Annual Report Strong consultation processes.
	Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required	<ul style="list-style-type: none"> Communication and Engagement Strategy in place and reviewed. Complaints procedure and reporting arrangements in place
Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning.	Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively	<ul style="list-style-type: none"> Community Strategy in place and reviewed Communication and Engagement Plan in place Consultation on issues such as Budget options
	Hold meetings in public unless there are good reasons for confidentiality	<ul style="list-style-type: none"> Policy of holding meetings in public All public meetings are webcast
	Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	<ul style="list-style-type: none"> Communication and Engagement Strategy in place and reviewed

	Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result	<ul style="list-style-type: none"> • Communication and Engagement Strategy in place and reviewed
	On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period	<ul style="list-style-type: none"> • Annual Performance Plan produced • Annual financial statements agreed by Council • All available on website
	Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	<ul style="list-style-type: none"> • Local Code of Corporate Governance adopted and reviewed annually • Constitution
Making best use of human resources by taking an active and planned approach to meet responsibility to staff.	Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	<ul style="list-style-type: none"> • Constitution • Workforce Strategy agreed • Staff Forum and Unit Manager's Group in place • Employment Panel in place

Policy and Resources Committee

29 July 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Customer Feedback Report- Quarter 4 of 2014/15 and End of Year 2014/15

Final Decision-Maker	Policy and Resources Committee
Lead Director or Head of Service	Angela Woodhouse
Lead Officer and Report Author	Sam Bailey
Classification	Non-Exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. To note the Quarter 4 Customer Feedback Briefing (Appendix 1)
2. To note the 2014/15 Customer Feedback Briefing (Appendix 2)

This report relates to the following corporate priorities:

- Great People
- Great Place
- Great Opportunity

Timetable

Meeting	Date
Policy and Resources Committee	29 July 2015
Council	n/a
Other Committee	n/a

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The briefings attached provide a summary of customer feedback received by the council for Quarter 4 of 2014/15 (Appendix 1) and for the whole year 2014/15 (Appendix 2).
 - 1.2 The customer feedback contained in the briefings includes complaints, compliments and a summary of the main themes of the topics discussed on social media.
 - 1.3 The following points should be noted as of particular interest for quarter 4:
 - That the proportion of complaints closed on time has increased compared to quarter 3 of 2014/15 and is now above the target of 95% set as a KPI for 2014/15
 - The escalation rate from Stage 1 to Stage 2 is the lowest for 2 years
 - Satisfaction with complaint handling is the highest it has been for 5 years).
 - 1.4 The following points should be noted as of particular interest for the end of year report:
 - The number of complaints received has increased continuing the trend of the last 5 years
 - Despite good performance in quarter 4, the percentage of complaints closed on time has decreased 2% compared to 2013/14, to 93%, which is just below the 95% target
 - It appears complaints are rising across all services, as only seven services received less complaints in 2014/15 than in 2013/14.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The Council has a 2 stage process for dealing with complaints. At the first stage, the relevant Head of Service investigates and responds to the complaint. At the second stage the Head of Policy and Communications investigates the complaint. Once the complainant has exhausted this two stage process they may take their complaint to the Local Government Ombudsman.
- 2.2 Complaints are recorded on a complaints system which is administered by the Policy and Information Team. Reports from this system form the basis of the Customer Feedback Briefings attached as appendices to this report.
- 2.3 The Policy and Information Team are also forwarded details of compliments received by other departments.

- 2.4 The Communications team create a quarterly round up of the main themes discussed on social media and send it to the Policy and Information Team. The themes on social media can give a wider context to issues that may generate large amounts of complaints and compliments.
- 2.5 These three elements are brought together in the Customer Feedback report to give an overall view of feedback received by the Council.
-

3. AVAILABLE OPTIONS

- 3.1 The Committee could choose not to receive a regular update on customer feedback. However these updates offer the committee the opportunity to have an ongoing view of the customer experience, emerging issues and areas for improvement.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 For the Committee to continue receiving Customer Feedback Reports.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Corporate Leadership Team (CLT) asked for additional information to be added to this report around customer satisfaction for services (where this data is gathered), if appropriate. This has been added to the report.
- 5.2 Since CLT reviewed this report, extra information has been added regarding the Council's performance for Local Government Ombudsman (LGO) Complaints. This information had not yet been published by the LGO when the report was reviewed by CLT.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Policy and Information Team will communicate any decisions taken by the Committee to the relevant department for implementation or incorporate into future reports.
-

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Complaints were received for nearly all areas of service delivery so have an impact on all corporate priorities.	Angela Woodhouse
Risk Management	None	N/A

Financial	There are no significant financial implications arising from this report. A total of £262 expenditure was incurred in relation to payments, refunds and compensation for 4 complaints for quarter 4 of 2014/15.	Zena Cooke
Staffing	None	N/A
Legal	Some of the complaints received may have future legal implications.	
Equality Impact Needs Assessment	None	N/A
Environmental/Sustainable Development	None	N/A
Community Safety	None	N/A
Human Rights Act	None	N/A
Procurement	None	N/A
Asset Management	None	N/A

8. REPORT APPENDICES

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

- Appendix I: Quarter 4 Customer Feedback Briefing
- Appendix II: 2014/2015 Customer Feedback Briefing
- Appendix III: Local Government Ombudsman Annual Review Letter

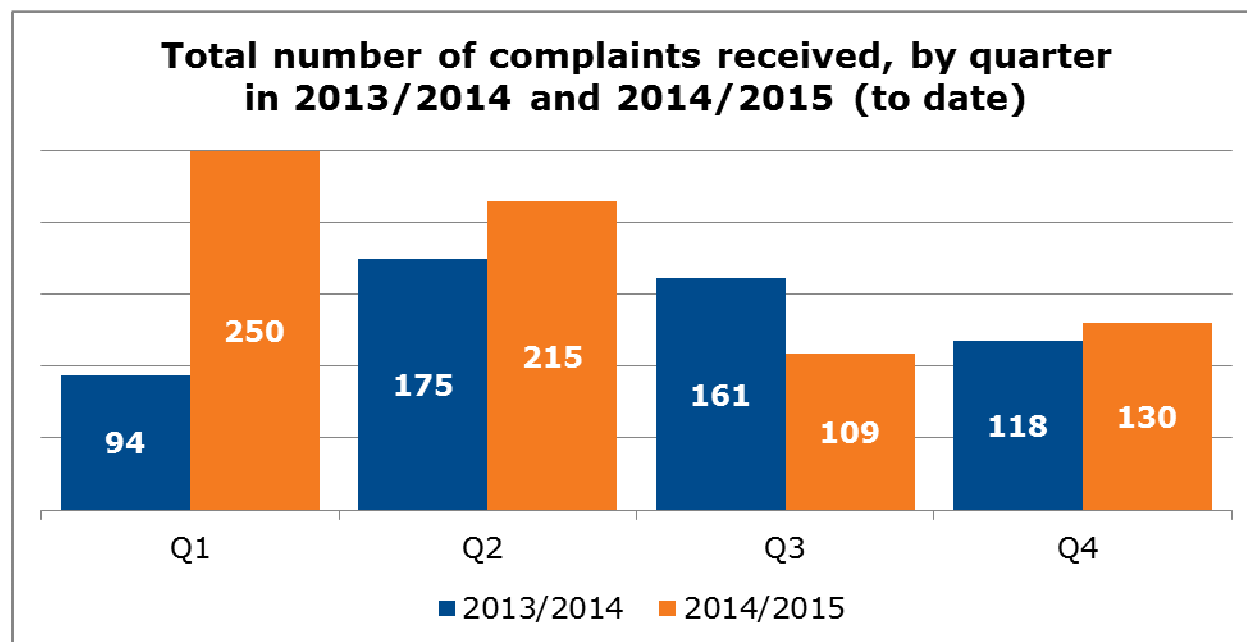
9. BACKGROUND PAPERS

None

Quarter 4 Customer Feedback (complaints, compliments and social media) Report

1. Overall Performance

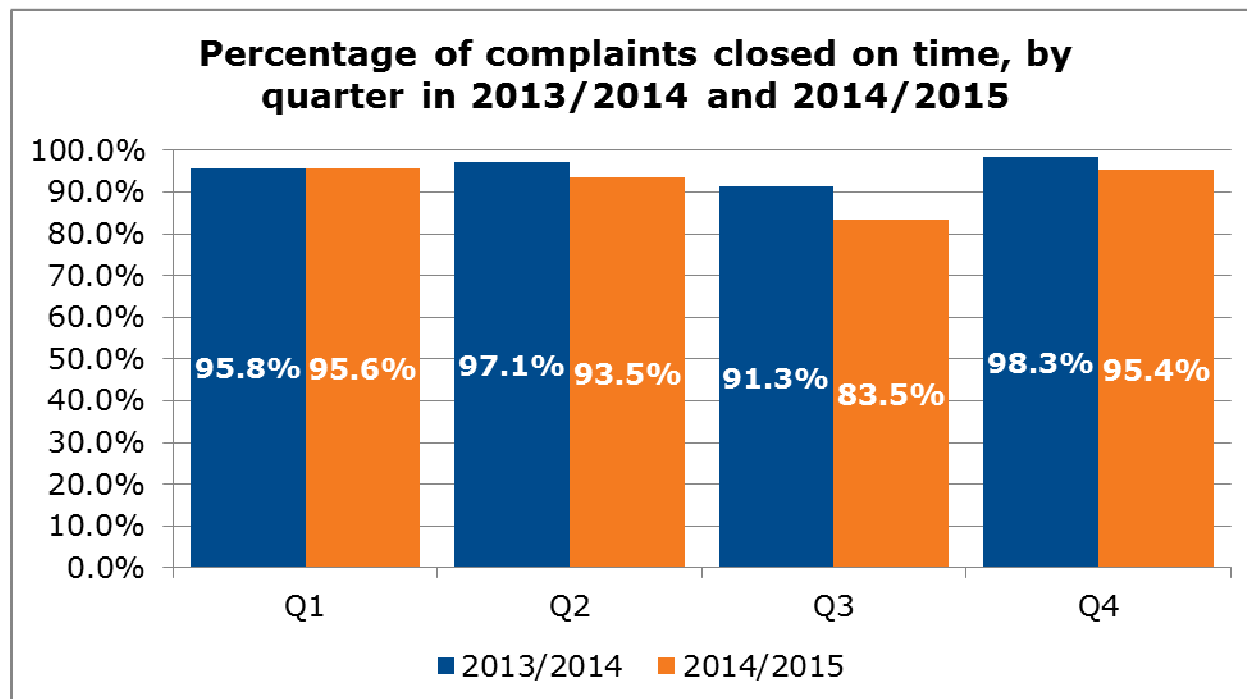
There were 130 complaints received in total this quarter. This was an increase in the number of complaints received compared to quarter 3 2014/15 and to quarter 4 of 2013/14. The graph below shows the number of complaints received for the past 2 years.



For comparison, a table showing number of complaints received and the percentage of complaints answered on time, since quarter 1 of 2013/14, can be found below.

	Year	Q1	Q2	Q3	Q4
Overall number of complaints received	13/14	94	175	161	118
	14/15	250	215	109	130
Percentage of complaints responded to on time	13/14	95.8%	97.1%	91.3%	98.3%
	14/15	95.6%	93.5%	85.3%	95.4%

The percentage of complaints responded to on time has increased in the last quarter of 2014/15. The quarterly result was above the 95% target set as Key Performance Indicator in the Strategic Plan. The percentage of complaints closed on time was lower than quarter 4 of 2013/14.



Of the 6 complaints that were closed late only 1 complainant was sent a holding response. This complaint was against Development Management and was about the specifics of a particular application which required a detailed investigation and response. The services that had complaints closed late with no holding response sent were:

- Benefits (1)
- Electoral Registration (2)
- Housing Register (1)
- Parks and Leisure (1).

This is the first full quarter in which the Policy and Information Team has had an Information Officer, responsible for administering the complaints and FOI processes. This may be a factor in for the higher percentage of complaints closed on time compared to the previous quarter. This performance will continue to be monitored.

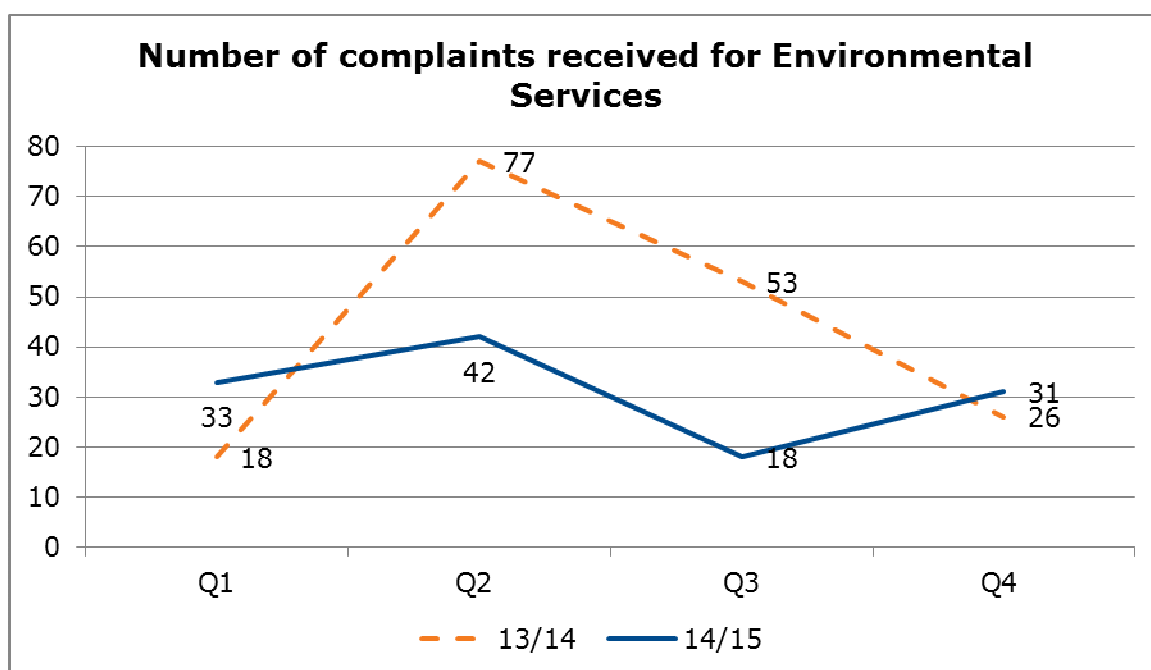
2. Complaints by Service

The services with the highest numbers of complaints this quarter were:

- Environmental Services, including Waste Collection (31)
- Parking Services (24)
- Development Management (16)
- Revenues (13).

Environmental Services

Environmental Services received 31 complaints this quarter. A graph showing complaint numbers over the last two years can be found below.



Of the 31 complaints received for Environmental Services, 21 were about Waste Collection and there were some common themes.

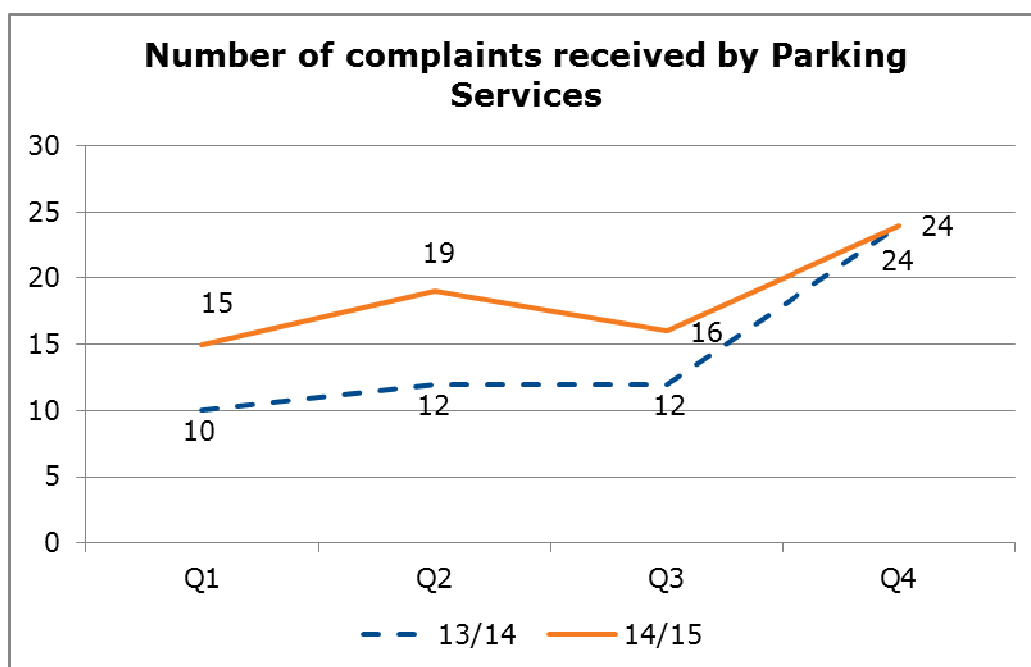
- Five complaints that information about Christmas collections was not circulated effectively, especially for those who did not have internet access. None of these complaints came from complainants without internet access. The response outlined methods the Council uses to publicise Christmas collections, and the methods for informing people without the internet.
- Two complaints about waste collection crews urinating in public while on their rounds. A reminder was sent to all depot staff and in one case the crew returned to the area concerned to clean the area.
- Seven complaints were about missed waste collections
- Three complaints were about missed collections due to broken bins.

Of the remaining ten complaints that were not about waste collection there were no trends or common themes in the nature of these complaints.

There were two complaints about the driving of our vehicles. As a result the depot is currently looking into driver training, monitoring and a driver handbook.

Parking Services

Parking Services received 24 complaints this quarter. This is higher than any other quarter this year. However when comparing year on year, the trend is very similar. The graph below shows the comparison between 2013/14 and 2014/15.



There were some common themes and issues in the complaints received by Parking Services:

- There were three complaints about an altercation between a resident and a Civil Enforcement Officer (CEO) in a residential street. The parking enforcement contractor's disciplinary process was applied in this case
- There were four complaints about the lack of availability for resident parking zones.
- Eight complaints were about the way in which Penalty Charge Notices (PCNs) were issued, generally by people who had received PCNs and were trying to bypass (or had exhausted) the appeals process.

The issues raised in the complaints are similar to those raised in quarter 4 in 2013/14.

Despite the fluctuations in the number of complaints received for this service, customer satisfaction has been consistently between 85-90%. There is a high

satisfaction rating with parking services 90.53% of customers were satisfied quarter 4 of 2014/15.

Development Management

Development Management received 16 complaints in total this quarter. This is not a particularly high number of complaints for this service, whose complaints have fluctuated between 11 and 22 per quarter for the last 2 years. The majority of these complaints were about the way planning applications were handled, or their outcomes.

Housing (Register)

Nine complaints were received about the Housing Register this quarter. In quarter 3, 8 complaints were received for this service; meaning the numbers of complaints received for this service has remained relatively stable since the previous quarter.

Planning Support

Mid Kent Planning Support received 3 complaints about Maidstone applications this quarter, half the complaints received compared to quarter 3 of 2014/2015. Two of the complaints received this quarter were about not receiving notifications of planning applications that had been made. Both of these complaints were justified. One was a result of a system error and the other a result of human error.

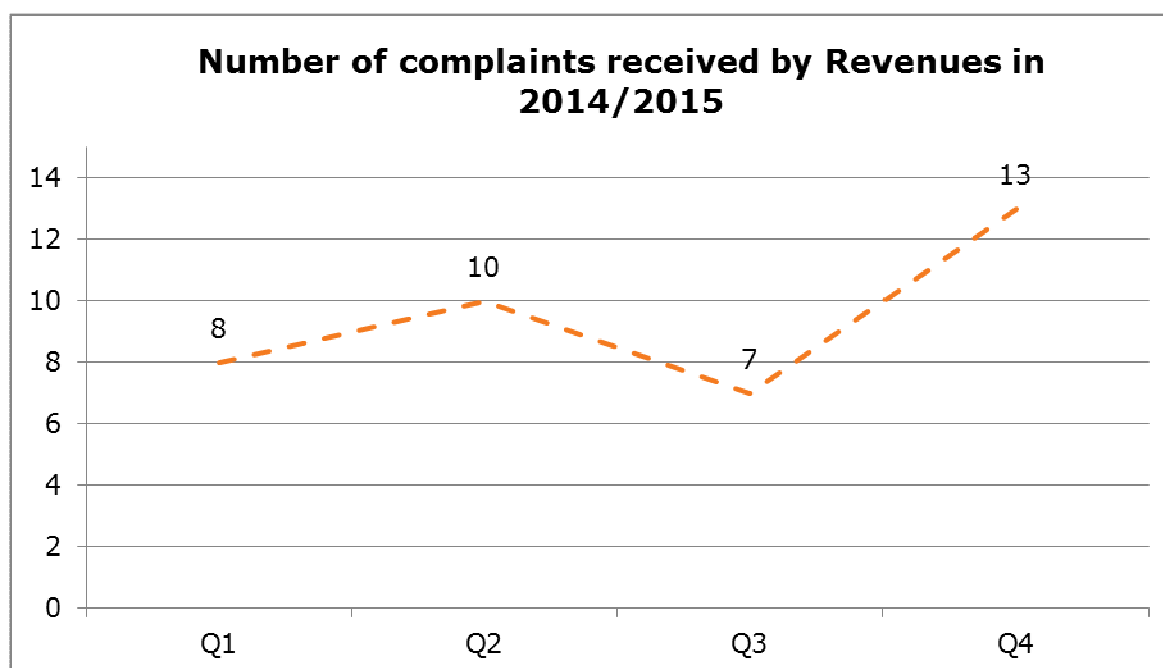
Revenues

Revenues received 13 complaints this quarter, which was the highest number of complaints received in 2014/15 for this service.

Of these 13 complaints, 5 were about policy and the remaining eight were about service. Two of the 5 policy complaints were about policies introduced due to the localisation of council tax support- specifically the long-term empty premium and the removal of a council tax discount for second homes.

There has been a noticeable increase in policy complaints received by Revenues regarding the local Council Tax Support scheme. This is covered in more detail in the annual Customer Feedback report at appendix 2.

The number of complaints received by Revenues in 2014/15 can be seen in the graph below.



A full breakdown of complaints by service can be found on the following page.

Complaints received by Service, Q4 2014/15

Service	Number	On Time	Late	% on Time	Service	Policy	Staff	Time Taken	Lack of Contact	Discrimination
Benefits	6	5	1	83.3%	6	0	0	0	0	0
Corporate Property	1	1	0	100.0%	1	0	0	0	0	0
Customer Services	3	3	0	100.0%	2	0	0	0	1	0
Depot	1	1	0	100.0%	0	0	1	0	0	0
Development Management	16	15	1	93.8%	7	6	1	0	1	1
Economic Development	2	2	0	100.0%	2	0	0	0	0	0
Electoral Registration	3	1	2	33.3%	2	1	0	0	0	0
Environmental Enforcement	4	4	0	100.0%	1	1	2	0	0	0
Environmental Services	31	31	0	100.0%	20	1	9	1	0	0
Finance	1	1	0	100.0%	1	0	0	0	0	0
Housing (Homelessness)	1	1	0	100.0%	1	0	0	0	0	0
Housing Register	9	8	1	88.9%	7	1	0	0	0	1
Parking Services	24	24	0	100.0%	13	3	7	1	0	0
Parks and Leisure	5	4	1	80.0%	4	0	1	0	0	0
Planning Enforcement	4	4	0	100.0%	1	1	0	0	2	0
Planning Support	3	3	0	100.0%	3	0	0	0	0	0
Policy and Communications	2	2	0	100.0%	1	0	1	0	0	0
Property & Procurement	1	1	0	100.0%	1	0	0	0	0	0
Revenues	13	13	0	100.0%	8	5	0	0	0	0
Total	130	124	6	95.4%	81	19	22	2	4	2

3. Compliments

Several teams received compliments during quarter 4. The number of compliments received by each team is shown in the table below:

Team	Number of compliments
Grounds Maintenance	3
Environmental Services	5
Economic Development	2
Policy and Information	1
Customer Services	3
Housing (Homelessness)	1
Democratic Services	1
Environmental Enforcement	1
Communications	2

A selection of quotes from the compliments received can be found below:

I would like to compliment the team who made such a good job of cleaning Victoria Street last Tuesday. The street looked much nicer for a bit of tlc.

(via twitter) 'Great to see the excellent work that @maidstonebc have done to the towpath from Maidstone to Allington'

I work for Social services in Maidstone and would just like to feedback on the excellent service I received today from Daisy and Natalia when bringing a client in both were extremely helpful in what was difficult circumstances for my client keep up the good work.

Just to say a huge thank you for cutting back the tree that was growing across the pavement at shoulder/face height. Brilliant job. Thanks again :-) :-)

I travel down Bluebell Hill every day from work and have seen your litter clear up signs, just wanted to say they put the point across, telling people how much it's going to cost, like them! I hope people take more notice of them.

4. Stage 2 Complaints

This quarter, the council received 25 stage 2 complaints, all of which were responded to within target time (20 working days). A breakdown of stage 2 complaints by service and by number of justified complaints against each service can be found in the table below.

Service	Stage 2 Complaints	Number Justified
Customer Services	1	0
Development Management	2	0
Environmental Enforcement	1	0
Environmental Services	2	1
Housing (homelessness)	1	0
Parking Services	4	1
Parks and Leisure	1	0
Planning Enforcement	4	0
Policy and Information	1	0
Revenues	8	2
Total	25	4

The number of stage 2 complaints received this quarter has dropped slightly on the previous quarter from 30 to 25. Only 4 of the 25 stage 2 complaints that were received this quarter were found to be justified.

Revenues received the most stage 2 complaints. The 2 justified complaints were regarding incorrect addresses on council tax accounts. Of the remaining complaints 2 were requesting discounts on their council tax/business rates; however these complainants' circumstances meant they were not eligible for any discounts.

The 4 stage 2 complaints that were received by Planning Enforcement were about perceived lack of action in enforcing planning breaches. None of these complaints were found to be justified. In the case of these complaints the customer's expectations does not match the standards set for the service. This has led to the customer's dissatisfaction with either the time it has taken to progress a case, the service (or lack of service) they feel they have received from the Planning Enforcement team or the lack of contact from the team after initially reporting a breach.

Comparative Statistics on stage 2 complaints can be found on the table below:

	Year	Q1	Q2	Q3	Q4
Number of stage 2 complaints received	13/14	23	16	39	17
	14/15	32	24	34	25
% of complaints escalated to stage 2	13/14	24.5	9.1	24.2	14.4
	14/15	12.8	11.1	31.1	19.2
% justified stage 2 complaints	13/14	47.8	37.5	41.0	23.5
	14/15	31.3	33.3	35.3	16.0

The number of stage 2 complaints received was not particularly high this quarter. Additionally, the escalation rate of stage 2 complaints had dropped compared to quarter 3 2014/15 (19.2% in quarter 4 compared to 31.1% in quarter 3). However the escalation rate for stage 2 complaints is still relatively high compared to previous quarters over the previous 2 years, as well as compared to quarter 4 of 2013/14.

The percentage of justified stage 2 complaints was also lower than any other quarter over the last 2 years. The low proportion of justified stage 2 complaints suggests that customers are satisfied with the responses and outcome they received at stage1.

5. Complaint Handling Satisfaction

Satisfaction with complaint handling was high this quarter, at 60%. This is the highest it has been for 5 years the last time satisfaction with complaint handling was over 60% was in quarter 4 of 2009/2010 when it was at 70%.

	Year	Q1	Q2	Q3	Q4
Satisfaction rate	2013/2014	20.0%	40.0%	36.17%	41.67%
	2014/2015	54.39%	0.00%	26.09%	60.0%
Response rate	2013/2014	10.6%	14.3%	29.2%	30.5%
	2014/2015	22.8%	8.1%	42.2%	11.5%

However it should be noted that the response rate was low again this quarter, at 11.5%. The Policy and Information Team are exploring alternative methods for obtaining feedback on the process and measuring satisfaction.

