

AGENDA

POLICY AND RESOURCES COMMITTEE MEETING



Date: Wednesday 21 October 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)

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1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members
5. Disclosures by Members and Officers

Continued Over/:

Issued on 13 October 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 of Lobbying	
7.	To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
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9.	Presentation of Petitions (if any)	
10.	Questions and answer session for members of the public (if any)	
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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.

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MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 23 SEPTEMBER 2015

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

Also Present: Councillors Mrs Gooch, Paterson and Thick

46. APOLOGIES FOR ABSENCE

Apologies were received from Councillors McKay and Naghi.

It was also noted that Councillor Garland would be late.

47. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that Councillor Harper was substituting for Councillor McKay. Councillor Vizzard was substituting for Councillor Naghi.

48. URGENT ITEMS

The Chairman indicated that she intended to take the following agenda items as urgent items -

Agenda Item 19 – Report of the Head of Policy and Communications – Resident Survey 2015 and Agenda Item 20 – Report of the Head of Planning and Development – Urgent Decision Referral from Strategic Planning, Sustainability and Transportation Committee 8/9/15: Landscapes of Local Value.

49. NOTIFICATION OF VISITING MEMBERS

Councillor Paterson indicated her wish to speak on Agenda Item 16 – Review of Careers Guidance in Maidstone

Councillor Thick indicated his wish to speak on Agenda Item 20 of the Amended Agenda – Urgent Decision Referral from Strategic Planning, Sustainability and Transportation Committee 8/9/15 – Landscapes of Local Value

Councillor Gooch reserved her right to speak on any item on the agenda.

50. DISCLOSURES BY MEMBERS AND OFFICERS

Councillors Chittenden and Mrs Stockell disclosed an interest in Agenda Item 22 of the Amended Agenda relating to a Property Acquisition. They indicated that they were Members of the Kent County Council's Property Sub-Committee.

51. DISCLOSURES OF LOBBYING

All Members stated that they had been lobbied on Agenda Item 20 of the Amended Agenda relating to the Urgent Decision Referral from Strategic Planning, Sustainability and Transport Committee 8/9/15: Landscapes of Local Value.

52. EXEMPT ITEMS

RESOLVED: That the items on Part II of the agenda be taken in private as proposed.

53. MINUTES (PART I) OF THE MEETING HELD ON 29 JULY 2015

RESOLVED: That the Minutes (Part I) of the meeting held on 29 July 2015 be approved as a correct record and signed.

54. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

55. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC (IF ANY)

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

56. REPORT OF THE HEAD OF PLANNING AND DEVELOPMENT - URGENT DECISION REFERRAL FROM STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORTATION COMMITTEE 8/9/15: LANDSCAPES OF LOCAL VALUE

The Committee considered the referral relating to the decision of the Strategic Planning Sustainability and Transportation Committee at its meeting on 8 September 2015 made in relation to Agenda Item 13: Landscapes of Local Value.

The referral set out the desired outcome as follows:-

Paragraph 5.78 to read 'The Low Weald covers a significant proportion of the countryside, in the rural southern half of the Borough. The Low Weald is recognised as having distinctive landscape features: the field patterns, many of which are medieval in character, hedgerows, stands of trees, ponds and streams and buildings of character should be protected, maintained and enhanced where appropriate. ~~The necessary protection for the area of the Low Weald outside the boundaries of the rural service~~

~~centres as defined on the policies map is provided under the criteria of policy SP5.~~

and

“Criterion 6 sentence to read: ‘The Greensand Ridge, Medway Valley, Len Valley and Loose Valley **and Low Weald**, as defined on the policies map, will be protected, maintained and enhanced where appropriate as landscapes of local value;”

There was concern that the Low Weald had been identified as a Special Landscape Area in the currently adopted Maidstone Borough Wide Local Plan 2000 and endorsed at the public inquiry into that plan and that it had been subsequently removed from the current draft Local Plan.

Officers clarified that the Low Weald had not been removed from the draft Maidstone Borough Local Plan and it did not form part of the initial Regulation 18 Consultation draft in March 2014. The reason for this was that there had been a change in Government Policy on the issue of landscape designations since the currently adopted Maidstone Borough-wide Local Plan 2000 had been adopted.

Members were reminded that in the Maidstone Borough Wide Local Plan 2000 only a proportion of the Low Weald was actually designated, largely centred on the east of the Borough, including Headcorn but not stretching as far as Staplehurst or Maidstone (with the exception of a small area immediately east of Staplehurst unconnected to any other part of the Low Weald SLA).

RESOLVED: That the desired outcome as set out in the Decision Referral be agreed, as follows:-

Paragraph 5.78 will read: The Low Weald covers a significant proportion of the countryside, in the rural southern half of the Borough. The Low Weald is recognised as having distinctive landscape features: the field patterns, many of which are medieval in character, hedgerows, stands of trees, ponds and streams and buildings of character should be protected, maintained and enhanced where appropriate.

Criterion 6 sentence will read: The Greensand Ridge, Medway Valley, Len Valley, Loose Valley and Low Weald, as defined on the policies map, will be protected, maintained and enhanced where appropriate as landscape of local value.

It was noted that the area to be included should reflect as defined currently in the Maidstone Borough Wide 2000 Local Plan proposals map.

Voting: For: 14 Against: 0 Abstentions: 0

Councillor Garland arrived part way through the debate on this item and was therefore not able to take part in the discussions or vote.

57. REPORT OF THE HEAD OF POLICY AND COMMUNICATIONS - QUARTER 1 2015/16 CUSTOMER FEEDBACK REPORT

The Committee considered the report of the Head of Policy and Communications which provided a summary of the number of complaints and compliments received by the Council for Quarter 1 2015-16. It was noted that although there had been an increase in the number of complaints received compared to Quarter 4 of 2014/15, there was a significant decrease of 63% compared to the same quarter of 2014/15.

In response to questions from Members, the Policy and Information Manager confirmed that:

- * The Ombudsman does not provide figures relating to the number of complaints referred to them until the end of the municipal year and this is then reported in the Quarter 4 Customer Feedback to this Committee.
- * Officers will look at Streetlife and any other social media feeds where issues relating to Maidstone are mentioned.
- * A recruitment exercise is taking place to recruit more Planning Officers. Two senior members of staff have recently been appointed to handle planning applications and support the planning team.

RESOLVED: That the Quarter 1 Customer Feedback be noted.

Voting: For: 15 Against: 0 Abstentions: 0

58. REPORT OF THE HEAD OF POLICY AND COMMUNICATIONS - CORPORATE IMPROVEMENT PLAN - 2014/15 PROGRESS UPDATE

The Committee considered the report of the Head of Policy and Communications which set out the new Corporate Improvement Plan framework for 2015-20 and provided a status update on the work streams and projects in the Corporate Improvement Plan October 2014 – March 2015.

In response to questions from Members, the Chief Executive confirmed that:-

- * management take all reasonable steps to ensure staff do not feel overwhelmed by a heavy workload by ensuring that there was effective staff engagement, planning of workloads and support from Line Managers.
- * the 360° appraisal system for senior managers has proved to be very useful in helping to identify the strengths of those individuals and for others to let them know what they feel their strengths are and to identify any areas for development.
- * there are various mechanisms in place to monitor and deal with stress in the workplace, this can be picked up through appraisals and mid-term

appraisals, dependant on the type of work carried out, through regular one to one meetings with the Line Manager and if they feel they want to take it further, through Senior Managers or Human Resources. They may prefer to go down other routes such as the occupational health or in rare occasions through the whistle blowing charter.

In response to a question from a Member, the Head of Finance and Resources confirmed that he would speak to the Member outside the meeting to explain why there were amber scorings against a few of the Property Services related performance indicators.

RESOLVED:

- 1) That the new corporate improvement framework be approved; and
- 2) That the status of items on the former Corporate Improvement Plan 2014-17 be noted.

