

You are hereby summoned to attend a meeting of the

MAIDSTONE BOROUGH COUNCIL



Date: Wednesday 21 September 2016

Time: 6.30 p.m.

Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Adkinson, Barned, Mrs Blackmore,
Boughton, Brice, D Burton, M Burton,
Butler (Mayor), Clark, Cox, Cuming,
Daley, Ells, English, Fermor,
Fissenden, Fort, Garland, Garten,
Mrs Gooch, Greer, Mrs Grigg, Harper,
Harvey, Harwood, Hastie, Hemsley,
Mrs Hinder, Joy, Lewins, McLoughlin,
B Mortimer, D Mortimer, Munford,
Naghi, Newton, Perry, Pickett, Powell,
Prendergast, Revell, Mrs Ring,
Mrs Robertson, Round, J Sams,
T Sams, Springett, Mrs Stockell,
Vizzard, Webb, Webster,
de Wiggondene, Wilby, Willis and
Mrs Wilson

Continued Over/:

Issued on 13 September 2016

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 DEBBIE SNOOK on 01622 602030**. To find out more about the work of the Council, please visit www.maidstone.gov.uk

Alison Broom

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

AGENDA

Page No.

1. Prayers
2. Apologies for Absence
3. Dispensations (if any)
4. Disclosures by Members and Officers
5. Disclosures of Lobbying
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
7. Minutes of the meeting of the Borough Council held on 20 July 2016 1 - 9
8. Mayor's Announcements
9. Petitions
10. Question and Answer Session for Members of the Public
11. Questions from Members of the Council to the Chairmen of Committees
12. Current Issues - Report of the Leader of the Council, Response of the Group Leaders and Questions from Council Members
13. Report of the Policy and Resources Committee held on 7 September 2016 - Medium Term Financial Strategy and Efficiency Plan 10 - 40
14. Oral Report of the Strategic Planning, Sustainability and Transportation Committee to be held on 13 September 2016 (if any)
15. Oral Report of the Audit, Governance and Standards Committee to be held on 19 September 2016 (if any)
16. Oral Report of the Communities, Housing and Environment Committee to be held on 20 September 2016 (if any)
17. Notice of Motion
Notice of the following motion has been given by Councillor Boughton, seconded by Councillor Mrs Blackmore:

"In view of the Government's recent announcement to allow Grammar Schools to expand, this Council would like to express its support for Maidstone's four Grammar Schools, and all other Secondary Schools in the Borough. This Council calls on all national parties to support this move, which enables children from deprived areas of the Borough the best possible opportunity to achieve a good education."

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| 18. | Report of the Head of Legal Partnership - Appointment of Monitoring Officer | 41 - 44 |
| 19. | Report of the Head of Policy and Communications - Review of Allocation of Seats on Committees | 45 - 50 |
| 20. | Appointment of the following Committees: | |
| | (a) Policy and Resources Committee | |
| | (b) Strategic Planning, Sustainability and Transportation Committee | |
| | (c) Communities, Housing and Environment Committee | |
| | (d) Heritage, Culture and Leisure Committee | |
| | (e) Planning Committee | |
| | (f) Licensing Committee | |
| | (g) Employment Committee | |
| | (h) Joint Transportation Board | |
| | (i) Democracy Committee | |
| | (j) Audit, Governance and Standards Committee | |
| | (k) Planning Referrals Committee | |
| | (l) Urgency Committee | |

MAIDSTONE BOROUGH COUNCIL ACTING AS CORPORATE TRUSTEE OF THE CHARITY KNOWN AS THE COBTREE MANOR ESTATE

- | | | |
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| 21. | Report of the Head of Policy and Communications - Review of Allocation of Seats on the Cobtree Manor Estate Charity Committee | 51 - 54 |
| 22. | Appointment of the Cobtree Manor Estate Charity Committee | |

MAIDSTONE BOROUGH COUNCIL ACTING AS CORPORATE TRUSTEE OF THE QUEEN'S OWN ROYAL WEST KENT REGIMENT MUSEUM TRUST

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| 23. | Report of the Head of Policy and Communications - Review of Allocation of Seats on the Queen's Own Royal West Kent Regiment Museum Trust Committee | 55 - 58 |
| 24. | Appointment of the Queen's Own Royal West Kent Regiment Museum Trust Committee | |

IN ACCORDANCE WITH SECTION 17 OF THE LOCAL GOVERNMENT AND HOUSING ACT 1989 ALTERNATIVE ARRANGEMENTS FOR APPOINTMENTS TO COMMITTEES OUTSIDE THE USUAL POLITICAL BALANCE REQUIREMENTS MAY BE CONSIDERED IN RELATION TO AGENDA ITEMS 19, 21 AND 23.

PUBLIC SPEAKING

In order to book a slot to speak at this meeting of the Council, please contact Debbie Snook on 01622 602030 or by email on debbiesnook@maidstone.gov.uk by 5.00 p.m. one clear working day before the meeting. If asking a question, you will need to provide the full text in writing and specify the Councillor to whom it is to be put. If making a statement, you will need to say which agenda item you wish to speak on. Please note that slots will be allocated on a first come, first served basis.

MAIDSTONE BOROUGH COUNCIL

MINUTES OF THE MEETING OF MAIDSTONE BOROUGH COUNCIL HELD AT THE TOWN HALL, HIGH STREET, MAIDSTONE ON 20 JULY 2016

Present: Councillor Butler (The Mayor) and Councillors Adkinson, Mrs Blackmore, Boughton, Brice, D Burton, M Burton, Clark, Cox, Cuming, Daley, Ells, Fermor, Fort, Garland, Garten, Mrs Gooch, Greer, Mrs Grigg, Harper, Harvey, Harwood, Hastie, Hemsley, Mrs Hinder, Mrs Joy, Lewins, McLoughlin, B Mortimer, D Mortimer, Munford, Naghi, Perry, Pickett, Powell, Prendergast, Revell, Mrs Ring, Mrs Robertson, Round, J Sams, T Sams, Vizzard, Webb, Webster, de Wiggondene and Mrs Wilson

24. PRAYERS

Prayers were said by the Reverend Ian Parrish.

25. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors Fissenden, Newton, Springett, Mrs Stockell, Wilby and Willis.

26. DISPENSATIONS

There were no applications for dispensations.

27. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

28. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

29. EXEMPT ITEMS

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

30. MINUTES OF THE ANNUAL MEETING OF THE BOROUGH COUNCIL HELD ON 21 MAY 2016

RESOLVED: That the Minutes of the Annual Meeting of the Borough Council held on 21 May 2016 be approved as a correct record and signed.

31. MAYOR'S ANNOUNCEMENTS

The Mayor updated Members on recent/forthcoming events, and thanked them for their support.

The Mayor then announced that:

- He had sent a letter of condolence to the Mayor of Nice following the atrocity which had taken place in the city at the celebration of Bastille Day.
- This would be the last Council meeting that Paul Riley, Head of Finance and Resources, would attend before his retirement. On behalf of the Council, he would like to thank Mr Riley for his advice and services over the last twenty six years and to wish him well for the future.

Councillor Garland entered the meeting during the Chairman's announcements (6.40 p.m.).

32. PETITIONS

There were no petitions.

33. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

Question to the Chairman of the Communities, Housing and Environment Committee

Mrs Susan Hogg asked the following question of the Chairman of the Communities, Housing and Environment Committee:

With over 18,000 new homes to be built in Maidstone, will the Borough Council make serious considerations to lobby Kent County Council to build another tip site to relieve pressure from the Tovil tip for safety of residents living in Tovil?

The Chairman of the Communities, Housing and Environment Committee replied that:

I can assure you that we have been looking at this for a long time through the Kent Waste Partnership.

Kent County Council is currently consulting on their draft Waste Disposal Strategy which includes the provision of Household Waste Recycling Centres. Maidstone Borough Council will be replying to this consultation and has previously raised its support for the provision of an additional facility to improve access to Maidstone residents. The consultation response will be considered by the Communities, Housing and Environment Committee prior to being submitted to Kent County Council at the end of September.

The Mayor then asked if any Group Leader/representative present would also like to respond.

Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, Councillor Adkinson, on behalf of the Leader of the Labour Group, Councillor Mrs Blackmore, the Leader of the Conservative Group, and Councillor Powell, the Leader of the UKIP Group, responded to the question.

Mrs Hogg asked the following supplementary question of the Chairman of the Communities, Housing and Environment Committee:

With the pressure of traffic generated from the use of the tip and increased fly-tipping within Maidstone, and especially Tovil, would Maidstone Borough Council agree that there is a great need and that it is vital for them to apply pressure on Kent County Council for an additional tip thus saving the rising cost of the Council using taxpayers' money to tidy up fly-tipping due to the ever growing demand placed on one facility for the whole Borough?

The Chairman of the Communities, Housing and Environment Committee replied that:

The Council takes recycling very seriously and only a small percentage of Maidstone waste is sent to landfill. There are household waste recycling facilities at Tovil. The Council will continue to put pressure on Kent County Council as there is demand for another site taking into account population and housing growth in the Borough.

The Mayor then asked if any Group Leader/representative present would also like to respond.

Councillor Mrs Gooch, the Leader of the Independent Group, responded to the question.

Question to the Chairman of the Democracy Committee

Mr Mike Hogg asked the following question of the Chairman of the Democracy Committee:

With no Borough elections next year and the Borough expecting to build a further 18,000 plus new homes, will this Council undertake a review of all the Borough ward boundaries, for most wards will become even larger if the boundaries are not moved.

Furthermore split South ward, for the Tovil section of the ward is expecting to take a further 1,000 plus new homes, making it one of the largest wards in Maidstone, or merge Tovil and the Coombe Farm estate together to form a new South ward and merge North Loose together with Loose.

The Chairman of the Democracy Committee replied that:

At its first meeting of the municipal year the Democracy Committee considered its work plan. As part of that consideration the Committee agreed to the creation of a working group to consider the options for an electoral review. The decision was based on a number of issues that includes the estimated growth in registered electors over the forthcoming five years.

While the group has not yet met it is intended to work through the potential benefits of and options for a boundary review; a review of the number of Councillors; and the potential for four yearly elections. The results of the review will be reported to Democracy Committee later in the year and the Committee will be asked to consider making a recommendation to Council based on the outcome of the review. Any such recommendation can only result in a request for a formal review by the Local Government Boundary Commission for England.