6. Payments, Refunds and Compensation

Payments, refunds and compensation paid as a result of complaints are listed in the table below, along with explanatory notes.

Service	Stage	Reason	Amount
Revenues	1	Problems with linking 2 council tax accounts, led to correspondence being sent to the wrong address. The summons cost was withdrawn.	£110
Revenues	2	Same issue as above. Stage 2 confirmed that the bailiffs had agreed to remove their costs, and an additional £50 payment was made to recognise the time and trouble the complainants had gone through.	£50
Parking Services	1	Problems with the 506 Park and Ride service running late. Arriva sent the customer 2 free bus tickets to apologise. Value of the tickets unknown.	-
Parks and Leisure	1	Approach road to Mote House in poor state of repair leading to tyre damage. A payment was made, as a goodwill gesture, to cover the cost of replacing the damaged tyre.	£102
Total			£262

7. Social Media

Interactions on social media are gathered and classified by the Communications Team. Everything with the word Maidstone in from Twitter and Facebook is logged, and classified by subject. A word cloud images are created on a monthly basis, using the subject names. The larger the word appears, the greater the number of mentions in social media. There is an overall summary provided below, along with the images for each of the months in the quarter. Some tweets were missing from the overall picture in February and March as posts can only be logged from a few days previously, and if staff are working on other things or on leave these tweets can be missed. However the information that we do have is sufficient to give a good snapshot of the main topics of conversation.

Summary

- Maidstone United is a popular topic. This is far from surprising as the team have the word 'Maidstone' in their name (the search term used to build the picture).
- There were several reoccurring topics that seem to be popular every month, including nightlife, shopping, traffic, bus and trains
- Across the three months there were more mentions than usual of the Museum specifically due to the Ralph Steadman exhibition

January

- The early part of the month was dominated by the search for Pat Lamb.
- Huge increase in the number of mentions about traffic compared to normal due to Operation Stack (though the impact of this isn't clear in the image because of the number of mentions of Pat Lamb)
- Jake Quickenden was an X Factor contestant who appeared at Gallery nightclub.

February

- Huge problems with delays on the trains for several days (partly due to weather)
- A copy of the Magna Carta was found in the KCC archives

March

- Maidstone's first organised 10km race was held
- There was a solar eclipse
- Joe McElderry – a previous X Factor winner – appeared at the Hazlitt
- Stargazing and Mote Park both receive a lot of mentions- this was due to the 'Stargazing Live' event held at the leisure centre

traffic
Arnhem

nightlife
Maidstone
trains
Maidstone
United
Jake Quickenden
Maidstone
Arnhem

Pat Lamb

nightlife
Maidstone United
Magna Carta
Chris Smalling
bus
museum
traffic
shopping
crime
trains

March

eclipse
nightlife
10K shopping MotePark
stargazing traffic
MaidstoneUnited JoeMcElderry

8. Methods of Contact

Methods of contact for complaints received this quarter can be found below:

	Email	Post	Telephone	Face to Face	Social Media
Number	60	17	48	5	0
%	46.2	13.1	36.9	3.8	0

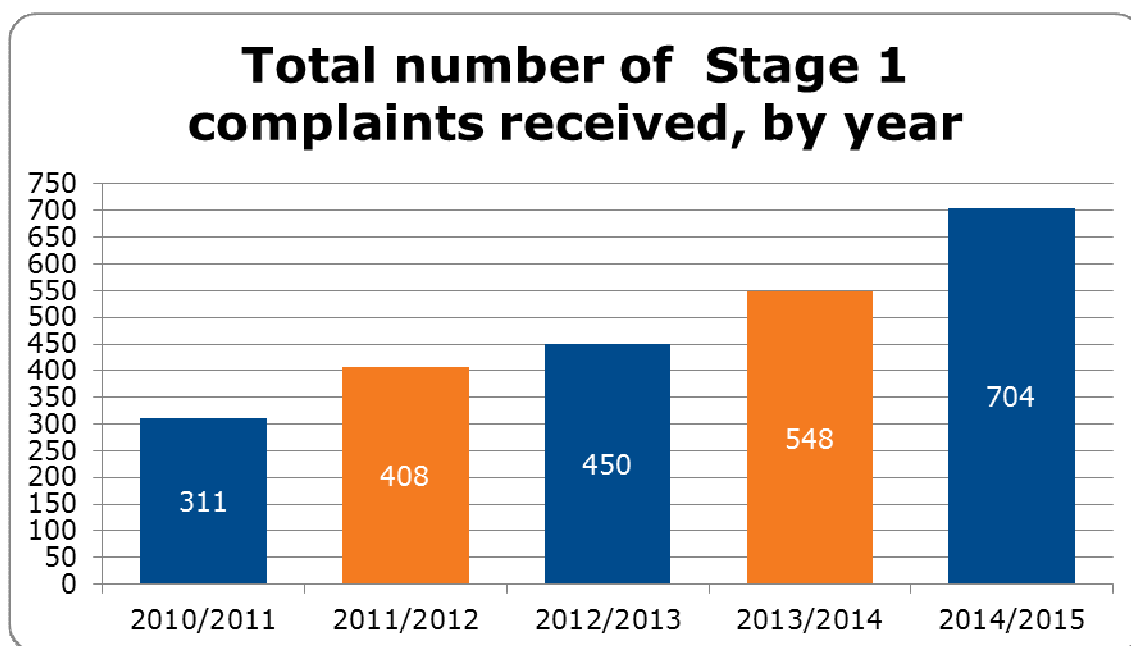
In quarter 4 the most common method of contact by complainants was by email. Over the previous 2 years there has been a gradual increase in the proportion of complainants contacting us via this method, which has led to it rising from 34% in quarter 1 of 2013/14 to 46% in quarter 4 of 2014/15. There are no other trends in the methods of contact, as other methods of contact seem to fluctuate from quarter to quarter. However it is worth noting that complaints received by email and telephone combined tend to make up between 60-80% of complaints received for each quarter.

	Year	Q1	Q2	Q3	Q4
Email	13/14	34.0%	35.6%	29.2%	39.8%
	14/15	35.2%	44.7%	44.9	46.2
Post	13/14	19.1%	27.5%	17.4%	10.2%
	14/15	6.4%	12.6%	14.7	13.1
Telephone	13/14	29.8%	31.2%	47.8%	40.7%
	14/15	52.4%	34.9%	32.1	36.9
Face to Face	13/14	11.7%	5.0%	5.0%	9.3%
	14/15	6.0%	7.9%	8.3	3.8
Social Media	13/14	0.0%	0.6%	0.06%	0.0%
	14/15	0.0%	0.0%	0.0%	0.0%

2014/2015 End of Year Complaints Briefing

1. Complaints Volumes

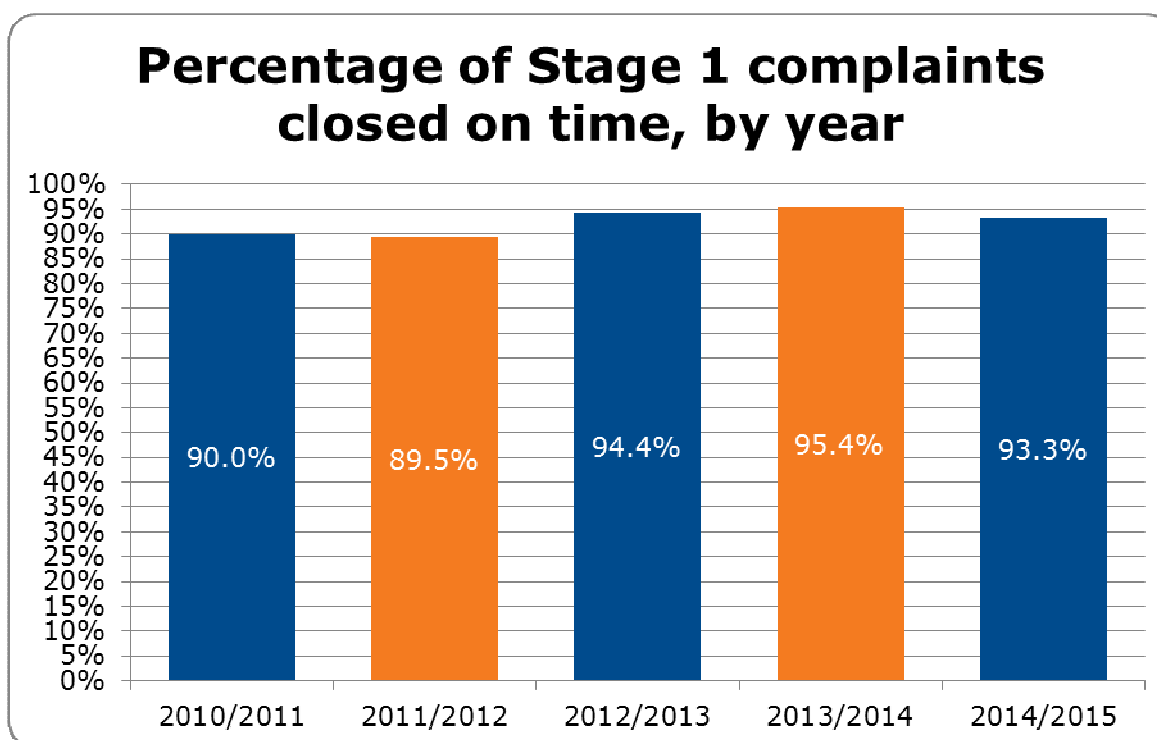
The council received 704 stage 1 complaints this year, a 28.5% increase compared to 2013/14. The graph below shows the number of complaints received for each year since 2010/11.



The main factor in the increase in complaints was that we received 108 complaints about the Landed Festival. This is discussed in more detail in section 3. Other than the complaints received about the Landed Festival, complaints have increased across the board; rather than as a result of specific incidents, policy changes or problems experienced by customers. For example, out of the 29 services that received complaints this year only seven received less complaints this year than last year.

2. Closing complaints on time

The graph below shows the percentage of stage 1 complaints closed on time by year for the last 5 years. The percentage of stage 1 complaints closed within the target time dropped 2.1% compared to 2013/14, which is outside of the target of 95% set in the Strategic Plan.



The drop in performance in 2014/15 should be considered in the context of the rise in complaints. It is also important to consider that our standard turnaround time for stage 1 complaints is 10 working days. Some local authorities have a 15 or even 20 working day turnaround time for Stage 1 complaints.

Departments are dedicating more resources to deal with these complaints within the 10 working day turnaround time, and generally are performing well and hitting the target.

The Policy and Information Manager is currently undertaking a review of complaints and the turnaround times will be considered as part of this review.

3. Complaints received by service and categorisation

The table below shows the full breakdown of complaints by service, sorted into categories and showing performance in terms of complaints closed on time. Trends and some explanation around complaint numbers are explored in more detail for particular services in the following section.

Service	Number	On Time	Late	% on Time	Service	Policy	Staff	Time Taken	Lack of Contact	Discrimination
Benefits	14	12	2	85.7%	12	0	2	0	0	0
Bereavement Services	3	3	0	100.0%	0	0	3	0	0	0
Building Control	3	3	0	100.0%	1	0	2	0	0	0
Community Safety	3	3	0	100.0%	2	0	0	0	1	0
Corporate Property	4	4	0	100.0%	4	0	0	0	0	0
Customer Services	16	16	0	100.0%	11	0	4	0	1	0
Depot	7	7	0	100.0%	2	0	5	0	0	0
Development Management	80	71	9	88.8%	47	13	6	6	7	1
Economic Development	5	5	0	100.0%	5	0	0	0	0	0
Electoral Registration	21	15	6	71.4%	15	5	0	0	0	1
Environmental Enforcement	38	37	1	97.4%	12	8	17	0	0	1
Environmental Services	124	123	1	99.2%	90	12	16	4	2	0
Finance	3	3	0	100.0%	3	0	0	0	0	0
Grounds Maintenance	2	2	0	100.0%	2	0	0	0	0	0
Housing (Homelessness)**	9	8	1	88.9%	6	1	0	0	1	1
Housing Options/Register*	39	28	11	71.8%	19	6	4	7	1	2
Housing Register**	17	13	4	76.5%	12	4	0	0	0	1
Legal Services	1	1	0	100.0%	1	0	0	0	0	0
Licensing	2	2	0	100.0%	0	0	2	0	0	0
Market	3	3	0	100.0%	2	0	1	0	0	0
Parking Services	74	74	0	100.0%	30	16	23	1	1	3
Parks and Leisure	159	152	7	95.6%	39	113	3	4	0	0
Planning Enforcement	13	11	2	84.6%	8	2	0	1	2	0
Planning Support	16	15	1	93.8%	8	0	3	5	0	0
Private Sector Housing	5	2	3	40.0%	1	0	1	3	0	0
Policy and Communications	4	3	1	75.0%	1	2	1	0	0	0
Property & Procurement	1	1	0	100.0%	1	0	0	0	0	0
Revenues	38	38	0	100.0%	23	12	2	1	0	0
Total	704	655	49	93.0%	357	194	95	32	16	10

* Q1/Q2 only, before Housing Options was split into Register and Homelessness

** Q3/Q4 only

Parks and Leisure

Parks and Leisure received the highest number of complaints out of all council services this year. Of the 159 complaints received by this service, 108 were about the 'Landed Festival' which happened over the Easter weekend of 2014 in Whatman Park. The complaints were mainly about the noise generated by the event, the timing of the event on the Easter weekend (in particular Easter Sunday) and some complaints of antisocial behaviour as a result of the festival. Parks and Leisure recognise that this particular event was not appropriate at this time of the year, and will consider the type of events held in our parks during religious holidays in future. They will also be assessing the potential noise generated by any proposed events for Whatman Park, due to the large number of complaints received regarding the noise generated by the event.

Parks and Leisure received 19 complaints in quarter 2 about 'The Social' festival, which was held in Mote Park in September. As a result of these complaints, the following issues will be picked up when organising the festival in 2015:

- Litter bins will be placed on the approach to Mote Park to discourage littering
- Portaloos will be installed at the entrance to the park to discourage public urination
- Parking restrictions will be placed on nearby streets and drop off/pick up points close to the festival will be organised, in order to minimise traffic disruption for nearby residents.

Environmental Services

Environmental Services received the second highest number of complaints this year receiving 124. This was a decrease in the number of complaints received compared to 2013/14, when 174 complaints were received. It should be noted that the new waste collection contract was introduced during 2013/14, resulting in a higher than usual number of complaints as changes were implemented. There were no common themes, trends or particularly noteworthy complaints that required service changes over the year.

Revenues

In 2013/14 Revenues received 47 complaints, whereas in 2014/15 they received 38. However there have been an increasing number of policy complaints where the complainants are dissatisfied with policies introduced in 2012 as a result of the localisation of council tax benefit. The specific policies complained about were:

- The removal of the discount for second home owners
- Reducing the discount for empty properties from six months to one month
- Introduction of the long term empty premium, where if a property is empty for more than 2 years a 50% premium is added to the council tax bill.

People who had been directly affected financially by the policies made all of the complaints regarding these policies. These complaints will be considered when the policies are reviewed, as they give us an insight on the impact of these policies.

Development Management and Planning Enforcement

Development Management and Planning Enforcement both received a high number of complaints this year and there are a number of key trends that can be observed.

Most customers complaining about the Development Management service were objectors to planning applications who were either unhappy with a decision that had been made or unhappy with the way in which their representations were handled.

The planning system does not allow objectors to appeal a decision that has been made (other than through Judicial Review), so it appears that the complaints process is the only way those affected feel they can express their views once a decision has been made.

Complaints regarding Planning Enforcement are related to a lack of awareness of the limitations within planning legislation around using enforcement action. For example, that people can make retrospective planning applications, or that, applications cannot be refused just because they are retrospective. In addition, complainants tended to have differing expectations of how quickly planning breaches could be resolved.

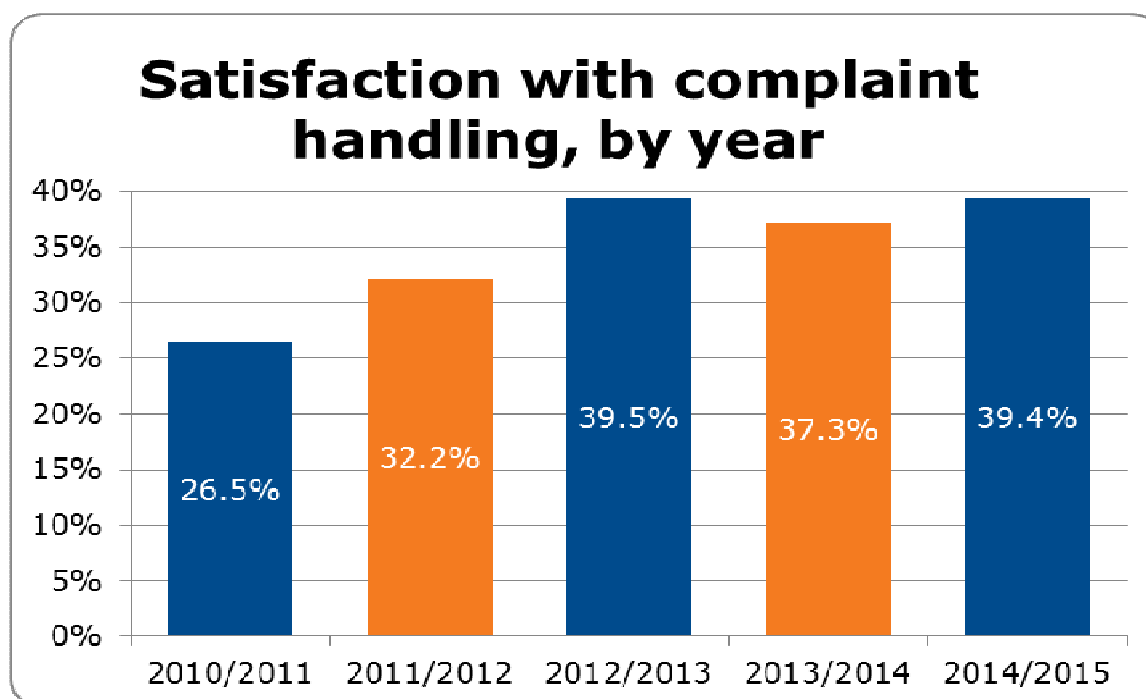
Both of these themes are further explored in the section on stage 2 complaints (section 6); as both of these services had a high escalation rate for stage 2 complaints.

Parking Service

Parking Services saw a 28% increase compared to 2013/14. There were no individual incidents or issues faced by customers that generated a higher than usual number of complaints. Parking Services have an extensive appeals process for those who have been issued PCNs, so there were very few complaints regarding the issuing of PCNs. It is unclear why there was an increase in the number of complaints received as the number of PCNs issued has remained relatively stable compared to last year (31,693 issued in 2013/14 compared to 32,547 issued in 2014/15). The number of hours patrolled saw a decrease in 2014/15 (20,982 patrol hours) compared to 2013/14 (22,295 patrol hours).

4. Satisfaction with complaint handling

There was a 2% in satisfaction with the way complaints have been handled compared to 2013/14. This is still below the target of 45% that was set in the Strategic Plan. The long term trend since 2010/11 has been an increase in satisfaction with complaint handling up until 2012/13. Since then satisfaction levelled off at between 37.3% and 39.5%. The graph below shows the satisfaction rate with complaint handling for the last five years.

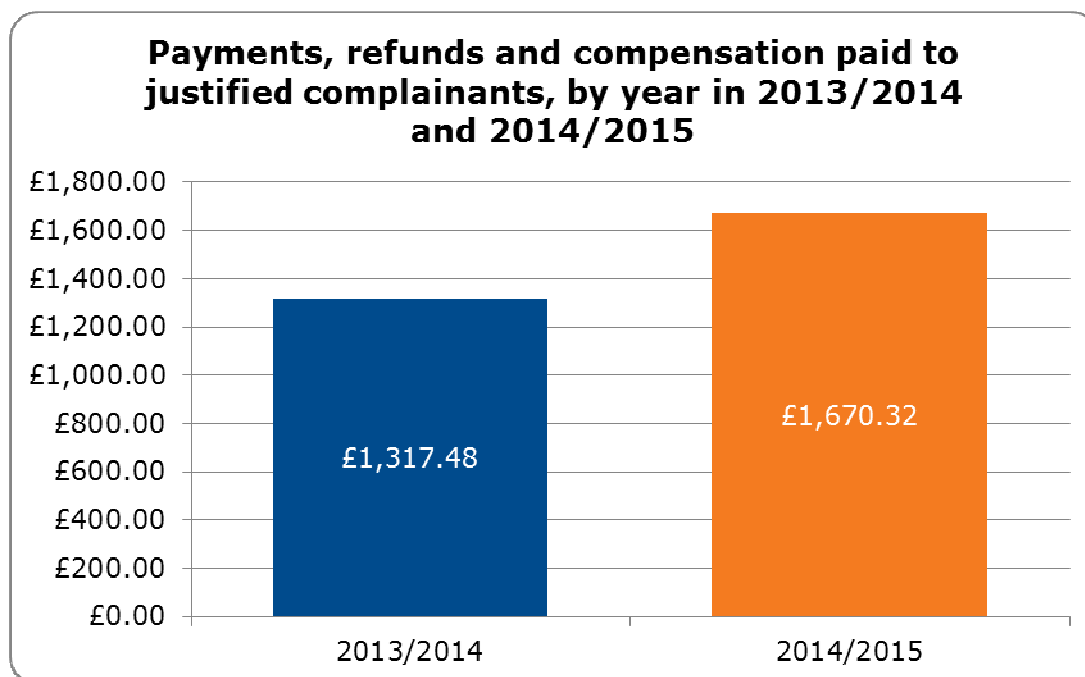


The complaints satisfaction survey has a poor response rate and contains very little usable information to improve the way the service is delivered. The Policy and Information Team have observed an increasing number of stage 2 complaints raised following receipt of a complaint satisfaction survey.

As part of a review of the complaints service other methods of monitoring satisfaction are being explored.

5. Payments, refunds and compensation

This year the council paid, refunded, or offered free services to the value of £1670.32 to complainants whose complaint was found to be justified in 2014/2015. This was an increase of £352.84 compared to 2013/14. The graph below shows the totals for 2013/14 and 2014/2015 for comparison.



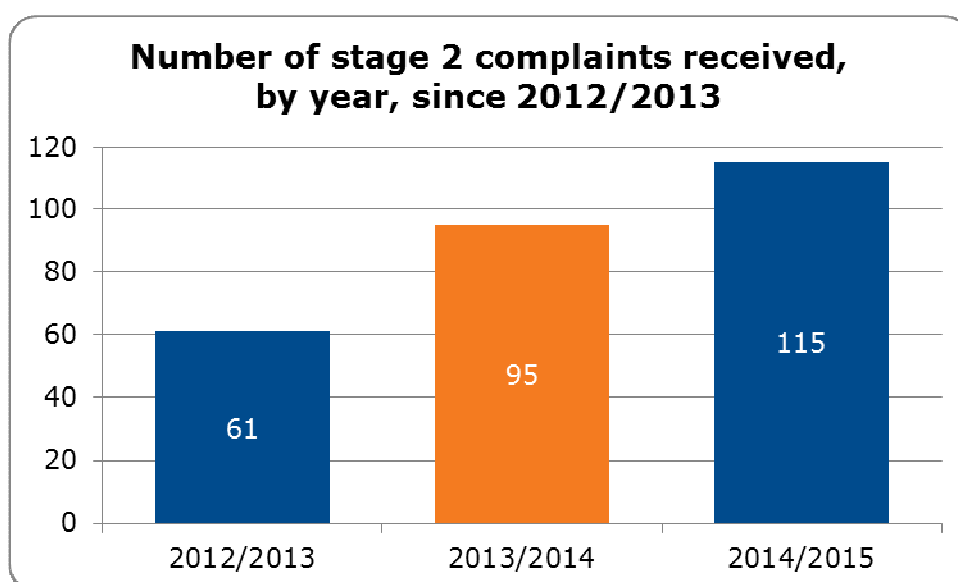
Payments, refunds and compensation are much more likely to be made at stage 1 of the complaints process rather than at stage 2. The table below shows the proportion of payments or refunds made at stage 1 compared to stage 2 for 2013/14 and 2014/15. A table showing the proportion of compensation paid at the different stages of the process can be found below.

	2013/2014		2014/2015	
	Stage 1	Stage 2	Stage 1	Stage 2
Total (£)	£849.98	£467.50	£1,581.92	£88.40
%	64.5	35.5	94.7	5.3

The Policy and Information Team have been raising awareness of the remedies for justified complaints policy, and encouraging teams to refer to the policy when complaints have been upheld in order to check whether compensation was due. This was because last year the team noticed that many justified complaints were going to stage 2 because although we had recognised we had done something wrong we weren't considering whether an ex gratia payment, refund or compensation was due to the complainant. We consider this to be a success as the percentage of compensation paid at stage 2 of the complaints process has dropped by around 30%.

6. Stage 2 Complaints

In 2014/15 the council received 115 stage 2 complaints. This represents a 21.1% increase compared to 2013/14 when 95 stage 2 complaints were received. This must be taken in the context of the increasing number of stage 1 complaints received by the council over the last 3 years. The number of stage 2 complaints received for the last three years can be found on the graph below.



The number of stage 2 complaints we receive has been increasing year on year. This is not surprising as the number of stage 1 complaints we have received has also been increasing at a similar rate.

The table below shows the escalation rate for stage 2 complaints for the previous three years. The escalation rate shows the percentage of stage 1 complaints that are escalated to stage 2.

Year	Number of stage 1 complaints	Number of stage 2 complaints	Escalation rate
2012/2013	450	61	13.6%
2013/2014	548	95	17.3%
2014/2015	704	115	16.3%

The escalation rate has dropped slightly compared to 2013/14, however the volume of stage 2 complaints received increased by 21%. The number of stage 2 complaints received has doubled since 2012/13, meaning the Policy and Information team are required to dedicate more resources to investigating stage 2 complaints.

In 2014/15 8 of the 118 stage 2 complaints were responded to outside of target time (20 working days), which represents 93.2% of stage 2 complaints responded to within target time. All of the complainants that were responded to late were kept updated on the progress of their complaint. Of the 8 stage 2 complaints responded to late, 3 of them were only closed late by 1 day.

The breakdown of stage 2 complaints received by service, along with each service's escalation rate, is set out in the table below.

Service	Number of Stage 2s	Number of Stage 1s	Escalation Rate
Benefits	2	14	14.2 %
Building Control	2	3	66.6%
Community Safety	2	3	66.6%
Customer Services	3	16	18.8%
Development Management	24	80	30.0%
Electoral Registration	1	21	4.8%
Environmental Enforcement	6	38	15.8%
Environmental Services	8	124	6.5%
Housing (homelessness)**	1	9	11.1%
Housing Options/Register*	7	39	18.0%
Housing Register**	1	17	5.9%
Licensing	1	2	50.0%
Market	1	3	33.3%
Parking Services	13	74	17.6%
Parks and Leisure	14	159	8.8%
Planning Enforcement	7	13	53.8%
Planning Support	2	16	12.5%
Policy and Information	3	4	75.0%
Private Sector Housing	1	5	20.0%
Revenues	15	38	39.5%
Spatial Policy***	1	0	-
TOTAL	115		
* Quarter 1 and 2 only, these services were separated for quarter 3 onwards			
** Quarters 3 and 4 only			
*** One stage 2 received for a stage 1 complaint received in q4 of 2013/2014			

The service that received the greatest number of stage 2 complaints was Development Management. The number received by this service represented a 30% escalation rate, which is almost double the overall escalation rate for the council this year.