Voting: For: 15 Against: 0 Abstentions: 0

59. **REPORT OF THE HEAD OF POLICY AND COMMUNICATIONS - CORPORATE PLANNING TIMETABLE**

The Committee considered the report of the Head of Policy and Communications which set out a proposed approach to refreshing the current Strategic Plan and undertaking budget consultation as part of a corporate planning timetable.

RESOLVED: That the timetable for refreshing the Strategic Plan and the creation of the Medium Term Financial Strategy be agreed.

Voting: For: 15 Against: 0 Abstentions: 0

60. **REPORT OF THE HEAD OF POLICY AND COMMUNICATIONS - STRATEGIC PLAN PERFORMANCE UPDATE - QUARTER 1 2015/16**

The Committee considered the report of the Head of Policy and Communications in which Members were asked to review the progress of key strategies, plans and performance indicators that support the delivery of the Council's Strategic Plan 2015-20.

RESOLVED:

- 1) That the position of the quarterly key performance indicators (KPIs) and updates on key strategies that support the Strategic Plan 2015-20 as set out in Appendix A to the report of the Head of Policy and Communications be noted; and
- 2) That there were no areas identified where actions to improve performance would be appropriate.

Voting: For: 15 Against: 0 Abstentions: 0

61. REPORT OF THE HEAD OF FINANCE AND RESOURCES - FIRST QUARTER BUDGET MONITORING 2015/16

The Committee considered the report of the Head of Finance and Resources which set out the current position with regards to both revenue and capital expenditure against the approved budgets, and also included sections on Collection Fund performance and Treasury Management performance.

Members felt that the revenue and expenditure from Mote Park should be categorised under Mote Park Operation; Parking Charges; and Cafeteria. Officers undertook to produce a memorandum account to make this clearer.

RESOLVED:

- 1) That a working group of the full Committee (or Substitutes) be established which would be supported by officers to identify robust and deliverable savings proposals;
- 2) That the revenue budget position at the end of the first quarter and the action proposed or being taken by each service committee as set out in table 2, paragraph 2.14 of the report of the Head of Finance and Resources be noted;
- 3) That the proposed slippage in the capital programme of £2,875,985 into 2016/17 as detailed in paragraph 2.19 of the report of the Head of Finance and Resources be approved;
- 4) That the performance of the collection fund and the estimated level of balances at the year end be noted;
- 5) That the performance in relation to the treasury management strategy for the first quarter of 2015/16 be noted; and
- 6) That Officers produce a memorandum account for Mote Park.

Voting: For: 11 Against: 3 Abstention: 1

Councillor McLoughlin left the meeting after this item was discussed.

62. REPORT OF THE HEAD OF FINANCE AND RESOURCES - REVIEW OF CAREERS GUIDANCE IN MAIDSTONE

The Committee considered the report of the Head of Finance and Resources which contained recommendations made by the Economic and Commercial Development Overview and Scrutiny Committee which reflected the findings of its review of Careers Guidance in Maidstone as undertaken in May 2015.

RESOLVED:

- 1) That Officers be requested to report back, as appropriate, to the relevant service committee for each recommendation as set out in the report of the Head of Finance and Resources on the possible actions that officers can take within current resource levels; and
- 2) That a copy of the review is circulated to all those organisations who participated, including Kent County Council as the Education Authority.

Voting: For: 14 Against: 0 Abstentions: 0

63. **REPORT OF THE HEAD OF MID KENT REVENUES AND BENEFITS - FRAUD INVESTIGATION TEAM**

The Committee considered the report of the Head of Revenues and Benefits Shared Services which set out a proposal for joint funding for a dedicated team of fraud investigators.

Councillor Ross declared an interest in this item as he both prosecuted and defended clients in relation to benefit fraud in parts of Kent other than Maidstone. It was noted that as this report related to a principle of the way this Council wanted to move forward, it would not preclude him from participating in the debate and vote.

RESOLVED:

- 1) That subject to the agreement of Kent County Council, Tunbridge Wells and Swale Borough Councils, the continuation of a Counter Fraud Team to reduce the level of customer fraud and error in relation to council tax and business rates be approved;
- 2) That the Head of Revenues and Benefits Shared Service be authorised to make the necessary operational arrangements as set out in the report of the Head of Revenues and Benefits Shared Service;
- 3) That authority be delegated to the Director of Environment and Shared Services to negotiate and subject to reaching satisfactory terms, enter into a collaboration agreement with Kent County Council, Tunbridge Wells and Swale Borough Councils for the continued delivery of Counter Fraud Service for council tax and business rates; and
- 4) That a review of the service be undertaken in 18 months with a further report to be provided to the Committee detailing the impact of the service on Fraud and Error.

Voting: For: 14 Against: 0 Abstentions: 0

64. REPORT OF THE CHIEF EXECUTIVE - CREATION OF POLICY AND RESOURCES SUB-COMMITTEE

The Committee considered the report of the Chief Executive which set out options to manage decision making on all issues relating to the Mid Kent Improvement Partnership (MKIP) and Mid Kent Services (MKS).

RESOLVED: That the whole of the Policy and Resources Committee (or Substitutes) will decide the Maidstone Borough Council position on MKIP and MKS issues and will participate in any simultaneous decision making meetings with partner authorities.

Voting: For: 14 Against: 0 Abstentions: 0

65. REPORT OF THE HEAD OF POLICY AND COMMUNICATIONS - RESIDENT SURVEY 2015

The Committee considered the report of the Head of Policy and Communications which related to the draft resident survey 2015 and made a proposal to combine the budget consultation with the resident survey to minimise cost.

Following a Member's question on how groups with special needs are reached, the Head of Finance and Resources stated that this was an issue that would be determined by the company commissioned to do the survey but he undertook to ensure Members were appraised of this in due course.

RESOLVED:

- 1) That the merging of the budget consultation and resident survey to minimise cost be agreed; and
- 2) That the draft Resident Survey 2015 be approved.

Voting: For: 14 Against: 0 Abstentions: 0

PART II

67. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information for the reason specified having applied the Public Interest Test:

Head of Schedule 12A and Brief Description

Minutes (Part II) of the meeting held on 29 July 2015

Para 1 – Info re an individual

Para 3 – Info re financial/business affairs

Report of the Director of Planning and Development – Property Acquisition

Para 3 – Info re financial/business affairs

68. MINUTES (PART II) OF THE MEETING HELD ON 29 JULY 2015

RESOLVED: That the Minutes (Part II) of the meeting held on 29 July 2015 be approved as a correct record and signed.

69. LONG MEETING

Prior to 10.30 p.m., following consideration of the Minutes (Part II) of the meeting held on 29 July 2015, the Committee considered whether to adjourn at 10.30 p.m. or to continue until 11.00 p.m. if necessary.

RESOLVED: That the meeting should continue until 11.00 p.m. if necessary.

70. REPORT OF THE DIRECTOR OF PLANNING AND DEVELOPMENT - PROPERTY ACQUISITION

The Committee considered the exempt report of the Director of Planning and Development which sought approval to complete the joint acquisition of a site and to progress the master planning and comprehensive development of this site, together with adjoining land in line with the policies contained in the emerging draft Maidstone Local Plan and the Borough Council's ambitions to create a viable high quality and vibrant mixed use development which enhances the town centre.

Councillors Chittenden and Mrs Stockell declared an interest in this item as they were both Members of the KCC's Property Sub-Committee.

Members were appraised of both the short, medium and long term proposals for the site.

Progress to date has included:-

- Draft Heads of Terms of a property contract for the joint acquisition of the site have been agreed with conditions to protect both parties position.
- A Collaboration Agreement between the two parties which will govern how we will work together on a mutual basis to secure acquisition, undertake appropriate feasibility and planning studies, manage the development process including working with third parties.
- Site analysis and investigation – commercial due diligence on the site taking place, including a General Condition Survey (a Photographic Schedule of Condition), Structural Condition Survey, Ground Condition and Environmental Survey to ensure that a

detailed report covering any liabilities are understood and can be factored into the final negotiations.