At this time I am unable to say if your suggested amendments would form part of any review. The Local Government Boundary Commission for England has responsibility for completing reviews and, along with the size of electorate, the Commission include a number of factors in their considerations, these include:

- Ward patterns and electoral equality;
- Community identity;
- Number of Councillors; and
- Rurality.

Should the Commission choose to make a recommendation for change, they would publish a consultation in due course. The Council can make representations to them as can any local elector.

The Mayor then asked if any Group Leader/representative present would also like to respond.

Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Harper, the Leader of the Labour Group, and Councillor Powell, the Leader of the UKIP Group, responded to the question.

Mr Hogg asked the following supplementary question of the Chairman of the Democracy Committee:

If boundary changes are not considered by this Borough Council, how will the Councillors who already exist in the wards be able to cope with representing a larger number of people and a larger workload to the high standard the electorate deserves without compromising any area of service supplied by the Council?

The Chairman of the Democracy Committee replied that:

We are in danger of letting the process undermine the principle. Personally, I believe there is a case for fewer Councillors. You look at Councils that have undertaken boundary reviews and often they come out

with fewer Councillors; it means representing more people. If that increases the quality of Councillor and the quality of decision making, then I am all for it. This will all be covered in the review, and I am sure that your points will be taken into consideration in due course.

The Mayor then asked if any Group Leader/representative present would also like to respond.

Councillor Mrs Wilson, the Leader of the Liberal Democrat Group, and Councillor Mrs Gooch, the Leader of the Independent Group, responded to the question.

To listen to the questions asked by members of the public and the responses, please follow this link:

<http://live.webcasts.unique-media.tv/mbc409/interface>

34. QUESTIONS FROM MEMBERS OF THE COUNCIL TO THE CHAIRMEN OF COMMITTEES

There were no questions from Members of the Council to the Chairmen of Committees.

35. CURRENT ISSUES - REPORT OF THE LEADER OF THE COUNCIL, RESPONSE OF THE GROUP LEADERS AND QUESTIONS FROM COUNCIL MEMBERS

The Leader of the Council submitted her report on current issues.

After the Leader of the Council had submitted her report, Councillor Mrs Blackmore, the Leader of the Conservative Group, Councillor Mrs Gooch, the Leader of the Independent Group, Councillor Powell, the Leader of the UKIP Group, and Councillor Harper, the Leader of the Labour Group, responded to the issues raised.

A number of Members then asked questions of the Leader of the Council and the Leader of the UKIP Group on the issues raised in their speeches.

36. REPORT OF THE DEMOCRACY COMMITTEE HELD ON 7 JULY 2016 - AMENDMENTS TO THE COUNCIL'S CONSTITUTION

It was moved by Councillor Boughton, seconded by Councillor D Burton, that the recommendations of the Democracy Committee regarding changes to the Council's Constitution be approved with the addition of the following words to the second sentence of paragraph 2.2:

...and also added to Section 1(c) of Part 4.4 – The Local Code of Conduct for Councillors and Officers Dealing with Planning Matters:

Amendment moved by Councillor Harper, seconded by Councillor Adkinson, that the motion be amended as follows:

1. Insert the following words after the word "training" in the proposed change set out in paragraph 2.1:

"has been provided out of work hours to make it available to all Councillors who undertake paid work,"

2. Insert the following words after the word "training" in the first sentence of the proposed change set out in amended paragraph 2.2:

"to be made available out of work hours so that Councillors who undertake paid work can attend,"

AMENDMENT LOST

The original motion was then put to the vote and carried.

RESOLVED:

1. That the Constitution be amended to include the following wording as the penultimate sentence at Part 4.5, paragraph 1c:

Members will not be eligible to sit on a Licensing Act 2003 Sub-Committee until training, which will be open to all Councillors, has been completed.

2. That the Constitution be amended to make it a requirement that Members and Substitute Members of the Planning Referrals Committee undergo training on the policies, procedures, legislation and guidance relevant to the work of the Planning Committee. In this connection, the following wording be included in Section 2.8 of Part 2.1 and also added to Section 1(c) of Part 4.4 – The Local Code of Conduct for Councillors and Officers Dealing with Planning Matters:

No Member will be able to serve on the Planning Referrals Committee without having agreed to undergo training on the policies, procedures, legislation and guidance relevant to the work of the Planning Committee, the details of which are to be agreed by the Chief Executive in consultation with the Leaders of the Political Groups represented on the Committee. The training must be completed before the Committee first meets to discharge its function and must be refreshed as appropriate.

37. ORAL REPORT OF THE STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORTATION COMMITTEE HELD ON 12 JULY 2016

There was no report from the Strategic Planning, Sustainability and Transportation Committee on this occasion.

38. ORAL REPORT OF THE COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE HELD ON 19 JULY 2016

There was no report from the Communities, Housing and Environment Committee on this occasion.

39. NOTICE OF MOTION

The following motion was moved by Councillor Harper, seconded by Councillor Adkinson:

Maidstone Celebrates being a Multi-Cultural Society

Following the EU referendum campaign the UK has voted to leave the EU after 43 years. For EU citizens living in the Borough and UK as well as our ethnic minority communities, this has led to a feeling of insecurity and of not being welcomed.

Race hate crimes have increased considerably in recent weeks and this Council needs to send out strong messages of our support for a multi-cultural society.

Maidstone Council welcomes all communities to our Borough (including EU citizens) and all who make a home here, work here or visit our Borough.

The Council will do all it can to ensure that Maidstone is a welcoming and culturally inclusive Borough.

The recent rise of hate crimes and xenophobia across the UK including our Borough since the referendum campaign is a disgrace.

The Council therefore resolves that it will:

- (1) Do everything in its power to celebrate the cultural diversity of the Borough.
- (2) Undertake the strongest action to tackle any race hate that occurs in the Borough.
- (3) Urge the Borough's two MPs and the new Prime Minister to make a clear statement that EU citizens currently living and working in the UK are welcomed and respected as valuable members of our community.

The Mayor said that he considered it to be convenient and conducive to the despatch of business that the motion be dealt with at this meeting, and that a factual briefing note had been circulated.

Amendment moved by Councillor D Burton, seconded by Councillor Boughton:

1. That the first part of the motion be amended to read:

"Continue to celebrate the cultural diversity of the Borough."

2. That the second part of the motion be amended to read:

“Condemn any form of racially motivated discrimination or abuse of EU citizens and any other minority groups.”

3. That the third part of the motion be deleted.

The mover and the seconder of the motion indicated that they accepted the amendments to parts 1 and 2 of the motion, but not the deletion of part 3.

AMENDMENT CARRIED

Councillors Harper and Adkinson requested that their disagreement with the deletion of part 3 of the motion be recorded.

The motion, as amended, was then put to the vote.

SUBSTANTIVE MOTION CARRIED

RESOLVED: That the Council will:

1. Continue to celebrate the cultural diversity of the Borough.
2. Condemn any form of racially motivated discrimination or abuse of EU citizens and any other minority groups.

40. APPOINTMENT OF TWO NON-VOTING PARISH COUNCILLOR REPRESENTATIVES TO SERVE ON THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

It was moved by Councillor McLoughlin, seconded by Councillor D Burton, and:

RESOLVED: That Councillors Eileen Riden and Peter Coulling be appointed as non-voting Parish Councillor representatives on the Audit, Governance and Standards Committee, specifically for hearings into allegations of misconduct by Parish Councillors, until the Annual Meeting of the Council in 2019.

41. MEMBERSHIP OF COMMITTEES

It was moved by the Mayor, seconded by Councillor D Burton, and:

RESOLVED: That the following changes to the membership of Committees be approved to reflect the wishes of the Leader of the Conservative Group:

Audit, Governance and Standards Committee – Delete Councillor Cuming as a Substitute Member

Democracy Committee – Add Councillor Cuming as a Substitute Member

42. DURATION OF MEETING

6.30 p.m. to 8.05 p.m.

Agenda Item 13

MAIDSTONE BOROUGH COUNCIL

COUNCIL

21 SEPTEMBER 2016

REFERENCE FROM POLICY AND RESOURCES COMMITTEE

MEDIUM TERM FINANCIAL STRATEGY AND EFFICIENCY PLAN

Issue for Decision

On 7 September 2016 the Policy and Resources Committee considered the Medium Term Financial Strategy and Efficiency Plan. The updating of the Medium Term Financial Strategy, and the submission of the Efficiency Plan are necessary steps towards agreeing a budget for 2017/18 and setting next year's Council Tax, decisions which the Council is due to make on 1 March 2017.

This year the regular cycle for the production of a Medium Term Financial Strategy has coincided with a requirement set by the Government to produce an Efficiency Plan. The Government made an offer of a fixed, four year local government finance settlement in February 2016 to cover the years 2016/17 to 2019/20. The offer is conditional on an authority producing and publishing an Efficiency Plan outlining how it will achieve objectives within the resources available as set out in the settlement.

A local authority is not obliged to accept the offer set out in the four year local government finance settlement. However, the risk in not accepting the offer is that any subsequent year's final settlement may be less favourable than that outlined in February 2016. This risk applies equally to authorities in receipt of Revenue Support Grant (RSG), and those like Maidstone that are not scheduled to receive RSG in future years.

Recommendation Made

That Council be recommended to agree the draft Medium Term Financial Strategy and Efficiency Plan, and to accept the Government's offer of a four year funding settlement, subject to the following:

That authority be delegated to the Chief Executive and Section 151 Officer, in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee, to make any amendments to the Efficiency Plan, within the parameters of the agreed Medium Term Financial Strategy, that may be required based on emerging new information between now and the submission deadline.

Reason for Recommendation

A report to Policy and Resources Committee on 29 June 2016 set out revenue budget projections for the five year period covered by the Medium Term Financial Strategy, together with the underlying assumptions. This indicated that the Council faced a budget gap which would reach between £3.4 million and £5.1 million by the end of the five year period. For planning purposes, a mid-range projection of £4.2 million has been used.

As set out in Appendix 1 of the MTFS / Efficiency Plan, budget proposals with a favourable revenue impact of £2.9 million out of the requires £4.2 million have now been identified. These have been evaluated as part of a budget prioritisation exercise, which has also provided a means of addressing the remaining budget gap of £1.3 million. It has done this by prioritising services and thereby highlighting those services which will be the focus for meeting the residual budget gap.

As can be seen in Appendix 1, the budget gap of £1.3 million arises towards the end of the five year gap at the end of 2019/20.