Revenues

Revenues also had both a high escalation rate as well as a high number of stage 2 complaints. However 6 of the stage 2 complaints received by Revenues were about policies introduced in 2012 when the responsibility for administering Council Tax Support was handed to councils. The policies complained about were:

- the long term empty premium
- the removal of council tax discounts for second homes
- a reduced discount period for empty homes.

Generally, these complaints were made because complainants did not agree with the policies wished to have them changed, or an exception made in their case. There were no complaints about these policies from people who were not directly affected by them financially.

Planning Enforcement

Of those services with an escalation rate over 50%, only Planning Enforcement received more than 4 stage 1 complaints in the year. Many of the Stage 2 complaints received by Planning Enforcement were regarding lack of contact, delays to correspondence and lack of action in Planning Enforcement cases. There may be the potential for some work to be undertaken around expectation management for those who make complaints against Planning Enforcement. In particular it may be valuable to review our enforcement policy and publish it on our website so that service standards and options for enforcement are readily available to residents before they contact the service.

Development Management

Development Management also received a high number of stage 2 complaints this year, as well as an escalation rate above the average for the Council. Many of the complaints received for this service were from those dissatisfied with the outcome of planning applications, how an application was handled and aspects of an application that were not considered that complainants felt should be. The majority of these complaints were from planning objectors, rather than applicants, as only 6 complaints were received from planning applicants. Applicants have a right of appeal against planning decisions that are not decided in their favour; however objectors have no right of appeal (other than through Judicial Review). The Policy and Information Team are working with Mid Kent Legal Services and the Planning Team to produce some guidance around this subject to assist the contact centre when dealing with enquiries of this nature; as well as to assist with the drafting of stage 1 complaint responses to make this clearer to complainants.

Environmental Services

Environmental Services had a very low escalation rate, particularly considering the number of complaints received for this service. This suggests that complaints are being dealt with appropriately at the first stage of the process as they are not being escalated to stage 2. The majority of complaints about this service are regarding missed collections and other issues that are usually relatively simple to resolve, hence the low escalation rate. However the team should be commended for getting these issues resolved at the first stage, especially considering the number of complaints they receive.

7. Stage 3 (Ombudsman) Complaints

The Local Government Ombudsman publishes statistics for each local authority every July. The 2014/15 review letter is attached as Appendix III to this report. The review letter shows that of the 22 decisions taken by the LGO, 6 detailed investigations were carried out. Of these 6, 3 were upheld. The Policy and Information Team cannot supply a full analysis of LGO information for two reasons. The first is that the reference numbers used by the LGO do not match those used by us on our complaints system. The second is the reporting function on the complaints system is not currently able to report against LGO complaints.

The review letter received for 2013/14 showed that 19 decisions on complaints were made by the LGO that year. Of these 19, 3 detailed investigations were carried out. All three of these complaints were upheld in 2013/14.

Although the LGO carried out more investigations (and received more enquiries) in 2014/15 than 2013/14; the same number were upheld. This suggests that our complaints process is fairly robust.

Below is a table showing information on LGO decisions taken for Kent District Councils in 2014/15. The table shows that our performance regarding detailed investigations carried out is fairly typical. However the number of complaints upheld is towards the high end, with only Thanet District Council and Dover District Council having more complaints upheld by the LGO.

Authority	Decisions Made	Detailed investigations carried out	Upheld	Not Upheld
Ashford Borough Council	22	6	1	5
Canterbury City Council	34	3	1	2
Dartford Borough Council	26	1	1	0
Dover District Council	30	11	5	6
Gravesham Borough Council	30	0	0	0
Maidstone Borough Council	22	6	3	3
Sevenoaks District Council	15	5	1	4
Shepway District Council	20	5	1	4
Swale Borough Council	22	6	2	4
Thanet District Council	39	9	4	5
Tonbridge and Malling Borough Council	8	0	0	0
Tunbridge Wells Borough Council	13	3	2	1

8. Complaints Review

The Policy and Information Team are currently conducting a review of complaints in order to improve the way in which complaints are handled across the authority. The objective of the review is to:

- Reduce the numbers of complaints received (and particularly those that go to stage 2 and local government ombudsman)
- Improve the quality of complaint responses across the council
- Streamline the complaints process internally
- Raise awareness of any complaints policy changes and other policies relating to complaints (Unreasonable or Unreasonably Persistent Complainants Policy and Remedies for Justified Complaints Policy) across the council;
- Review the effectiveness of the current complaints computer system;

The review will incorporate:

- Feedback from staff and managers from informal meetings
- Benchmarking how our Cipfa nearest neighbour authorities and Kent District Councils perform in relation to complaints, and comparing their differing complaints policies
- Our own data and information held about complaints and complainants.

The Policy and Information Team is aiming to finalise the review by the end of August.

18 June 2015

By email

Ms Alison Broom
Chief Executive
Maidstone Borough Council

Dear Ms Broom

Annual Review Letter 2015

I am writing with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2015. This year's statistics can be found in the table attached.

The data we have provided shows the complaints and enquiries we have recorded, along with the decisions we have made. We know that these numbers will not necessarily match the complaints data that your authority holds. For example, our numbers include people who we signpost back to the council but who may never contact you. I hope that this information, set alongside the data sets you hold about local complaints, will help you to assess your authority's performance.

We recognise that the total number of complaints will not, by itself, give a clear picture of how well those complaints are being responded to. Over the coming year we will be gathering more comprehensive information about the way complaints are being remedied so that in the future our annual letter focuses less on the total numbers and more on the outcomes of those complaints.

Supporting local scrutiny

One of the purposes of the annual letter to councils is to help ensure that learning from complaints informs scrutiny at the local level. Supporting local scrutiny is one of our key business plan objectives for this year and we will continue to work with elected members in all councils to help them understand how they can contribute to the complaints process.

We have recently worked in partnership with the Local Government Association to produce a workbook for councillors which explains how they can support local people with their complaints and identifies opportunities for using complaints data as part of their scrutiny tool kit. This can be found [here](#) and I would be grateful if you could encourage your elected members to make use of this helpful resource.

Last year we established a new Councillors Forum. This group, which meets three times a year, brings together councillors from across the political spectrum and from all types of local authorities. The aims of the Forum are to help us to better understand the needs of councillors when scrutinising local services and for members to act as champions for learning from complaints in their scrutiny roles. I value this direct engagement with elected members and believe it will further ensure LGO investigations have wider public value.

Encouraging effective local complaints handling

In November 2014, in partnership with the Parliamentary and Health Service Ombudsman and Healthwatch England, we published *'My Expectations'* a service standards framework document describing what good outcomes for people look like if complaints are handled well. Following extensive research with users of services, front line complaints handlers and other stakeholders, we have been able to articulate more clearly what people need and want when they raise a complaint.

This framework has been adopted by the Care Quality Commission and will be used as part of their inspection regime for both health and social care. Whilst they were written with those two sectors in mind, the principles of *'My Expectations'* are of relevance to all aspects of local authority complaints. We have shared them with link officers at a series of seminars earlier this year and would encourage chief executives and councillors to review their authority's approach to complaints against this user-led vision. A copy of the report can be found [here](#).

Future developments at LGO

My recent annual letters have highlighted the significant levels of change we have experienced at LGO over the last few years. Following the recent general election I expect further change.

Most significantly, the government published a review of public sector ombudsmen in March of this year. A copy of that report can be found [here](#). That review, along with a related consultation document, has proposed that a single ombudsman scheme should be created for all public services in England mirroring the position in the other nations of the United Kingdom. We are supportive of this proposal on the basis that it would provide the public with clearer routes to redress in an increasingly complex public service landscape. We will advise that such a scheme should recognise the unique roles and accountabilities of local authorities and should maintain the expertise and understanding of local government that exists at LGO. We will continue to work with government as they bring forward further proposals and would encourage local government to take a keen and active interest in this important area of reform in support of strong local accountability.

The Government has also recently consulted on a proposal to extend the jurisdiction of the LGO to some town and parish councils. We currently await the outcome of the consultation but we are pleased that the Government has recognised that there are some aspects of local service delivery that do not currently offer the public access to an independent ombudsman. We hope that these proposals will be the start of a wider debate about how we can all work together to ensure clear access to redress in an increasingly varied and complex system of local service delivery.

Yours sincerely



Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

Local authority report – Maidstone Borough Council

For the period ending – 31/03/2015

For further information on interpretation of statistics click on this link to go to <http://www.lgo.org.uk/publications/annual-report/note-interpretation-statistics/>

Complaints and enquiries received

Local Authority	Adult Care Services	Benefits and tax	Corporate and other services	Education and children's services	Environmental services and public protection	Highways and transport	Housing	Planning and development	Total
Maidstone BC	0	5	1	0	4	2	5	11	28

87

Decisions made

	<u>Detailed investigations carried out</u>						
Local Authority	Upheld	Not Upheld	Advice given	Closed after initial enquiries	Incomplete/Invalid	Referred back for local resolution	Total
Maidstone BC	3	3	0	8	0	8	22

Policy & Resources Committee

29th July 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Equality Objectives

Final Decision-Maker	Policy & Resources Committee
Head of Service	Angela Woodhouse
Report Author	Clare Wood
Classification	Non-exempt
Wards affected	

This report makes the following recommendations to the final decision-maker:

1. Note the progress made on the Equalities Objectives that were set in 2012 at Appendix A
2. Agree new Equality Objectives and actions (Appendix B), with evidence at Appendix C.
3. Agree that an annual report on the objectives be reported to the Policy & Resources Committee in April 2016.

This report relates to the following corporate priorities:

- Keeping Maidstone an attractive place for all
- Securing a successful economy for Maidstone Borough

Timetable

Meeting	Date
Corporate Leadership Team	21/07/2015
Policy & Resources Committee	29/07/2015

Equality Objectives

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To agree Equality Objectives for the period 2015 to 2019.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The Equalities Act 2010 introduced the Public Sector Equality Duty which applies to all public bodies and any private and voluntary bodies carrying out public functions. The duty places a legal requirement on the Council in carrying out its functions to:
- Eliminate discrimination, harassment, victimization.
 - Advance equality of opportunity between different groups.
 - Foster good relations between different groups.
- 2.2 The duty covers people with the following protected characteristics -age, race, disability, sexual orientation, religion or belief, sex (previously referred to as gender), gender reassignment and pregnancy and maternity. The eliminating discrimination element also covers marriage and civil partnership.
- 3.3 The Act also included the duty to set Equality Objectives to show how the Council is advancing equality of opportunity by 6th April 2012, and then every four years. Cabinet agreed the Council's Equality objectives on 14 March 2012. In May 2013 it was agreed by the Cabinet Member for Corporate Services to bring forward the review of the Equality Objectives to April 2015.
-

3. UPDATE ON CURRENT OBJECTIVES

- 3.1 Below, set out under each objective is a review of the actions and a summary of progress made to date. The full action plans including progress comments are included at Appendix A.

Increase the proportion of men registering for the Healthy Weight programme to 28%

- 3.2 The Healthy Weight Programme is targeted at adults with a BMI of 28 or over, referred by health professionals or by themselves. In 2012 it was estimated that just under 24% of all participants on the Healthy Weight Programme were men. The annual data for 2014/15 shows that the target has not been achieved and performance currently stands at 26.73%.
- 3.3 Over the last three years the team have proactively been looking at ways to increase the number of men participating in this programme including holding focus groups with male staff members and looking at the way these

programmes are marketed. Several programmes specifically aimed at men were designed in Summer 2014, however at a late stage the original provider pulled out.

- 3.4 The team have since commissioned the Wellbeing People to deliver a new weight programme 'Match Fit' that focuses on weight management for men. Currently 60 adults are on track to complete the programme.

Increase the proportion of people aged 18-24 who feel that the Council keeps people 'well informed' or 'fairly well informed' about services and benefits

- 3.5 The 2011/12 Resident Survey showed that 53% of people aged 18-24 felt that the Council keeps people 'well informed' or 'fairly well informed' about services and benefits, compared to 63% of the whole survey population. Following work undertaken by the Communications Team when the survey was repeated in 2013/14, 61.7% of young people (aged 18 -24 years old) said they felt 'very informed' or 'fairly well' informed about services and benefits the Council provides.
- 3.6 Over the last three years, the team have reviewed and updated the tools they use to monitor social media and conversations to identify where Maidstone is being talked about online. The team continues to support and promote community events including those aimed at young people such as SNAP discos, Safety in Action and Uprockin. Last year the team put in place a performance indicator to monitor social media engagement, which shows that each social media post by the Council was shared or re-tweeted by at least two people. In the last year the team have also updated the Communication and Engagement Strategy which includes actions around ensuring that there are appropriate listening and feedback mechanisms in place for younger people.

Improve the number of visitors to the museum aged 55+

- 3.7 In 2014/15 it was assessed, using survey data, that 42% of visitors to the museum were aged 55 years and over, exceeding the 30% target.
- 3.8 Over the last three years the museum have held events and designed programmes aimed at the over 55's. In 2013/14, the museum increased the number of behind the scene tours and promoted these with the Rotary Clubs, Women's Institutes and other local history groups in the area. In addition, museum staff have given talks and lectures to local groups including residential homes as well as the interest groups already outlined. Following a lecture the audience is encouraged to visit the museum.
- 3.9 The mechanism for collecting data for this equality objective is the Museum Survey. This is an optional survey and is not completed by the members of the various clubs that the museum plays host to. The members of these groups are predominantly over 55 years old. Therefore, a new set of surveys have been designed to capture their views in addition to the general visitor. These will be rolled out during 2014/15. Over the last three years, the museum has

also reviewed how it advertises. Spend on advertising has increased and they have looked at the type of publications that they are featuring in, in order to encourage the over 55's to visit.

4. EQUALITY DATA REVIEW

- 4.1 In order to assess inequality in service provision or policy each service area was asked to provide details of their customer profiles against the protected characteristics. The data returned varied from service to service with some services such as Parking Services not collecting any equality data to the Housing Register where data is collected for almost every protected characteristic. Equally, there were services such as complaints where equality data is not formally captured but gleaned from information within the actual complaint. Ultimately, the data collection exercise showed that equality questions are rarely asked and when they are the question formats are not applied consistently.
- 4.2 The data collection exercise highlighted that many services still focus on age, gender and sometimes ethnicity and disability. The only data that was available in relation to religion and sexual orientation was workforce data and housing register data. From discussions with Officers it was apparent that there was no 'one size fits all' approach that could be undertaken as in some circumstances asking someone about all of the protected characteristics they have would be inappropriate.
- 4.3 There are some areas where it would be easy to collect equality information about our service users that are not currently collected. Such as when someone calls the contact centre to log a complaint or request service. However, tools would need to be put in place to capture this data in a consistent manner. For example, the complaints system does not have the facility to record details of the protected characteristics for each complainant.
- 4.4 A Member Workshop was organised as a result of a recommendation made by the Strategic Leadership and Corporate services Overview & Scrutiny Committee. At this workshop members were given a brief presentation on the Equality Duty for Local Government and were presented with the data from the data collection exercise (Appendix C) as well as equality ward profiles. Members considered the data that we currently collect and agreed that there were gaps in the information and that it was hard to assess inequality without quality data.
- 4.5 Research was also undertaken across a number of councils to look at what objectives they have. A number of other councils that were researched seem to take a higher level approach to their equality objectives in comparison to Maidstone. Some are much less specific and performance orientated.

5. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	None	[Head of Service or Manager]
Risk Management	None	[Head of Service or Manager]
Financial	None	[Section 151 Officer & Finance Team]
Staffing	Staff will need to be made aware of the objectives and the impact on their roles and the service to ensure they are embedded as part of their roles.	[Head of Service]
Legal	The Council has a statutory duty to set and publish, in an accessible format, equality objectives and publish these annually. The objectives need to be reviewed every four years.	[Legal Team]
Equality Impact Needs Assessment	Whilst we are no longer required to carry out Equality Impact Assessments (EqIA), we do have a duty to ensure we consider the three aims above (see 1.3.1). The Council has agreed that wherever a policy/function or service is reviewed, changed or developed the two stage EqIA process should be applied to ensure we fulfill our duty.	Anna Collier
Environmental/Sustainable Development	None	[Head of Service or Manager]
Community Safety	None	[Head of Service or Manager]
Human Rights Act	None	[Head of Service or Manager]
Procurement	None	[Head of Service & Section 151 Officer]
Asset Management	None	[Head of Service & Manager]












6. REPORT APPENDICES

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



- Appendix I: Update on Equality Objectives
 - Appendix II: Proposed Equality Objectives 2015-19
 - Appendix III: Equality Data
-

Equality Objectives Update 2014/15

Appendix A

Action Status		PI Status		Direction (D)	
	Cancelled		Alert		Improving
	Overdue; Neglected		Warning		No Change
	Unassigned; Check Progress		OK		Getting Worse
	Not Started; In Progress; Assigned				
	Completed				

EQO CDP Men registering for the Healthy Weight Programme

PI Ref	Indicator Description	2013/14 Value	H1 2014/15		H2 2014/15		2014/15		Responsible Officer	D	2014/15
			Value	Target	Value	Target	Value	Target			Status
94	Percentage of men registering for the Health Weight Programme	22.70%	5.50%	30.00%	26.73%	28.00%	21.83%	28.00%	Sarah Robson		
EQO 001	Unfortunately, one of the programme organisers that the Community Development team had been working with pulled out of the project in the Autumn on 2014. This meant that there were only limited programmes running over the winter. Since then the Wellbeing People have been commissioned to run male only weight management classes between January 2015 and December 2015. During the fourth quarter of 2014/15 they have been working on gaining interest for the programme. The Community Development Team will continue to monitor the protected characteristics of people using the services they commission.										

Code	Title	Due Date	Latest Note
EQO CDP 001	Develop a marketing campaign targeting male population for the PCT funded weight management classes.	31-Mar-2015	Publicity has been produced for the men's weight management programme called Match Fit. Wellbeing People have attended 1 x Maidstone United home game and gained interest for the programme and 12 confirmed referrals. Additional visit to the stadium is scheduled for the next home game to increase referrals to the programme.

Equality Objectives Update 2014/15

Appendix A



Code	Title	Due Date	Latest Note
EQO CDP 002	Deliver a marketing campaign targeting male population for the PCT funded weight management classes.	31-Mar-2015	Wellbeing People have recently been commissioned in December 2014, to run a men's only weight management programme. The classes will run January - December 2015. Men will be involved in the designing of the programme to ensure it suits their needs.
EQO CDP 003	Promote the weight management GP referrals scheme.	31-Mar-2015	Additional copies of the MBC Healthy Living Referral Form have been distributed w/c 23rd February 2015. Information has been distributed to approximately 110 organisations including all GP's within the Maidstone Borough, Kent Community Healthy Trust Services, KIMS hospital and all departments within Maidstone hospital around weight management schemes; exercise referral; falls prevention; men's health; walking for health; and NHS Health checks. An additional layer has been added to the referral process to ensure clients obtain a GP signature to take part in any physical activity programmes. This ensures the safety of the client, commissioner and service provider.
95 EQO CDP 004	Increase uptake of male referrals	31-Mar-2015	Majority of referrals for our weight management programmes come via GP and Health Professionals. It is known that men do not often visit their GP's so a gap in provision has been identified. Confirmation is needed to ensure they have no underlying health conditions that can be affected by partaking in physical activity. Maidstone Borough Council is working with Wellbeing People who have recently been commissioned by KCC Public Health to deliver 240 days of Health MOT's / NHS Health Checks from October 2014-September 2015. Wellbeing People will be signposting clients onto our programmes to increase the uptake of male referrals. Through the development of Walking Football and Men's only weight management programme we hope to increase male referrals to encourage them to partake in activities and live a healthier lifestyle.
EQO CDP 005	Develop a weight management and motivational interviewing programme targeted at men.	31-Mar-2015	Match Fit is a free tailored programme designed to improve men's health and feel better. Aimed at men with a BMI of 28 or above, the courses are held at Maidstone United football club. 60 adults are on track to complete the programme, with a reduction of 3% body weight for 80% of participants, meeting our original criteria. The programme will now be reviewed with Kent Public Health in terms of recommissioning, lessons learnt etc.

Equality Objectives Update 2014/15

Appendix A

Code	Title	Due Date	Latest Note
EQO CDP 006	Deliver a weight management and motivational interviewing programme targeted at men.	31-Mar-2015	Please refer to above information in EQO CDP 005.

EQO COM Keeping young people informed

PI Ref	Indicator Description	2013/14	H1 2014/15		H2 2014/15		2014/15		Responsible Officer	D	2014/15
		Value	Value	Target	Value	Target	Value	Target			Status
EQO 003 96	Percentage of young people who feel informed about the benefits and services MBC provides	61.70%					58.00%	61.70%	Roger Adley		
	The data for this objective comes from the biennial resident survey. In 2011, 53.5% of people aged 18-24 years old felt informed about the benefits and services that the council provides. The survey was repeated in 2013/14 this time there was an option to complete the survey online and we promoted this through social media. The Resident Survey is continuing and the protected characteristics of responders will continue to be monitored.										



Code	Title	Due Date	Latest Note
EQO COM 001	Using channels favoured by young people	31-Mar-2015	Our combined Facebook and Twitter followers and likes on our main accounts continues to grow, now standing at 8,955. The total number of likes on the council's Facebook pages has also increased, now standing at 7,224 - 145 for Maidstone Market, 1,349 for Maidstone Borough Council, 5,129 for Mote Park, and 601 for Maidstone Museum.
EQO COM 002	Going where the conversation is	31-Mar-2015	Social Sign In is proving to be an invaluable tool. It allows us to set up searches to identify social media conversations which mention us.
EQO COM 003	Identifying best practice	30-Sep-2012	We have reviewed LGA research and best practice guidelines. We helped manage KCCs local youth communications group at Switch café. Before KCC disbanded the group we consulted the young people to find out their views about council communication channels including Borough Update, the website and social media. Borough Update was well received and the group suggested that we should post links to it on social media as

Equality Objectives Update 2014/15

Appendix A

Code	Title	Due Date	Latest Note
			well as our website. The importance of social media was emphasised and we have used new social media monitoring tools to address indirect feedback and strengthen relationships with customers, posting topics and at times, which engage most people.
EQO COM 004	Planning to improve performance	31-Mar-2015	The Communications Team continues to support and promote community events provided by the Community Development Team and others aimed at young people.
EQO COM 005	Tracking Progress 2013-14 residents survey	31-Mar-2015	The Resident Survey is the mechanism to show if the objective has been achieved. Based on the question: 'Overall, how well informed do you think Maidstone Borough Council keeps residents about the services and benefits it provides. The 2013/14 survey result showed that 61.7% of people aged 18-24 felt informed or very informed about the services and benefits provided by the Council. The survey will be repeated in 2015/16.

EQO MUS Improve the number of visitors to the museum aged 55+ by 5%

PI Ref	Indicator Description	2013/14	H1 2014/15		H2 2014/15		2014/15		Responsible Officer	D	2014/15
		Value	Value	Target	Value	Target	Value	Target			Status
EQO 002	Percentage of visitors to the museum that are aged 55 and over	23.28%	36.00%	30.00%	45.73%	30.00%	41.91%	30.00%	Jo Wiltcher		

Code	Title	Due Date	Latest Note
EQO MUS 001	Develop and deliver a programme of lectures and events aimed at increasing use of the Museum's by older visitors	31-Mar-2015	A programme of events has been organised. These are detailed in the Museum's promotional literature. Visitors from the target group have increased – e.g. behind the scenes tours, lectures etc.
EQO MUS 002	Develop a series of learning programmes aimed at older visitors with the assistance of the St. Faith's Street Adult Education Centre and the new Kent Library and History Centre	31-Mar-2015	This has been done by means of increased numbers of events and activities aimed at older people (e.g. a lecture series called 'Tea, Talk & Walk'; a series of behind the scenes tours promoted to Rotary Clubs, WIs etc)
EQO MUS 003	Promote visits to the museum by groups with a predominantly older membership	31-Mar-2015	Tours and talks are given on a weekly basis and the majority are to older age groups. This is a core part of the business. The new objective on data collection should show that the

Equality Objectives Update 2014/15

Appendix A

Code	Title	Due Date	Latest Note
			majority of our customers are over the age. This should show at the end of the final quarter of this year.
EQO MUS 004	Promote availability of museum staff to speak at older person's groups	31-Mar-2015	Museum staff have given a number of lectures to local interest groups who membership is primarily aged 55 and over. These have included Women's' Institutes, Rotary Clubs, Probus Clubs, retirement fellowships, local history societies etc. Also included have been residential homes such as Mandeville Court.
EQO MUS 005	Increase the advertising spend in publications aimed at older people	31-Mar-2015	This action is about placement and communication methods. We are being featured in WI publications; contact has been made with retirement groups, U3A and so on. The majority of talks etc are to this age group and staff are encouraged to sell the rest of the museum to them.
EQO MUS 006	Improve customer knowledge through better data capture (NEW 2014/15)	31-Mar-2015	New surveys have been designed to capture stakeholders (trusts, friends, KAS etc) and general visitors views about the museum. The revised surveys aim to engage more people with the museum after they have visited. It will be an avenue to encourage people to revisit. We will be asking responders if they would like to receive regular updates from the museum as well as asking exhibition specific, education and event specific questions that allow visitors to provide feedback on what type of exhibitions/events they would like to see at the museum. The new survey will be rolled out during 2015/16.
EQO MUS 007	Improve access and engagement to museum collections for people over 55 and those with mental health issues (NEW 2014/15)	31-Mar-2015	We are part of Venture into Dementia group planning activities and projects. We are becoming a dementia friendly venue focused on the museum and cafe. We are looking at funding to see how we can progress more projects. We are also part of a South East museums network that is looking at Health and Wellbeing and encouraging those audiences.

As a Community Leader – We will engage with residents in an open and meaningful way

By:

Delivering the Communications and Engagement Strategy Action Plan.
 Embedding the principles of consultation and engagement (as set out in the Communications and Engagement Strategy).
 Undertaking a Resident Survey to identify how residents feel about the council.
 Use customer tools (Acorn) to gain insight into the communities within Maidstone and how to engage them.
 Ensuring that information and advice we provide uses language that is clear and concise

Measurement:

- I. Resident Survey Percentage of residents that feel the Council keeps them well informed about the services and benefits it provides.*
- II. Percentage of residents that agree they can influence decisions affecting their local area.*
- III. Percentage of parishes that are satisfied with the level of communication and engagement they have with MBC.*

As a Service Provider – We will ensure our services are inclusive, accessible and support residents and customers.