- Business Case and Development Appraisal – work has also progressed on the business case for the acquisition of the site. This is important to both authorities as public bodies and as such the acquisition includes a green book appraisal.

RESOLVED:

- 1) That the proposed Heads of Terms as set out in Appendix 2 of the exempt report of the Director of Planning and Development for a joint acquisition be agreed;
- 2) That the key principles of the draft collaboration agreement as set out in paragraphs 4.5 to 4.9 of the exempt report of the Director of Planning and Development which governs how the joint owners will share responsibilities, risks and rewards in acquiring, managing, planning and developing the site be agreed and that delegated authority be granted for the Chief Executive to negotiate the final arrangement in consultation with the Chairman of Policy and Resources Committee.
- 3) That within this collaboration agreement the establishment of a member led joint strategic board to oversee the project be agreed and that delegated authority be given to the Chief Executive and the Director of Planning and Development in consultation with the Chairman of Policy and Resources Committee and the Chairman of Strategic Planning, Sustainability and Transport Committee to make decisions as set out in the Collaboration Agreement;
- 4) That the capital funding of the Council's contribution to the total costs of the joint acquisition set out in Table 1 of the exempt report of the Director of Planning and Development, and the revenue funding associated with the Council's anticipated expenditure on the acquisition of the site, on an equal basis with our partner, be approved; and
- 5) That the costs associated with the site's redevelopment, including a dedicated Development Manager, professional fees, surveys, planning application etc be funded in part from the Kent Business Rates Pool and from the value generated from the development.

Voting: For: 14 Against: 0 Abstentions: 0

71. DURATION OF MEETING

6.30 p.m. to 10.50 p.m.

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

21 OCTOBER 2015

REFERENCE FROM HERITAGE, CULTURE AND LEISURE COMMITTEE

1. DESTINATION MANAGEMENT PLAN

- 1.1 On 13 July 2015 the Heritage, Culture and Leisure Committee considered the report of the Head of Economic and Commercial Development on the Destination Management Plan. The Committee noted that the Destination Management Plan Steering Board was constituted from stakeholders across the leisure and tourism industry, and nominated a member of the Committee to sit on the Board. Members heard that, at the launch of the Destination Management Plan, several task and finish groups were established to look in further detail at different aspects and opportunities.
- 1.2 The Committee recognised that there were strategies within other Service Committees' remits that could assist and affect the delivery of the Destination Management Plan.
- 1.3 After the meeting Officers confirmed the titles of the Destination Management Plan Task and Finish Groups and explained that, at the launch event, several Councillors had become members of the task and finish groups, one of which was a Member of Policy and Resources Committee as follows:

Group One: River – Councillor Naghi

Group Two: Town

Group Three: Events – Councillor Naghi

Group Four: Countryside

2. RECOMMENDED:

- 2.1 That the current member of the Policy and Resources Committee who is involved in the Destination Management Plan (DMP) Task and Finish Groups be confirmed as the representative of the Committee on any relevant DMP Task and Finish Groups, or an additional Member representative be nominated as the representative of the Committee on any relevant DMP Task and Finish Groups.

Agenda Item 12

Policy and Resources Committee

21 October 2015

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

No

Council Tax Reduction Scheme

Final Decision-Maker	Council
Lead Director or Head of Service	David Edwards, Director of Environment and Shared Services
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 this committee:

1. That having noted the potential impact on claimants including those with disabilities, carers and other working age groups; the Committee recommends to Council that the Council Tax Reduction Scheme be maintained from 1st April 2016 at its current level.
2. That the Director of Environment and Shared Services be given delegated authority to make such technical changes as are necessary to maintain the effective operation of the scheme.
3. That the Council contributes towards the planned county wide review of the scheme and alternative schemes to be implemented for 2017/18 and request a further report on progress of the review in March 2016.

This report relates to the following corporate priorities:

The scheme provides a positive contribution to the health & wellbeing of vulnerable residents and improves their economic circumstances.

Timetable	
Meeting	Date
Policy and Resources Committee	21.10.2015
Council	09.12.2015

Council Tax Reduction Scheme

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to decide on the Local Council Tax Reduction Scheme to be applied during 2016/2017.
 - 1.2 The scheme provides a mechanism to reduce the council tax liability for low income households, through a means tested process which varies the level of award dependent on income and household composition.
 - 1.3 There are currently 9749 households that benefit through the scheme.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 As part of the changes introduced through the Welfare Reform Act the national scheme for council tax benefit was abolished from 31 March 2013 and replaced by a requirement to determine a local discount scheme.
- 2.2 Government funding for the local scheme was reduced by 10% from 1st April 2013 and a requirement made that awards for claimants of pensionable age be protected from any reduction. The pensioner caseload represents 43% of the overall caseload.
- 2.3 In responding to that change a number of options were presented to Cabinet in July 2012, with Cabinet identifying the preferred scheme to be a 13% reduction in council tax benefit entitlements, whilst otherwise retaining the existing rules and criteria.
- 2.4 At the same time Cabinet proposed a number of changes to the council tax discounts and exemptions for empty properties, the additional revenue from which would help meet the shortfall in the proposed council tax support scheme funding.
- 2.5 A public consultation was undertaken to outline and seek views on three primary options identified by Cabinet as set out below.
 - § Option 1 - reduce benefit awards by 24.5% to reflect in full the reduction in government grant and protection of pensioners;
 - § Option 2 - reduce benefit awards by 18.5% and reduce the discount for empty homes from 6 months to 3 months;
 - § Option 3 - reduce benefit awards by 13%, reduce discounts for empty homes from 6 months to 1 month and remove the 10% discount for second homes.
- 2.6 A total of 786 responses were received with option 3, the Councils preferred scheme, receiving the greatest support (48.2%).

- 2.7 On the 18 October 2012 the Department for Communities and Local Government announced the introduction of a £100 million transitional fund to help Councils lessen the impact for residents in the first year of the scheme.
- 2.8 The funding criteria required that the Council's local scheme pass on an increase of no more than 8.5% in the first year and provide for no sharp reduction in support for those entering work. An additional grant of £239,445 was made available to the Council in the first year.
- 2.9 Following consideration of the consultation results and opportunity provided through the transitional fund, Cabinet made the following recommendation which was agreed by Council in December 2012.
- An 8.5% reduction in the rate of Council Tax Support applicable to all working age households during 2013/14, whilst otherwise maintaining the structure of the current national Scheme;
 - A 13% reduction in the rate of Council Tax Support applicable to all working age households during 2014/15 and 2015/16, subject to the future demand and grant received for the Scheme.
- 2.10 The Council implemented a scheme in April 2013 where persons eligible for Council Tax Support would pay a minimum contribution of 8.5% towards their liability. The Local Government Finance Act 2012 states that a public consultation must take place if a scheme is either amended or replaced. The increase from 8.5% to 13% for 2014/15 was considered a change under the legislation.
- 2.11 A further consultation was therefore undertaken which included a direct mailing to a sample of 500 households in receipt of council tax support and wider participation through voluntary sector partners and the wider taxpayer through an online survey. The consultation set out 2 primary options. Option 1, to reduce benefit awards by 18.5% and Option 2, to reduce benefits awards by 13%. A total of 61 responses were received to the consultation, with 55% identifying option 2 as their preferred scheme.
- 2.12 Following consideration of the consultation results, it was agreed by Council that a Local Council Tax Support Scheme be adopted with a reduction of 13% in the rate of Council Tax Support applicable to all working age households during 2014/15, with the scheme reconfirmed through Council for 2015/16.
- 2.13 The scheme adopted was endorsed by Kent County Council and the other major preceptors, with the same model adopted throughout Kent, with some local variations. By adopting the "County" scheme the council received £125,000 per annum towards the cost of administration from the major preceptors.