Alternatives Considered

A local authority is not obliged to accept the offer set out in the four year local government finance settlement or to prepare an Efficiency Plan. The options are therefore:

- Do nothing – do not prepare an Efficiency Plan or accept the Government's funding offer.
- Submit the MTFS / Efficiency Plan and accept the funding offer.

It could be argued that, as the Council is not due to receive RSG after 2016/17, there is nothing to be gained by accepting the funding offer. However, there is nevertheless a risk of a more unfavourable outcome for Councils that do not accept the offer. For example, this Council is already due to be subject to a 'tariff adjustment' to business rates retained by the authority in 2019/20, which is effectively negative RSG. The tariff adjustment amounts to £1.589 million. This tariff adjustment could be increased if the amount of overall local government funding were revised downwards and those authorities that had not accepted the funding offer were to bear a disproportionate share of the cut.

After 2019/20, the business rates retention regime is likely to change, with the local authority share of business rates increasing from 50% to 100%.

Given what is known currently, Officers' recommendation to Members is that the Council accepts the offer set out in the four year finance settlement and submits an Efficiency Plan.

Advice on the contents of the Efficiency Plan is still emerging. Given the formation of a new Government, changes in policy cannot be ruled out. For both

these reasons, it is further recommended that authority be delegated to the Chief Executive and Section 151 Officer, in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee, to make any amendments to the Efficiency Plan, within the parameters of the agreed Medium Term Financial Strategy, that may be required based on emerging new information between now and the submission deadline. The Plan will be reviewed by the Policy and Resources Committee regularly as part of the normal annual process of reporting and Council budget setting, for example in December following the Government's financial settlement statement and February in preparation for Full Council where the authority's budget for the subsequent financial year is agreed. Accordingly, there will be Member involvement in the ongoing development and implementation of the Efficiency Plan.

APPENDIX 1

DRAFT

MAIDSTONE BOROUGH COUNCIL

**MEDIUM TERM FINANCIAL STRATEGY
AND EFFICIENCY PLAN**

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Appendix 1: Revenue Projections 2017/18 – 2021/22

Appendix 2: Budget Prioritisation

Appendix 3: Capital Projections 2017/18 – 2021/22

1. **OVERVIEW AND SUMMARY OF EFFICIENCY PLAN**

Background

- 1.1 Each year, the Council prepares a Medium Term Financial Strategy (MTFS) that sets out how it plans to deliver its corporate objectives in financial terms over the next five years.
- 1.2 The Government has offered a four year funding settlement to local authorities, covering the years 2016/17 to 2019/20. This provides some certainty about the level of income that the Council can expect for the first three years covered by the next MTFS, ie 2017/18 to 2019/20.
- 1.3 The Government's funding offer requires local authorities to prepare an Efficiency Plan that shows how they will utilise the available funding. The MTFS fulfils a similar purpose, as it reflects projected levels of funding over the period that it covers. It can therefore be seen that the MTFS and the Efficiency Plan are closely linked.
- 1.4 For convenience, the Council has adopted a unified approach to preparation of the two documents, and will use the relevant sections of the MTFS to meet the requirement for an Efficiency Plan.

Strategic Context

- 1.5 The Council has set two over-riding corporate priorities: keeping Maidstone Borough an attractive place for all; and securing a successful economy for Maidstone Borough. These will be delivered both through our day-to-day revenue expenditure and through investment in the borough's infrastructure as part of the Council's capital programme. Funding for revenue spending is tightly constrained, as set out below, but the Council will seek to optimise delivery of the priorities within these constraints.
- 1.6 There are a different set of issues with capital investment. As set out in section 6 below, funds have been set aside for capital investment and further funding is available, in principle, through prudential borrowing. The challenge is to ensure that capital investment delivers against the Council's priorities, providing the required return on investment for the community.

Revenue funding

- 1.7 The Government's offer of a four year funding settlement was reported to Council when it set a budget for 2016/17, in March 2016. The MTFS for the five years 2016/17 – 2020/21, as presented in March, took account of the funding settlement in quantifying available resources over the next five years.
- 1.8 Given the funding settlement figures, the forecasts presented in March indicated that savings and efficiencies totalling £6.5 million would be required to cover the gap between projected resources and predicted

spend. Savings of £3 million were proposed, leaving a budget gap of £3.5 million. See details below.

	16/17	17/18	18/19	19/20	20/21
	£ million	£ million	£ million	£ million	£ million
Total Resources Available (A)	33.8	33.5	34.1	33.2	32.5
Predicted Expenditure Requirement (B)	36.0	34.8	34.3	34.8	33.7
Savings & Efficiencies Required (B-A)	2.2	1.3	0.2	1.6	1.2
Required – Cumulative (C)	2.2	3.5	3.7	5.3	6.5
Savings Proposals – Cumulative (D)	2.2	2.5	2.9	3.0	3.0
Still to be identified (C-D)	-	1.0	0.8	2.3	3.5

- 1.9 In accordance with legislative requirements the Council set a balanced budget for 2016/17 at Full Council in March 2016. On the basis of existing agreed projections, the four year funding settlement will not allow the Council to set a balanced budget in future years, with the budget gap widening from £1 million in 2017/18 to £3.5 million in 2020/21 unless other actions are taken.
- 1.10 The projections set out above have now been updated in the light of further developments since March 2016 and have been rolled forward to 2021/22. Looking further ahead, there is an additional shortfall of £0.7 million in 2021/22, making a total gap in our 5 year planning period of £4.2m as reported to Policy and Resources Committee in June 2016.
- 1.11 In developing the current MTFS / Efficiency Plan, there are therefore two main challenges:
- Ensuring that the savings proposed in March 2016 are delivered and are sustainable
 - Identifying a strategy to address the remaining budget gap of £4.2 million
- 1.12 More broadly, given continuing uncertainty about the projections, and in particular the position after 2019/20, it is important that there is a clear strategy that will allow the Council to address future financial challenges and risks.

The approach to meeting the two main challenges described is set out below.

Delivering existing savings proposals

- 1.13 Existing savings proposals have been reviewed. Where appropriate they have been adjusted, for example where the savings proposals are now no longer considered to be deliverable, or where they are not consistent with the rest of the strategy. The adjustments to the savings proposals are set out in Appendix 1, Revenue Projections 2017/18 – 2021/22.

Most of the savings proposals remain valid. As they form an inherent part of the MTFs, it is therefore essential that they are delivered. Officers are developing, or have developed, implementation plans. Progress with the savings will be monitored carefully as part of the Council's regular quarterly financial monitoring process.

Addressing the budget gap

- 1.14 The remaining budget gap of £4.2 million is very significant in relation to the Council's net expenditure budget of around £20 million. Owing to its size, no single initiative can be expected to close the gap. A broader, cross-cutting approach is necessary.
- 1.14 A two-fold approach has been taken to addressing the budget gap. First, proposed budget savings have been identified, using a conventional approach. Starting with the Council's Strategic Plan priorities, Heads of Service were asked to put forward savings proposals, which were then subject to challenge. These proposals are shown in summary form in Appendix 1 in the line 'New Savings Proposals'. The savings arise from a blend of different approaches: given the size of the budget gap, there is no single approach that is sufficient by itself. The following table sets out the generic approaches taken and the amounts contributed by each.

	£000
Delivering service outcomes in different ways	1,030
Efficiency improvements / transformation	805
Additional income	790
Reconfiguration of services	783

- 1.16 These savings proposals, even if agreed in full, would not be sufficient to close the budget gap for the whole period of the plan. Accordingly, a more radical approach has been taken to identify further savings. This has involved refocusing on the full range of services delivered by the Council, and considering whether the services delivered and the way in which they are delivered reflect the Council's strategy and aspirations.
- 1.17 The rationale for the approach is this: comparing what we want to deliver with what is actually delivered will indicate any potential misallocation of resources, and may allow resources to be freed up.
- 1.18 The technique used for this was a MoSCoW (must/should/could/won't) analysis of the Council's services. Each service was assigned one of the following four descriptions:

- MUST - essential to the Council
- SHOULD - important and its absence would weaken the Council
- COULD - useful but the Council is still viable without it
- WON'T - essential and can wait for now

The standard of service, both current and desired, was then categorised as gold, silver or bronze.

1.19 The outcome of an indicative service assessment using this technique is set out at Appendix 2. This approach has allowed the Council's expenditure to be prioritised. This in turn assists with the evaluation of the detailed Officer spending proposals described above and will highlight those services that need to be the focus for meeting the residual budget gap. The prioritisation approach will also form the basis of wider stakeholder consultation, as detailed budget proposals are developed for 2017/18.

2 NATIONAL AND LOCAL CONTEXT

Economic Outlook 2017 – 2022

- 2.1 The current national economic outlook is not favourable, making it even more important that the Council has financial plans that are robust and capable of withstanding shocks. Specifically, indications are that inflation is likely to rise, increasing the Council's cost base, but economic growth will slow down, with a potential reduction in tax receipts for national and local government.
- 2.2 The Retail Price Index (RPI) in the year to March 2016 rose to 1.6%, up from 0.9% in March 2015. The Consumer Price Index (CPI) 12 month rate (the amount prices change over a year) between March 2015 and March 2016 stood at 0.5%. The Office for Budget Responsibility published its Economic and Fiscal Outlook in March 2016 setting out its forecast up until 2020-21. This reduced down productivity growth by around 0.3 percentage points a year from the November 2016 review to an average of 2.1% a year over the rest of the decade. However, this was before the vote on the European Union (EU) referendum and based on Britain remaining in the EU.
- 2.3 Following the referendum, many commentators expect a slowdown in economic growth and potentially a recession. For example, PricewaterhouseCoopers in July 2016 projected UK growth to slow to 1.6% in 2016 and 0.6% in 2017. They identified that the projected slowdown will be as a result of reduced business investment following the referendum vote. On the more positive side it is predicted that consumer spending growth will remain stronger than the GDP growth and that there will be a positive contribution to GDP from growth in net trade assisted by the fall in sterling.
- 2.4 The Monetary Policy Committee (MPC) in August reduced the base rate from the 0.5% previously held for seven years to 0.25%. The MPC may well reduce the base rate further in the coming months. The market reaction to the recent reduction has led to at least one major bank indicating that it may reduce its own interest rates to below base rate.
- 2.5 Trying to look ahead to predict the national economic position is challenging with the vote to leave the European Union affecting the current economic outlook and a lack of certainty regarding what a post Brexit UK will look like economically.