By:

Undertaking Equality Impact Assessments when making a change to a policy or service
 Reviewing the equality information we collect to develop our understanding our service users
 Raise staff awareness of equality and diversity issues that are relevant to Maidstone's communities
 Creating and delivering a Financial Inclusion Action plan
 Promote the Financial Inclusion Forum to partners and third sector as an opportunity for sharing best practice and networking
 Delivering the Customer Service Improvement Programme

Measurement:

- I. Take-up of training*
- II. Increased level of equality information*
- III. Membership at Financial Inclusion Forum*
- IV. Monitoring of channel shift indicators*
- V. Monitoring the take-up of our frontline services*

As an Employer –To have a workforce that feel valued and respected

By: Delivering the Workforce Strategy

Undertaking the IIP assessment and actions identified for improvement

Continue to deliver one council briefings

Offering opportunities for staff in relation to wellbeing and work/life balance

Measurement:

- I. Stress Survey*
- II. Best Council Survey*
- III. IIP Assessment*

If there were 100 people...	Gender		Age												Ethnicity		Disability	LGBT	Pregnancy & Maternity	Religion								Marital Status						
	Male	Female	Under 5	5 to 10	11 to 15	16 to 17	18 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75 to 89	Over 90	White Groups	BME groups				Christian	Buddhist	Sikh	Hindu	Muslim	Jewish	Other Religion	no religion	Single	Married	Civil Partnership	Separated	Divorced/ Dissolved Partnership	Widowed/ Surviving Partner	
In the Borough	49	51	6	6	7	2	8	13	13	15	12	10	7	1	94	6	20	5	2 Births	68	1	-	1	1	-	-	29	30	51	1	2	9	7	
In the Workforce	46	54	-	-	-	1	7	19	27	21	20	4	1	-	96	4	13	3	3 Births	61	-	1	-	1	-	3	34	30	53	1	2	4	2	
On the Housing Register	49	51	14	9	8	2	14	20	12	8	6	4	2	1	89	11	9	2		53	-	-	2	3	-	3	39	Unstrutured collection						
Claiming Council Tax Benefit	38	62	-	-	-	1	6	13	15	14	12	16	23		16 (DB)		Sexual Identity, Ethnicity and Religion Questions added to application form																	
Issued with PCNs for littering	62	38	-	-	-	-	28	39	19	14	10	-	1		Currently only collects age and gender data																			
Responding to Shepway consultation	38	62	41			5		7	9	9	9	20			97	3	Not collected																	
Responding to Mote Park Consultation	58	42	-	-	-	-	2	11	18	20	19	28			97	3	14	Not collected										Not collected						
Responding to the Resident Survey	49	51	-	-	-	-	2	9	13	19	18	22	75		96	4	21	Not collected										Not collected						
With Leisure Centre memberships	43	57	7			4	15	21	20	18	9	5	1		95	5	Not collected										Unstrutured collection							
On weight management programmes	43	57	-	-	-	-	2 (20 to 24)	5 (25 to 29)	8 (30 to 44)	14 (45 to 59)	43 (60 to 64)	23	8		94	6	75	Not collected										8	85	-	-	2	4	
Responding to complaints survey	35	65	-	-	-	-	-	20	15	20	40	5	-	-	95	5	Not collected																	
Attending Older peoples Forum	74	26	-	-	-	-	-	-	-	4 (45 to 59)	85 (60 to 64)	8	-	-	Not collected																			
Attending Disability Focus Group (11 people attend it)	45	55	Not collected																															
Domestic Abuse Sanctuary Referral Scheme	-	100					12 (20 to 24)	26 (25 to 29)	50 (30 to 44)	12 (45 to 59)	-	-	-	-	100	-	Not collected										Plans in place to collect information going forward							
Museum Visitors Survey			-	-	-	24		13	25	13	11	14			New survey designed to collect Gender, Age, Ethnicity and Disability																			
Berevement Services (Cemetery)	Collected but no function to extract from database															Not collected				63	-	-	-	3	-	32	-	Not collected						
Berevement Services (Crematorium)																				73		1				26	-							
on work experience placement in the Council	40	60	-	-	10	3	79	3	5	-	-	-	-	-	Not collected																			

Policy and Resources Committee

29 July 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Irrecoverable Business Rates

Final Decision-Maker	Policy and Resources Committee
Lead Director or Head of Service	Zena Cooke, Director of Regeneration and Communities
Lead Officer and Report Author	Stephen McGinnes, Head of Revenues and Benefits
Classification	Non-exempt
Wards affected	All wards

This report makes the following recommendations to the final decision-maker:

1. That the unpaid business rates debt identified within Appendix A is approved for write off.

This report relates to the following corporate priorities:

- Great People
- Great Place
- Great Opportunity

Timetable

Meeting	Date
Policy and Resources Committee	29 July 2015

Irrecoverable Business Rates

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To approve the write off of business rates debt where the council has exhausted all options to collect the debt and has no prospect of recovery.

2. INTRODUCTION AND BACKGROUND

- 2.1 The council collects business rates amounting to £59,837,059 from 4682 rate payers, with an average collection rate of 97.68%.
- 2.2 Where the council is unable to collect the business rates that are payable, it takes a robust approach to recovery. This involves progressive action which would typically include;
- Reminder for non payment
 - Final Notice for non payment
 - Summons for non Payment
 - Application to the Magistrates Court for a liability order
 - Instruction of a Bailiff to recover
 - Bankruptcy or Liquidation, where appropriate
 - Proceedings to seek committal to prison (individuals)
- 2.3 Throughout the collection process the Council actively encourages contact from any business experiencing difficulty in order to negotiate arrangement for payment.
- 2.4 The council has exhausted all recovery processes in trying to collect the unpaid business rates from 18 businesses identified within appendix A, with no prospect of recovering the arrears.

The outstanding business rates arrears and amount identified as irrecoverable can be broken down as follows.

Financial Year	Gross Debt	Arrears Outstanding	Proposed write off	Write off as % of gross debt
2008/09	£56,176,756	£21,334	£7,085	0.01%
2009/10	£59,975,085	£34,296	£2,072	0.00%
2010/11	£59,162,504	£141,692	£7,761	0.01%
2011/12	£60,912,607	£229,081	£67,370	0.11%
2012/13	£63,986,563	£371,792	£109,801	0.17%
2013/14	£66,572,476	£949,840	£289,546	0.43%
2014/15	£67,990,994	£1,557,914	£153,248	0.22%
TOTAL	£434,776,985	£3,305,949	£636,883	0.15%

- 2.4.1 Please note that information relating to individuals is protected by data protection legislation and has therefore been redacted within Appendix A.

3. AVAILABLE OPTIONS

- 3.1 Whilst the council can continue to hold the debt as outstanding, it has no prospect of recovery and this will therefore distort the council's true financial position, and is therefore not recommended.

4. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 4.1 The councils accounts will be amended to reflect the fact that the payments identified are not expected to be recovered.

5. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Financial	The Council maintains a provision for bad debts, the extent to which the provision is used is linked to the level of arrears at the end of the financial year. There is sufficient resource available from the provision and the in-year budget for non-collection to cover the value of write off proposed while retaining adequate provision for the projected outstanding debt at 31st March 2016.	Director of Regeneration & Communities
Legal	There are no legal implications in the decision to be taken.	Estelle Culligan Deputy Head of Legal Partnership

6. REPORT APPENDICES

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

- Appendix A: table of irrecoverable business rates

7. BACKGROUND PAPERS

None

Business Name	Property Address	A/C ref	Fin. Year	O/S debt	Costs	Total to be written off	Reason for write off	Action taken
Super-Fly Clothing Limited	23 Fremlin Walk, Maidstone, ME14 1QP	3246109	2013-2014	£40,761.50	£200.00	£40,961.50	Unable to trace company/director and there is now a proposal to strike off on Companies House. Company dissolved 23.09.2014	Correspondence sent to registered office address, property and other trading addresses -no response. Trace enquiries to landlord, no info held. Checked companies house and now dissolved.
IT Helpdesk Limited	5 Woodfalls Industrial Estates, Laddingford, Maidstone, ME18 6DA	3187074	2008-2009 2009-2010 2010-2011 2011-2012	£6,890.00 £1,877.00 £7,141.50 £673.46	£195.00 £195.00 £200.00 £0.00	£17,171.96	Company in liquidation, no prospect of any distribution to creditors	Debts have been passed to bailiff, but unsuccessful. Liquidation proceedings considered. Company wound up by Official Receiver
TMH (XL) Limited	Ikon, Lockmeadow, Barker Road, Maidstone, ME16 8RG	3246252	2013-2014	£59,318.90	£200.00	£59,518.90	Company in administration 07.07.14 distribution to creditors unlikely	Summons and liability order issued prior to company going into Administration
Think3e Limited	Theobald House, Unit 1 Bircholt Road, Maidstone, ME15 9NE	3224097	2011-2012	£60,047.47 £13,112.60	£200.00	£73,360.07	Proposal to strike of on Companies House	Recovery held due to claim for discretionary relief, now proposal to strike off on companies house and unlikely to receive any payments
One MK Limited	Strawberry Moons, 28-32 Gabriels Hill, Maidstone, ME15 6JG	3245319	2013-14 2014-15	£9,800.54 £5,403.02	£200.00	£15,403.56	Liquidation 20.05.14 - notice of no dividend received	Summons/liability order issued for 2013-14, arrangement made but defaulted. Final notice issued for 2014-15. Company then went into liquidation
Redacted	V Bar, 14 Middle Row, Maidstone, ME14 1TG	3232146	2012-13	£14,343.48	£200.00	£14,543.48		Vacated premises in Feb 2013, no forwarding address given. Successfully traced, correspondence received to advise now bankrupt.
Infinite Leisure Hospitality Ltd	15-17 King Street, Maidstone, ME14 1BA	3231516	2013-14 2014-15	£696.82 £18,936.66		£19,633.48	Company dissolved, 21.10.2014	Account was transferred to another party, but subsequent information showed Infinite Leisure should have remained liable and account amended.
Footchain Limited	Store 17 Chequers Centre, Maidstone, ME15 6AW	3259363	2010-11	£419.67			Company in liquidation	Store only just brought into rating list, and backdated to 2010. Company in liquidation and previous debts already written off.

			2011-12	£4,330.00				
			2012-13	£4,500.00				
			2013-14	£3,873.21		£13,122.88		
NSG (Maidstone) Ltd	Ikon, Lockmeadow, Maidstone, ME16 8RG	3251190	2013-14	£30,815.01	£200.00			Debts were with the bailiff, notice of creditors meeting received and company in liquidation 20.01.15. No prospect of any dividends being paid.
			2014-15	£25,490.54	£200.00	£56,705.55	Company in liquidation	
The Suspended Coffee Company Limited	Unit 2 Farleigh Retail Park, Maidstone, ME15 6RG	3244298	2013-14	£22,740.26	£200.00			Company in liquidation 30.04.14, notice of no dividend now received
			2014-15	£14,138.45		£37,078.71	Company in liquidation	
Virgo (London) Limited	365/366 Dukes Walk, Chequers Centre, Maidstone, Kent, ME15 6AS	3254731	2014-15	£23,516.32	£200.00	£23,716.32	Liquidation	Account set up July 2014, summons and liability order issued December 2014, debt passed to Bailiff in January 2015 but then advised the company went into Liquidation on 09.01.2015
Farmshop Restaurant Limited	62-63a High Street, Maidstone, ME14 1SR	3238891	2012-13	£10,299.35	£200.00			Account set up in 2013, debt was initially sent to Newlyn Bailiff, returned as end of contract. Resent to Jacobs Bailiff, returned as company no longer trading
			2013-14	£23,929.07	£400.00			
			2014-15	£22,581.37	£200.00	£57,609.79	Ceased trading	
STC Fashions Ltd	51 Week Street, Maidstone ME14 1QT	3250874	2013-14	£3,662.19	£200.00			Company in liquidation 05.08.2014. Notice of no dividend now received.
			2014-15	£8,858.24		£12,720.43	Liquidation	
Wimpy Maidstone Limited	Wimpy, 5 Gabriels Hill, Maidstone, Kent, ME15 6HL	3251637	2013-14	£4,069.96	£200.00		Liquidation	Company in liquidation 06.01.2015, distribution to creditor unlikely and company has no assets.
				£12,645.57		£16,915.53		
Nanda Trading Ltd	68 Week Street, Maidstone ME14 1RJ	3247445	2012-13	£52,272.23	£200.00		Liquidation	Company in liquidation 9 May 2015. Enforcement action taken prior to this involved summons and account being passed to the bailiffs. The account was passed back from the bailiffs when the company went into liquidation.
			2013-14	£7,776.02		£60,248.25		

Saffron (London) Ltd	68 Week Street, Maistone, ME14 1RJ	3247463	2013-14	£53,079.76	£200.00	£53,279.76 Liquidation	Company in liquidation 24 November 2014 . Enforcement action taken prior to this involved summons and account being passed to the bailiffs. We have been advised that there will be no dividend payment to unsecured creditors
Invent Events Ltd	34c Gabriels Hill, Maidstone ME15 6JJ	3238597	2012-13 2013-14 2014-15	2522.14 14024.00 13736.94	200.00 200.00 200.00	£30,883.08 Company dissolved	A number of arrangements were made with the company which were not kept to. The account was passed to the bailiffs but companie house now show that the company has been dissolved.
Palmers Pub Company Limited	White Horse, 46 London Road, Maidstone, Kent ME16 8QL	3203909	2011-12 2012-13 2013-14 2014-15	£1919.35 £11751.08 £12599.25 £6940.59	£200.00 £200.00 £200.00 £200.00	£34,010.27 Liquidation	A number of arrangements were made with the company in house and with the Bailiff which were not kept to. The account was passed to the bailiffs but returned due to broken arrg' was proposal to strike off company now in liquidation - no dividends

£636,883.52

Agenda Item 16

Policy and Resources Committee

29 July 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Maidstone Borough Council - Annual Report 2014-15

Final Decision-Maker	Policy and Resources Committee
Lead Director or Head of Service	Head of Policy and Communications
Lead Officer and Report Author	Communications Manager
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That the council's annual report 2014-15, attached as a draft at appendix A, be approved for publication on the council's website.
2. That the report is advertised in Borough Update, on the council's social media accounts, and through the council's internal communication channels.
3. That the report is made available on request and for collection at the council's receptions.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all
- Securing a successful economy for Maidstone Borough

Timetable

Meeting	Date
Policy and Resources Committee	29 July 2015
Council	
Other Committee	

Maidstone Borough Council – Annual Report 2014-15

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To consider the council's annual report for 2014-15.

2. INTRODUCTION AND BACKGROUND

- 2.1 Whilst there is no longer a legal duty on the council to publish an annual report the council's local code of corporate governance requires it to 'publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance.'

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 The council's code of corporate governance, based on best practice advice from the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives, includes a number of core principles and actions. Core principle 1 is: 'Focusing on the purpose of the authority and on outcomes for the community creating and implementing a vision for the local area'. One of the actions under this priority is to publish on the council's website an annual report on the council's activities and achievements, its financial position and performance.
- 3.2 Advice from the council's external auditors about the content of local authority annual reports suggests that our report should look back at what was spent and achieved, and look forward at the council's future plans. The auditors recommended several examples of best practice and the report style adopted last year uses elements of them all. Our report is short and wherever possible uses graphics and illustrations to make the information easy to understand.
- 3.3 As such the report is not intended to be a complete record of the council's year. It sets out the main achievements in 2014-15 towards the delivery of the council's strategic priorities, and some of the key activities for 2015-16 under the priorities in the council's new Strategic Plan 2015-20. It includes performance highlights and a summary of the council's finances
- 3.4 The opportunity is taken to introduce the new committee system and the council's aims for it in the foreword by the Leader of the Council,

4. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 4.1 Not Applicable

5. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 5.1 The report will be published on the council's website. It will be advertised in Borough Update, on the council's social media accounts and through its internal communication channels. It will be made available on request and for collection at the council's receptions.
-

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The annual report will promote the council's corporate priorities and its progress towards achieving them.	Communications Manager
Risk Management	The annual report contributes to the effective management of risk scenario 2 - Resident satisfaction with place and the way services are provided. It will create no new risks for incorporation within the council's risk register.	Communications Manager
Financial	There are no direct financial implications arising from this report.	[Section 151 Officer & Finance Team]
Staffing	No implications identified	Head of Policy and Communications
Legal	Whilst there is no duty on the council to publish an annual report the council's local code of corporate governance sets out how we will engage with and are accountable to our residents.	[Legal Team]
Equality Impact Needs Assessment	No implications identified	Policy & Information Manager
Environmental/Sustainable Development	No implications identified	Communications Manager
Community Safety	No implications identified	Communications Manager
Human Rights Act	No implications identified	Communications

		Manager
Procurement	No implications identified	Section 151 Officer] Head of Policy and Communications
Asset Management	No implications identified	Head of Policy and Communications

7. REPORT APPENDICES

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

- Appendix I: Maidstone Borough Council, Annual Report April 2014- March 2015

8. BACKGROUND PAPERS

None



Annual Report

April 2014 – March 2015



PUTTING PEOPLE FIRST



Introduction from the Leader of the Council

This report sets out what we have achieved from April 2014 to March 2015 to deliver our Strategic Plan priorities to 2015. We also want to highlight some of the key activities for the coming year as we embark on a new five year strategic plan until 2020. We have refreshed our vision for the borough and focused our priorities concentrating on eight action areas to make Maidstone Borough an attractive place for all with a successful economy.



There is no doubt that the local plan remains an important area for the council's attention during 2015-16. We will reflect on what people have told us so far as we set out parameters for development, and the good growth necessary to meet the borough's housing and employment needs up to 2031. It will provide for sustainable development that respects the character and heritage of Maidstone Borough and we will work to provide another 1,000 affordable homes for local people over the next five years.

Infrastructure, and transport in particular, will be the key to a successful local plan. The borough council is working with infrastructure providers, including Kent County Council, and has already carried out traffic modelling to plan for necessary development. Next year work will start on improvements to traffic flows over the bridges in Maidstone. The disruption during the works will be worthwhile when waiting times are reduced by 20% in peak hours. Other improvements are planned including alternatives to the car such as new cycle ways.

The character and heritage of the borough will be preserved and protected by our new green and blue infrastructure strategy. Continuing work to improve our parks and spaces will include an adventure zone at Mote Park and the new visitor centre at Cobtree Park.

The environment and cleanliness of the borough will be improved with work on a low emission strategy to improve air quality and more renewable energy installations on our buildings. We will campaign against litter and improve street cleaning, with satisfaction measured by residents and we will improve recycling with a target to recycle 60% of waste by 2019

Maidstone town centre improvements will continue as we invite contributions to a new town centre vision and action plan.

Your views are important if we are to ensure that Maidstone Borough remains vibrant and prosperous with an excellent environment where people can realise their

aspirations. Towards the end of 2015 we will carry out another residents' survey to find out what people think about the borough and the council's services. See page 15 of this report for an idea of what people said the last time we asked them about these issues.

As government funding continues to reduce we will continue to strive to make our services more efficient and customer focused. We will work with partners to make the best use of public money and to provide services jointly with others. We will look to make the council more commercial, providing new services and investing in commercial opportunities.

We will achieve all of this through a new committee system, with most strategic decisions taken by four service committees, of nine or 15 councillors, and with Chairmen and Vice Chairmen of different political groups.

With buy-in from all the political groups on the council I believe the new system will retain the benefit of timely decision making under the former cabinet system but with the added advantage that all councillors will now have the opportunity to be fully involved in policy formulation and decision making. Because the new system will involve all councillors in decision making, it will be more democratic, inclusive and transparent, and that has got to be better for everyone.

Fran Wilson
Leader of the Council

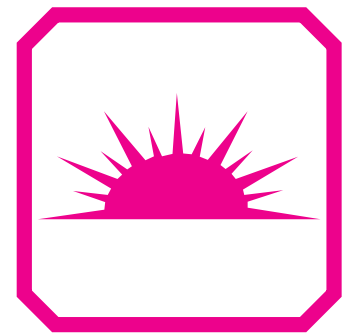
'Continuing work to improve our parks and spaces will include an adventure zone at Mote Park'



What we achieved - Great Opportunity

Outcomes by 2015

- A transport network that supports the local economy, with a focus on the delivery of an integrated transport strategy in conjunction with Kent County Council.
- A growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy, with a focus on the following areas;
 - Creating the right planning environment
 - Developing key infrastructure
 - Business expansion
 - Inward investment
 - Developing stronger business relationships
 - Tackling worklessness



Key Achievements in 2014 - 15

- Supported 300 'troubled' families with help and advice to enter or re- enter employment through the Maidstone Families Matter partnership.

'Secured £15million of Single Local Growth Funding for transport improvements in the Borough'





- Secured £15million of Single Local Growth Funding for transport improvements in the Borough such as the Bridge Gyratory system in Maidstone.
- Established the Maidstone Economic Business Partnership as an independent industry led voice of business.
- Helped people find work and work experience, organising jobs fairs and work experience coffee mornings in partnership with Job Centre Plus.
- Established the Engage programme supporting 30 disadvantaged young people (aged 18-24 years) into training and sustained employment in partnership with JobCentre Plus and Tomorrow's People.
- Access to Finance: Worked with KCC and the West Kent Partnership to ensure that the borough was included in this 0% Loan Fund and was represented on the decision making body. The fund is now closed and Maidstone based businesses won 46% of the budget.
- The new Leader Rural Development Programme was approved. Around £250,000 of grants will be available to rural communities each year. All of Maidstone's rural areas and Mote Park were eligible for the first time.
- Launched a new fully responsive Visitmaidstone.com tourism website, getting 20-30,000 visits a month.
- Prepared and consulted on initial designs for the next phase of Maidstone's town centre public realm improvement project.
- Consulted on the draft Maidstone Borough Local Plan, meeting parish councils, residents' groups and other local groups, to get comments to shape the next draft.
- Established four multi-agency task and finish groups to address problems with transport, health, education, and waste water, sewerage and flooding.
- Helped parish councils prepare neighbourhood plans, designating 12 neighbourhood plan areas and progressing others.



What we achieved - Great Place



Outcomes by 2015

- Decent, affordable housing in the right places across a range of tenures, with a focus on:
 - Developing sustainable communities
 - Increasing choice and improving the quality of life for vulnerable people
 - Improving existing homes
 - Improving access to housing and working to prevent homelessness and rough sleeping in Maidstone.
- Continues to be a clean and attractive environment for people who live in and visit the borough by;
 - Implementing new waste management arrangements
 - Implementing a new cleansing model
 - Reducing the Council's energy consumption
 - Implementing an Air Quality Action Plan.
- Residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced, focusing on key areas; early intervention work with young children and their families to tackle disadvantage and undertaking work to help families who have multiple needs.

Key achievements in 2014-15

- Provided money advice training to 180 community wardens and others and prevented a scam, saving one local resident £20,000.
- Encouraged 43 residents to switch their energy providers, saving them on average £217.50 per household through the Maidstone Big Switch.
- Worked with housing providers and the Homes & Communities Agency to deliver 1,100 new affordable homes over the past five years - 163 last year.
- Purchased Aylesbury House and Magnolia House, Maidstone to provide 20 better quality homes for homeless people.
- Approved 134 grants for adaptations to support people with disabilities to live independently within their own home.
- Looked after 256 families in temporary accommodation for a total of 12,688 nights.
- Helped 620 families find affordable homes.

- Appointed a Housing Outreach Officer in partnership with Porchlight charity, to help Maidstone's street homeless find the right support and housing.
- Grant aided improvements to 129 homes which will now be available for social housing.
- Funded programmes on Healthy Weight, Mental Health and Wellbeing, and Workplace Health initiatives.
- Fitted photovoltaic panels to Maidstone Depot to reduce the council's energy consumption.
- With YOUR help we recycled more than 50% of the borough's waste.
- Introduced weekly food waste collections to people living in flats.
- Improved street sweeping and standards of cleansing.
- Exhibited Britain's third largest Bronze Age hoard and five temporary exhibitions, including Ralph Steadman: A Retrospective, which attracted 4,000 paying visitors, at Maidstone Museum.
- Provided a new Mote Park Fellowship building staffed by volunteers in Mote Park.
- Created a new public open space at Oakwood Cemetery, Barming.
- Completed a £30,000 improvement programme at Trinity Park, Maidstone.
- Created Remembrance Square in the Lower High Street Maidstone to mark the end of the High Street improvement works.
- Completed the Sir Garrard Tyrwhitt-Drake café and visitor centre at Cobtree Park, ready to open in July 2015.

'Created Remembrance Square in the Lower High Street'





‘Customer focused services that residents are satisfied with’

What we achieved - Great People

Outcomes by 2015

- Customer focused services that residents are satisfied with.
- Effective, cost efficient services are delivered across the borough.



Key achievements in 2014-15

- Introduced online application forms, text messaging and emails to speed up support for people on the housing waiting list.
- Introduced payment by phone and Wi-Fi on our Park and Ride buses and phone payments for our car parks.
- Added mobile technology to speed up our response to fly-tipping and other cleansing service requests, freeing up four people to do other work. Over the next two years it will save £50,000.
- Invested in specialised temporary accommodation and improved the way we manage housing services, spending £126,000 less than it would have cost otherwise.
- Our website received more than 1million hits and we received 19,536 requests through online forms, an increase of 150% on 2013-14.
- More than 60% of payments not made by direct debit were made online or using our automated payments telephone line.
- Face to face visits to the Gateway reduced by 12% to 65,941.

Performance highlights 2014-15

Great opportunity

- Visited 178 licensed premises and 500 food premises to make sure they were safe.
- High Street Improvement Project Highly Commended in the Kent Design and Development Awards 2014.
- Supported 1,200 small businesses through the award of small business rate relief.

Great Place

- Made more than 7.5 million waste and recycling collections from households across the borough at a cost £34.17 per household, compared to £43.48 the year before.
- Collected 55,915 tonnes of household waste and recycled or composted 27,501 tonnes.
- Our commercial waste service ended the year with 255 customers and collected 92 tonnes paper and cardboard from businesses to recycle locally.
- Latest figures value Maidstone's visitor economy at £251,608,000.
- New Visit Maidstone website gets 20-30,000 hits a month.
- Maidstone Museum awarded Visit England's Quality Rose Marque for the quality of visitor welcome and Trip Advisor's Certificate of Excellence for consistently good reviews.
- 50% of all Kent Schools have visited Maidstone Museum.
- Four Maidstone parks have Green Flag status and Mote Park has a Trip Advisor 'Certificate of Excellence'.
- More than 1 million people visited Mote Park in 2014 and it was voted the nation's second favourite park.
- A record 750,000+ people visited Maidstone Leisure Centre in 2014 and it received an 'Excellent' rating in Quest benchmark for second consecutive year.
- Kent Life Farm attraction at Cobtree won the customer service category in the Museum & Heritage Awards for Excellence 2015.

Great People





- Collected 98.4% of the council tax due within the financial year.
- Reduced deprivation through the award of discretionary housing payments to 500 vulnerable households.
- Processed benefit claims for low income households in an average of 8 days, with 85% of customers satisfied or very dissatisfied with the service.

Financial Summary

The council is committed to providing value for money services and has a responsive approach to the level of council tax needed to deliver the priorities set out in the strategic plan. In recent years it has set small increases in council tax, below Consumer Price Index inflation levels. The council will remain flexible on the level of increase in future years in order to set a balanced budget.

A full statement of our accounts is available on our website www.maidstone.gov.uk/council/finance-and-performance/annual-accounts. For more information about the council's accounts contact Paul Holland – paulholland@maidstone.gov.uk.





Our Income

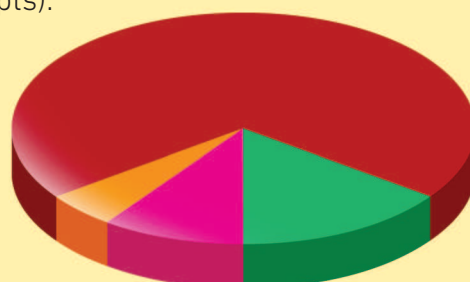
	Government funding – £56,098,162
	Business Rates – £2,559,708
	Council Tax – £12,867,600
	Fees and charges – £13,989,891



Your Council Tax

Out of every council tax pound that we collect 70p goes to Kent County Council, 15p goes to Maidstone Borough Council, 10p to Kent Police and Crime Commissioner, and 5p to Kent Fire and Rescue (excluding parish council precepts).

	Kent County Council – 70p
	Kent Police and Crime Commissioner – 10p
	Maidstone Borough Council – 15p
	Kent Fire and Rescue – 5p



Capital Investment

Last year we spent £4,741,596 on capital projects such as property, vehicles and equipment, and on grants to build new subsidised housing and to renovate existing properties.

Property Purchases	£2,659,700
Housing Grants	£739,151
Commercial Projects	£363,163
Corporate Property	£121,072
IT Software & Hardware	£181,199
Vehicle Purchases	£283,665
Other Capital Schemes	£393,646

Our Spending

£2,615,853 Car Parking & Public Transport		£537,652 Licensing	
£1,064,135 Cemetery & Crematorium Total		£9,858,385 Other Corporate Services	
£1,825,530 Community Safety & Development		£2,340,042 Parks & Open Spaces	
£1,999,754 Culture & Tourism		£3,837,351 Planning & Building Control	
£1,215,880 Democracy		£49,243,390 Revenues & Benefits	
£940,960 Economic Regeneration & Employment		£533,326 Sport & Recreation	
£1,474,538 Environmental Services		£1,757,166 Street Cleansing	
£2,529,077 Housing		£3,519,322 Waste Collection & Disposal	

Our Vision, Mission and Priorities to 2020

OUR VISION

That our residents live in decent homes, enjoy good health and a pleasant environment, with a successful economy that is supported by reliable transport networks.