3. AVAILABLE OPTIONS

- 3.1 A range of alternative options for 2015/16 were considered through the Strategic Leadership and Corporate Services Overview and Scrutiny committee as part of their 2014/15 work programme.
- 3.2 During the course of the review the committee explored the funding available to finance the future scheme, the operation and impact of the current scheme and a range of alternative schemes including:
- Option 1 – retaining the current scheme (13% reduction)
 - Option 2 - remove council funding (18.65% reduction)
 - Option 3 – county scheme (18.5% reduction)
 - Option 4 – increase council funding (no reduction)
 - Option 5 – vary criteria (2nd adult rebate, backdating, capital)
 - Option 6 – increase council funding (protect disabled and carers)
- 3.3 In considering any change to the scheme it was agreed that it was necessary to balance the cost of the scheme with the impact on working age residents in receipt of the discount. The sustainability of the scheme was also highlighted as an issue with no increase in grant funding expected and the cost of the scheme to increase in line with council tax. Given the need for many residents to budget for such costs it was also considered desirable to maintain a level of consistency in the level of payment required.
- 3.4 In considering the options against that criteria the consensus was that options 2, 3 and 6 were unaffordable or would provide an unreasonable increase for residents receiving a discount. It was felt that the risks in implementing option 5 outweighed the potential benefit of the scheme.
- 3.5 The existing scheme (option 1) was considered to provide a reasonable balance in terms of cost to the council and impact on residents, which was subsequently recommended by Cabinet and approved by Full Council for 2015/16.
- 3.6 The work with overview and scrutiny was completed for the current year's scheme but remains valid for consideration of the scheme for 2016/17.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred option remains option 1 as set out in paragraph 3.2, which is to retain the current scheme for a further year. As stated above the reasons identified by the Strategic Leadership and Corporate Services Overview and Scrutiny Committee in 2014/15 remain valid considerations for 2016/17.
- 4.2 Other factors that have contributed the recommendation include:
- Planned County Wide Review**
- 4.3 A joint review of the current “County Scheme” is being commissioned to further explore the impact of the current scheme and alternative options for delivery. Initial findings from that review are expected to be available during March 2016,

enabling further consultation and recommendation of a revised scheme for 2016/2017.

- 4.4 The cost of the review will be met jointly by the districts and major preceptors, with the major receptors to continue to provide funding of £125,000 towards the cost of administering the current scheme in Maidstone whilst that review is undertaken.

Welfare Reform Changes

- 4.5 A range of welfare reform changes are to be implemented during 2016 which will reduce the income available to many low income households. Such changes include a freeze in the rate of the main income related benefits, a reduction in the household benefit cap (reduced from £26,000 to £20,000) and changes to the tax credit system.
- 4.6 The New Living Wage will also be introduced for those over 25 years of age.
- 4.7 The changes will impact on many low income households, placing additional pressure on their income and ability to make increased contribution towards council tax.

Financial viability

- 4.8 The council and preceptors received a combined grant of £9,040,000 in 2013/14 when the scheme was introduced. From 2014/15 the grant for council tax reduction has been included within the councils revenue support grant and retained business rates and is no longer distinguishable as a separate element. The Councils overall grant has been reduced by 37.1% since the introduction of the scheme which is equivalent to a reduction of £3,513,840 from the combined grant originally received by the three preceptors and this council.
- 4.9 The projected cost of the scheme in the current year is £8.8million. In making allowance for a potential 2% increase in the council tax for next year and the impact of wider welfare reforms the projected cost for 2016/2017 is £9.2 million.
- 4.10 The estimated reduction in funding of £3,513,840 as set out in paragraph 4.8 represents a reduction of £536,600 in the Council's share of the original grant. The Council has managed the shortfall since 2013/14 through the savings and efficiencies identified annually in the medium term financial strategy and will continue to do so for 2016/17.
- 4.11 This financial pressure does make it essential that a full review of the scheme is completed to ensure that the resources available to the Council are used to best effect and the report recommends engagement in the Kent wide review during 2016/17 for this reason.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The proposed extension of the current scheme has been put forward in consultation with Kent County Council, Kent Police and Kent Fire and Rescue.
- 5.2 A comprehensive public consultation was undertaken during 2012/13 during the initial design of the scheme, with a supplementary consultation in 2013/14 when the council moved to the current scheme from the government supported scheme.
- 5.3 The results from both consultation exercises identified the current and proposed scheme as the preferred scheme. It is recommended that there is no further public consultation on the scheme or options at this stage.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 A decision regarding the scheme to be implemented for 2016/2017 is required by Council prior to 31st January 2016, with the scheme to be applied from the 1st April 2016.
- 6.2 Details of the decision will be reported in the local media and through the councils website, with individual residents notified of their award as part of the annual billing process for council tax during March 2016.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Maintaining the current scheme and the level of support it provides is a positive contribution to the health and wellbeing of vulnerable residents.	Head of Revenues and Benefits
Risk Management	With the cost of council tax reduction met locally, any increase or decrease in demand and cost of the scheme will have a direct impact on the financial standing of the council ad major preceptors.	Head of Revenues and Benefits
Financial	The cost of the scheme was fully funded by a combination of government grant and changes to exemptions and other discounts available to council tax payers in 2013/14. Since that time changes in grant distribution combined with reductions in grant received mean that the scheme can no longer be considered to be fully funded. The balance of resources have been identified through the medium term financial strategy.	Head of Finance & Resources
Staffing	No impact.	Head of Revenues and

		Benefits
Legal	The Local Government Finance Act 1992 requires Council to approve a scheme for 2016/17 by 31 January 2016.	Head of Legal Services
Equality Impact Needs Assessment	<p>An equality impact assessment has been undertaken which demonstrates that people in receipt of council tax reduction with disabilities, carers and families with children receive a level of support higher than the average of people without those characteristics.</p> <p>That is because people with those characteristics receive additional allowances within the calculation and have certain types of income disregarded to recognise their needs.</p> <p>The proposed scheme will continue to maintain that range of additional allowances and income disregards for people with those characteristics and apply a consistent percentage reduction to the benefit award for all people of working age.</p> <p>A copy of the full equality impact assessment is provided as appendix I.</p>	Policy & Information Manager
Environmental/Sustainable Development	No impact.	Head of Revenues and Benefits
Community Safety	No impact.	Head of Revenues and Benefits.
Human Rights Act	No impact.	Head of Revenues and Benefits
Procurement	No impact.	Head of Revenues and Benefits
Asset Management	No impact.	Head of Revenues and Benefits.

8. REPORT APPENDICES

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

Appendix I: Equalities Impact Needs Assessment

9. BACKGROUND PAPERS

Council Tax Reduction Scheme 2016/17.

Equality Impact Assessment

Details of the assessment	
Name of Function/Policy/ Service being assessed	Localisation of Council Tax Support
Date of assessment	Commenced: 9 th October 2015
Name of officers carrying out assessment:	The assessment is being carried out by finance leads and equalities leads from Maidstone Borough Council.