Local Government Funding

- 2.6 Central government funding for local authorities has reduced very substantially since 2010. At the same time, the coalition government of 2010-15 and David Cameron's Conservative government of 2015-16 made significant changes to the way that local government is financed. It is too early to say whether these trends will continue under the new Conservative government formed in July 2016. However, there is certain

to be further change, given plans already announced by the previous government, and given the challenging economic environment.

- 2.7 A key change in the structure of local government funding was the introduction of 50% business rates retention for local authorities in 2013. This was part of an agenda of 'localism', giving more freedom and flexibility to local authorities. In practice, the benefit of receiving 50% of business rates (with the 50% split 40:9:1 between the District Councils, County Council and Fire Authority in Kent) was severely limited by the system of tariffs and top-ups that was introduced at the same time, with the intention of equalising business rates income between local authorities. Furthermore, a levy is paid to central government on business rates growth.
- 2.8 This means that the final value of the retained business rates for this Council is currently 7% of the amount collected. In practice this means that in 2016/17 the Council is projected to collect £61 million of Business Rates from Maidstone businesses of which just £4.3 million will be retained by the borough council.
- 2.9 The adverse impact of the levy for Maidstone has been mitigated by the business rates pooling arrangement that most Kent local authorities have elected to join. This allows most of the levy to be redistributed within the county.
- 2.10 The remaining 50% of business rates continued to go to central government, to be recycled back to local authorities in the form of Revenue Support Grant (RSG). RSG is in principle needs-based but the allocation of RSG between authorities was frozen in 2013, with the next re-assessment of needs due to take place in 2020.
- 2.11 The Government is now consulting on the introduction of 100% business rates retention with effect from 2020. As with 50% business rates retention, this would be linked to a mechanism for rates equalisation, which would mean that probably only a relatively small fraction of the 100% would in practice be retained by the Council. The additional income would be accompanied by devolution of further responsibilities to local government, details of which are currently subject to consultation by Government.
- 2.12 Whilst business rates have been and are likely to continue to be the main focus of Government reforms, the Council's principal source of funding remains Council Tax. Under current legislation, Council Tax increases are subject to a referendum if they exceed a specified limit, which is set each year by the government. For 2016/17 the limit was the greater of 2% or £5.
- 2.13 There is the potential for the Council to grow both its Council Tax and Business Rates income, if the numbers of households and businesses respectively grow. However, the scope for growth in the short term is limited.
- 2.14 A further significant source of income for the Council is New Homes Bonus. The Government distributes over £1 billion of grant in this form, based on

increases in the local housing stock. Maidstone is due to receive £5.1 million in New Homes Bonus in 2016/17. Council has agreed that this be allocated to fund the capital programme. The future of New Homes Bonus is uncertain. Consultation on future arrangements for the calculation of New Homes Bonus under the banner of "Sharpening the Incentive" was undertaken by Government between December 2015 and March 2016. The Department for Communities and Local Government are currently analysing the feedback. The overall quantum of resources for local government through taxation is reducing. Consequently the resources available for New Homes Bonus may also be impacted by the outcome of consultation on Business Rates Retention.

2.15 Further details of how the Council funds its services are set out in section 5.

Stakeholder Analysis

2.16 Development of the MTF5 / Efficiency Plan needs to recognise the Council's position in relation to a wide range of stakeholders. Income growth, for example, may mean additional contributions from Council Tax payers and businesses.

2.17 The table below maps out the key external stakeholders for the Council and how they are involved in the process of developing the financial strategy. Further details about specific work on consultation are set out in Section 9 below.

Stakeholder	Approach	Key interests & issues	Action	Communication Channels
Parish Councils	Keep satisfied	Planning/enforcement Environment Playgrounds	Keep informed Regular organised engagement	Quarterly meetings with KALC representatives and Parish Conference Parish liaison officer Alert to roadshow Survey/briefings sent in good time for them to respond.
Citizens Advice Bureau and grant funded organisations	Engage and manage	Keeping funding Keeping Accommodation Supporting particular service user groups	Regular contact and information	Chair and Vice Chair of CHE, and leadership team relationships Briefings
Mid Kent	Engage	Shared services	Engage	Through MKS

Stakeholder	Approach	Key interests & issues	Action	Communication Channels
Services Board	and seek to influence	Savings		Board and Shared Service Boards , 151 officer meetings and Chief Executive meetings
KCC	Engage and Seek to influence	Waste Management, Public Realm, Economic Development, Public health , Maidstone families matter Planning, Infrastructure including Transport, Devolution Potential for enhanced two tier working Residents	Engage	Project teams and boards Briefingpapers Chief Executive and Wider Leadership Team
Businesses	Inform	Business rates/transport infrastructure/T own Centre Parking / CCTV	Engage	Through channels such as MBEP, One Maidstone and the Chamber of Commerce Survey
NHS	Monitor	Public health, community safety Housing	Notify	Briefing from contacts
Kent Police	Engage and seek to influence	CCTV, public health, community safety, Housing, Emergency planning	Engage	Briefing from contacts
Kent Fire and Rescue	Monitor	CCTV, public health, community safety, housing?, emergency planning	Notify	Briefing from contacts
Department of Communities and Local	Monitor	Managing within our resources	Notify	Formal contact with Efficiency Plan and budget

Stakeholder	Approach	Key interests & issues	Action	Communication Channels
Government		Set a balanced budget Council tax rise		returns
Department of Work and Pensions – Job Centre Plus	Monitor	Accommodation Impact on residents	Notify	Briefing and Information
KCC Members	Keep informed	All services	Keep Informed Seek Support	Survey Briefing through contacts Inform of Roadshow
MPs	Keep informed	All services, particularly those with a national dimension eg Flooding	Keep Informed Seek Support	Direct briefing Inform of Roadshow
Residents	Keep Informed Engage	All (front facing services in particular)	Engage and Inform	Survey Information in the Press Website Information On-line survey Social Media Face to face roadshows
Staff	Keep Informed	Jobs Resident Interests Service Standards Doing more for less	Engage and Inform Regular contact	All existing internal communication channels
Local Media	Keep Informed	Cuts and Changes to services	Inform proactive Reactive	Regular briefings and press releases
Other Kent District Councils	Keep Informed	Shared savings and efficiencies	Inform	Briefing for Leaders and Kent Joint Chiefs
Charities and Community Groups	Keep informed	Resident Interests Opportunity to take on services	Inform	Briefings Share survey

3 CORPORATE OBJECTIVES AND KEY PRIORITIES

3.1 The Medium Term Financial Strategy and Efficiency Plan are intended to deliver the Council's corporate priorities. As well as a vision and mission the Council has agreed two corporate priorities for 2015-2020 underpinned by 8 areas of action:

Corporate 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 and heritage 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

For 2016/17 our particular focus is on

- Housing – tackling homelessness and improving supply
- Completing the Local Plan
- Creating a sustainable future for Mote Park
- Town Centre Regeneration
- Devolution
- Maintaining a robust Medium Term Financial Plan

3.2 We recognise that to meet our corporate priorities, working with our partners is essential, along with ensuring all our services provide value for money. Budget prioritisation is focused on ensuring we deliver our priorities with outcomes for our residents in relation to the action areas above. The plan and strategy reflect the level of resources required to achieve the key outcomes from the Council's priorities within the strategic plan.

4 REVENUE EXPENDITURE

Budget Pressures

4.1 The Council's focus on service delivery means that expenditure budgets have to be dynamic, reflecting changing service priorities and pressures. Factors influencing expenditure include both the Council's own strategic priorities and external pressures such as inflation.

4.2 Housing

Developments in the housing market have created very significant budget pressures for the Council. A recent Strategic Housing Market Assessment indicates that 43% of households in Maidstone are unable to resolve their own housing issues on the open market. Rents have risen and are significantly above the local housing allowance rate. Homeless households in temporary accommodation have increased in number, with a corresponding increase in costs, leading to a £500,000 overspend against the temporary accommodation budget in 2015/16. The Council aims to reduce the cost of providing temporary accommodation through direct investment in property, which avoids the cost of expensive third party accommodation. The Council is still developing its capacity to respond in this way which means that, at the very least, there will be a continued short term impact on budget from the Council meeting its homelessness obligations.

4.3 Planning

The Council submitted a draft Local Plan in May 2016. This involved significant one-off costs. The Local Plan will be subject to an Inspector's Hearing in Autumn 2016. Further one-off costs are anticipated, although the exact amount will depend on what challenges the Local Plan faces.

4.4 Museum and Cultural Activities

The Council is committed to developing Maidstone as a landmark cultural destination. The services which enable this are not statutory in nature, so it is essential that maximum impact is achieved from minimal Council expenditure, leveraging in external expertise and funds wherever possible.

4.5 Commercialisation

Underlying all service delivery is a commitment to maximising external income from services wherever possible, trading on the Council's areas of skills and experience. The overall approach was set out in a report agreed by Members in August 2014. The theme of commercialisation continues to be developed.

4.6 Transformation

More generally, the Council is making use of the transitional grant of £394,000 that it is due to receive from government in 2016/17 and

2017/18 to fund transformation initiatives. This has included work on channel shift and will include work to enable the savings that have been proposed to help meet the budget gap.

Inflation

- 4.7 Current inflation rates remain low. The annual increase in Consumer Price Index inflation (CPI) for the year to June 2016 is 0.5% (up from 0.3% for the year to May 2016). While central government no longer use the Retail Price Index inflation (RPI) a number of contractual arrangements at this Council do. The published increase in RPI for the year to June 2016 is 0.9% (up from 0.7% for the year to May 2016).

The Bank of England MPC has recently reduced the base rate and there are indications that it will consider doing so again before the end of the year. This is a reaction to the predicted decline in growth. This action is likely to impact on mortgages which form an element of CPI and RPI and will have a reducing effect on inflation. The inverse of this can be expected from the increase in the cost of imported goods due to the, already seen, reduction in the exchange rate. At this time the inflation indices used in the calculation of growth in the strategic revenue projection given at Appendix 1 have been kept the same as those used by officers in developing the figures for the initial consideration of the MTFs by this Committee on 29th June 2016. The following table sets out the assumptions made:

	Increase	
Employee Costs	1.0%	A base assumption relating to the growth in salary for the year
	0.5%	The annual cost of performance related incremental increases for
	0.2%	Agreed by Policy & resources in February 2016 this increase reflects the growth necessary to fund the national living wage.
Electricity	2.0%	This increase is based on known factors relating to the Council's contract with Laser
Gas	0.0%	There is no expected increase in the cost of Gas
Water	0.0%	There is no expected increase in the cost of water supply or disposal
Fuel	1.0%	A predicted average increase based on previous trends as no forward looking information is available.
Business Rates	0.8%	Based on predicted long term changes in business rates.
Insurance	0.5%	The increase in insurance premiums has been higher in previous years but there have been no significant market issues.
Rent	5.0%	This increase is now confirmed as due for October 2018. The strategic revenue projection has been amended to allow for this. A review of Office Accommodation is being launched.