OUR MISSION

Putting People First.

OUR PRIORITIES

Keeping Maidstone Borough an attractive place for all

Securing a successful economy for Maidstone Borough

ACTION AREAS

Providing a clean and safe environment

Encouraging good health and wellbeing

Respecting the character of our Borough

Ensuring there are good leisure and cultural attractions

Enhancing the appeal of the town centre for everyone

Securing improvements to the transport infrastructure of our Borough

Promoting a range of employment opportunities and skills required across our Borough

Planning for sufficient homes to meet our Borough's needs

More information about our priorities can be found in our Strategic Plan which can be downloaded from www.maidstone.gov.uk/council/strategies,-plans-and-policies.



Achieving our priorities 2015-20

- **Keeping Maidstone Borough an attractive place for all**
- **Securing a successful economy for Maidstone Borough**

Action areas: Outcomes for 2015-16

Providing a clean and safe environment

- Consult on a Low Emission Strategy to reduce emissions in the borough.
- Recycle 60% of waste by 2019 with new incentives for householders to recycle, recycling street cleansing waste, and reuse and waste reduction initiatives.
- Improve street cleaning standards, measured by customer satisfaction and local environmental quality surveys.
- Run litter awareness campaigns with school age children and young adults utilising 50% of the surplus generated from the litter enforcement activity.
- Roll out a programme of renewable energy installations across the Council's buildings.

Encouraging good health and wellbeing

- Work will start on a new cycle path linking Aylesford to Barming.
- We will consult on a Green and Blue Infrastructure Strategy.

Respecting the character of our borough

- We will progress the Maidstone Borough Local Plan towards "Publication" consultation and submission for public examination in 2016.

Ensuring there are good leisure and cultural attractions

- A new visitor centre at Cobtree Manor Park.
- Work will start on the introduction of an Adventure Zone at Mote Park.
- A new fully responsive website will be delivered for Maidstone Museum and Bentliff Art Gallery.
- Work will commence on delivering the action plan for the new Destination Management Plan for the Borough.
- We will develop a Cultural Strategy for the Borough linking our cultural and heritage assets to our Economic Development Strategy, Destination Management Plan and Town Centre Vision.



Enhancing the appeal of the town centre for everyone

- We will develop a new Town Centre Vision and Action Plan.
- Work will be finished on improvements to the High Level Bridge at Maidstone East.
- We will introduce a Farmers Market at Jubilee Square.
- We will replace the Historic Interpretation Panels.

Securing improvements to the transport infrastructure of our borough

- We will consult on an Integrated Transport Strategy.
- We will commence work to deliver the Bridge Gyratory Widening project in partnership with Kent County Council.
- We will commence work to design, consult and if approved, implement the Cycle Path project along the river Medway between Aylesford and Barming Bridge.

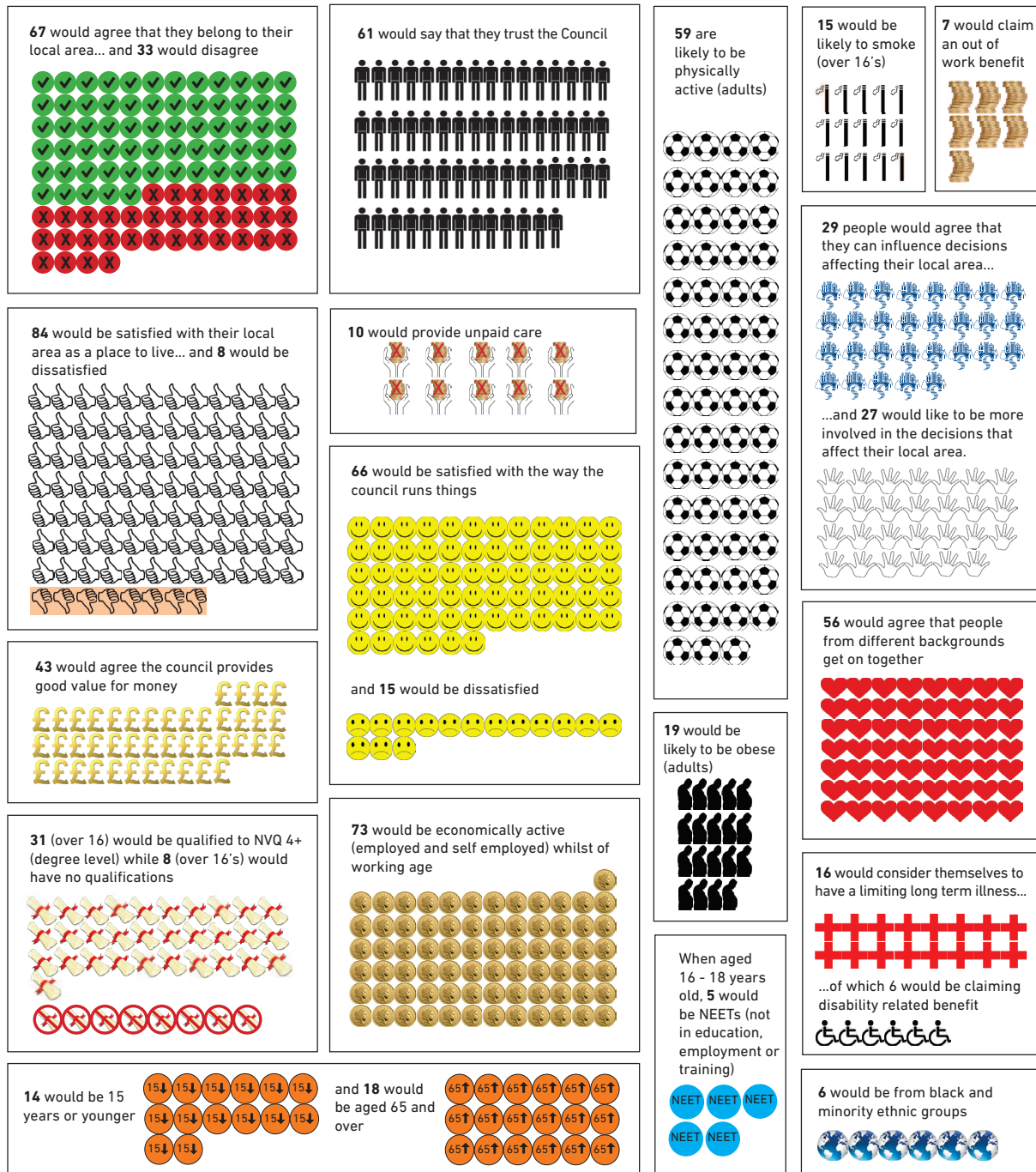
Promoting a range of employment opportunities and skills across our borough

- Open a new Enterprise Hub in the Gateway Terrace at Maidstone House.
- Deliver a new business website incorporating a skills exchange hub and information on starting, growing and locating your business in the Borough.
- Work will start on delivering the action plan behind the Council's new Economic Development Strategy.

Planning for sufficient homes to meet the Borough's needs

- Provide 1,000 new affordable homes over the next five years.

If there were only 100 people in the borough of Maidstone...



Contact Details

Visit us at Maidstone Gateway, King Street, Maidstone
ME15 6AW – Mondays, 9am – 5.30pm and Tuesdays –
Fridays: 9am – 4.30pm

Visit our information centre at Maidstone Museum, St
Faith's Street, Maidstone ME14 1LH – Mondays – Saturdays
10am – 5pm.

Visit our website at www.maidstone.gov.uk

Main Switchboard 01622 602200

Emergency after hours calls are routed to Kent County
Council via our main switchboard number 01622 602000

Use our 24hr Automated Payments Line 01622 602544 for
paying council tax and parking fines.

***This report is available in alternative formats
and can be translated into other languages.***

Printed on recycled paper. Please recycle this leaflet.



Annual Report

April 2014 – March 2015



PUTTING PEOPLE FIRST



Introduction from the Leader of the Council

This report sets out what we have achieved from April 2014 to March 2015 to deliver our Strategic Plan priorities to 2015. We also want to highlight some of the key activities for the coming year as we embark on a new five year strategic plan until 2020. We have refreshed our vision for the borough and focused our priorities concentrating on eight action areas to make Maidstone Borough an attractive place for all with a successful economy.



There is no doubt that the local plan remains an important area for the council's attention during 2015-16. We will reflect on what people have told us so far as we set out parameters for development, and the good growth necessary to meet the borough's housing and employment needs up to 2031. It must provide for sustainable development that respects the character and heritage of Maidstone Borough and we will also work to provide another 1,000 affordable homes for local people over the next five years.

Infrastructure, and transport in particular, will be the key to a successful local plan. The borough council is working with infrastructure providers, including Kent County Council, and has already carried out traffic modelling to plan for necessary development. Next year work will start on improvements to traffic flows over the bridges in Maidstone. The disruption during the works will be worthwhile as waiting times are estimated to reduce by 20% in peak hours. Other improvements are planned including alternatives to the car such as new cycle ways.

The character and heritage of our borough will be preserved and protected by our new green and blue infrastructure strategy. Continuing work to improve our parks and spaces will include an adventure zone at Mote Park and the new visitor centre at Cobtree Park.

The environment and cleanliness of the borough will be improved with work on a low emission strategy to improve air quality and more renewable energy installations on our buildings. We will campaign against litter and improve street cleaning, with satisfaction measured by residents and we will improve recycling with a target to recycle 60% of waste by 2019

Maidstone town centre improvements will continue as we invite contributions to a new town centre vision and action plan.

Your views are important if we are to ensure that Maidstone Borough remains vibrant and prosperous with an excellent environment where people can realise their

aspirations. Towards the end of 2015 we will carry out another residents' survey to find out what people think about the borough and the council's services. See page 15 of this report for an idea of what people said the last time we asked them about these issues.

As government funding continues to reduce we will continue to strive to make our services more efficient and customer focused. We will work with partners to make the best use of public money and to provide services jointly with others. We will look to make the council more commercial, providing new services and investing in commercial opportunities.

This will all be achieved through a new committee system, with most strategic decisions taken by four service committees, of nine or 15 councillors, and with Chairmen and Vice Chairmen of different political groups.

With buy-in from all the political groups on the council I believe the new system will retain the benefit of timely decision making under the former cabinet system but with the added advantage that all councillors will now have the opportunity to be fully involved in policy formulation and decision making. Because the new system will involve all councillors in decision making, it will be more democratic, inclusive and transparent, and that has got to be better for everyone.

Fran Wilson
Leader of the Council

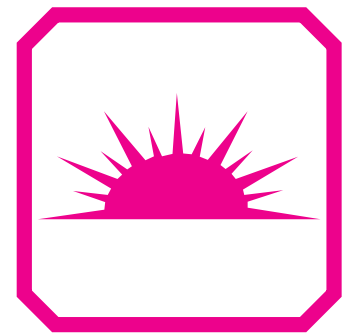
'Continuing work to improve our parks and spaces will include an adventure zone at Mote Park'



What we achieved - Great Opportunity

Outcomes by 2015

- A transport network that supports the local economy, with a focus on the delivery of an integrated transport strategy in conjunction with Kent County Council.
- A growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy, with a focus on the following areas;
 - Creating the right planning environment
 - Developing key infrastructure
 - Business expansion
 - Inward investment
 - Developing stronger business relationships
 - Tackling worklessness



Key Achievements in 2014 - 15

- Supported 300 'troubled' families with help and advice to enter or re- enter employment through the Maidstone Families Matter partnership.

'Secured £15million of Single Local Growth Funding for transport improvements in the Borough'





- Secured £15million of Single Local Growth Funding for transport improvements in the Borough such as the Bridge Gyratory system in Maidstone.
- Established the Maidstone Economic Business Partnership as an independent industry led voice of business.
- Helped people find work and work experience, organising jobs fairs and work experience coffee mornings in partnership with Job Centre Plus.
- Established the Engage programme supporting 30 disadvantaged young people (aged 18-24 years) into training and sustained employment in partnership with JobCentre Plus and Tomorrow's People.
- Access to Finance: Worked with KCC and the West Kent Partnership to ensure that the borough was included in this 0% Loan Fund and was represented on the decision making body. The fund is now closed and Maidstone based businesses won 46% of the budget.
- The new Leader Rural Development Programme was approved. Around £250,000 of grants will be available to rural communities each year. All of Maidstone's rural areas and Mote Park were eligible for the first time.
- Launched a new fully responsive Visitmaidstone.com tourism website, getting 20-30,000 visits a month.
- Prepared and consulted on initial designs for the next phase of Maidstone's town centre public realm improvement project.
- Consulted on the draft Maidstone Borough Local Plan, meeting parish councils, residents' groups and other local groups, to get comments to shape the next draft.
- Established four multi-agency task and finish groups to address problems with transport, health, education, and waste water, sewerage and flooding.
- Helped parish councils prepare neighbourhood plans, designating 12 neighbourhood plan areas and progressing others.



What we achieved - Great Place



Outcomes by 2015

- Decent, affordable housing in the right places across a range of tenures, with a focus on:
 - Developing sustainable communities
 - Increasing choice and improving the quality of life for vulnerable people
 - Improving existing homes
 - Improving access to housing and working to prevent homelessness and rough sleeping in Maidstone.
- Continues to be a clean and attractive environment for people who live in and visit the borough by;
 - Implementing new waste management arrangements
 - Implementing a new cleansing model
 - Reducing the Council's energy consumption
 - Implementing an Air Quality Action Plan.
- Residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced, focusing on key areas; early intervention work with young children and their families to tackle disadvantage and undertaking work to help families who have multiple needs.

Key achievements in 2014-15

- Provided money advice training to 180 community wardens and others and prevented a scam, saving one local resident £20,000.
- Encouraged 43 residents to switch their energy providers, saving them on average £217.50 per household through the Maidstone Big Switch.
- Worked with housing providers and the Homes & Communities Agency to deliver 1,100 new affordable homes over the past five years - 163 last year.
- Purchased Aylesbury House and Magnolia House, Maidstone to provide 20 better quality homes for homeless people.
- Approved 134 grants for adaptations to support people with disabilities to live independently within their own home.
- Looked after 256 families in temporary accommodation for a total of 12,688 nights.
- Helped 620 families find affordable homes.

- Appointed a Housing Outreach Officer in partnership with Porchlight charity, to help Maidstone's street homeless find the right support and housing.
- Grant aided improvements to 129 homes which will now be available for social housing.
- Funded programmes on Healthy Weight, Mental Health and Wellbeing, and Workplace Health initiatives.
- Fitted photovoltaic panels to Maidstone Depot to reduce the council's energy consumption.
- With YOUR help we recycled more than 50% of the borough's waste.
- Introduced weekly food waste collections to people living in flats.
- Improved street sweeping and standards of cleansing.
- Exhibited Britain's third largest Bronze Age hoard and five temporary exhibitions, including Ralph Steadman: A Retrospective, which attracted 4,000 paying visitors, at Maidstone Museum.
- Provided a new Mote Park Fellowship building staffed by volunteers in Mote Park.
- Created a new public open space at Oakwood Cemetery, Barming.
- Completed a £30,000 improvement programme at Trinity Park, Maidstone.
- Created Remembrance Square in the Lower High Street Maidstone to mark the end of the High Street improvement works, and commemorate all those who lost their lives during World War I and in subsequent conflicts.
- Completed the Sir Garrard Tyrwhitt-Drake café and visitor centre at Cobtree Park.

'Created Remembrance Square in the Lower High Street'



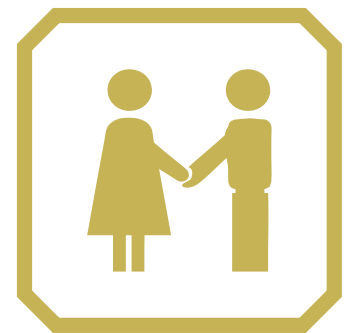


'Customer focused services that residents are satisfied with'

What we achieved - Great People

Outcomes by 2015

- Customer focused services that residents are satisfied with.
- Effective, cost efficient services are delivered across the borough.



Key achievements in 2014-15

- Introduced online application forms, text messaging and emails to speed up support for people on the housing waiting list.
- Introduced payment by phone and Wi-Fi on our Park and Ride buses and phone payments for our car parks.
- Added mobile technology to speed up our response to fly-tipping and other cleansing service requests, freeing up four people to do other work. Over the next two years it will save £50,000.
- Invested in specialised temporary accommodation and improved the way we manage housing services, spending £126,000 less than it would have cost otherwise.
- Our website received more than 1million hits and we received 19,536 requests through online forms, an increase of 150% on 2013-14.
- More than 60% of payments not made by direct debit were made online or using our automated payments telephone line.
- Face to face visits to the Gateway reduced by 12% to 65,941.

Performance highlights 2014-15

Great opportunity

- Visited 178 licensed premises and 500 food premises to make sure they were safe.
- High Street Improvement Project Highly Commended in the Kent Design and Development Awards 2014.
- Supported 1,200 small businesses through the award of small business rate relief.

Great Place

- Made more than 7.5 million waste and recycling collections from households across the borough at a cost £34.17 per household, compared to £43.48 the year before.
- Collected 55,915 tonnes of household waste and recycled or composted 27,501 tonnes.
- Our commercial waste service ended the year with 255 customers and collected 92 tonnes paper and cardboard from businesses to recycle locally.
- Latest figures value Maidstone's visitor economy at £251,608,000.
- New Visit Maidstone website gets 20-30,000 hits a month.
- Maidstone Museum awarded Visit England's Quality Rose Marque for the quality of visitor welcome and Trip Advisor's Certificate of Excellence for consistently good reviews.
- 50% of all Kent Schools have visited Maidstone Museum.
- Four Maidstone parks have Green Flag status and Mote Park has a Trip Advisor 'Certificate of Excellence'.
- More than 1 million people visited Mote Park in 2014 and it was voted the nation's second favourite park.
- A record 750,000+ people visited Maidstone Leisure Centre in 2014 and it received an 'Excellent' rating in Quest benchmark for second consecutive year.
- Kent Life Farm attraction at Cobtree won the customer service category in the Museum & Heritage Awards for Excellence 2015.

Great People





- Collected 98.4% of the council tax due within the financial year.
- Reduced deprivation through the award of discretionary housing payments to 500 vulnerable households.
- Processed benefit claims for low income households in an average of 8 days, with 85% of customers satisfied or very satisfied with the service.

Financial Summary

The council is committed to providing value for money services and has a responsive approach to the level of council tax needed to deliver the priorities set out in the strategic plan. In recent years it has set small increases in council tax, below Consumer Price Index inflation levels. The council will remain flexible on the level of increase in future years in order to set a balanced budget.

A full statement of our accounts is available on our website www.maidstone.gov.uk/council/finance-and-performance/annual-accounts. For more information about the council's accounts contact Paul Holland – paulholland@maidstone.gov.uk.





Our Income

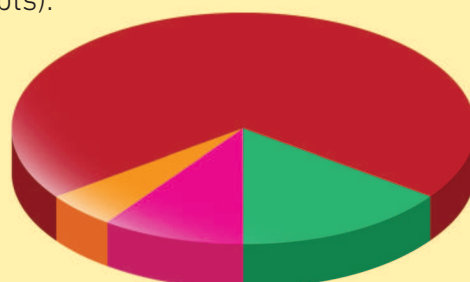
-  Government funding – £56,098,162
-  Business Rates – £2,559,708
-  Council Tax – £12,867,600
-  Fees and charges – £13,989,891



Your Council Tax

Out of every council tax pound that we collect 70p goes to Kent County Council, 15p goes to Maidstone Borough Council, 10p to Kent Police and Crime Commissioner, and 5p to Kent Fire and Rescue (excluding parish council precepts).

-  Kent County Council – 70p
-  Kent Police and Crime Commissioner – 10p
-  Maidstone Borough Council – 15p
-  Kent Fire and Rescue – 5p



Capital Investment

Last year we spent £4,741,596 on capital projects such as property, vehicles and equipment, and on grants to build new subsidised housing and to renovate existing properties.

Property Purchases	£2,659,700
Housing Grants	£739,151
Commercial Projects	£363,163
Corporate Property	£121,072
IT Software & Hardware	£181,199
Vehicle Purchases	£283,665
Other Capital Schemes	£393,646

Our Spending

£2,615,853 Car Parking & Public Transport		£537,652 Licensing	
£1,064,135 Cemetery & Crematorium Total		£9,858,385 Other Corporate Services	
£1,825,530 Community Safety & Development		£2,340,042 Parks & Open Spaces	
£1,999,754 Culture & Tourism		£3,837,351 Planning & Building Control	
£1,215,880 Democracy		£49,243,390 Revenues & Benefits	
£940,960 Economic Regeneration & Employment		£533,326 Sport & Recreation	
£1,474,538 Environmental Services		£1,757,166 Street Cleansing	
£2,529,077 Housing		£3,519,322 Waste Collection & Disposal	

Our Vision, Mission and Priorities to 2020

OUR VISION

That our residents live in decent homes, enjoy good health and a pleasant environment, with a successful economy that is supported by reliable transport networks.

OUR MISSION

Putting People First.

OUR PRIORITIES

Keeping Maidstone Borough an attractive place for all

Securing a successful economy for Maidstone Borough

ACTION AREAS

Providing a clean and safe environment

Encouraging good health and wellbeing

Respecting the character of our Borough

Ensuring there are good leisure and cultural attractions

Enhancing the appeal of the town centre for everyone

Securing improvements to the transport infrastructure of our Borough

Promoting a range of employment opportunities and skills required across our Borough

Planning for sufficient homes to meet our Borough's needs

More information about our priorities can be found in our Strategic Plan which can be downloaded from www.maidstone.gov.uk/council/strategies,-plans-and-policies.



Achieving our priorities 2015-20

- **Keeping Maidstone Borough an attractive place for all**
- **Securing a successful economy for Maidstone Borough**

Action areas: Outcomes for 2015-16

Providing a clean and safe environment

- Consult on a Low Emission Strategy to reduce emissions in the borough.
- Recycle 60% of waste by 2019 with new incentives for householders to recycle, recycling street cleansing waste, and reuse and waste reduction initiatives.
- Improve street cleaning standards, measured by customer satisfaction and local environmental quality surveys.
- Run litter awareness campaigns with school age children and young adults utilising 50% of the surplus generated from the litter enforcement activity.
- Roll out a programme of renewable energy installations across the Council's buildings.

Encouraging good health and wellbeing

- Work will start on a new cycle path linking Aylesford to Barming.
- We will consult on a Green and Blue Infrastructure Strategy.

Respecting the character of our borough

- We will progress the Maidstone Borough Local Plan towards "Publication" consultation and submission for public examination in 2016.

Ensuring there are good leisure and cultural attractions

- A new visitor centre at Cobtree Manor Park.
- Work will start on the introduction of an Adventure Zone at Mote Park.
- A new fully responsive website will be delivered for Maidstone Museum and Bently Art Gallery.
- Work will commence on delivering the action plan for the new Destination Management Plan for the Borough.
- We will develop a Cultural Strategy for the Borough linking our cultural and heritage assets to our Economic Development Strategy, Destination Management Plan and Town Centre Vision.



Enhancing the appeal of the town centre for everyone

- We will develop a new Town Centre Vision and Action Plan.
- Work will be finished on improvements to the High Level Bridge at Maidstone East.
- We will introduce a Farmers Market at Jubilee Square.
- We will replace the Historic Interpretation Panels.

Securing improvements to the transport infrastructure of our borough

- We will consult on an Integrated Transport Strategy.
- We will commence work to deliver the Bridge Gyratory Widening project in partnership with Kent County Council.
- We will commence work to design, consult and if approved, implement the Cycle Path project along the river Medway between Aylesford and Barming Bridge.

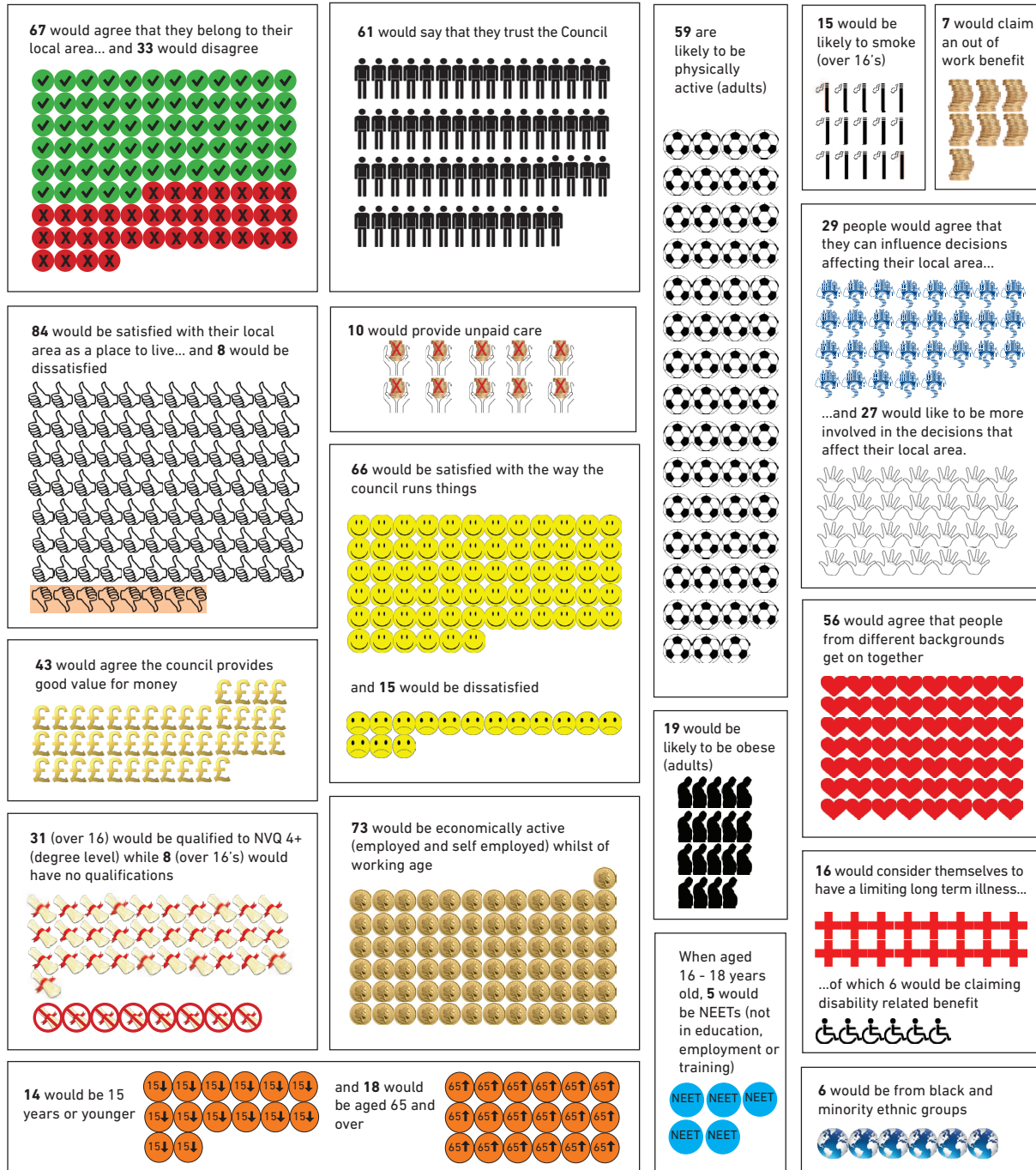
Promoting a range of employment opportunities and skills across our borough

- Open a new Enterprise Hub in the Gateway Terrace at Maidstone House.
- Deliver a new business website incorporating a skills exchange hub and information on starting, growing and locating your business in the Borough.
- Work will start on delivering the action plan behind the Council's new Economic Development Strategy.