Step 1	Initial Screening	
	Key Questions	Answers/Notes
1	What are you looking to achieve in this activity?	<p>Localisation of Council Tax Benefit was part of a programme of national policy change to the welfare system aimed at addressing the rising cost of welfare and ensuring that work always pays.</p> <p>From 1st April 2013, all Councils were required to establish a local scheme for Council Tax Support to replace the nationally designed Council Tax Benefit Scheme. The changes reduced the level of funding received by Councils to deliver the scheme (by approximately 10%) and allowed the Council to decide who to financially support, outside of nationally prescribed elements which includes protecting support received by pensioners.</p> <p>In the first year of operating a local scheme the council received additional funding from Government (transition funding) which enabled it limit the reduction in support to 8.5%. The aim in successive years is to deliver a local scheme which takes the fairest overall course of action permitted by the nationally prescribed elements whilst meeting the significant reduction in funding.</p>

Equality Impact Assessment

Step 1	Initial Screening	
	Key Questions	Answers/Notes
2	Who in the main will be affected?	<ul style="list-style-type: none"> – Eligible working age claimants for council tax support. – Potentially all council tax payers (depending on the scheme adopted, any local variations and the outcome of consultation). <p>The Government have conducted their own EqIA on the nationally prescribed elements of the scheme which states the main benefits as: “Giving local authorities a significant degree of control over how a 10% reduction in expenditure on the current Council Tax Benefit bill is achieved, allowing councils to balance local priorities and their own financial circumstances.”</p> <p>Ref: http://www.communities.gov.uk/documents/localgovernment/pdf/2063707.pdf</p>
3	Does the activity have the potential to cause adverse impact or discriminate against different groups in the community?	Yes <input checked="" type="checkbox"/> Please explain: Various options for achieving a 10% reduction in expenditure based on the current caseload have been considered for our authority and Kent wide. Whatever scheme is introduced it will entail money being collected from some of the more vulnerable residents in our boroughs and districts.
		No <input type="checkbox"/> Please explain:
		Note: if the answer is ‘yes’ then a full equality impact assessment is required – see step 2.
4	Does the activity make a positive contribution to equalities?	Yes <input checked="" type="checkbox"/> Please explain: The Government has prescribed that pensioners will be protected from any reduction in support as a result of this reform.
		No <input type="checkbox"/> Please explain:
		Note: if the answer is ‘yes’ then a full equality impact assessment is required – see step 2.

Equality Impact Assessment

	Key Questions	Answers/Notes
Step 2	Scoping the assessment	
1.	What is the overall aim, or purpose of the function/ policy/service?	Our intention is to develop a local scheme which takes the fairest overall course of action permitted by the nationally prescribed elements whilst meeting the significant reduction in funding. The purpose of the proposed legislative changes are set out in the Department for Communities and Local Government guidance document: http://www.communities.gov.uk/documents/localgovernment/pdf/19510253.pdf
2.	What outcomes do you want to achieve with this function/ policy/service and for whom?	To develop a local scheme which: <ul style="list-style-type: none"> – Provides support for the most vulnerable. – Assists with lifting the poorest off benefits and supporting them into work. – Takes account of the impact on non-claimants. – Minimises the risks of error and reduces financial risk to our authorities.
3.	Who will be affected?	<ul style="list-style-type: none"> – Eligible working age claimants for council tax support. – Potentially, all council tax payers (depending on the scheme adopted, any local variations and the outcome of the consultation).
4.	Who defines or defined the function/service/policy?	The policy is defined nationally with an element of local discretion. A preferred scheme has been devised across Kent with the three major precepting authorities (Kent County Council, Kent Police Authority and Kent & Medway Fire & Rescue Authority) agreeing to fund the scheme for three years. The proposed scheme looks to extend that agreement for a further year. The scheme is based on a set of principles to which all Kent authorities propose to agree to. The final decision on the Scheme to be implemented is made by a meeting of Full Council.
5.	Who implements the function/service/policy?	The Mid Kent Improvement Partnership - Revenues & Benefits Service (Tunbridge Wells & Maidstone)

Equality Impact Assessment

	Key Questions	Answers/Notes
6.	How do the outcomes of the function/service/policy meet or conflict with the authority's priorities?	Maidstone: Corporate and customer excellence - support our most vulnerable residents and seek to reduce the different forms of deprivation across the Borough
7.	What factors could contribute or detract from the outcomes identified earlier?	<p>Contribute:</p> <p>The preferred scheme would:</p> <ul style="list-style-type: none"> - Disregard some earned income. - Reduce benefit on a sliding scale as income increases. - Continue payment for four weeks after moving into work when there would otherwise be no entitlement. - Automatic continuation of support to the new scheme. - Reduce confusion for claimants moving between authorities. <ul style="list-style-type: none"> - Provide opportunities to standardise forms and processes. - Limit adverse financial affects for the lead authorities for three years as the precepting authorities have agreed to fund additional collection costs. - Provide an element of stability during the current economic climate. - Be possible to implement within the timescales set by the Government. <p>Detract:</p> <ul style="list-style-type: none"> - An increase in council tax to cover the reduction in funding is not a realistic option due to Government restrictions in respect of allowable tax increases. - Failure to reach a local scheme would result in a severe negative impact on Council finances and would reduce expenditure on other services. - Potential increase in demand for council tax benefit in the future. - Additional Government proposals for welfare reform could also impact on those affected by the changes to council tax benefit.
Step 3 Consideration of data and information		
8.	What do you already know about who uses this	We have analysed available data for current council tax support recipients allowing us to consider the impact on people according to:

Equality Impact Assessment

	Key Questions	Answers/Notes
	function/service/ policy?	<ul style="list-style-type: none"> - Age - Disability - Those with caring responsibilities. - Gender <p>A summary of the data analysis for the options being considered by Maidstone Borough Council is attached at Annex 1.</p>
9.	What consultation with service users has taken place on the function/service/ policy and what were the key findings?	<p>Maidstone Borough Council carried out a consultation exercise between 6th August – 8th October 2012. This set out our preferred option of on a 13% reduction (based on a variation to the Kent-wide scheme) and other options about how the scheme will operate that are still to be decided. The consultation gave the opportunity for stakeholders affected by each of the options to give their views before the Council takes further decisions.</p> <p>Overall, there was a clear majority (48.2%) in favour of the option (Option 3) to reduce council tax benefit by a lesser amount, and to reduce empty and second home discounts. However the next most popular option overall is None of the Options (29.4%). This shows that although there may not be consensus over what other measures could be taken instead, out of the options presented to respondents, Option 3 was the most popular.</p> <p>A further consultation was undertaken in October 2013 regarding the change from 8.5%. The survey involved the random sampling of 500 benefit claimants and received 61 responses. The results were consistent with that of the earlier survey with 55% of respondents supporting the councils proposed scheme delivering a 13% reduction.</p>
10.	What, if any, additional information is needed to assess the impact of the function/service/policy?	A review of the current scheme and alternative models for delivery is being commissioned collectively by the districts, Kent County Council. Kent Police and Kent Fire and Rescue.
11.	How do you propose to gather the additional information?	N/A

Equality Impact Assessment

	Key Questions	Answers/Notes
Step 4	Assessing the Impact	
12.	Based on what information you already know, in relation to each of the following consider whether a) there is anything in the function/service/policy that could discriminate or put anyone at a disadvantage b) for an existing function/service/policy, how it is actually working in practice	
a.	Age	<p>Impact: The Government have prescribed that low income pensioners should be protected from any reduction in support. We therefore have no discretion in implementing this aspect of the scheme.</p> <p>As pensioners are protected, all options being considered by Maidstone Borough Council will result in a degree of negative impact on some non-pensioner age groups. Mitigation: The decision to protect pensioners was taken by Government who are therefore responsible for conducting their own EqIA on this aspect. This is available at: http://www.communities.gov.uk/documents/localgovernment/pdf/2063707.pdf</p>
b.	Disability	<p>Impact: Maidstone Borough Council's preferred option has potential to negatively impact on people with disabilities.</p> <p>Mitigation: Our current scheme treats people with disabilities more favourably by disregarding some income and allowing for additional premiums within the calculation; this will remain under the new scheme.</p>
c.	Carers	<p>Impact: Maidstone Borough Council's preferred option has potential to negatively impact on carers.</p> <p>Mitigation: Our current scheme treats carers more favourably within its calculation allowing for additional premiums within the calculation; this will remain under the new scheme.</p>
d.	Gender	<p>Impact: Maidstone Borough Council's preferred option has potential to negatively impact on females as they are more likely to be the primary applicant and / or have dependent children.</p> <p>Mitigation: Our current scheme already mitigates this to some extent by making additional allowances for households with children and for childcare costs.</p>