Service Prioritisation

- 4.8 As a result of the funding gap described in paragraph 1.6 above, the Council has undertaken an initial assessment of the different services it provides in order to assess to what extent they meet its corporate priorities. This has been expressed in the form of a MoSCoW (must/should/could/won't) analysis. Each service was assigned one of the following four descriptions:

MUST - essential to the Council

SHOULD - important and its absence would weaken the Council

COULD - useful but the Council is still viable without it

WON'T - essential and can wait for now

The standard of service, both current and desired, was then categorised as gold, silver or bronze.

- 4.9 The outcome of an initial service assessment using this technique is set out at Appendix 2. This indicates that around 70% of services in terms of budget are categorised as 'MUST' and most of the rest are categorised as 'SHOULD'. Even services that are essential need to be delivered as cost-effectively as possible, so the implications of this categorisation are as follows.

- MUST – these services/activities will be addressed as part of our work on transformation. We will consider whether service outcomes can be delivered more cost-effectively in different ways, by carrying out contract / commissioning reviews. We will look for potential efficiency improvements and opportunities to generate additional income. Reports will be made to the relevant service committees to establish objectives, outcomes and options to be assessed.
- SHOULD – these services/activities will be reviewed and options will include reductions in funding and consequent reconfiguration of service scope and levels.

5 FUNDING

Revenue support grant

- 5.1 On the 10 February 2016 the Department for Communities and Local Government (DCLG) notified the council of the final figure for revenue support grant in 2016/17. At that time the government proposed a four year settlement that the Council may choose to accept. The revenue support grant for 2016/17 is £0.87m and the offer for the following three years 2017/18 to 2019/20 is zero. In addition the Government intend to reduce the business rates available to the Council by £1.589m in the financial year 2019/20. No changes to baseline and tariff charges will be made to allow for this reduction and it can therefore be seen as outside of the current business rates system and more in the nature of a negative revenue support grant.
- 5.2 At its meeting in June 2016 the Council's Policy and Resources Committee agreed to the principle of accepting the four year settlement and the development of an efficiency plan. The funding assumptions detailed below assume that the settlement provided by the DCLG will be as received up to 2019/20.

Retained business rates

- 5.3 The Government intends to introduce changes to business rates retention by 2020/21, following on from the end of the proposed four year settlement. The Council has carefully considered the proposals put forward in the Government's consultation and submitted a response.
- 5.4 The proposals include 100% local retention of business rates along with a series of additional responsibilities and a realignment of the shares of business rates received by each tier of local government. As with the current 50% localisation of business rates, the proposal for 100% localisation will mean substantially less than that amount being made available to Maidstone Council with the vast majority of the resource being redistributed elsewhere within local government. The Council can also expect to lose other specific grants such as Housing Benefit Administration Grant and potentially receive additional responsibilities.
- 5.5 The strategic revenue projection for 2020/21 and 2021/22 assumes that the impact of 100% retention and the adjusted redistribution by tier will mean that any change in the Council's baseline business rates would be counteracted by loss of other grants so a net zero impact has been assumed.
- 5.6 The impact of additional responsibilities has been modelled as part of growth pressures on the budget and an estimate of the likely financial impact included in the financial projections.

Business rates growth and the Kent Business Rates Pool

- 5.7 As a member of the Kent Business Rates Pool the council has the ability to retain more of the income from growth in business rates than it otherwise

would. This is because the pool members who are charged a levy (district councils) are sheltered by the pool members who receive a top-up (major preceptors). Under a specific agreement made between Maidstone Borough Council and KCC in 2014/15 and across Kent in 2015/16, the additional benefit is shared with Kent County Council. The shares and their value for the two years the scheme has been in operation are set out below:

SHARE BY PURPOSE		2014/15 £	2015/16 £	Estimate 2016/17 £
Maidstone Borough Council	30%	144,119	30,941	214,000
Kent County Council	30%	144,119	30,941	214,000
Growth Fund	30%	144,119	30,941	214,000
Contingency	10%	48,040	10,314	73,000
	100%	480,397	103,137	715,000

Table: Shares of the Kent Business Rates pool since commencement

- 5.8 It should be noted that the figure for 2015/16 was less than estimated. This is due to one of the high risk factors of locally retained business rates. The Council saw a higher than expected level of appeals for which a provision was required in 2015/16. This situation was the result of legislative change and is not expected to recur in 2016/17 or later years.
- 5.9 Previously the Council held the income from growth in reserve and committed it in the year following its receipt. This meant that the resources were not yet committed and the Council had an opportunity to modify its plans for using the resources depending on how much became available. In setting the 2016/17 budget the Council approved the use of the stable element of business rates growth, which is retained by the Council regardless of whether or not it is a member of the pool, into its base budget to maintain overall resource levels. From the current year onwards the earmarked reserve will hold only the growth protected by membership of the pool, with the intention of using it to implement the Council's economic development strategy.

Council Tax Levels

- 5.10 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 58,525.4.
- 5.11 The Council will soon set its tax base for 2017/18 and this will be based on data extracted from the Council Tax records in mid-October 2016.
- 5.12 A major factor to be considered in setting the tax base for 2017/18 is the agreed scheme of local council tax support. This scheme is undergoing a Kent wide review this year and the Council is consulting with residents on

the options for the final scheme. It is currently the intention to report to Members with recommendations for Council in December 2016.

- 5.13 Until that time the strategic revenue projection is based upon the estimated data used and agreed by this Committee in June 2016 at 59,148.2 for 2017/18.
- 5.14 The level of council tax increase for 2017/18 is a decision that will be made at Council on 1 March 2017 based on an assumption made by Policy and Resources 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.
- 5.15 As a general principle, the Council aims 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 are considered when setting the Council Tax along with the strategic revenue projection's assessment of the future reductions in resource levels.
- 5.16 In considering this issue Members 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 risk the council's medium term liquidity and financial resilience. The actual increase is an issue for Council as a whole.
- 5.17 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 set last year was the greater of 2% or £5.00. The Council approved an increase of £4.95 (2.1%).
- 5.18 For planning purposes Policy and Resources Committee has adopted an annual increase in the tax base equivalent to 1% and an increase of £4.95 per annum in the charge, reverting to 2% in 2020/21 when this becomes a greater figure than £4.95.

Local income from fees and charges

- 5.19 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. The policy is not influenced directly by the MTFS with the exception that charges should be maximised within the limits of the policy.
- 5.20 In developing the strategic revenue projection for 2016/17 the committee requested that a broad assumption of a 1% increase in future fees and charges be included in the MTFS. To reflect this requirement a £70,000 annual increase in other income is shown in the strategic revenue projection.

- 5.21 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.
- 5.22 The delivery of each proposal will be the responsibility of an individual service committee. For this reason the £1m target has not been reflected in the strategic revenue projection until individual committees have considered the level of income achievable

Summary of Resources

- 5.23 The table below summarises the resources as set out in the strategic revenue projection.

Source	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
Retained Business Rates	3,042	3,132	3,232	3,297	3,324
BR Growth in base budget	600	600	600	600	600
BR Growth not committed in base budget – see para 5.9	576	576	576	576	576
BR Adjustment	0	0	-1,589	-1,621	-1,634
Total All Business Rates	4,218	4,308	2,819	2,852	2,866
Council Tax	14,527	14,968	15,417	15,878	16,353
Other Income	16,835	16,905	16,975	17,045	17,115
Total Resources	35,580	36,181	35,211	35,775	36,334

6 CAPITAL PROGRAMME – EXPENDITURE AND FUNDING

- 6.1 The currently approved capital programme is set out at Appendix 3. The detail has been amended from the approved programme reported to Council on 2nd March 2016 following the approval by the Policy and Resources Committee, on 26th July 2016, of the capital outturn and carry forward of unused capital resources. Resources in earmarked reserves arising from the set aside of New Homes Bonus will total £11.1 million by 31st March 2017. The balance of unutilised resources by the end of the five year programme is currently estimated to be £2.6 million. The New Homes Bonus resources were originally set aside by this Council to assist in the affordability of the Infrastructure Delivery Plan. Resources have been utilised for infrastructure schemes including the Town Centre, the Bridges Gyratory and the Medway Towpath. Some resources have been utilised for commercial property acquisitions and capital expenditure to deliver commercial activity. The Council is currently considering consultation responses concerning the introduction of a Community Infrastructure Levy and it is anticipated that this will be the subject of Public Examination in 2017.
- 6.2 During 2015/16 £2.1 million of the Council’s earmarked resources were used to finance expenditure for which the Council approved prudential borrowing. Should the Council wish to borrow to finance this expenditure it can do so at a later date thus substituting the resources used to finance the expenditure. However, it would be necessary to ensure the revenue resources are available to afford the necessary debt repayments. It is therefore essential to ensure that these regeneration schemes deliver revenue income.
- 6.3 The current funding assumptions used in the programme are set out in the table below along with the expected total expenditure:

Funding Source	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000
Earmarked Reserves	11,146	4,998	2,720	1,970	1,456
Capital Grants	450	450	450	450	450
Capital Receipts	771	0	0	0	0
Prudential Borrowing	9,960	15,525	11,000	0	0
Total Resources	22,327	20,973	14,170	2,420	1,906
Estimated Expenditure	20,870	21,200	13,001	2,314	1,815
Cumulative Balance of Resources	1,457	1,230	2,399	2,506	2,597

- 6.4 It remains necessary for officers to complete a full review of the schemes within the programme and the expenditure proposals will be updated in the programme in time for the December meeting of The Policy and Resources committee. The update will include a projection into a further year 2021/22 to match the period of the capital programme with the period covered by the medium term financial strategy.