Planning for sufficient homes to meet the Borough's needs

- Provide 1,000 new affordable homes over the next five years.

If there were only 100 people in the borough of Maidstone...



Contact Details

Visit us at Maidstone Gateway, King Street, Maidstone
ME15 6AW – Mondays, 9am – 5.30pm and Tuesdays –
Fridays: 9am – 4.30pm

Visit our information centre at Maidstone Museum, St
Faith's Street, Maidstone ME14 1LH – Mondays – Saturdays
10am – 5pm.

Visit our website at www.maidstone.gov.uk

Main Switchboard 01622 602200

Emergency after hours calls are routed to Kent County
Council via our main switchboard number 01622 602000

Use our 24hr Automated Payments Line 01622 602544 for
paying council tax and parking fines.

***This report is available in alternative formats
and can be translated into other languages.***

Printed on recycled paper. Please recycle this leaflet.

Agenda Item 18

Policy & Resources Committee

29 July 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Revenue & Capital Outturn 2014-15

Final Decision-Maker	Policy and Resources Committee
Lead Director or Head of Service	Director of Regeneration & Communities
Lead Officer and Report Author	Head of Finance & Resources / Chief Accountant
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. Note the provisional outturn for revenue and capital for the 2014-15 financial year.
2. Note the carry forward of grant funding from 2014-15 to 2015-16, as detailed in Appendix II.
3. Agree the provisional funding of capital expenditure in 2014-15 as set out in paragraph 4.3.3.

This report relates to the following corporate priorities:

The revenue and capital budgets provide resources for all of the objectives of the council.

Timetable

<i>Meeting</i>	<i>Date</i>
Policy and Resources Committee	29 July 2015

Revenue & Capital Outturn 2014-15

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides detail on the revenue and capital outturn figures for 2014-15 and provides some initial consideration of the impact of these figures on the Council's future financial planning.
 - 1.2 The report also provides the committee with outturn figures on treasury management and other balance sheet items.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The purpose of this report is to facilitate good financial management. It presents outturn figures for revenue and capital expenditure to provide clarity about the council's financial position and enable the committee to consider any issues or risks arising in the current or future financial years.
 - 2.2 The medium term financial strategy and the strategic plan will undergo a full review during 2015-16 for the forthcoming five year period 2016-17 to 2020-21. The strategy will continue to identify the impact of the government's fiscal plans and their effect on local government. Current assumptions are that the government's general support to local government through revenue support grant will be removed completely by 2020.
 - 2.3 A provisional report on the proposed use of the potential revenue underspend was taken to Cabinet on 14 April 2015. The proposals agreed at that meeting totalling £400,000 can all be met from the 2014/15 underspend.
 - 2.4 In addition to this, the committee is asked to note carry forward of unspent grants detailed in Appendix II. These amounts have been carried forward into 2015/16 and will be utilised to fulfil the purpose for which funding was awarded during the forthcoming year.
 - 2.5 The revenue outturn does not allow further carry forward requests to be approved and officers have been advised that this report does not propose approval of further carry forward requests over those set out above.
-

3. AVAILABLE OPTIONS

- 3.1 Providing this outturn information to the Policy and Resources Committee at this time facilitates good financial management and aids consideration of issues within the current financial year which helps to inform future budget strategy. The committee could choose to defer this report until the outturn position has been finalised on conclusion of the external audit in September 2015.

- 3.2 This is not recommended as early review of the outturn information is considered to facilitate good financial management.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Impact on future financial planning

- 4.1.1 The council has ended 2014-15 with a minor adverse variance on the revenue account of £0.02m, which can be comfortably met from balances. A small number of service areas have ended the year with significant adverse variances, and these have all received a higher level of focus during the year. Actions taken in these service areas during 2014/15 will mean a reduced or removed pressure on future budgets.
- 4.1.2 In summary, the year end position is a result of previously agreed proposals for the use of the projected under-spend, which were detailed within the report to Cabinet on 14 April 2015.
- 4.1.3 The capital programme has remained within the expected levels detailed within quarterly monitoring reports during 2014-15 and is fully funded.
- 4.1.4 By the end of 2015-16 general balances are expected to be £5.2m, which is £2.9m above the working limit previously set by Cabinet in February 2015. Some of this resources has been provisionally allocated by previous decisions of the Cabinet and the unallocated available balance is £1.5m.
- 4.1.5 The level of collection of Council Tax and Non-Domestic Rates is considered to be at an acceptable level and an adequate provision exists to cover bad debt and the predicted level of current and future appeals in relation to business rates for 2014-15 and prior years.
- 4.1.6 Considered together, these factors have enabled the council to begin 2015-16 on a financially sound basis with the ability to carefully consider options for the most appropriate actions to ensure an effective Medium Term Financial Strategy for the period 2016-17 to 2020-21.

4.2 Revenue

- 4.2.1 Appendix I summarises the variances by portfolio. The major reasons for the variances are detailed in the following paragraphs by portfolio to reflect the council's governance arrangements for the 2014-15 financial year:
- 4.2.2 The Leader's portfolio shows a positive variance of £0.46m. This has largely resulted from additional grants received during the year in anticipation of new financial burdens arising from changes in legislation, and lower than budgeted audit fees.
- 4.2.3 The Community and Leisure Services portfolio is reporting a favourable variance of £0.02m. However, within this portfolio, there are adverse variances arising from unmet income and savings targets within the Mote Park

and CCTV budgets, and favourable variances arising from unspent grant funding.

- 4.2.4 The Corporate Services portfolio is reporting a positive variance of £1.4m resulting grant funding which is planned to be spent in subsequent years.
- 4.2.5 The Economic and Commercial Development portfolio is reporting an adverse variance of £0.09m, resulting from lower than expected income and unexpected maintenance costs within the museum budget.
- 4.2.6 The Environment portfolio is reporting an overall adverse variance of £0.4m. Within this portfolio, the following significant variances have contributed to this:
- The bed and breakfast budget has continued to show a substantial overspend, as reported throughout the year as part of quarterly budget monitoring. The use of Aylesbury House has helped to address this issue but does not fully compensate for the additional expenditure, and the service ended the year with an overspend of £0.4m.
 - Also reported throughout the year is the unmet income target for the crematorium. This service ended the year with an overspend of £0.08m, which is thought to have resulted from exceptional income levels during the previous year due to the closure of Medway Crematorium for refurbishment.
 - Income from green waste bin hire has continued to exceed the budget, with this service ending the year with a net positive variance of £0.2m.
- 4.2.7 The Planning, Transport and Development portfolio has ended the year with a net positive variance of £0.5m, which has largely resulted from the following factors which have been reported previously as part of quarterly monitoring:
- Development control income has continued to exceed the budgeted figure, with a positive variance of £0.2m at the end of 2014/15.
 - Income from on and off street parking has also continued to exceed targets, with a combined variance totalling £0.3m from these services. However, it should be noted that this income is ring fenced so this does not represent a general underspend.

4.3 Capital

- 4.3.1 Attached at Appendix III is a summary of capital spend against the revised estimate. The current estimate reflects slippage totalling £12.9m agreed by Cabinet during the course of the year.
- 4.3.2 Schemes identified in Appendix III by an asterisk (*) are funded or partly funded from specific resources such as s106 or external contribution and not from the Council's own capital resources.

- 4.3.3 Expenditure of £5.4m outlined in Appendix III can be funded entirely from available capital resources. Proposed funding is summarised in the following table:

Resources	£
Capital Receipts	1,155,915
Capital Grants & Contributions (incl. s106)	1,320,718
Support from revenue budgets	2,924,667
TOTAL	5,401,300

- 4.3.4 This proposal is based on the principle of using the most flexible resources last, meaning that grants and capital receipts are used in preference to revenue support.
- 4.3.5 The Council has approved prudential borrowing of up to £6m for the acquisition of commercial assets but not for general capital expenditure. It is possible for the Council to borrow its own revenue resources and repay the loan at a later date when it becomes more advantageous to borrow from the market. This year the Council has acquired one such asset and could have borrowed from its own or external resources to finance the acquisition. Careful consideration of the options has led to the conclusion that borrowing is not necessary at this time. This is because the resources that would be used to facilitate internal borrowing are already set aside for capital expenditure in future years and are not revenue balances intended for later revenue expenditure. This means the direct use of the resources to finance the acquisition will have an identical impact to internal borrowing on the future capital programme.
- 4.3.6 It is recommended that the committee consider and approve the provisional financing of the capital programme as set out in the table at 4.3.3. The consequence of the recommended financing is detailed in paragraph 4.3.7 below.
- 4.3.7 In line with the policy of using capital resources first, some of the resources identified from revenue budgets to finance capital expenditure will not be required until 2015-16 or later years creating a revenue variance. This represents a resource that is essential to the financing of the future capital programme and last year the Council agreed to the creation of an earmarked reserve to manage this resource. The balance of unused revenue financing has been transferred to this reserve.

4.4 Balance Sheet

- 4.4.1 The provisional outturn figures have an impact on various elements of the Balance Sheet and these are summarised as follows:

Capital Receipts

- 4.4.2 The provisional outturn figures show cash backed capital receipts, net of costs of £1.12m. This is greater than estimated and is largely a consequence of additional receipts from Golding Homes' Right-to-Buy sales.

Collection Fund

- 4.4.3 At the end of the financial year the target collection rate was met for council tax and narrowly missed for non-domestic rates. At this time it is predicted that there will be surplus of £3.16m on the collection fund for 2014-15. This surplus will be formally shared between preceptors during 2016-17. The collection rates, compared to target, are as follows:

Collection Rates	Target %	Actual %
NNDR	97.80	97.68
Council Tax	98.40	98.40

- 4.4.4 The council entered into a business rates pool with Kent County Council for 2014-15, in order to minimise the levy payment due to central government and thereby maximise local retention of business rates growth. For 2014-15, the total benefit of pool membership is estimated to be £0.48m, which will be shared as follows:

Kent County Council share – 30%	£144,119
Maidstone Borough Council share – 30%	£144,119
Kent Pool Growth Fund – 30%	£144,119
Contingency – 10%	£48,040
Total	£480,397

Investments

- 4.4.5 The Treasury Management Strategy 2015-16 agreed by Council in February 2015 anticipated year end investments of approximately £22.4m for the 2014-15 financial year. Actual investments at 31 March 2015 totalled £21.0m. This minor change to the level of investments will have no impact on the strategy or the revenue account during the course of 2015-16. Daily monitoring of cash-flow has confirmed that the prudential indicators that council set for 2014-15 have been complied with.

Fixed Assets

- 4.4.6 The capital investment achieved in 2014-15 resulted in investment in the Council's property portfolio of £2.33m. Other spending in this area has been in areas such as support for social housing, renovation grants, etc which do not contribute to the Authority's asset base and have been written off, through the revenue account, as revenue expenditure funded from capital under statute.

Useable capital receipts

- 4.4.7 As a result of the level of capital investment and the level of capital receipts received in 2014-15, the level of useable capital receipts at 31 March 2015 is £0.15m (2013/14 £0.19m).

Balances

- 4.4.8 The overall level of balances at 31 March 2015 is expected to be £15.29m, compared to £15.44m at 31 March 2014. This includes earmarked reserves of £8.28m. After allowing for the commitment to carry forward capital resources, and the previously agreed use of the underspend to support corporate priorities, the provisional level of uncommitted balances is £5.2m. This means balances will be above the minimum level of working balances of £2.3m along with other resources, provisionally allocated but not committed, of £2.9m.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Not applicable.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The outturn information provided in this report has been reflected in the initial consideration of the medium term financial strategy for 2016/17 onwards, which is reported elsewhere on this agenda.
- 6.2 Once approved by this committee the financing of capital expenditure will be formalised in the statement of accounts currently being audited by the Council's External Auditor, Grant Thornton.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications
Impact on Corporate Priorities	The financial resources spent in 2014-15 and reported here reflect a focus on corporate priorities. Any under spend will be carried forward in accordance with those corporate priorities and previous commitments.
Risk Management	At this stage the financial analysis is provisional and contains some estimated values. Monthly financial monitoring by officers and quarterly by the Policy and Resources committee and will improve the accuracy of the provisional figures. These figures are produced to a timetable for the completion of the Statement of Accounts and all essential work is complete at this stage.
Financial	This report relates to overall financial position of the council. Specific implications are detailed within the body of the report.

Staffing	N/A
Legal	Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. This report is considered support the council in fulfilling this obligation.
Equality Impact Needs Assessment	N/A
Environmental/Sustainable Development	N/A
Community Safety	N/A
Human Rights Act	N/A
Procurement	N/A
Asset Management	N/A

8. REPORT APPENDICES

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

- Appendix I: Summary provisional revenue outturn
- Appendix II: Schedule of grants to be carried forward
- Appendix III: Summary provisional capital outturn

9. BACKGROUND PAPERS

MAIDSTONE BOROUGH COUNCIL
POLICY & RESOURCES COMMITTEE
REVENUE OUTTURN 2014/15

Cabinet Member	2014/15			
	Original Estimate	Revised Estimate	Actual Expenditure	Variance
	£	£	£	£
Leader of the Council	1,583,230	1,534,630	1,074,595	460,035
Community & Leisure Services	4,542,390	4,971,150	4,948,412	22,738
Corporate Services	2,235,390	658,260	1,088,175	- 429,915
Economic & Commercial Development	2,332,600	2,594,080	2,686,412	- 92,332
Environment	8,538,900	8,097,390	8,525,066	- 427,676
Planning, Transport & Development	2,000,320	3,231,940	2,775,826	456,114
Use of Balances	- 2,116,080	- 1,970,700	- 1,959,593	- 11,107
Total	19,116,750	19,116,750	19,138,893	- 22,143

Request for Carry Forward of Revenue Resources from 2014-15 to 2015-16				Grant Funding
Revised Estimate 2014-15	Actual Spend 2014-15	Carry Forward Requested	Grant Details	Justification
£	£	£		
6,220	0	6,220	ACE museums and schools	Carry forward requested due to staff changes and the ongoing requirement to fund resources, materials and supplies. There is also an ongoing need to provide school workshops and engage with schools
35,400	525	34,875	Supporting People funded	This grant was provided by KCC for the purpose of providing rent deposits for people leaving supported accommodation. The budget belongs to KCC but is administered by district council housing option teams.
14,545	0	14,545	New growth point	Carry forward request is to fund the initial salary costs of the Economic Development Team, as previously agreed.
24,000		24,000	Contribution from Golding Homes, MBC, Sport England for the ASPIRE project	Grant relates to 3 year project funded by Sport England and partners to commission youth diversionary activities across the Maidstone borough.
2,880	510	2,370	Disability Sports Club	Grant provided to support delivery of DMAX sports club. Carry forward of remaining funds requested to top up shortfall from income.
33,400	11,730	21,670	KCC Commissioning for Prevention Grant	Underspend on grant in 2014/15, request to carry forward for commissioning intentions in 2015/16
30,000	17,680	12,320	Public Health Grant - £10,000 & £20,000 from other councils	Underspend due to Workplace Health worker starting mid way through the financial year.
45,000	30,000	15,000	Armed Forces Covenant Grant	Grant is final payment of 2 year funding to support Youth Diversionary Activities up to 31 December 2015.
1,750	180	1,570	KCC High Street Bus Safety DVD	Carry forward requested for bus safety DVD to be commissioned at the end of April/beginning of May 2015
33,000	0	30,000	Air quality grant- KCC & Medway	This is ring fenced grant funding from KCC to fund an air quality based project. The project will shortly be carried out but was not ready in time for the end of the 2014/15 financial year hence the need to carry this sum forward.
67,360	0	67,360	Troubled families	This grant is to be used over the length of the project and was not intended to be an annual budget.
90,680	30,680	60,000	IER Grant	This is the remaining unspent Individual Electoral Registration grant to be utilised during 2015/16.
0	51,710	51,710	Severe Weather Recovery Scheme	Remaining funding for severe weather recovery scheme to be utilised for ongoing flood prevention projects.

341,640

MAIDSTONE BOROUGH COUNCIL
POLICY & RESOURCES COMMITTEE
PROVISIONAL OUTTURN 2014/15

Capital Programme 2014/15 by Cabinet Member to 31st March 2015

Capital Programme Heading	Current Estimate 2014/15 £	Actual to March 2015 £	Budget Remaining £	
CCTV Control Room	26,150	25,000	1,150	
Continued Improvements to Play Areas	76,080	51,836	24,244	
Green Space Strategy	12,000	2,305	9,695	
Museum Carbon Management Scheme	27,350	37,645	-10,295	
HAC Contract Capital Works	3,160	1,500	1,660	
Small Scale Capital Works Programme	7,540		7,540	
Housing Grants	1,106,340	739,151	367,189	
Support for Social Housing	894,500	54,000	840,500	
Vacant Property Acquisition	329,090	328,646	444	
Stilebridge Lane Sewage Treatment Works	76,600	26,248	50,352	
Gypsy Site Improvements	32,000	9,532	22,468	
Museum - Creation of Usable Office Space		13,660	-13,660	
Refurbishment of Chillington House		301,503	-301,503	*
Open Spaces Contributions		152,204	-152,204	*
Cobtree Manor Estate		296,250	-296,250	*
War Memorial Works		21,340	-21,340	
COMMUNITY & LEISURE SERVICES	2,590,810	2,060,820	529,990	
King Street Multi-storey Car Park	60,660	60,682	-22	
Park Wood Industrial Estate Environmental Imps	42,030	4,500	37,530	
Asset Management / Corporate Property	130,890	121,072	9,818	
Software / PC Replacement	195,170	181,199	13,971	
Commercial Projects - Depot RE Panels		61,660	-61,660	
Electoral Registration - Printer		9,998	-9,998	*
CORPORATE SERVICES	428,750	439,111	-10,361	
High Street Regeneration	77,150	77,156	-6	
Enterprise Hub	12,510	12,484	26	
Acquisition of Commercial Assets	2,422,230	2,331,054	91,176	
High Level Bridge		179,912	-179,912	*
ECONOMIC & COMMERCIAL DEVELOPMENT	2,511,890	2,600,606	-88,716	
Land Drainage/Improvement to Ditches & Watercourses	8,800	3,815	4,985	
Crematorium Access	21,190	13,283	7,907	
Fleet Vehicle Acquisition		283,665	-283,665	**
ENVIRONMENT	29,990	300,763	-270,773	
TOTAL	5,561,440	5,401,300	160,140	

* - These works are either wholly or partly funded by external contributions or from Section 106 Agreement monies.

** - Vehicle acquisitions were funded from monies previously set aside and the proceeds of vehicle sales.

Policy and Resources Committee

29 July 2015

Is the final decision on the recommendations in this report to be made at this meeting?

No

Medium Term Financial Strategy 2016/17 Onwards

Final Decision-Maker	Council: 2 March 2016
Lead Director or Head of Service	Zena Cooke, Director of Regeneration and Communities
Lead Officer and Report Author	Paul Riley, Head of Finance & Resources
Classification	Non-exempt
Wards affected	All wards

This report makes the following recommendations to this committee:

1. That, for planning purposes, a council tax increase of 1.99% is agreed for the development of the medium term financial strategy;
2. That the officer recommended strategic revenue projection given at Appendix C is agreed for submission to all service committees for their consideration and response back to this committee on the factors outlined;
3. That the current capital programme be advanced by one year as set out at Appendix D and agreed for planning purposes.
4. That all service committees be requested to consider possible submission for the future capital programme;

This report relates to the following corporate priorities:

The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.

Timetable

Meeting:	Date:
Policy & Resources Committee	29 July 2015
All service committees	1 – 15 September 2015
Policy & Resources Committee	23 September 2015
Policy & Resources Committee	16 December 2015
All service committees	5 – 19 January 2016
Policy & Resources Committee	24 February 2016
Council	2 March 2016

Medium Term Financial Strategy 2016/17 Onwards

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

Purpose

- 1.1 This report allows the committee to consider the medium term financial strategy (MTFS) for 2016/17 onwards along with developments and emerging issues that will affect the revenue budget and capital programme for that period.
- 1.2 The report seeks the committee's views on a draft set of assumptions that will be used to set the MTFS for planning purposes. The draft assumptions for the MTFS are considered in the context of the strategic plan as currently published and may later be reviewed in light of any amendments to the strategic plan for 2016/17.
- 1.3 The draft assumptions confirmed by this meeting will be used to submit reports to each of the service committees individually for their consideration and to seek their proposals for balancing the budget. The results of these considerations will then be aggregated into a further single report to this committee. Following completion of that process the agreed strategy will be used for public consultation in the autumn.
- 1.4 The ultimate objective is to set a balanced budget and agree a level of council tax for 2016/17 at the Council meeting on 2 March 2016.

Executive Summary

- 1.5 The report considers the revenue and capital strategies for the development of a budget for 2016/17 onwards.
- 1.6 Firstly it looks at the factors influencing the revenue budget:

Factor	Paragraph
Resources:	
Revenue Support Grant	4.3
Retained business rates	4.9
Business rates growth	4.12
Council Tax	4.19
Fees & charges	4.28
Pressures:	
Employee costs	4.30
Single tier pensions	4.37
Contracts	4.42
Pension backfunding	4.45
Housing benefit administration	4.48
Economic development	4.51

- 1.7 From the analysis the report recommends one set of options for the development of a strategic level revenue budget for planning purposes.
 - 1.8 From paragraph 4.58 onwards the report considers options for the capital programme, concluding that no changes should be made until responses have been received from service committees to the proposals agreed at this committee.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The MTFS is actually two documents that make up a five year rolling strategy, which is reviewed and updated annually as an important element of the development of the budget. Ultimately it is approved by Council.
- 2.2 One document sets out the revenue spending plans of the council and availability of revenue resources. The other sets out the capital programme by considering its sustainability, affordability and prudence. Both state the criteria by which decisions in relation to the development of the annual budget are to be made. This report reviews the MTFS and considers options for the development of a five year strategic revenue projection and a five year capital programme.
- 2.3 The strategic revenue projection is a model used to concisely predict the effect of major local and national factors on the future revenue budget by identifying high level issues that will have an influence on the budget planning process and the objective of achieving a balanced revenue budget.
- 2.4 Since the approval of the current MTFS by Council on 25 February 2015 there has been an election and an emergency budget by the new government. It was predicted, when considering last year's MTFS and budget, that the general election would not mean immediate changes to the planned austerity measures impacting on local government for 2015/16. This was confirmed by the Chancellor of the Exchequer in his emergency budget speech on 8 July 2015.
- 2.5 Despite the lack of immediate impact on local government from the emergency budget, the future plans of the government in relation to its austerity programme have been strengthened. It can be expected that the Council will see additional pressure in 2016/17 and later years due to greater reductions in government funding than those predicted when the Council agreed the current MTFS. What is not clear is how any impacts will have an effect on the council's budget. This is because the revenue support grant, which is a major tool used by central government to adjust local government funding, is already predicted to end during this parliament.
- 2.6 This year is the second year of the Kent Business Rates Pool. The success of the pool in 2014/15 has meant that membership of the pool has grown. The original pool membership was two authorities: this council pooling with Kent County Council. For the current year this has grown to include Kent and Medway Fire and Rescue and nine of the eleven remaining districts. The two districts not currently in the pool are Sevenoaks District Council and

Dartford Borough Council. Current and past results of the pooling arrangement are dealt with later in this report.

- 2.7 The current capital programme is financed predominantly by the council's New Homes Bonus receipts. At this time the government has recommitted to the new homes bonus programme but is considering a full review of its success. The current levels of funding for the capital programme are already based upon a cautious prediction of future receipts to reflect the potential risks of the review.
- 2.8 Attached as **APPENDIX A** to this report is the summary revenue budget for 2015/16 which was agreed by Council on 25 February 2015. The Appendix shows the summary budget by priority as this demonstrates a clear link between the strategic plan and the resources available to deliver the council's priorities. The budget was developed, reported and agreed prior to the change to the current committee system and does not provide an analysis of the resources by committee. Detailed in the table below is the summary information set out by service committee.

Committee	Net Budget 2015/16 £,000
Policy & Resources	4,604
Communities, Housing & Environment	8,580
Heritage, Culture & Leisure	1,793
Strategic Planning, Sustainability & Transport	0
Use of Balances & Reserves	5,156
	20,133

Table 1: 2015/16 budget analysed by service committee

It should be noted that Strategic Planning, Sustainability & Transport generates sufficient locally derived income to fund the services delegated to it by the Council. In addition the use of balances and reserves reflects the expected call on reserves to finance the capital programme.

- 2.9 Appendix A also provides details of the revenue outturn for 2014/15. A detailed analysis is set out in a separate report elsewhere on this agenda. It can be noted that the under-spend at 31 March 2015 enabled the funding of £400,000 worth of specific projects as agreed by Cabinet in April 2015. In addition the resources that were received as grant for specific schemes, which had not been spent in year, have been carried over into 2015/16 leaving a small deficit on the year's budget which will need to be resourced from balances. Again the analysis given in Appendix A is by priority, the committee analysis is tabled below:

Committee	Estimate £	Actual £	Variance £
Policy & Resources	11,664,440	10,749,096	915,344
Communities, Housing & Environment	8,816,010	9,165,320	-349,310
Heritage, Culture & Leisure	590,710	682,171	-91,461
Strategic Planning, Sustainability & Transport	113,730	-228,634	342,364
Use of Balances & Reserves	-2,068,140	-1,229,060	-839,080
	19,116,750	19,138,893	-22,143

Table 2: 2014/15 outturn compared to budget, analysed by service committee.

- 2.10 As can be seen from table 2 the underspend is not consistently delivered by all committees with Policy & Resources and Strategic Planning, Sustainability & Transport committees reporting an under-spend and Communities, Housing & Environment and Heritage, Culture & Leisure committees both reporting an over-spend. This presents a further difficulty for these two committees as they will need to identify a way to bring their budget and actual expenditure into balance in ways that support the council's strategic objectives.
- 2.11 The major area of pressure for the Communities, Housing & Environment Committee is the homelessness temporary accommodation budget. For 2015/16 the Council agreed a net increase in the budget for this service of £160,000. Taken together with the full year effect of the two property acquisitions, now in use for homelessness, this may resolve the issue in the current year although the number of cases continues to increase. Careful monitoring will be essential to ensure that this is the case and that pressure on the budget is mitigated.
- 2.12 The major areas of pressure for the Heritage, Culture & Leisure Committee are the Museum service and the Parks & Open Spaces service. For the Museum, where there has been a continual and worsening over-spend for many years, officers have completed a zero based budgeting exercise which will be reported to the committee to assist with its deliberations on the most appropriate way forward. For the Parks and Open Spaces service the committee is currently considering chargeable activities in Mote Park that, if the business case is delivered, will support and enhance the service while also providing a contribution to the MTFS.
- 2.13 Attached at **APPENDIX B**, for information, are the current medium term financial strategies as agreed for revenue and capital expenditure. On the recommendation of the Corporate Services Overview and Scrutiny Committee in 2012/13 the medium term financial strategy was divided into two separate documents to give greater prominence to the capital strategy.
- 2.14 The detail given in this report and the timetable of meetings set out on the cover to this report will all contribute to the creation of a revised MTFS for 2016/17 onwards which will be considered by this committee later in the cycle of meetings.
-

3. AVAILABLE OPTIONS

- 3.1 A number of factors that influence the annual budget and the MTFS are not yet known. Consideration could be given to waiting for the information before taking decisions on the issues raised in this report. A significant unknown factor at this time is the level of central government funding for 2016/17. This information will not be available until the annual finance settlement is announced in December 2015. This will be too late to commence budget planning and consultation. In order to achieve a balance budget, a satisfactory level of council tax and to understand the future financial risk facing the organisation it would be appropriate for the committee to take planning decisions at this time rather than await improved information.