Equality Impact Assessment

	Key Questions	Answers/Notes
e.	Race	<p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit. There may be a possible indirect impact for options affecting larger households.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p>
f.	Religion & Belief	<p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p>
g.	Sexual Orientation	<p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p>
g.	Marital or Civil Partnership Status	<p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p>
h.	Pregnancy & maternity	<p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation at this stage.</p>
i.	Gender reassignment	<p>Impact: This information is not collected from claimants as it is not relevant to the calculation of council tax benefit.</p> <p>Mitigation: We are not aware of any impacts in need of mitigation.</p>
j.	General (<i>i.e. affecting all of the above</i>) /other (<i>i.e. socio economic</i>)	<p>Impact: As pensioners are protected, the reduction in the level of support falls to working age claimants.</p> <p>Mitigation: Maidstone Borough Council the options available and agreed to reduce the impact to working age households through;</p> <ul style="list-style-type: none"> – Application for transitional finding to limit the impact in year 1. – Reducing the empty homes discount from six months to one month. – Removal of the discount on second homes. – Undertaking a county wide review of the scheme and alternative models for delivery. –

Equality Impact Assessment

	Key Questions	Answers/Notes
Step 5	Reviewing and Scrutinising the Impact	
13.	What conclusions can you draw about any differential impact and how people are adversely or positively affected?	<p>Maidstone Borough Council's proposed scheme plans to address the shortfall in funding as a result of the Government's decision to reduce money available for council tax support by 10% by reducing the level of council tax support paid. Part of the funding shortfall will be met through income generated through changes to empty property discounts, to limit the reduction to households affected.</p> <p>We have identified that our preferred scheme has the potential to have a negative impact on people with disabilities, carers, women and younger age groups. The extent of the impact on people with protected characteristics will vary dependent on the level of award being paid. By continuing to treat these groups more favourably within the calculation of benefit, the groups will continue to receive on average a higher level of benefit than customers without those characteristics.</p>
14.	What actions can you take to address any impacts identified?	<p>The current scheme already provides more support to some groups than others (households with young families, people with disabilities) which the Council has proposed to retain under the preferred scheme.</p> <p>The council will work with other advice agencies to support residents that experience financial difficulties.</p>
15.	If no changes can be made, what reasons are there to justify this?	The Council are unable to avoid impacting on vulnerable group due to the decision by the Government to reduce the overall funding by 10% and protect Pensioners from any change.
16.	How might any of the changes, in relation to the adverse impact, have a further adverse affect on any other group?	Should the additional council tax charged as a result of the changes not be paid the council will take steps to enforce the debt. In taking such action the council will apply for court costs which will add further to the amount owed.

Equality Impact Assessment

Step 6 Decision making and future monitoring		
17.	Which decision making process do these changes need to go through i.e. do they need to be approved by a committee/Council?	Full Council to formally adopt the local scheme for Council Tax support in December 2015.
18.	How will you continue to monitor the impact of the function/service/ policy on diverse groups?	<p>The Council will continue to review the level of expenditure, including expenditure for households with protected characteristics.</p> <p>A full review of the scheme and alternative models for delivery is to be undertaken to inform the scheme for 2017/2018.</p>
19.	When will you review this equality impact assessment?	A substantive review of the scheme is planned before 2017/2018.

Localisation of Council Tax Support – equality impact assessment
Annex 1 – Summary of impacts from data analysis of Maidstone Borough claimants

This information provides a summary of the impacts of the proposed changes to the Council Tax Benefit Scheme, based on data analysis of current Maidstone Borough claimants. The conclusions below are based on a (non-statistical) comparison between the current average weekly council tax benefit and the actual average reduction for specific groups, once various options have been applied.

Average amount of council tax benefit

The average actual reduction in annual council tax benefit, following a blanket 13% reduction whereby pensioner households are protected from any cut, would be £1111.85 for an average household.

Profile of claimants (based on the current caseload of 5914 working age households):

- 19.9% of claimants receive a disability premium
- 66% of primary applicants are female
- 33% of primary applicants are male
- 4.27% of claimants receive a carer premium

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Impact of 13% reduction on people with disabilities and carers

- Impact:**
- § People with disabilities are affected more with their amount of award to fall by an average of £121.84.
 - § Households with carers would also be affected more with their amount of award to would fall by an average of £128.62.
 - § People from Minority Ethnic groups (69%) are more likely to be of working age (16-64) than White residents (60.3%) and less likely to be of pension age (6%) compared with White residents (21.6%)¹. As ethnicity data is not relevant to the calculation of council tax benefit it is not collected from claimants and the impact of this option on ethnic groups is unclear.

¹ Source of data: Mid-Year Population Estimates 2009.

Agenda Item 13

Policy and Resources

21st October 2015

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

Yes

Disposal of Land at Parkwood Parade

Final Decision-Maker	Policy and Resources Committee
Lead Director or Head of Service	Paul Riley
Lead Officer and Report Author	Lucy Stroud
Classification	Non-exempt
Wards affected	Parkwood

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

1. To agree to dispose the open space land outlined in red on the attached plan.

This report relates to the following corporate priorities:

- Great Opportunity
- Great Place

Timetable

<i>Meeting</i>	<i>Date</i>
Policy and Resources	21 st October 2015

Disposal of Land at Parkwood Parade

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Council has been approached by Golding Homes with a request to purchase areas of open space land at Parkwood Parade in order to facilitate Phase 3 of the redevelopment of social housing in Parkwood.
 - 1.2 In order for Golding Homes to achieve the number of social housing units they require on the site, it is necessary to include areas of land that are currently owned by the Council.
 - 1.3 To dispose of the land, it has been declared surplus to operational requirements and the intention to dispose publically advertised. A recommendation to dispose is now being made to the Policy and Resources Committee to make the final decision.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 Golding Homes are redeveloping the majority of the social housing in Parkwood, and part of this work includes the redevelopment of Parkwood Parade.
 - 2.2 In order to maximise the redevelopment opportunity at this location, Golding Homes would like to purchase some areas of open space currently owned by the Council. These areas are shown outlined in red on the site plan attached as Appendix I.
 - 2.3 The areas of open space are grass verges adjacent to an existing parade of shops, and are currently managed by the Council's grounds maintenance team. The total area of open space to be disposed of is 1,985 square metres.
 - 2.4 The land has been has been declared surplus by the Heritage, Leisure and Cultural Committee following consideration of a report by the Parks and Leisure Manager
-

3. AVAILABLE OPTIONS

- 3.1 The Policy and Resources Committee could decide to not dispose of the land and retain it as part of the Council's open space provision. This would allow the Council to control some small areas of grass verge in an urban area, but would prevent the proposed development of social housing and realise fewer properties on the site.

- 3.2 This is not recommended because the redevelopment of Golding Homes property in Parkwood is essential to providing quality social housing in the Borough and retaining ownership of the grass verges would reduce the amount of homes being built.
 - 3.3 The Policy and Resources Committee could decide to dispose of only the land essential to the redevelopment of Parkwood Parade, which would still allow the desired amount of social housing to be built and retain open space areas around the development.
 - 3.4 Retaining some of the open space would make future maintenance of the land overly complicated as it would be shared between Golding Homes and the Council. It is not recommended that this option is taken because the retained land would not be landscaped to the specification of the new development, and would detract from the quality of the development.
 - 3.5 The Policy and Resources Committee could decide to dispose of the land, relieving the Council of the maintenance responsibility and facilitating the full development potential of the Parkwood Parade site for social housing.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is recommended that the Policy and Resources Committee agree to dispose of all the land outlined in red on the attached plan to Golding Homes.
- 4.2 The Heritage, Culture and Leisure Committee declared the land surplus and agreed to the land being publically advertised for disposal pursuant to Section 123 of the Local Government Act 1972. No objections were received in response to the advert.
- 4.3 Harrisons Surveyors entered into negotiations on behalf of the Council and have agreed a purchase price of £10,000 for the freehold transfer of the land.
- 4.4 Sale of the land at Golding Homes will relieve the Council of maintenance commitments, facilitate the development of social housing and produce a capital receipt.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No objections were received to the public notice and the Heritage, Culture and Leisure Committee has declared the land surplus.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 If the recommendations have been agreed by the Policy and Resources Committee, the Property Officer will instruct the Legal Services Partnership to draft transfer documents.
- 6.2 Transfer documents will be sent to Golding Homes legal representatives and freehold transfer of the land will be completed on receipt of the purchase monies.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	This report supports the priority Keeping Maidstone Borough an attractive place for all.	Parks and Leisure Services Manager
Risk Management	There are no material risks arising from this report	Parks and Leisure Services Manager
Financial	The recommendations will result in a small saving in maintenance costs for MBC and a minor capital receipt.	Chief Accountant
Staffing	There are no staffing implications arising from this report	Parks and Leisure Services Manager
Legal	There will be legal implications arising from the land being transferred freehold to Golding Homes. The Council is required to obtain best consideration for the disposal. The payment of an open market value for the property by the purchaser satisfies this to a degree but it is recommended that the transfer to the purchaser contains an overage in the event that the purchaser disposes of the property in the future.	Head of Legal Services
Equality Impact Needs Assessment	There are no implications arising from this report	Parks and Leisure Services Manager
Environmental/Sustainable Development	The recommendations enable the delivery of housing in the borough	Parks and Leisure Services Manager
Community Safety	There are no implications arising from this report	Parks and Leisure