7 BALANCES AND EARMARKED RESERVES

- 7.1 As at 1st April 2016 General Fund balances of £4.6 million exist alongside earmarked reserves of £14.3 million. The table below sets out the earmarked reserves held at the beginning of the current year and their purpose:

	1st April 2016 £,000
Capital Support (New Homes Bonus)	9,620
Local Plan (New Homes Bonus)	135
Neighbourhood Planning	107
Business Rates Reserves	4,253
Trading Account Surpluses	179
Total	14,294

- 7.2 The table shows the balance of Capital Support Funding at the beginning of the year. The capital programme set out elsewhere in the MTFs report shows a programme that will spend this resource and the majority of the New Homes Bonus due in 2016/17.
- 7.3 The Business Rates Reserves are a combination of resources set aside to finance the deficit on the Collection Fund at the end of 2015/16 and the resources held for use on business growth and related economic development projects in 2016/17.
- 7.4 Trading account surpluses reflect the balance held in surplus on trading accounts such as building control and land charges that cannot generate surpluses for the general fund but can break even over a period of years. These surpluses are utilised in years where the trading accounts are in deficit.
- 7.5 It should be noted that the General Fund balance of £4.6 million includes a series of assumptions made in prior years about the use of the resources for purposes such as a commercialisation risk and an invest to save fund. These are not set aside in the formal way that earmarked reserves have been.
- 7.6 The Council has set a lower limit below which the Committee cannot take general fund balances and this is £2 million.

8 BUDGET RISKS

- 8.1 In preparing a Medium Term Financial Strategy, it is important to consider the risks that pose threats to its implementation. This section sets out the key risks that have been identified and how they can be mitigated.
- 8.2 The Council is actively seeking to embed a risk management approach as part of its approach to doing business. It has adopted a risk management framework, which incorporates a process for identifying risks and assigning ownership of specific risks at an appropriate management level within the Council. Details of risks are captured in risk registers at a corporate, service and project level.
- 8.3 The major risk areas that have been identified as potentially threatening the Medium Term Financial Strategy are as follows.

National and local economic environment

- 8.4 As set out in section 2, the current economic outlook is uncertain. Recession would impact the Council by reducing its income and creating additional cost pressures, for example around homelessness. These risks are mitigated to an extent by holding balances and reserves. These give the Council the ability to manage fluctuations in income and give it time to adapt to changed circumstances.

Price inflation

- 8.5 Linked to the overall economic position is the specific threat of price inflation. Payroll accounts for the majority of the Council's costs, so wage inflation in particular will have an impact. Risk mitigation is similar to that for overall economic risks.

Changes in government approach to local government financing

- 8.6 A new government was formed in July 2016 and it remains to be seen whether its approach to local government financing will be the same as the previous government's. Although the Council is not heavily dependent on government grants, it must operate within the overall framework for local government funding, which is set at a national level and is highly prescriptive. Previous governments have taken advantage of the adaptability of local authorities to reduce central funding for local government significantly. In an environment where national finances will continue to be under pressure, further changes cannot be ruled out, notwithstanding the four year funding settlement for local government announced earlier in 2016.

Delivery of savings & efficiencies

- 8.7 The Council has already committed to delivering £3 million of savings from 2016/17 onwards. This is a major challenge and will place pressure on the Council's capacity for management and change. The risk can be mitigated by effective planning and management but there remains a significant

residual risk. The Council is making use of the transitional grant of £394,000 that it is due to receive from government in 2016/17 and 2017/18 to fund work that will help to deliver these savings.

Changed or new responsibilities

- 8.8 The government's plans for 100% business rates retention involve local government taking on further functions. It is not clear at this stage what functions, if any, will come to this Council, or whether the level of funding will be adequate. Successive national governments have supported a 'new burdens doctrine' that requires Whitehall departments to justify why new duties, powers, targets and other bureaucratic burdens should be placed on local authorities, as well as how much these policies and initiatives will cost and where the money will come from to pay for them. In practice, there has been considerable variation in the interpretation of this doctrine, and with a large scale transfer of functions there is scope for local authorities to face unfunded burdens.

Unforeseen spending pressures

- 8.9 Such pressures include the cost of temporary accommodation, which has led to overspends in the Council in recent years, the cost of dealing with planning appeals, and the cost of temporary staff where it has not been possible to make permanent appointments. To an extent these pressures can be mitigated by holding reserves, which are then utilised if there is an unavoidable spending pressure in any given year. However, the resources would need to be replenished subsequently. The pressure would in any case have to be addressed as part of budget setting in the following year if it was expected to continue.

Income generation and collection - fees and charges

- 8.10 Income generated by the Council can be volatile. For example, parking income can be sensitive to changes in the overall economic environment.

Council Tax – Council Tax base and collection rates

- 8.11 Council Tax income has in the past proved stable and has increased steadily with the growth in the number of homes. Continued growth could be threatened by a downturn in the economy. Collectability of Council Tax could be threatened if a large number of households face joblessness and loss of incomes.

Business rates income – overall level and collection rates

- 8.12 Business rates income is particularly vulnerable to ratepayer appeals. The Council is less exposed than some authorities, owing to the diverse local economy in Maidstone. However, a general loss of profitability in the retail sector (for example) could lead to a large number of appeals and possible consequent loss of income.

Availability of funding for capital expenditure

- 8.13 The Council's investment plans depend on the availability of funding, whether through New Homes Bonus, capital receipts, or borrowing through the Public Works Loan Board.

Level of balances and reserves

- 8.14 As explained above, balances and reserves provide a measure of protection against risks generally. The result is that the overall risk profile of the Council will increase if balances and reserves are depleted.

9 CONSULTATION

Background

- 9.1 Each year the council as part of the development of the Strategic Plan and MTFS carries out consultation with our businesses and residents and other stakeholders on the priorities and spending of the council. A programme has been proposed that ensures the focus of annual consultations is not repetitive and builds a body of information over time. The intention of the consultation is to both inform and be informed by local residents, businesses and stakeholders.
- 9.2 Previous consultation has been focused on payment for services by council tax or direct fee at time of use, proposals for savings in discretionary services, request for new savings, variations in the level of customer service, questions on savings proposals and the effect of previous budget savings as well as areas where we should be focusing our efforts to make savings. Our approach has varied from on-line surveys, face to face surveys, public roadshows to on-line budget simulator exercises.

Consultation Approach

- 9.3 Consultation on the budget in Autumn 2016 will be carried out across a number of channels in a variety of formats including:
- A face to face budget roadshow led by Councillors
 - An on-line survey
 - Briefings across all our communication channels
- 9.4 The results of the consultation will inform how resources are prioritised and will be reported to all four service committees as part of the refreshed strategic plan and final medium term financial strategy.

APPENDIX 1
REVENUE ESTIMATE 2016/17 TO 2020/21
RECOMMENDED STRATEGIC REVENUE PROJECTION

2016/17 £,000		2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
AVAILABLE FINANCE						
870	REVENUE SUPPORT GRANT	0	0	0	0	0
2,983	RETAINED BUSINESS RATES (BR)	3,042	3,132	3,232	3,297	3,324
	BR GROWTH IN BASE BUDGET	600	600	600	600	600
1,176	BR GROWTH UNCOMMITTED	576	576	576	576	576
	BUSINESS RATES ADJUSTMENT			-1,589	-1,621	-1,634
169	COLLECTION FUND ADJUSTMENT					
14,085	COUNCIL TAX	14,527	14,968	15,417	15,878	16,353
19,283	BUDGET REQUIREMENT	18,745	19,276	18,236	18,730	19,219
14,214	OTHER INCOME	16,835	16,905	16,975	17,045	17,115
33,497	TOTAL RESOURCES AVAILABLE	35,580	36,181	35,211	35,775	36,334
EXPECTED SERVICE SPEND						
34,347	CURRENT SPEND	36,118	35,580	36,181	35,211	35,775
INFLATION INCREASES						
730	PAY, NI & INFLATION INCREASES	549	400	404	408	412
NATIONAL INITIATIVES						
100	LOSS OF ADMINISTRATION GRANT	100	100			
50	PENSION DEFICIT FUNDING	150	150	150	150	150
	ADDITIONAL RESPONSIBILITIES				1,288	11
LOCAL PRIORITIES						
74	HOMELESSNESS PREVENTION	7				
42	SHARED PLANNING SUPPORT	14				
	MAIDSTONE HOUSE RENT INCREASE		40	40		
30	ECONOMIC DEVELOPMENT STAFFING					
150	TEMPORARY ACCOMMODATION	150		-50	-50	-50
	REPLACE CONTINGENCY	200				
87	MK LEGAL SERVICES GROWTH					
25	MUSEUM					
40	STAFFING CHANGES					
MINOR INITIATIVES						
	GROWTH PROVISION	50	50	50	50	50
35,675	TOTAL PREDICTED REQUIREMENT	37,338	36,320	36,775	37,057	36,348
2,178	SAVINGS REQUIRED	1,758	139	1,564	1,282	14
2,178	AGREED MARCH 2016	345	418	49	-	-
0	ADJUSTMENTS	(127)	(318)	(25)	-	-
0	NEW SAVINGS PROPOSALS	1,570	55	1,561	125	97
0	(SURPLUS) / BALANCE TO FIND	(30)	(16)	(21)	1,157	(83)

APPENDIX 2 - INDICATIVE OUTCOMES FROM MOSCOW ANALYSIS

Service	Net Direct Cost	Net Direct Revenue	MOSCOW Rating	Current G/S/B	Potential G/S/B
Waste Collection	1,221		Must	G	G
Street Cleansing	1,091		Must	B	S
Recycling	780		Must	G	G
Fleet & Workshop Management	763		Must	G	G
Community Safety (incl CCTV)	441		Must	U	B
Flood Defences & Land Drainage ‡	32		Must	S	S
Homelessness	1,084		Must	S	S
Housing Benefit Administration ‡	353		Must	S	S
Housing Advice	299		Must	S	S
Private Sector Housing - DFGs & Standards*	192		Must		
Housing Strategy - Statutory*	73		Must	S	S
Planning Policy	918		Must	S	G
Development Control	740		Must	S	G
Corporate Support Services ‡	3,906		Must	S	S
Office Accommodation ‡	1,565		Must	S	S
Council Tax and Business Rates Collection	458		Must		
Electoral Registration and Elections	340		Must		
Business Support	234		Must		
Economic Research & Development	167		Must	S	G
Emergency Centre	52		Must		
Youth Development Programme	48		Must		
Debt Recovery Service		(35)	Must		
Internal Printing		(58)	Must		
Interest payable/receivable		(119)	Must		
Rent Rebates		(339)	Must		
Commercial Investments		(845)	Must	B	G
Must Total	14,756	(1,396)			
Grounds Maintenance	1,418		Should		
Regulatory Services*	1,323		Should	S	S
Grants ‡	239		Should	S	S
Trade Waste		(62)	Should	S	S
Private Sector - Discretionary Grants*	192		Should		
Community Development ‡	156		Should	S	S
Public Health	84		Should	S	S
Housing Strategy - Non Statutory*	73		Should	S	S
Gypsy and Traveller Sites ‡	37		Should	S	S
Culture & Heritage	1,278		Should	S/G	S/G
Open Spaces (excl Grounds Maintenance)	233		Should	S/G	S/G
Cemetery		(16)	Should	G	G
Lockmeadow Market		(78)	Should	B	S
Recreation & Sport		(131)	Should	G	G
Crematorium		(635)	Should	G	G
Public Transport	287		Should	S	S
Building Control	50		Should	S	S
Network & Traffic Management	34		Should	S	S
Land Charges		(162)	Should	S	S
Parking Services		(1,740)	Should	B	G
Shared Services ‡	2,690		Should	S	S
Democratic Representation	527		Should	S	S
Performance, Development and Comms	421		Should	S	G
Bank Charges and Audit Fee	273		Should	S	G
Parish Services ‡	200		Should	S	S
Tourism	165		Should	S	G
Should Total	8,261	(2,824)			
MBS Support Crew		(56)	Could	G	G
Leisure Services Other (Christmas Lights)	36		Could	S	S
Could Total	36	(56)			