- 3.2 For each element of the strategic revenue projection there are a number of options. Each element and its options are dealt with separately in section 4 of this report: 'Preferred Option and Reasons for Recommendation'. The result of the analysis gives the committee a range of possible outcomes from which a strategic revenue projection that reflects the committee's risk appetite can be agreed.
- 3.3 Due to the limited options for funding the capital programme the committee is recommended to increment the current programme by one year and make no further changes at this time.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 **APPENDIX C** to this report sets out three strategic revenue projections. These projections use the following levels of assumption:
- a) **Adverse:** Lowest predictable levels of resources and highest budget pressures.
 - b) **Recommended:** Officer expected levels of resources and budget pressures.
 - c) **Favourable:** Highest predictable levels of resources and lowest budget pressures.
- 4.2 The elements of the strategic revenue projection are set out below and the options that create the three levels of assumption are set out for each.

STRATEGIC REVENUE PROJECTION AND REVENUE MTFS

Revenue support grant

- 4.3 On 4 February 2015 the Department for Communities and Local Government notified the council of the final figure for revenue support grant in 2015/16. In previous years the government has used this notification to provide local authorities with indicative figures for the following year's settlement. Despite the government recognising the need for local authorities to have some stability in terms of future funding levels, the information relating to 2016/17 was not provided this year.
- 4.4 The revenue support grant for 2015/16 is £2.267m and this is £1.007m less than the sum received in 2014/15.
- 4.5 The strategic revenue projection for 2015/16 was developed on the basis of an assumption that by 2019/20 the current revenue support grant paid to the Council would no longer be received. The option proposed was to reduce the grant in instalments on an annual basis until it reached zero in 2019/20.
- 4.6 The Chancellor of the Exchequer's speech introducing the emergency budget on 8 July 2015 detailed a more significant austerity plan than previously envisaged. The plan requires targeted levels of reduction identical to those experienced during the last parliament under the coalition government. At the same time he reported that the government has

extended the date by which its plan would reach an annual surplus by one year. This reflects a response by the government to concerns, expressed by stakeholders, regarding the impact of the welfare reforms required. It is unlikely that funding for local government will gain from the amended timetable.

4.7 Current assumptions are that, when local government is notified of the draft finance settlement in December 2015, the figures could include additional reductions not assumed at the time of the 2015/16 settlement. The level to which those reductions will affect the strategic revenue projection can only be through the timing of the reduction as the strategy already assumes complete removal of revenue support grant by 2019/20.

4.8 For the adverse option model of the strategic revenue projection an assumption that the revenue support grant will disappear one year earlier than previously expected has been made. This is to reflect the possibility of the government taking direct action to further reduce funding to local authorities. Other models assume a continuance of current reductions through to 2019/20. The levels of revenue support grant already remaining is small and the gain to the government from increasing the pace of reduction is unlikely to have a significant impact on their planned outcome.

Retained business rates

4.9 The system of local retention of business rates came into effect in April 2013. Under this system local government retains 50% of all business rates collected, however this is on a national level and not at an individual local authority level. For this Council the total business rates collected is in excess of £58m meaning local retention could be as high as £29m. Due to the inclusion of an initial assessment of need into the 2013/14 settlement the locally retained element in many district councils is significantly lower than this, with the excess being paid as a tariff to central government. This is the case for this council and the locally retained element is approximately 5%. For 2015/16 the figures are as follows:

Authority	£,000	Share
Kent County Council	5,267	= 9%
Kent and Medway Fire and Rescue	585	= 1%
Maidstone Borough Council	2,959	= 40% adjusted for need to 5%
	8,811	
Total business rates due	58,525	
Percentage retained "locally"	15%	

Table 4: Shares of retained business rates using 2015/16 NNDR1 return data

It should be noted that police authorities receive all of their funding nationally.

4.10 As part of the annual assessment of locally retained business rates the Council's needs baseline grows by the uplift in the business rates multiplier. In recent years the government has restricted the amount of the increase that is charged to businesses to 2% of the previous year's charge rather

than the statutory increase equivalent to the increase in the retail price index.

- 4.11 The system of locally retained business rates was developed by this government as a response to the complexity of the formula grant calculation used prior to its introduction. It is unlikely that the government would make major changes to the system at this time as an imminent review is planned (see paragraph 4.16a). All three models assume an annual increase of 2% in the needs baseline retained business rates.

Business rates growth and the Kent Business Rates Pool

- 4.12 Under the system of local business rates retention the Council can enter into a pooling arrangement with other local authorities. This is beneficial where one or more of the local authorities receive a top-up from the government's redistribution mechanism. This is the case for both Kent County Council and Kent and Medway Fire and Rescue.
- 4.13 As a member of the pool the council has the ability to retain more of the income from growth in business rates than it otherwise would because it is sheltered by the top-up received by Kent County Council. Under the specific agreement reached for 2014/15 the additional benefit was shared with Kent County Council. The shares and their value based on the growth in 2014/15 are set out below:

SHARE BY PURPOSE		£
Maidstone Borough Council's MTFS	30%	144,119
Kent County Council's MTFS	30%	144,119
Growth Fund	30%	144,119
Contingency	10%	48,040
	100%	480,397

Table 5: Shares of the Kent Business Rates pool 2014/15

- 4.14 Both authorities received 30% of the gain for personal use within their MTFS. The third 30% is held in a fund for business growth and use of the fund is by mutual agreement. The final 10% is held against losses arising from the risks of entering the pool. The major risk is the fact that government support is not available to members of a pool and should business rates reduce for one member of the pool they would be able to call initially on the contingency before obtaining direct support from other members.
- 4.15 The 30% retained by this council and the 30% in the growth fund have been allocated, by agreement, to the delivery of the economic development strategy. The planned use of the 2014/15 resources in 2015/16 were considered by this committee in June 2015.
- 4.16 Business rates growth assumptions are set in the current strategic revenue projection at £1.2m based on the initial estimate for 2015/16. It is not proposed to amend the estimate at this time however a number of potential matters could occur that may affect the estimate. These are set out below:

- a. Government reviews: The government is planning two actions during this term. Firstly a revaluation of business rates, the results of which could have an effect on the level of appeals for which the council must make provision and pay for if successful. Secondly a review of the business rates system which may lead to changes in the levels of retained income.
- b. Appeals: The process of appeals is outside of the control and influence of the council however all appeals approved by the government's valuation office will result in a need to make a backdated refund to businesses.
- c. Greater risk of financial loss: in 2014/15 this council was the only council contributing resources and the only council at risk of loss in relation to the pool. The 2015/16 pool includes 10 authorities that contribute and are at risk of loss.
 - i. If the council sees significant business rates loss during the year there is a risk that it could not be financially supported by the pool this risk is the same as the council took in 2014/15.
 - ii. If another authority saw significant business rates loss during the year the pool agreement will not allow the council to be worse off than if it were outside of the pool. The maximum risk to the council is therefore the growth retained because the council is a member of the pool. (i.e. the resources set out in the table 5 at 4.13)

4.17 While there is a risk of loss of this income the Council has in the past assumed that this level of funding will be taken to reserves and utilised the following year. This is the case with the use of 2014/15 retained growth from the business rates pool, which has been used in 2015/16 to aid achievement of the objectives of the economic development strategy. This means no spending decisions are taken in advance of receipt of the funds.

4.18 All three models are based upon the same level of retained growth as this has no direct impact on the MTFS or the strategic revenue projection. This lack of impact is due to the inbuilt delay in making spending decisions as explained in paragraph 4.17 above. There is therefore a low level of risk to the MTFS.

Council Tax Levels

4.19 Total 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. The tax base for 2015/16 was set at 56974.3.

Tax Base:

4.20 A current review of the tax base as at 1 July 2015 shows that there has been a 0.5% increase since the tax base for 2015/16 was originally set in October 2014.

4.21 The net increase in dwellings is 440 units but this has been impacted by increased single person discount and increased local council tax discount levels, creating the net 0.5% growth figure. Longer term risks relating to the provision of local council tax discount exists. Based upon the current knowledge of government's welfare reforms the benefit cap and increased levels of rent for some affordable housing tenants may mean that a higher level of council tax discount would need to be granted as this is calculated after all other benefits have been taken into account. The following assumption is possible:

- a. High level predictions of demand for local council tax discount: This could increase the cost of the discount by 6%. This level of increase would reduce the tax base by approximately 378 units effectively negating all growth to date in the current year.

4.22 The level at which planning assumptions have been set in previous years is 0.5% and the actual movement to date suggests this remains a viable assumption for future years. However this represents an increase in the number of dwellings within the borough of 440 which is below the long term assumptions made in the draft local plan. Future options could include consideration of higher levels of growth in the tax base from the following assumptions:

- a. Full year effect of current data: The increase identified in the tax base as at 1 July 2015 represents the increase over a period of 9 months this would be only 75% of a full year effect. If growth in dwellings and increased demand for discounts is consistent throughout the year then the tax base growth by October 2015 could be 0.7%.
- b. Medium term housing need: The longer term need, evidenced in the draft local plan, suggests a higher level assumption would be possible. Prior to recent problems with the economy the movement in the tax base was nearer to 1% or 650 dwellings per annum. It is possible that the

Increase in charge:

4.23 The level of council tax increase for 2016/17 is a decision that will be made at Council on 2 March 2016 based on a recommendation made by this committee. At this time a decision on the increase in council tax is solely for planning purposes and to enable the necessary public consultation on the Council's budget and MTFS.

4.24 The current MTFS states that:

'The Council must consider the need to set a balanced budget that enables it to provide the services required by its customers. The significant risks facing the future financial stability of the Council have been considered along with the strategic revenue projection's assessment of the future reductions in resource levels that have been predicted to follow the next spending review. The strategy assumes an annual Council Tax increase of 1.99% in order to improve resource stability over the period.'

- 4.25 In considering this issue the committee should recognise the need to set a level of council tax commensurate with the level of service provision and to avoid the use of short term decisions that risks the council's medium term liquidity and financial resilience. A recommended increase is an issue for a future meeting. At this time the committee should set an increase as a planning assumption. The increase approved for the previous year is a suitable level for a planning assumption.
- 4.26 For many years the council's ability to increase the level of council tax has been limited firstly by a cap and more recently by the need to hold a referendum for increases over a government set limit. The government limit has been set at 2% for the past few years. The council set an increase of 1.99% for the current year.
- 4.27 For planning purposes it is recommended that in all options the council tax be increased by 1.99% per annum from an increase in the charge and 0.5% per annum from tax base growth, this provides a 2.49% increase in council tax income.

Local income from fees and charges

- 4.28 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. This does not consider the needs of the MTFS with the exception of the suggestion that charges should be maximised within the policy.
- 4.29 For planning purposes it is recommended that in all options no increase in locally determined fees and charges be assumed until after initial consideration by the service committees of fees and charges for their services.
- 4.30 The council has approved a commercialisation strategy which has set a target for net income gained from new and enhanced activities of £1m over the five year period from 2015/16 to 2019/20.
- 4.31 In the current MTFS this target was incorporated into the strategic revenue projection. In a committee system, where the delivery of each proposal will be the responsibility of an individual service committee, this target has been removed from the strategic revenue projection but will form part of the objective of each service committee when considering the level of income it can achieve.

Budget Pressures

Employee costs

- 4.32 In the emergency budget the Chancellor of the Exchequer announced actions that will have an impact on the employee costs of the council. The two main issues impacting the council are:

- a) Funding for a 1% annual increase in public sector pay over the period of the current parliament; and
 - b) An increase in the living wage to £9 per hour by 2020. This included an increase to £7.20 in 2016/17.
- 4.33 The current strategic revenue projection assumes annual employee costs of 1.5%. This incorporates incremental increases following the mid-year performance appraisals. Where increments are agreed these can be as high as 4% and are paid from 1 October each year. On average the effect on employee costs arising from the incremental increases is 0.5% as not every employee is due to receive or achieves an incremental increase at review.
- 4.34 The 1.5% assumption therefore covers potential incremental increases and allows the council to reflect the national proposal for public sector pay. The committee should note that local pay arrangements exist for staff and the council is not bound by the 1% increase specified in the emergency budget.
- 4.35 The increase in the living wage will not have an immediate impact of the council's employee costs as a living wage of £7.20 per hour by 2016/17 is covered by the current salary scale. Longer term the increase of £9 per hour is greater than an annual increase of 1% and will impact on the MTFS by 2017/18.
- 4.36 In addition to the national issues set out above there are additional local issues:
- a) **Pay policy:** The Council has an agreed pay policy that defines a relationship between the highest point on each pay grade and median pay for the sector in the south east (excluding London). The Head of the Human Resources Shared Service is required to complete an analysis to ensure that pay at the top of each grade is a reasonable fit for the measures set out in the policy.
 - b) **Staffing shortages:** Due to the high demand for some professional staff in the current market a number of recent vacancies have failed to attract suitable candidates. In a small number of cases enhanced remuneration packages have been agreed to obtain suitable staff. It is likely that such enhancements will be required in the future.
- 4.37 Prior to completing the analysis required it is impossible to directly measure the implications of changes under the pay policy on future employee costs. A measure of likely cost can be taken from the last realignment of the salary scale following a pay policy review. On that occasion the adjustment increased employee costs by 3%. It is unlikely that adjustments will be required to all pay points on the scale and members may wish to consider
- 4.38 At the level of an individual employee vacancy the need for enhanced remuneration is evidenced by the results of the employment process. The policy requires evidence of an effective recruitment exercise that resulted in no suitable applicants to enable a manager to consider an enhancement to salary before attempting a further recruitment exercise. The current policy is to require the service to identify funding from within the service budget to

pay such enhancements. A pressure that would affect the MTFS would only be recognised if there was a systemic need to consider such enhancements.

- 4.39 For the adverse option model of the strategic revenue projection an additional cost equivalent to 3% of pay has been included. That model therefore incorporates a total employee cost increase of 4.5% in 2016/17 only. This provides an immediate budget for a pay policy review that would need to incorporate changes to the living wage as required.
- 4.40 The recommended option model of the strategic revenue projection provides for an additional annual increase of 0.2% above that previously planned, which is an annual uplift of 1.7%. This allows for a model that will pay an increase to all staff while allowing a small sum to be made available for any pay policy realignment. This assumes a less than 1% pay award allowing an annual sum to progress any realignment that is required. If no realignment is necessary then 1.2% is available for the pay award. This option assumes that any pay enhancement costs would be met from current service budgets and incorporates funding for the living wage increases.
- 4.41 The favourable option model assume a 1.5% increase in employee costs on the basis that a greater increase is unaffordable and should only occur where real need is identified and local savings can generate resources. This would deliver an annual increase of less than 1% for most grades excluding the living wage.

Single tier pensions

- 4.42 From the commencement of the tax year 2016/17 the government is changing the state pension arrangement. As set out in previous budgets the intention is to pay a single tier pension to all contributors.
- 4.43 At present the council's employees benefit from contributions to the local government pension scheme. Employees are therefore contracted out of some national insurance contributions.
- 4.44 Under the new arrangements this will not be the case and both employees and employers in the public sector will need to make increased national insurance contributions.
- 4.45 It is currently estimated that the council's additional contribution would be £275,000. This is a calculated figure based on the current employee establishment and is therefore used in all three models of the strategic revenue projection.

Contractual commitments

- 4.46 The council has a number of contractual arrangements such as the waste collection arrangements and the building maintenance contract. These contracts all have specific arrangements for annual uplift linked to relevant indices such as the consumer price index.
- 4.47 Additional costs arising from these contractual increases are factored into the strategic revenue projection on an annual basis. The indices used as

estimates reflect either the actual index for the previous increase or an index based on the guidance of the service manager concerned.

- 4.48 As these increases are based on past experience and professional expertise they are used in all three models of the strategic revenue projection.

Backfunded pensions

- 4.49 The financial year 2016/17 is the third and final year of the current triennial valuation of the pension fund. At the last triennial valuation the Council agreed that the additional backfunding contribution required by the valuation would be funded by an annual increase of £50,000 in the base budget. The remainder of the increase was taken from balances.
- 4.50 This decision meant that by the time of the next valuation, in 2017/18, a base budget of £1.475m would exist against a current charge of £1.558m. Given the expected future improvement in the economy by 2017/18 this sum was considered to be sufficient as a baseline for the next triennial review. The outcome of this assumption will not be certain until late in 2016 when the next triennial valuation will commence.
- 4.51 All three models assume the £50,000 planned increase for 2016/17 and therefore a contribution from balances in 2016/17. In addition the following assumptions have been made for 2017/18:
- a) For the adverse option model of the strategic revenue projection the assumption made is that the value of the council's pension fund has worsened not improved and an increase over the £1.558m estimate is required. The model adds an addition £200,000 to the 2016/17 budget of £1.475m so that 2017/18 will have a base budget of £1.675m
 - b) Based on the stability of interest rates and the continually low rate of inflation over the three year period since the last valuation, the recommended option model of the strategic revenue projection assumes a need to reach the valuer's current valuation of £1.558m this is £83,000 more than the current budget. This additional increase is required in 2017/18.

Housing benefit administration grant

- 4.52 This council was amongst the first in Kent to introduce the first stage of the universal credit roll out. This system replaces many welfare benefits with a single system and effects the way in which housing benefit will be awarded in the future. The first stage has little effect upon the council's benefits claimants as it affects only single persons in specific circumstances.
- 4.53 Longer term there will be an impact and the government has already commenced reductions in the level of administration grant. These reductions continue will over the next few years as fraud investigation is centralised under the department for works and pensions and the number of claimants that fall within the universal credit system increases.

- 4.54 The three models all make varying assumptions regarding reductions in administration grant. The adverse model assumes immediate loss of £300,000. The recommended model assumes the gradual loss of the same £300,000 over the next three years and the favourable model assumes no loss for 2016/17 then a £300,000 reduction over two years 2017/18 and 2018.

Staffing levels within Economic Development

- 4.55 The economic development service within the council has a key role to play in delivering some of the council's strategic objectives in relation to employment, skills and regeneration. Previously, the council has recognised that the service is under resourced if it is to deliver the objectives effectively.
- 4.56 Over the past two years the council has utilised the balance of the growth point grant funding to employ three additional members of staff and has, over the three year period ending 31 March 2017, increased funding within the services base budget to cover the salary costs once the balance of the growth point grant is depleted. For 2016/17 the final funding of £30,000 is required.
- 4.57 This is a previously agreed pressure and is used in all three models of the strategic revenue projection.

Summary of strategic revenue projections

- 4.58 The three strategic revenue projections given at Appendix C result in identical resource levels by 2020/21 as all three are based on similar medium term assumptions, varying only over the short term. This is because accurate medium term information is not available.
- 4.59 In providing local government with resource and policy information it is rare that central government consider further than the current information plus one year. This results in a lack of stability in budget planning in the medium term. This issue has long been debated by local government and is linked to the new devolution plans of central government. At this time it is unlikely that these plans will affect this council but a consequence may be greater awareness of central government's long term plans leading to greater accuracy in medium term financial planning.
- 4.60 The three strategic revenue projections provide the committee with information relating to the potential budget pressure for each year. This allows the required level of saving and efficiency to be calculated. This is shown in the detail in Appendix C and tabled for the three options below:

Year	Adverse £,000	Recommended £,000	Favourable £,000
2016/17	2,581	1,632	1,482
2017/18	769	791	708
2018/19	643	713	713
2019/20	56	526	476
2010/21	53	103	53

Total	4,102	3,765	3,432
--------------	--------------	--------------	--------------

Table 6: Savings and efficiency requirements from strategic revenue projections

- 4.61 Savings of between £3.4 and £4.1m are required during the period of the MTFS if one of the three models is selected. The immediate savings target to deliver a balanced budget for 2016/17 is between £1.5m and £2.6m.

CAPITAL PROGRAMME, FUNDING AND CAPITAL MTFS

- 4.62 At this time the capital programme is limited in its scope. This is due to the limitations on resources and the previously stated objective of the council to resource infrastructure work required by the local plan and infrastructure delivery plan.
- 4.63 In order to present an affordable and objective basis to plan the future capital programme, the current capital programme has been incremented by one year. This programme is set out at **APPENDIX D** and includes a further year, 2020/21, based on a continuation of the current programme of funding. The only additional resources identified are an additional year of receipts from New Homes Bonus and a forward projection of possible community infrastructure levy receipts.
- 4.64 It is necessary for the committee itself to consider the prioritised use of the resources within its service areas. One example being the use of the resources set aside for commercial projects. It will be necessary for the committee to consider options in full at its next meeting. It is also appropriate for the service committees to put forward proposals for capital schemes following their consideration of the budget.
- 4.65 Schemes and priorities identified by all committees would be evaluated in accordance with the current MTFS criteria and following final approval from this committee held awaiting the identification of capital resources.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 This report is the commencement stage of the development of the MTFS and the budget for 2016/17. From this report information will be provided to each service committee for consideration and referral back to this committee. Once a strategic revenue projection and MTFS has been approved in draft, public consultation will commence.
- 5.2 This committee's final opportunity to consider the MTFS and feedback from consultation and other committees' views will be the meeting in February 2016.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 This decision will be discussed with the chairman and vice-chairman of each service committee at their agenda planning meeting in order to prepare for a report on the current situation and proposals for the future.

- 6.2 Briefing sessions will be held with all interested members and officers at a service committee level during August 2015 so that discussions from these briefing sessions can be incorporated into each service committee report in September 2015.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	It is the purpose of the MTFS to allocate resources to the priorities in the strategic plan, including the allocation of resources to other plans and strategies developed to achieve those outcomes.	Head of Finance & Resources
Risk Management	<p>Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk. The MTFS is improved each year to enhance its resilience and effectiveness. The MTFS is considered by this committee, all service committees, the Audit Governance & Standards Committee and Council.</p> <p>Specific budget risks and opportunities are identified in the main body of the report, especially the consideration of the factors in the strategic revenue projection. The selection of the most appropriate strategic revenue projection and the continued monitoring of the factors included will help mitigate these risks</p>	Head of Finance & Resources
Financial	The budget strategy and the MTFS impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences from the recommendations in this report.	Head of Finance & Resources
Staffing	The process of developing the budget strategy will identify the level of resources available for staffing over the medium term.	Head of Finance & Resources

Legal	The Council has a statutory obligation to set a balanced budget and development of the MTFS and the strategic revenue projection in the ways set out in this report supports achievement of a balanced budget.	Head of Finance & Resources
Equality Impact Needs Assessment	<p>The report sets out a policy that will have a positive impact as it will enhance the lives of all members of the community through the provision of resources to core services. In addition it will affect particular groups within the community.</p> <p>It will achieve this through the focus of resources into areas of need as identified in the Council's strategic priorities.</p>	Head of Finance & Resources
Environmental/Sustainable Development		
Community Safety		
Human Rights Act		
Procurement		
Asset Management	Resources available for asset management are contained within the strategic revenue projections set out in this report.	Head of Finance & Resources

8. REPORT APPENDICES

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

- Appendix A - Summary Budget 2015/16 and Outturn 2014/15
- Appendix B - Medium Term Financial Strategy 2015/16 Onwards
- Appendix C - Strategic Revenue Projection 2016/17 Onwards (Options)
- Appendix D - Capital Programme 2015/16 Onwards

9. BACKGROUND PAPERS

None

MAIDSTONE BOROUGH COUNCIL
POLICY & RESOURCES COMMITTEE
REVENUE OUTTURN 2014/15 AND ESTIMATE 2015/16

Service Analysis	2014/15			2015/16 Estimate
	Revised Estimate	Actual Expenditure	Variance	
	£	£	£	£
Providing A Clean & Safe Environment	3,825,280	3,668,260	157,020	3,858,740
Encouraging Good Health & Wellbeing	1,569,500	2,271,568	- 702,068	1,446,910
Respecting the Character of Our Borough	853,670	886,802	- 33,132	757,130
Ensuring there are Good Leisure & Cultural Attractions	1,591,880	1,665,360	- 73,480	1,498,540
Enhancing the Appeal of the Town Centre for Everyone	15,000	8,500	6,500	15,000
Securing Improvements to the Transport Infrastructure of our Borough	615,920	461,704	154,216	635,600
Promoting a Range of Employment Opportunities & Skills Required across our Borough	374,960	350,606	24,354	251,620
Planning For Sufficient Homes To Meet Our Borough's Needs	1,292,290	1,241,350	50,940	791,240
Trading Accounts	- 3,366,460	- 3,443,382	76,922	- 3,551,960
Central & Democratic Services	14,412,850	13,257,185	1,155,665	9,274,890
Total Service Spending	21,184,890	20,367,953	816,937	14,977,710
Allowance For General Under Spend	- 97,440		- 97,440	- 250,000
Net Service Spending	21,087,450	20,367,953	719,497	14,727,710
Transfers to/from Balances	- 1,970,700	- 1,229,060	- 741,640	- 30,000
Transfers to/from Earmarked Reserves				5,435,750
Budget Requirement	19,116,750	19,138,893	- 22,143	20,133,460

**MEDIUM TERM FINANCIAL STRATEGY
REVENUE 2015/16 ONWARDS**

Index	Page
Introduction	1
Expenditure	2
Funding	4
Balances & Earmarked Reserves	7
Efficiency	8
Consultation	9
Risk Management	10

1. INTRODUCTION

- 1.1 This financial strategy form one of two strategies that aim to support the Council's corporate objectives as identified in the strategic plan 2015 - 2020. Whilst achieving this, major issues relating to resources and facing the Council in the medium term are considered where they relate to the day to day revenue activities of the Council. For issues relating to the capital programme see the strategy regarding capital.
- 1.2 Set out in the document is the revenue spending plan of the Council at a high level. The success of this plan will depend upon the resources available to the Council and the approach taken to ensure that those resources are aligned with corporate objectives and are being controlled in a way that ensures long-term stability. This is achieved through the development of the plan over a five year period.
- 1.3 Recent years have seen significant change in resources and responsibilities in the public sector. This has had a major impact on the Council's strategy that includes plans to develop ways to mitigate the risks relating to the retention of business rates. In addition the Council has developed a strategy that will focus on the opportunities available to the Council to act more commercially and generate income from appropriate assets.
- 1.4 Although this document is developed for the medium term with an outlook of five years, the Council reviews the strategy on an annual basis for the following period in order to reflect changes in circumstances which impact upon the strategy. The review is completed to coincide with the annual review of the strategic plan to enable Members and Officers to ensure changes are appropriately reflected in both documents through links to the strategic plan key outcomes.
- 1.5 This year the Council has amended its budget documentation to better link with the strategic plan by summarising the budget by the priorities listed in the strategic plan. In addition, production of this strategy, the revised budget statement and the balanced budget it facilitates support the key outcomes of the strategic plan in their own right.
- 1.6 The Council consults with a wide range of stakeholders and partners during the development period and give serious consideration to their views and responses.

2. EXPENDITURE

- 2.1 This financial strategy adopts a high-level review of the corporate objectives and budget pressures over the five-year period. This approach ensures a focus on factors that may influence the Council's stated aim to maintain working balances and ensure that they are used for specific and special activities and not to balance the budget. The strategic revenue projection assumes that the level of balances will be maintained, over the five year period, at or above the working level set annually by Cabinet.
- 2.2 Detailed proposals for dealing with financial pressures and service demand are set out in the priority based budgets in the full revenue estimate. The major pressures assumed in the strategy are set out below:

2.2.1 Pay and price inflation:

The strategic revenue projection considers the allocation for pay inflation on an annual basis. The increase must allow for any staff pay award, incremental increases earned through competence appraisal and increases in employer contributions such as national insurance or current pension costs.

Other costs are increased by a suitable inflation index balanced with the objectives of the strategy. Large elements of this cost will be tied to conditions of contracts which will specify the annual increase necessary, other costs will increase by the annual increase in an inflation index such as the consumer price index. The strategy may intentionally use levels of increase lower than these indices to enhance general efficiencies.

Table 1 below details the factors used for each year of the current strategy.