		Services Manager
Human Rights Act	There are no implications arising from this report	Parks and Leisure Services Manager
Procurement	There are no implications arising from this report	
Asset Management	Assets and the associated liabilities will be transferred away from MBC	Parks and Leisure Services Manager

8. REPORT APPENDICES

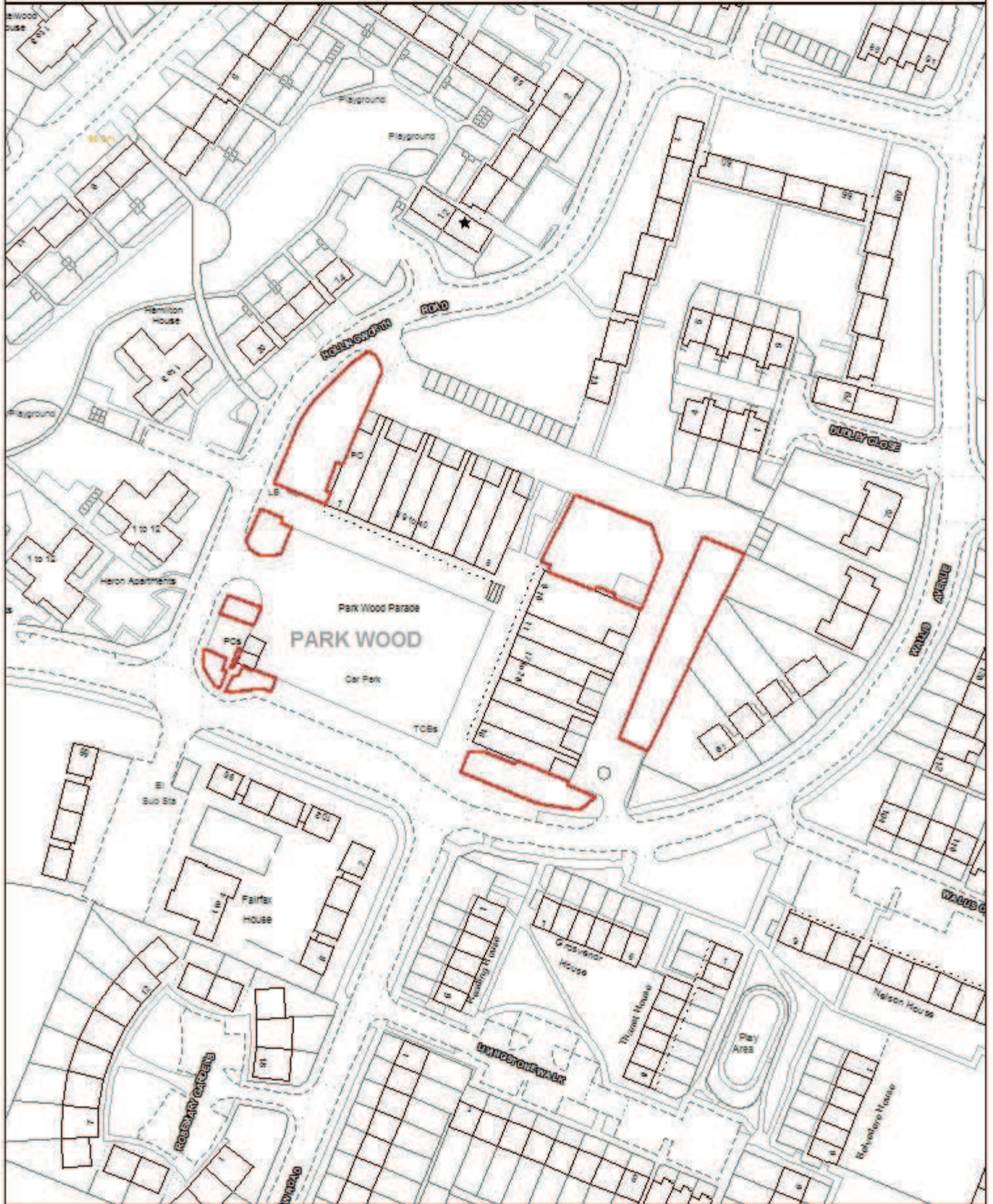
The following documents are to be published with this report and form part of the report:

- Appendix I: Site plan

9. BACKGROUND PAPERS

- Heritage, Leisure and Culture Committee Decision

THE MAIDSTONE BOROUGH COUNCIL



Land at Parkwood Parade

Appendix 1



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Agenda Item 14

Policy and Resources

21st October 2015

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

Yes

Maidstone Leisure Centre solar microgeneration

Final Decision-Maker	Policy and Resources
Lead Head of Service	David Edwards, Director of Environment and Shared Services
Lead Officer and Report Author	Marcus Lawler, Commercial Projects Manager
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the Committee approves the installation of a solar microgeneration system (solar panels) at Maidstone Leisure Centre.
2. That a budget of up to £270,000 is made available for the delivery of the project.
3. That officers be instructed to obtain the necessary permissions and licences to implement the recommendations including: registration for Feed in Tariff; sale or export of electricity; and appropriate agreements with the District Network Operator; and to assign those permissions and licences as appropriate.
4. That the Committee delegates authority to the Head of Commercial and Economic Development, in consultation with the Head of Legal Partnership, to enter into and conclude negotiations with Maidstone Leisure Trust and Serco regarding their purchase of the electricity generated.

This report relates to the following corporate priorities:

- **Keeping Maidstone Borough an attractive place for all** by reducing the carbon emissions produced within the Borough. The extra value delivered by the implementation of this scheme will allow the Council to maintain services delivered to residents.

Timetable

Meeting	Date
Policy and Resources Committee	21 st October 2015

Maidstone Leisure Centre solar microgeneration

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Council will be producing a Low-Emissions Strategy during 2015/16, and it is due for adoption in November 2016. A central theme of the Strategy is the reduction of carbon emissions across the Borough. The previous Carbon Management Plan will be superseded by the Low Emissions Strategy. Approving the recommendations within this report will support delivery of the carbon reduction theme in the Low-Emissions Strategy, and implementing the recommendations within this report will generate a carbon reduction of up to 86.4 tonnes of carbon, per annum.
- 1.2 Implementing the recommendations in this report will also make a predicted income contribution to the Council of £35,399 per annum for 20 years; equivalent to a 13.11% return on capital employed. The pay back is predicted to be 7.6 years.

2. INTRODUCTION AND BACKGROUND

- 2.1 On 24th June 2015 the Committee considered a report of the Director of Environment and Shared Services entitled, "Installing Renewable Energy Technology". An extract from the Record of Decision shows that:

Decision Made

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;

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.