* Budget split 50:50 between 'must' and 'should' components

‡ MOSCOW ratings to be confirmed

APPENDIX 3 - PROPOSED CAPITAL PROGRAMME

Estimate 2015/16 £	FUNDING / SCHEME	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £
2,971,694	Cont'n from Earmarked Reserve	11,146,310	4,998,411	2,720,010	1,970,740	1,455,900
592,199	Capital Grants	450,000	450,000	450,000	450,000	450,000
750,000	Capital Receipts	770,620				
**	Prudential Borrowing	9,959,600	15,525,000	11,000,000	0	0
4,313,893	TOTAL FUNDING	22,326,530	20,973,411	14,170,010	2,420,740	1,905,900
<i>** Schemes requiring PB incurred expenditure in this year</i>						
0	Housing Grants					
	Support for Social Housing					
169,069	Housing Incentives	475,010	350,000	350,000	350,000	350,000
	Housing Investments	2,000,000	600,000	600,000	600,000	600,000
592,199	Housing - Disabled Facilities	450,000	450,000	450,000	450,000	450,000
23,049	Gypsy Site Improvements	277,250				
4,684	Flood Defences	95,280	50,000	50,000	50,000	50,000
13,376	**Brunswick Street	2,061,600	6,025,000			
802,377	COMMUNITIES HOUSING & ENVI	5,359,140	7,475,000	1,450,000	1,450,000	1,450,000
23,884	Crematorium Access					
129,058	Improvements to Play Areas	1,280,740	590,000			
	Green Space Strategy	9,600				
396,372	Commercialisation - RE Panels					
38,158	Mote Park Parking	31,800				
47,220	Mote Park Café	35,060				
	Crematorium Strategy	650,000				
29,368	Mote Park AZ	760,600				
	Mote Park Essential Improvements	610,000	150,000		369,000	
	Other Parks Essential Improvements		225,000	50,000	25,000	
	***Mote Park Visitor Centre		500,000	2,000,000		
	Museum Development Plan	93,000	110,000	176,100	170,000	90,000
664,060	HERITAGE CULTURE & LEISURE	3,470,800	1,575,000	2,226,100	564,000	90,000
19,310	High Street Regeneration	315,160	2,800,000			
	Bridges Gyrotory Scheme	1,140,000				
245,580	Acquisition of Commercial Assets	1,473,890				
248,183	Enterprise Hub	5,900				
72,352	Asset Mgt / Corporate Property	287,400	175,000	175,000	175,000	175,000
167,554	Software / PC Replacement	250,500	175,000	150,000	125,000	100,000
57,435	**Maidstone East	3,492,600	5,000,000	5,000,000		
1,992,572	**Union Street	1,007,400	4,000,000	4,000,000		
2,000	**The Mall Regeneration	3,398,000				
5,495	Depot Weighbridge					
29,227	Fleet Acquisitions					
	Town Hall webcast & speakers	100,000				
2,839,708	POLICY & RESOURCES	11,470,850	12,150,000	9,325,000	300,000	275,000
	Riverside Towpath	540,000				
1,790	King Street Multi-storey	20,310				
5,958	Improvements to Car Parks	8,840				
7,748	STRATEGIC PLANNING SUSTAIN/	569,150	0	0	0	0
	Cobtree Golf Course					
0	COBTREE CHARITY	0	0	0	0	0
4,313,893	TOTAL OVERALL PROGRAMME	20,869,940	21,200,000	13,001,100	2,314,000	1,815,000
-4,313,893	RESOURCES AVAILABLE	-22,326,530	-20,973,411	-14,170,010	-2,420,740	-1,905,900
0	BALANCE CARRIED FORWARD	-1,456,590	-1,230,001	-2,398,911	-2,505,651	-2,596,551

Council	21 September 2016
Is the final decision on the recommendations in this report to be made at this meeting?	Yes

Appointment of Monitoring Officer

Final Decision-Maker	Council
Lead Director or Head of Service	Interim Director of Mid Kent Services
Lead Officer and Report Author	John Scarborough, Head of Legal Partnership
Classification	Non-exempt
Wards affected	All

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

1. To appoint Estelle Culligan as the Interim Head of Legal Partnership and Monitoring Officer for the Council, with effect from 3 October 2016.
2. To authorise the Interim Head of Legal Partnership to exercise the Head of Legal Partnership’s delegated functions and responsibilities in the Council’s Constitution with effect from 3 October 2016.

This report relates to the following corporate priorities:

The Council is responsible for putting in place proper arrangements for the governance of its affairs. The appointment of an experienced Monitoring Officer is a key component of these arrangements and will support the Council to achieve its corporate objectives

Timetable	
Meeting	Date
Council	21 September 2016

Appointment of Monitoring Officer

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 John Scarborough, the Council's Head of Legal Partnership and Monitoring Officer, is leaving the Council on 2 October 2016 to take up another position.
 - 1.2 The Council is required by law to appoint a Monitoring Officer. Therefore this report recommends that the Council appoints Estelle Culligan, Deputy Head of Legal Partnership, as the Council's Interim Head of Legal Partnership and Monitoring Officer with effect from 3 October 2016. It is proposed that this appointment remains in place whilst a permanent replacement for the Head of Legal Partnership is recruited.
-

2 INTRODUCTION AND BACKGROUND

- 2.1 The Council shares its legal service with Swale and Tunbridge Wells Borough Councils (Mid Kent Legal Services). John Scarborough is the current Head of Legal Partnership. Mr Scarborough is also appointed as the Monitoring Officer for Maidstone Borough Council.
- 2.2 Mr Scarborough is leaving his post on 2 October 2016 to take up another position.
- 2.3 The Council is required by law to appoint a Monitoring Officer and under the Council's Constitution, the decision must be taken by Full Council. The Council's Head of Paid Service and the Chief Finance Officer cannot also hold the position of Monitoring Officer.
- 2.4 The Monitoring Officer has a number of statutory duties and responsibilities relating to the Council's Constitution and the arrangements for effective governance. These duties include maintaining the Constitution, ensuring that no decision or omission of the Council is likely to give rise to illegality or maladministration and promoting high standards of conduct. A full list of the Monitoring Officer's responsibilities and delegated powers is included within the Council's Constitution (Part 2.1 paragraph 3.13 and paragraph 4 "The Proper Officer Functions").
- 2.5 Estelle Culligan, Deputy Head of Legal Partnership, has accepted an offer to become Interim Head of Legal Partnership for the three local authorities whilst a permanent replacement for the Head of Legal Partnership post is recruited.
- 2.6 It is proposed that Ms Culligan is appointed as the Council's Monitoring Officer with effect from 3 October 2016 and that she is seconded to the Council from Swale Borough Council (her employing authority) whilst carrying out the Monitoring Officer duties. Ms Culligan has been a qualified solicitor for 15 years and has 12 years' experience working in local government legal services. She

was also Monitoring Officer in her previous employment and is experienced in carrying out the Monitoring Officer role.

- 2.7 If the recommendation is accepted, Ms Culligan will appoint a Deputy Monitoring Officer to assist with her responsibilities for Maidstone Borough Council.
- 2.8 As the Interim Head of Legal Partnership, it is also recommended that, with effect from 3 October 2016, Ms Culligan exercises the Head of Legal Partnership's delegated functions and responsibilities in the Council's Constitution.

3 AVAILABLE OPTIONS

- 3.1 The Council could decide to appoint another council officer as its Monitoring Officer but without a similar level of legal and governance expertise.

4 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The recommendation is to appoint Estelle Culligan, Deputy Head of Legal Partnership, as Monitoring Officer for the reasons set out above.

5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Given that this report concerns the appointment of one of the Council's statutory officers, the recommendation is being made directly to Full Council. The Leader of the Council and the Chairman of the Audit, Governance and Standards Committee have both been consulted about the report.

6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 If the recommendation is approved, the decision will be communicated to staff and relevant stakeholders.

7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Council is responsible for putting in place proper arrangements for the governance of its affairs. The appointment of an experienced Monitoring Officer is a key component of these arrangements and will support the Council	Steve McGinnes, Interim Director MKS

	to achieve its corporate objectives	
Risk Management	If the recommendation is accepted, the risks are considered to be low given the Deputy Head of Legal Partnership's extensive legal and governance experience. The risks of appointing a Monitoring Officer without these skills and experience would be much higher.	John Scarborough, Head of Legal Partnership 12/8/16
Financial	If the recommendation is accepted, it will enable the Council to make use of existing Mid Kent Improvement Partnership resources, namely the legal and governance experience of the Deputy Head of Legal Partnership. Arrangements are being discussed to backfill the Deputy Head of Legal Partnership's responsibilities within the existing approved Mid Kent Legal Services budget.	Section 151 Officer & Finance Team
Staffing	If the recommendation is accepted, the Head of Legal Partnership will be seconded to the Council from Swale Borough Council whilst carrying out her Monitoring Officer duties.	John Scarborough, Head of Legal Partnership 12/8/16
Legal	The Council is required to appoint a Monitoring Officer by section 5 of the Local Government & Housing Act 1989. Section 113 of the Local Government Act 1972 allows one local authority to agree with another that it will place an officer at the disposal of the latter for the purposes of their functions.	John Scarborough, Head of Legal Partnership 12/8/16

8 REPORT APPENDICES

None

9 BACKGROUND PAPERS

None

COUNCIL	21 September 2016
Is the final decision on the recommendations in this report to be made at this meeting?	Yes

REVIEW OF ALLOCATION OF SEATS ON COMMITTEES

Final Decision-Maker	Council
Lead Head of Service	Angela Woodhouse, Head of Policy and Communications
Lead Officer and Report Author	Debbie Snook, Democratic Services Officer
Classification	Public
Wards affected	N/A

This report makes the following recommendations to this Committee:

1. That the calculation for entitlement to seats on individual Committees and the requisite adjustments as set out in Appendix A be determined.