Inflation Indices	2015/16	2016/17	2017/18	2018/19	2019/20
	%	%	%	%	%
Pay Inflation	1.5	1.5	2.0	2.0	2.0
Energy (Average)	2.1	2.1	2.1	2.1	2.1
Business Rates	2.0	2.0	2.0	2.0	2.0
Contractual Commitments	3.0	3.0	3.0	3.0	3.0
Other Cost Increases	0.0	0.0	0.0	0.0	0.0
Growth £,000	471.0	476.0	435.0	527.0	456.0

[Table 1: Pay & price Indices]

2.2.2 Corporate objectives and key priorities:

In addition to these inflationary pressures the Council will develop and implement improvements to the corporate objectives identified in the strategic plan and, where significant, any local objectives identified in service plans. This may place additional pressure on the revenue budget.

The financial projection will also provide, where necessary, resources for national statutory responsibilities where these are to be provided locally.

Table 2 below identifies the links between the financial projection and key objectives.

Strategic Issue	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
Single Tier Pension Arrangments		275			
Economic Development Staffing	30	30			
Economic Development Strategy	266				
Business Support Provision	868				
Housing Temporary Accommodation	160				
Future Pressures				50	50

[Table 2: Strategic Issues, links to other documents]

3. **FUNDING**

3.1 During the period since the spending review in 2010 the Government has completed a review of local Government finance and revised the system of formula grant and national non-domestic rates. From 1 April 2013 a system that enables the retention of part of the business rates collected by the Council brought significant risk to the level of funding available to the Council from revenue support grant and business rates.

3.2 The SRP assumes that the Council will make every effort to maximise resources this includes retained business rates, council tax yields and locally derived income.

- In order to maximise potential income from business rates growth the Council has developed a business rates pool in partnership with Kent County Council. The pool will enter its second year in 2015/16 increasing to cover the majority of Kent Councils and the strategy estimates significant income from this source;
- In order to maximise yield from council tax the council has increased its fraud work and is involved in the development of Kent wide fraud arrangements;
- In order to maximise its locally derived income the Council has introduced some commercial activities and is developing more.

3.3 Other grants and funding from government and public sector organisations is reducing and the Council does not place long term reliance on this source of income. Where the financial projection includes the use of fixed term grant or other time limited income sources the relevant Cabinet Member and senior officer are responsible for preparing and acting on suitable exit strategies at the end of the fixed term.

3.4 Government Grant:

Under the current system the finance settlement for 2015/16 is rolled forward from the previous year's settlement after adjustments only for new government initiatives and policy. The Government has confirmed the level of revenue support grant and the business rates baseline need for 2015/16 and indicative figures have been provided for 2015/16, these are given in Table 3 below. The grant continues to reduce from the levels received in prior years.

The Chancellor of the Exchequer confirmed in his Autumn Statement 2014 that reductions in Government funding will continue for the forthcoming parliament following the 2015 election. Reductions, greater than those experienced by local Government since 2010, are currently predicted during the next parliament.

Other grants received from the Government are similarly under threat

from the effects of the Government's strategy to reduce public sector expenditure. The strategy will assume future grant aid is likely to be at risk and will assume cash frozen values where no information to the contrary is available.

3.5 Retained Business Rates

As a result of the local government finance review which commenced in 2010, the Council now retains a part of the business rates it collects locally. In providing for the retention in this way the Government has passed on to the Council the risk related to the overall levels of business rates collected. Using a system of baseline funding levels, support for significant reductions and sharing of any increase the system ensures gains and losses that are experienced by the Council are limited but not negated.

The baseline funding level for this Council is £2.9m in 2015/16, which is a 2% increase over the previous year. Expected levels of income would provide the Council with significantly more income than that at £4.1m. This is a consequence of growth within the business rates system and the protective benefits of being a member of the Kent Business Rates Pool.

There remain significant risks to the Council:

- a) The business rates figure is estimated, based on the known factors and current records as at 31 December 2014. The prediction of the events that will occur between April 2015 and March 2016 is difficult and the system has only operated one year nine months providing little historic knowledge or trends on which to base future projections.
- b) The system requires the Council to reimburse successful rating appeals including backdated refunds to before the current system existed.

The strategy recommends that business rates growth is not utilised within year. This enables final confirmation after the values have been confirmed at the year end. The strategy also assumes resources to maintain a provision against loss will be retained from the overall business rates income.

3.6 Council Tax

The Council has a responsive approach to the level of Council Tax and will set this at an appropriate level commensurate with the needs of the strategic plan. In recent years it has set a small increase below CPI inflation levels and remains flexible on the level of increase for future years. The increase is set by the Council's ability to otherwise set a balanced budget.

The Council must consider the need to set a balanced budget that enables it to provide the services required by its customers. The significant risks facing the future financial stability of the Council have been considered along with the strategic revenue projection's assessment of the future reductions in resource levels that have been predicted to follow the next spending review. The strategy assumes an annual Council Tax increase of 1.99% in order to improve resource stability over the period.

In addition the Council has considered the levels of exemptions from Council Tax, for which it has flexibility, with the intention of improving the yield from Council Tax other than through the increase in the charge. This has meant local reductions in the period or level of some exemptions available in the borough.

3.7 Fees & Charges

The Council has a policy on the development of fees and charges that fall within its control. This policy ensures that an evaluation of market forces and links to either the strategic plan or service plans are drivers of change in price. This means that any increases in this funding source will be identified through each portfolio's detailed budget preparation work.

For 2014/15 all fees and charges collected by the Council were considered by Cabinet and a range of increases were set in line with the policy statement. Although the increase in each charge was considered and set appropriately for its individual circumstance, the overall position created a 1% increase in expected income.

The tables 3 and 4 below show the expected level of resources for each year of the strategy and any pressures that will affect the level income or its collection.

Strategic Issue	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
Revenue Support Grant	2,267	1,463	922	420	-
Retained Business Rates	2,959	3,018	3,078	3,140	3,203
Business Rates Growth	1,176	1,186	1,196	1,206	1,216
Council Tax	13,731	13,765	14,109	14,462	14,824
Other Income (incl. Fees & Charges)	14,214	14,414	14,614	14,814	15,014

[Table 3: Resource and income levels]

Strategic Issue	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
Loss Of Administration Grant	150		100		

[Table 4: Strategic Issues, links to other documents]

4. **BALANCES & EARMARKED RESERVES**

- 4.1 The Council holds a series of balances and reserves in order to provide financial stability and protection from unforeseen circumstances or events. In setting the level of these balances and reserves an assessment is made of the potential risks and opportunities that could reduce or enhance those balances.
- 4.2 Revenue balances at 1 April 2014 totalled £13.51m and it is estimated that this balance will be £4.52m by 31 March 2015.
- 4.3 The major items reducing the balance are approved budget carry forwards of £7.62m from 2013/14 resources into 2014/15 for prior agreed purposes and a reserve of £0.83m set aside to resource the known deficit on the business rates at 31 March 2014.
- 4.4 The Government's intention is to continue to reduce resources available to local Government and the Council will continue to set a balanced budget by identifying savings and efficiencies. As far as possible this will be completed as need arises but it may continue to be successfully completed in advance. While the Council does not expect underspends as significant as those seen in 2011/12 it will plan for the potential to underspend from savings delivered in advance of identified need.
- 4.5 During the development of this strategy Cabinet considered a recommendation from the Council's external auditor regarding the maintenance of earmarked reserves and agreed that in four circumstances this would be appropriate. The estimated value of earmarked reserves for each year end is set out below.

Reserve	31/03/2014 £,000	31/03/2015 £,000	31/03/2016 £,000
Capital Support	10256	7773	3847
Local Plan	540	0	320
Business Rates Reserve	0	0	868
Trading Accounts	179	179	179

[Table 5: Earmarked Reserves]

- 4.6 Excluding these earmarked reserves general balances are estimated to be at £4.5m by 31 March 2016 and allocations also exist of a further £1.4m identified by purpose.

	31/03/2014	31/03/2015	30/03/2016
Balances	£,000	£,000	£,000
Unallocated General Fund	13,508	4,520	4,470
Asset Replacement	167	167	167
Planning Management	-	200	200
Commercialisation	500	500	500
Invest to Save	542	582	582
Grand Totals	14,717	5,969	5,919

[Table 6: General Balances]

5. Efficiency

- 5.1 The Council's strategic plan recognises value for money as underpinning the delivery of its priorities. This theme runs through service plans and by this the Council's approach to efficiency is integrated in to all decision making.
- 5.2 The Council uses a number of measures to identify locations to achieve efficiency and gauge success. These include:
- a) Peer review and peer challenge.
 - b) Benchmarking to measure unit cost and performance, comparing these over time and across similar councils throughout the country.
 - c) Other benchmarking exercises undertaken by local managers to challenge service delivery in their own area.
 - d) The identification of efficiency targets that match the Council's need over the period of this medium term financial strategy.
- 5.3 Efficiency proposals are carefully measured for effect upon capacity, acceptable levels of service, quality standards, and the potential of shared service provision. All efficiency proposals consider the effect of fixed costs and the effect on the base financial standing of the Council and the opportunity for reinvestment of gains into priority services or toward achievement of corporate objectives.
- 5.4 The adoption of efficiency and VFM as part of this strategy helps to ensure that the strategic revenue projection will remain within available resources.
- 5.5 The strategic revenue projection identifies the need for savings to make a balanced budget, which must be considered in line with the development of efficiency savings. Table 7 below details the required saving for each year, based on the factors used in the financial projection, and the percentage of net revenue spend the given saving represents.

Strategic Projection	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
Annual Savings Target	652	1282	462	454	291
Percentage of Net Revenue Expenditure	3.1%	6.2%	2.3%	2.3%	1.5%

[Table 7: Annual savings requirement]

- 5.6 The Council has required the savings target to be met in the medium term and at this time proposals are in place to provide efficiency and savings to support the requirement through to 2016/17. The Council is continuing to develop long term proposals to ensure the future risk is mitigated at the earliest time.

6. CONSULTATION

- 6.1 The Council has a co-ordinated approach to consultation on the budget process. To this end a programme has been proposed that ensures the focus of annual consultations avoids the review of similar themes and builds a body of opinion.
- 6.2 The Council consults annually on this strategy and the proposed budget for the forthcoming year. The intention of the consultation is to both inform and be informed by local residents, businesses and stakeholders.
- 6.3 In recent years the consultation has considered the level of Council tax increase acceptable and the service areas where reductions should occur, the elasticity of demand for services provided by the Council with a related fee and for this strategy the consultation focused on the long term factors faced by the Council due to the current economic climate and the relative importance residents place on a range of discretionary services provided by the Council.
- 6.4 For 2015/16 the Council produced a new strategic plan and consultation matched the budget to the strategic priorities.

7. RISK MANAGEMENT

- 7.1 In outlining the resources available to the Council and the focus of those resources on the strategic priorities, this strategy must consider the barriers to achieving the resource levels assumed by the budget.
- 7.2 A full risk assessment of the strategy has been completed and forms part of the operational risk assessment of the services provided by the Head of Finance and Customer services.
- 7.3 Twelve major risk areas have been identified and action plans have been developed for each. The twelve areas are as follows:
- 1) The level of balances;
 - 2) Inflation allowances;
 - 3) National strategy;
 - 4) Limitations on Council Tax increases;
 - 5) Fees and charges;
 - 6) Commercial Activity;
 - 7) Capital financing;
 - 8) Horizon scanning;
 - 9) Delivery of efficiency;
 - 10) Collection Fund, collection rates;
 - 11) Business Rates pooling;
 - 12) Medium Term Strategy.

MEDIUM TERM FINANCIAL STRATEGY

CAPITAL 2015/16 ONWARDS

Index	Page
Introduction	1
Programme	2
Funding	4

1. INTRODUCTION

- 1.1 This financial strategy forms one of two financial strategies that aim to support the Council's corporate objectives as identified in the strategic plan 2015 – 2020. Whilst achieving this, major issues relating to resources and facing the Council in the medium term are considered where they relate to the capital programme. For issues relating to the Council's day to day activities see the strategy regarding revenue.
- 1.2 Set out in this document is an overview of the capital plans of the Council and the criteria by which such plans are developed and approved. The success of the programme is dependent upon the Council's ability to generate the resources required and ###
- 1.3 Although this document is developed for the medium term with an outlook of five years, the Council reviews the programme on an ongoing basis and consider its effectiveness formally each quarter. Changes are linked to the priorities of the strategic plan through the process of scheme approval as set out in this document.
- 1.4 This strategy is in compliance with the guidance set out in the Prudential Code. This code of practice is published by the Chartered Institute of Public Finance and Accountancy and covers the full range of capital planning. Compliance with the code is a statutory requirement and the Council's MTFS has been developed to ensure compliance. In summary the relevant objectives of the code are:
 - a) To ensure within a clear framework that capital expenditure plans are affordable, prudent and sustainable;
 - b) That treasury management decisions are taken in accordance with good professional practice;
 - c) That local strategic planning, asset management planning and proper option appraisal are supported; and
 - d) To provide a clear and transparent framework to ensure accountability.

2. PROGRAMME

- 2.1 The strategy for the capital programme requires consideration at two levels, the overall programme and the scheme specifics.
- 2.2 The overall programme is considered in terms of the prudential borrowing principles of sustainability, affordability and prudence. At the overall programme level the relative priority of schemes, as they enhance the provision of corporate or service based objectives is also considered.
- 2.3 The inclusion of specific capital schemes within the overall programme requires an assessment, at the scheme specifics level, that is based on affordability in revenue and capital terms, including the whole life cost, project timeline and risk assessment.
- 2.4 Schemes will be assessed using three approaches:
 - a) Where schemes fit within a specific strategy and resources are available for that strategy within the capital programme the scheme would be subject to appraisal and prioritisation against the objectives of that strategy and approved by the relevant cabinet Member;
 - b) Where schemes can be demonstrated to be commercial in nature and require the use of prudential borrowing, a business case must be presented to the Property Investment Advisory Panel. These proposals will receive final approval from the Property Investment Cabinet Committee;
 - c) Where schemes do not fit within the criteria above but an appropriate option appraisal has been completed the budget working group of the Strategic Leadership & Corporate Services Overview and Scrutiny Committee considers schemes against the priorities below.
- 2.5 Prioritisation of schemes will occur in the following order:
 - a) For statutory reasons;
 - b) Fully or partly self-funded schemes with a focus on priority outcomes;
 - c) Other schemes with a focus on priority outcomes;
 - d) Maintenance / Improvement of property portfolio not linked to priority outcomes;
 - e) Other non-priority schemes with a significant funding gearing.

APPENDIX B

- 2.6 The Council sees significant need for capital investment in the future. Not only those schemes currently in the capital programme but the infrastructure schemes required for the housing and business growth that is required to meet the needs of the growing population of the borough. In the main it is expected that those schemes will be funded directly from the benefits gained from development however viability assessments of expected development suggests that there will be a funding gap. The Council must prepare itself to support that infrastructure need in order to deliver its strategic priorities.
- 2.7 In addition the Council is constantly focused on the need for efficiency in the use of resources and the delivery of services. It is aware of the need to diversify the sources of income obtained outside of the reducing support from central Government. One aspect of this is to take a commercial approach to the provision of services that have displayed increased demand and higher cost over the last five years. As this may require capital investment the Council has agreed to allow borrowing to achieve this objective subject to:
- a) A business case and successful implementation of savings that cover the cost of borrowing; and
 - b) Ensuring the principles set out in 1.4 and 3.4 are met.
- 2.8 The programme for the period 2014/15 to 2018/19 currently focuses on a series of projects providing investment in the property assets and core funding for affordable housing and the commencement of the commercial approach to services. At this time Council is developing its response to infrastructure need as set out in 3.5 and this is included in the capital programme at the level of scheme type.
- 2.9 The capital programme is a five year programme and Table 1 below summarises the programme by portfolio:

TABLE 1: SUMMARY CAPITAL PROGRAMME.

Estimate 2014/15 £	CAPITAL PROGRAMME SUMMARY	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
	PORTFOLIO					
3,363,510	COMMUNITY & LEISURE	2,093,000	1,930,000	1,940,000	1,940,000	1,350,000
450,880	CORPORATE SERVICES	350,000	350,000	350,000	350,000	350,000
3,376,210	ECONOMIC & COMMERCIAL DEVELOPMENT	4,335,370	3,120,370	0	0	0
47,490	ENVIRONMENT	0	0	0	0	0
223,200	PLANNING, TRANSPORT & DEVELOPMENT	50,000	6,323,720	1,930,360	1,930,360	3,041,130
7,461,290	GRAND TOTAL - ALL PORTFOLIOS	6,828,370	11,724,090	4,220,360	4,220,360	4,741,130

3. FUNDING

- 3.1 The medium term financial strategy takes a flexible approach to funding the capital programme, as resources from capital receipts have become uncertain the Council has provided support to maintain core asset management programmes. In addition priority schemes commence only when funding is available.
- 3.2 The Council's main source of funding for the capital programme over recent years has been from new homes bonus. The funding stream is identifiable in value over a period of six years but has an uncertain future. As a prudent use of this money the Council has supported its capital programme and not the deferral of financial savings required in the revenue budget.
- 3.3 In the past the programme benefited from major receipts from the sale of assets. The Council no longer holds many surplus assets of significant value that are surplus to operational need. As a result, the funding from capital receipts has reduced to the sale of small assets that can be identified as surplus.
- 3.4 In 2012/13 the Council approved the use of prudential borrowing for the following activities:
- a) acquisition of commercial property;
 - b) acquisition of property to alleviate homelessness; and
 - c) action to enable stalled development to progress
- 3.5 Use of prudential borrowing is subject to an approved business case that evidences a benefit above that required to repay any debt over the life of the commercial activity. The additional benefit may be financial or non-financial but must directly or indirectly supports the objectives of the strategic plan.
- 3.6 The programme now includes an assessment of likely receipts from developer contributions. These may arise in future from the community infrastructure levy or at present from section 106 agreements with developers.
- 3.7 Due to the uncertainty of future funding it is essential that the Council maintains the principle of prior funding of schemes. Although commitment to a scheme is given by its inclusion in the programme, this strategy requires that funding is identified in advance of formal commencement of work. The quarterly monitoring of the capital

APPENDIX B

programme enables Cabinet to take effective decisions based on current levels of funding before major projects commence.

3.8 Table 2 below identifies the current funding assumptions:

TABLE 2: CAPITAL PROGRAMME FUNDING

Estimate 2014/15 £	CAPITAL PROGRAMME SUMMARY	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
	RESOURCES					
10,256,210	REVENUE CONTRIBUTION	3,826,280	3,117,000	2,899,800	2,899,800	1,926,000
450,000	CAPITAL GRANTS	450,000	450,000	450,000	450,000	450,000
702,720	CAPITAL RECEIPTS	0	0	0	0	0
0	PRUDENTIAL BORROWING	2,451,490	3,548,510	0	0	0
0	DEVELOPER CONTRIBUTIONS	0	761,540	870,560	870,560	2,365,130
11,408,930	GRAND TOTAL - ALL RESOURCES	6,727,770	7,877,050	4,220,360	4,220,360	4,741,130

ADVERSE RESOURCE ASSUMPTIONS

**BUDGET STRATEGY 2016/17 ONWARDS
REVISED STRATEGIC REVENUE PROJECTION**

2015/16 £,000		2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
AVAILABLE FINANCE						
2,267	REVENUE SUPPORT GRANT	1,134	582	0	0	0
2,959	RETAINED BUSINESS RATES	3,018	3,078	3,140	3,203	3,267
1,176	BUSINESS RATES GROWTH AND POOL	1,186	1,196	1,206	1,216	1,226
6,402		5,338	4,856	4,346	4,419	4,493
302	COLLECTION FUND ADJUSTMENT					
13,429	COUNCIL TAX	13,765	14,109	14,462	14,824	15,193
20,133	BUDGET REQUIREMENT	19,103	18,965	18,808	19,243	19,686
14,214	OTHER INCOME	14,214	14,214	14,214	14,214	14,214
34,347	TOTAL RESOURCES AVAILABLE	33,317	33,179	33,022	33,457	33,900

EXPECTED SERVICE SPEND						
33,054	CURRENT SPEND	34,347	33,317	33,179	33,022	33,457
	INFLATION INCREASES					
421	PAY AND INFLATION INCREASES	896	431	436	441	446
	NATIONAL INITIATIVES					
150	LOSS OF ADMINISTRATION GRANT	300				
50	PENSION DEFICIT FUNDING	50	200			
	SINGLE TIER PENSION ARRANGMENTS	275				
	LOCAL PRIORITIES					
30	ECONOMIC DEVELOPMENT STAFFING	30				
266	ECONOMIC DEVELOPMENT STRATEGY					
868	BUSINESS SUPPORT PROVISION					
160	HOUSING TEMPORARY ACCOMMODATION					
	MINOR INITIATIVES					
	GROWTH PROVISION			50	50	50
34,999	TOTAL PREDICTED REQUIREMENT	35,898	33,948	33,665	33,513	33,953

652	ANNUAL SAVINGS TARGET	2,581	769	643	56	53
------------	------------------------------	--------------	------------	------------	-----------	-----------

RECOMMENDED RESOURCE ASSUMPTIONS

**BUDGET STRATEGY 2015/16 ONWARDS
REVISED STRATEGIC REVENUE PROJECTION**

2015/16 £,000		2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
AVAILABLE FINANCE						
2,267	REVENUE SUPPORT GRANT	1,463	922	420	0	0
2,959	RETAINED BUSINESS RATES	3,018	3,078	3,140	3,203	3,267
1,176	BUSINESS RATES GROWTH AND POOL	1,186	1,196	1,206	1,216	1,226
6,402		5,667	5,196	4,766	4,419	4,493
302	COLLECTION FUND ADJUSTMENT					
13,429	COUNCIL TAX	13,765	14,109	14,462	14,824	15,193
20,133	BUDGET REQUIREMENT	19,432	19,305	19,228	19,243	19,686
14,214	OTHER INCOME	14,214	14,214	14,214	14,214	14,214
34,347	TOTAL RESOURCES AVAILABLE	33,646	33,519	33,442	33,457	33,900

EXPECTED SERVICE SPEND						
33,054	CURRENT SPEND	34,347	33,646	33,519	33,442	33,457
	INFLATION INCREASES					
421	PAY AND INFLATION INCREASES	476	481	486	491	496
	NATIONAL INITIATIVES					
150	LOSS OF ADMINISTRATION GRANT	100	100	100		
50	PENSION DEFICIT FUNDING	50	83			
	SINGLE TIER PENSION ARRANGMENTS	275				
	LOCAL PRIORITIES					
30	ECONOMIC DEVELOPMENT STAFFING	30				
266	ECONOMIC DEVELOPMENT STRATEGY					
868	BUSINESS SUPPORT PROVISION					
160	HOUSING TEMPORARY ACCOMMODATION					
	MINOR INITIATIVES					
	GROWTH PROVISION			50	50	50
34,999	TOTAL PREDICTED REQUIREMENT	35,278	34,310	34,155	33,983	34,003

652	ANNUAL SAVINGS TARGET	1,632	791	713	526	103
------------	------------------------------	--------------	------------	------------	------------	------------

FAVOURABLE RESOURCE ASSUMPTIONS

**BUDGET STRATEGY 2015/16 ONWARDS
REVISED STRATEGIC REVENUE PROJECTION**

2015/16 £,000		2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
AVAILABLE FINANCE						
2,267	REVENUE SUPPORT GRANT	1,463	922	420	0	0
2,959	RETAINED BUSINESS RATES	3,018	3,078	3,140	3,203	3,267
1,176	BUSINESS RATES GROWTH AND POOL	1,186	1,196	1,206	1,216	1,226
6,402		5,667	5,196	4,766	4,419	4,493
302	COLLECTION FUND ADJUSTMENT					
13,429	COUNCIL TAX	13,765	14,109	14,462	14,824	15,193
20,133	BUDGET REQUIREMENT	19,432	19,305	19,228	19,243	19,686
14,214	OTHER INCOME	14,214	14,214	14,214	14,214	14,214
34,347	TOTAL RESOURCES AVAILABLE	33,646	33,519	33,442	33,457	33,900

EXPECTED SERVICE SPEND						
33,054	CURRENT SPEND	34,347	33,646	33,519	33,442	33,457
	INFLATION INCREASES					
421	PAY AND INFLATION INCREASES	426	431	436	441	446
	NATIONAL INITIATIVES					
150	LOSS OF ADMINISTRATION GRANT		150	150		
50	PENSION DEFICIT FUNDING	50				
	SINGLE TIER PENSION ARRANGMENTS	275				
	LOCAL PRIORITIES					
30	ECONOMIC DEVELOPMENT STAFFING	30				
266	ECONOMIC DEVELOPMENT STRATEGY					
868	BUSINESS SUPPORT PROVISION					
160	HOUSING TEMPORARY ACCOMMODATION					
	MINOR INITIATIVES					
	GROWTH PROVISION			50	50	50
34,999	TOTAL PREDICTED REQUIREMENT	35,128	34,227	34,155	33,933	33,953

652	ANNUAL SAVINGS TARGET	1,482	708	713	476	53
------------	------------------------------	--------------	------------	------------	------------	-----------

MAIDSTONE BOROUGH COUNCIL

POLICY RESOURCES COMMITTEE

SUMMARY

DRAFT CAPITAL PROGRAMME

Estimate 2014/15 £	CAPITAL PROGRAMME SUMMARY	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
EXPENDITURE						
1,100	PROVIDING A CLEAN & SAFE ENVIRONMENT	0	0	0	0	0
10,600	ENCOURAGING GOOD HEALTH & WELLBEING	0	0	0	0	0
849,750	ENSURING THERE ARE GOOD LEISURE AND CULTURAL ATTRACTIONS	580,000	590,000	0	0	0
334,470	ENHANCING THE APPEAL OF THE TOWN CENTRE FOR EVERYONE	434,680	597,730	500,000	250,000	0
554,900	SECURING IMPROVEMENTS TO THE TRANSPORT INFRASTRUCTURE OF OUR BOROUGH	5,389,040	1,332,630	1,731,550	1,341,300	2,571,030
687,500	PROMOTING A RANGE OF EMPLOYMENT OPPORTUNITIES & SKILLS REQUIRED ACROSS OUR BOROUGH	0	0	0	0	0
3,566,800	PLANNING FOR SUFFICIENT HOMES TO MEET OUR BOROUGH'S NEEDS	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
4,036,900	TRADING ACCOUNTS	3,120,370	0	0	0	0
373,700	CORPORATE & DEMOCRATIC SERVICES	350,000	350,000	350,000	350,000	350,000
10,415,720	GRAND TOTAL - ALL PORTFOLIOS	11,224,090	4,220,360	3,931,550	3,291,300	4,271,030
RESOURCES						
9,811,720	EARMARKED RESERVES	4,774,090	3,008,820	2,720,010	1,970,740	1,455,900
450,000	CAPITAL GRANTS	450,000	450,000	450,000	450,000	450,000
154,000	CAPITAL RECEIPTS	0	0	0	0	0
0	PRUDENTIAL BORROWING	6,000,000	0	0	0	0
0	DEVELOPER CONTRIBUTIONS	0	761,540	761,540	870,560	2,365,130
10,415,720	GRAND TOTAL - ALL RESOURCES	11,224,090	4,220,360	3,931,550	3,291,300	4,271,030

Estimate 2014/15 £	NET FUNDING	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
10,415,720	RESOURCES AVAILABLE (CUMMULATIVE)	11,224,090	4,220,360	3,931,550	3,291,300	4,271,030
10,415,720	RESOURCES REQUIRED	11,224,090	4,220,360	3,931,550	3,291,300	4,271,030
0	BALANCE CARRIED FORWARD	0	0	0	0	0

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

Document is Restricted

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

Document is Restricted

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

Document is Restricted

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

Document is Restricted

Document is Restricted

Document is Restricted