- 2.2 With the exception of 2 and 6 (relating to securing a power purchase agreement at Maidstone House and the Gateway) those decisions have now been implemented. The decision to delay the implementation of 2 and 6 is a result of the 27.08.2015 announcement by Department of Environment and Climate Change that a severe reduction in the Feed in Tariff would occur in January 2016; and the release of a consultation on the issue. In essence DECC will implement an 83% cut in generation tariffs for schemes registered after 01.01.2016. It is felt that for the Council to enter into a 20 year agreement with a company that has a potentially commercially terminal threat hanging over it would not be prudent. We are therefore delaying implementing these decisions until after the results of the consultation. This decision has been taken in a period of considerable uncertainty in the private sector with two leading solar suppliers (Mark Group) recently going into administration with the loss of over 1,000 jobs. The customers of this company may well lose the money they have invested in solar microgeneration.
- 2.3 Solar microgeneration schemes registered before 01.01.2015 will be protected from the proposed reduction in tariff rates. The Council therefore has the opportunity to install more technology in support of carbon reduction and the generation of savings. The Leisure Centre is the Council owned asset consuming the most energy and so, when considered with the installation potential (physical size of the building) is the prime candidate in the estate for an installation. This site will generate the largest single reduction in carbon emissions and generate the single largest saving for the Council.
- 2.4 Discussions with the District Network Operator (UK Power Networks) indicate that, due to the volume of schemes registering since the announcement of the proposed reduction in generation tariff, they are likely to restrict the opportunity at the Leisure Centre to the installation of a 200kWp array, but possibly up to 250kWp, which is the size of array that we originally hoped for.
- 2.5 The opportunity at the Leisure Centre has been assessed, using Microgeneration Certification Scheme irradiation datasets and the predicted performance will be as follows:

Site	Array	Orientation	Pitch	Shading	IR factor	Performance
Leisure Centre	200kWp	0	23 (nominal)	0	1098	219,600kWh

- 2.6 The costs involved with installing the array (subject to selection of final supplier) are as follows:

Item	Amount
Estimated cost of arrays and installation	£220 – 245,000
QA of project estimates and reports	£1,500
QA of technical aspects by structural engineer	£1,500
Building control	£500
Post project QA	£1,200

Project manager contingency	£20,000
Total	£269,700

- 2.7 The Council has two revenue opportunities in regard of this project as it does not directly use any electricity at the site. This means energy cost savings will not be achieved. It will receive the current generation tariff and revenue from the sale of the electricity. For planning purposes it is assumed that the electricity will be exported at the legally set minimum. As referenced at paragraph 2.7 we hope to sell the electricity to Maidstone Leisure Trust; should we be able to do so the predicted financial returns will increase. As a minimum the Council will receive £35,399 per annum.
- 2.8 On 5th October 2015 officers were invited to discuss the proposed installation with the trustees of Maidstone Leisure Trust. The trustees fully supported the proposal, subject to decision by the Committee. They instructed their managing agent, Serco to make an offer for the electricity after analysing power usage at the Centre; should the Committee approve the installation. Any offer greater than the legally defined minimum export rate will improve the financial projections in this report.
- 2.9 DECC carbon emission reduction ratio per kWh of produced electricity is .432kg. This array will therefore reduce carbon emissions originating within the Borough by 86.4tonnes.
- 2.10 The principal risk to the successful delivery of the project will be the issue of District Network Operator permissions to connect the proposed array to the grid. Currently processing new applications can take between 6 weeks and 90 days. The Council already has an application submitted by its existing supplier, at risk which will be processed in time to allow the project to be delivered. A new application will not be processed in time to allow execution of the proposal in time to benefit from the current tariff rates. This has procurement implications which can be read in paragraph 7. The existing supplier has completed all of the Council's work to date and was selected after a tendering process. This company has conducted itself impeccably and we are extremely happy with their work to date.
- 2.11 Due to the urgent nature of this work, to achieve the deadline of 01.01.2015, it is proposed that the council utilises the current contractor, procured to carry out installation work at the depot, to complete this installation. EU regulations that control a procurement of this value would allow other providers to appeal this decision and a low risk of additional cost exists. The likely maximum is equivalent to one year's surplus proposed by the scheme.

3 AVAILABLE OPTIONS

3.8 Carrying out the installation, or not:

Option	Advantages and disadvantages
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Carry out the installation	<p>A contribution in excess of £35,000 will be received by the Council which will count towards the Commercialisation targets of the MTFS.</p> <p>The Council will off-set in excess of 89 tonnes of carbon, contributing to the carbon reduction theme of the draft Low Emissions Strategy.</p> <p>Although the risks are small there are some attached to the procurement approach proposed for this investment.</p>
Do not carry out the installation	<p>There will be no risk or opportunity cost.</p> <p>The Council will not realise any of the benefits outlined in this report.</p>

4 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.8 The preferred option is that the Committee approves the project and its funding. Both the financial and carbon emission benefits will make a good contribution to the strategic aims of the Council.

5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.8 There have been no consultations undertaken in this matter.

5.9 At a previous meeting of the Committee on 24th June 2015, members expressed a desire to continue the utilisation of renewable energy technology, where appropriate. This included further solar microgeneration installations and the Leisure Centre was discussed as a specific site.

6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.8 The following core tasks will need to be carried out to complete the installation:

Action	Date
Committee decision to proceed	21.10.2015
District Network Operator application and approval (application already made, at risk).	In hand.

Survey of site by installer and structural engineer (arranged at risk).	In hand.
Selection and appointment of supplier	Start 22.10.2015
Review of supplier proposals by the Council's external quality assurance (Aylesbury Vale District Council).	On appointment of supplier.
Ordering of equipment.	Tbc.
Installation.	Tbc.
ROOFIT application and sign-off (commissioning).	Must be complete by 23.12.2015

6.9 A press release will be prepared by the Communications Manager.

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	This measure will assist in getting best value from the Council's contract with Maidstone Leisure Trust and their managing agent, Serco. The Council will benefit from a 33% share of any improved financial performance by Maidstone Leisure Trust under the terms of our agreement.	Dawn Hudd, Head of Commercial and Economic Development
Risk Management	Risk management provision is contained within the Commercialisation Strategy and the project is covered by those provisions. The risks associated with this project will be identified on a risk register.	Richard Clarke, Head of Audit Partnership
Financial	The project will be funded from capital resources and provide a revenue benefit of £30,000 p.a. for a maximum of 25 years. The annual rate of return is therefore 11%.	Paul Riley, Head of Finance and Resources
Staffing	Nil	Dawn Hudd, Head of Commercial

		and Economic Development
Legal	<p>The Sale of Electricity by Local Authorities (England and Wales) Regulations 2010 provide a power allowing local authorities in England to sell electricity generated from renewable sources including solar.</p> <p>Confirmation of Permitted Development Rights at each proposed site should be sought from Planning as part of project assurance.</p> <p>Confirmation that no restrictive covenant or other title issue exists at each proposed site should be sought from Mid-Kent Legal as part of project assurance.</p>	Estelle Culligan, Deputy Head of Legal Partnership
Equality Impact Needs Assessment	Not required.	Dawn Hudd, Head of Commercial and Economic Development
Environmental/Sustainable Development	The installation of this equipment is covered by permitted development rights and no planning application needs to be made.	Dawn Hudd, Head of Commercial and Economic Development
Community Safety	Not required.	Dawn Hudd, Head of Commercial and Economic Development
Human Rights Act	Not required.	Dawn Hudd, Head of Commercial and Economic Development
Procurement	Due to the urgent nature of this work, to achieve the deadline of 01.01.2015, it is proposed that the council utilises the current contractor, procured to carry out installation work at the depot, to complete this	Paul Riley, Head of Finance & Resources

	installation. EU regulations that control a procurement of this value would allow other providers to appeal this decision and a low risk of additional cost exists. The likely maximum is equivalent to one year's surplus proposed by the scheme.	
Asset Management	Energy reduction and the opportunity to introduce renewable energy generation is an important element of good asset management.	Commercial Projects Manager

8 REPORT APPENDICES

- Nil.

9 BACKGROUND PAPERS

- Nil.

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

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