This report relates to the following corporate priorities: N/A

Timetable	
Meeting	Date
Council	21 September 2016

REVIEW OF ALLOCATION OF SEATS ON COMMITTEES

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Following the Shepway South by-election and the decision of Councillor Newton to join the UKIP Group, there have been requests to review the allocation of seats on Committees to the different Political Groups represented on the Council pursuant to Section 15 of the Local Government and Housing Act 1989.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 Following the Shepway South by-election on 8 September 2016 and the decision of Councillor Newton to join the UKIP Group, the composition of the Council is as follows:

Conservative	23
Liberal Democrats	22
Independent	4
UKIP	4
Labour	2
<u>Total</u>	<u>55</u>

- 2.2 Requests have been received for a review of the allocation of seats on Committees pursuant to Section 15 of the Local Government and Housing Act 1989. Applying each Political Group's proportion of the overall number of seats and rounding to the nearest whole number does not give an exact fit with the number of seats on each Committee. There are six seats that remain to be allocated between the UKIP, Independent and Labour groups in the proportion 2:2:1. As this ratio does not give an exact fit with the six vacancies, agreement will need to be reached amongst the relevant Group Leaders on the allocation of seats.
- 2.3 The Constitution requires that the Planning Referrals Committee comprises three Councillors, one from each of the three largest Political Groups. As there is now a tie for the position of the third largest Group, it is proposed that on this occasion allocation of the third seat be subject to consultation between the two relevant Group Leaders (resulting in 7 seats in total to be allocated). If agreement is reached then the seat will be allocated accordingly. In order to provide a clear framework for resolving such issues in future, consultation will take place on appropriate amendments to the Constitution.
-

3. AVAILABLE OPTIONS

- 3.1 The revised allocation of seats on individual Committees is set out in Appendix A, together with details of the adjustments required. The calculation assumes the following:

- 114 seats on Committees;
- The Policy and Resources Committee comprising representatives of all five Political Groups (with a Political Group defined as consisting of two or more Members);
- The Employment Committee including the Leaders of all five Political Groups (not politically balanced);
- The Urgency Committee comprising the Leaders of all five Political Groups (not politically balanced); and
- The Planning Referrals Committee comprising three Members, with the third seat subject to consultation between the two relevant Group Leaders (not politically balanced).

3.2 Section 17 of the Local Government and Housing Act 1989 provides for exceptions to the political balance requirements. Essentially, the Council can amend the political balance of a Committee provided that notice of the intention to give such consideration has been given to all Members of the Council and that when the alternative arrangements are put to the vote at the Council meeting, no Member of the Council votes against them.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 It is proposed, following consultation with Group Leaders, that the Employment Committee, the Urgency Committee and the Planning Referrals Committee only are not politically balanced as set out in paragraph 3.1 above, and that the calculation for entitlement to seats on individual Committees and the requisite adjustments as set out in Appendix A be determined.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 Group Leaders have discussed the revised allocation of seats on Committees, and their views have been taken into account in the calculation and allocation.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Once the allocation of seats has been decided upon, there is a duty to give effect to the allocation by making appointments to them in accordance with the wishes of the Group Leaders on behalf of their respective Political Groups.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	There are no direct impacts on corporate priorities arising from this decision, but the Committees once appointed will discharge the functions delegated to them having regard where appropriate to the Council's strategic objectives.	Head of Policy & Communications
Risk Management	The review of the allocation of seats on Committees will ensure an appropriate political balance in membership.	Head of Policy & Communications
Financial	The Committees to be appointed having regard to the political balance requirements form part of the original plan for the committee system of governance and as such there are no additional financial implications.	Section 151 Officer
Staffing	There are no staffing implications.	Head of Policy & Communications
Legal	The legal implications are set out in the body of the report.	Head of Legal Partnership
Equality Impact Needs Assessment	There are no equality issues.	Policy & Information Manager
Environmental/Sustainable Development	There are no environmental/sustainable development implications.	Head of Policy & Communications
Community Safety	There are no community safety implications.	Head of Policy & Communications
Human Rights Act	There are no human rights implications.	Head of Policy & Communications
Procurement	There are no procurement implications.	Head of Policy & Communications
Asset Management	There are no asset management implications.	Head of Policy & Communications

8. REPORT APPENDICES

The following document is to be published with this report and forms part of the report:

- Appendix A – Allocation of Seats on Committees

9. BACKGROUND PAPERS

None

APPENDIX A

ALLOCATION OF SEATS ON COMMITTEES

50

	Service Committees														
	Policy and Resources	Strategic Planning, Sustainability and Transportation	Communities, Housing and Environment	Heritage, Culture and Leisure	Planning Committee	Licensing Committee	Employment Committee	Joint Transportation Board	Democracy Committee	Audit, Governance and Standards Committee	Planning Referrals Committee	Urgency Committee	Total of entitlement on individual Committees etc.	Overall entitlement	Adjustments Required
Seats to be Allocated	15	9	9	9	13	12	12	9	9	9	3	5	114	114	
Con	6	4	4	4	6	5	5	4	4	4	1	1	48	48	
Lib Dem	6	4	4	4	5	5	4	4	4	4	1	1	46	46	
Ind	1	0	0	0	1	1	1	0	0	0	0	1	5	8	+3
UKIP	1	0	0	0	1	1	1	0	0	0	0	1	5	8	+3
Lab	1	0	0	0	0	0	1	0	0	0	0	1	3	4	+1
Total Allocated	15	8	8	8	13	12	12	8	8	8	2	5	107	114	
To be Allocated	0	1	1	1	0	0	0	1	1	1	1	0			7

MAIDSTONE BOROUGH COUNCIL ACTING AS CORPORATE TRUSTEE OF THE CHARITY KNOWN AS THE COBTREE MANOR ESTATE	21 SEPTEMBER 2016
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Is the final decision on the recommendations in this report to be made at this meeting?	Yes
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REVIEW OF ALLOCATION OF SEATS ON THE COBTREE MANOR ESTATE CHARITY COMMITTEE

Final Decision-Maker	Maidstone Borough Council acting as Corporate Trustee of the Charity Known as the Cobtree Manor Estate
Lead Head of Service	Angela Woodhouse, Head of Policy and Communications
Lead Officer and Report Author	Debbie Snook, Democratic Services Officer
Classification	Public
Wards affected	N/A

This report makes the following recommendations to the Council:

1. That the allocation of seats on the Cobtree Manor Estate Charity Committee as set out below be approved:

Conservative	2
Liberal Democrats	2
Independent	1
UKIP	0
Labour	0

This report relates to the following corporate priorities: N/A

Timetable

Meeting	Date
Maidstone Borough Council Acting as Corporate of the Charity Known as the Cobtree Manor Estate	21 September 2016

REVIEW OF ALLOCATION OF SEATS ON THE COBTREE MANOR ESTATE CHARITY COMMITTEE

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Following the Shepway South by-election and the decision of Councillor Newton to join the UKIP Group, requests have been received to review the representation of the different Political Groups on the Cobtree Manor Estate Charity Committee pursuant to Section 15 of the Local Government and Housing Act 1989.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 Following the Shepway South by-election and the decision of Councillor Newton to join the UKIP Group, the composition of the Council has changed, and requests have been received for a review of the allocation of seats on Committees, including the Cobtree Manor Estate Charity Committee, pursuant to Section 15 of the Local Government and Housing Act 1989.
-

3. AVAILABLE OPTIONS

- 3.1 The Cobtree Manor Estate Charity Committee and the Queen's Own Royal West Kent Regiment Museum Trust Committee both comprise five Members. The Conservative and Liberal Democrats Groups are entitled to two Members each on each Committee and the Independent and UKIP Groups are entitled to one Member each in total between the two Committees. Following consultation with the relevant Group Leaders it is proposed that the Independent Group should take the fifth seat on the Cobtree Manor Estate Charity Committee and the UKIP Group should take the fifth seat on the Queen's Own Royal West Kent Regiment Museum Trust Committee.
- 3.2 Section 17 of the Local Government and Housing Act 1989 provides for exceptions to the political balance requirements. Essentially, the Council can amend the political balance of a Committee provided that notice of the intention to give such consideration has been given to all Members of the Council and that when the alternative arrangements are put to the vote at the Council meeting, no Member of the Council votes against them.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is proposed, following consultation with Group Leaders, that the allocation of seats on the Cobtree Manor Estate Charity Committee be as follows:

Conservative	2
Liberal Democrats	2
Independent	1
UKIP	0
Labour	0

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The Group Leaders have been consulted on the revised allocation of seats on the Cobtree Manor Estate Charity Committee, and their views have been taken into account in the proposed allocation.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Once the allocation of seats has been decided upon, there is a duty to give effect to the allocation by making appointments to them in accordance with the wishes of the Group Leaders on behalf of their respective Political Groups.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	N/A	Head of Policy & Communications
Risk Management	The review of the allocation of seats on the Committee will ensure an appropriate political balance in membership.	Head of Policy & Communications
Financial	The Committee forms part of the original plan for the Committee system of governance and as such there are no additional financial implications.	Section 151 Officer
Staffing	There are no staffing implications.	Head of Policy & Communications
Legal	The legal implications are set out in the body of the report.	Head of Legal Partnership

Equality Impact Needs Assessment	There are no equality issues.	Policy & Information Manager
Environmental/Sustainable Development	There are no environmental/sustainable development implications.	Head of Policy & Communications
Community Safety	There are no community safety implications.	Head of Policy & Communications
Human Rights Act	There are no human rights implications.	Head of Policy & Communications
Procurement	There are no procurement implications.	Head of Policy & Communications
Asset Management	There are no asset management implications.	Head of Policy & Communications

8. BACKGROUND PAPERS

None

**MAIDSTONE BOROUGH COUNCIL
ACTING AS CORPORATE TRUSTEE
OF THE CHARITY KNOWN AS THE
QUEEN’S OWN ROYAL WEST KENT
REGIMENT MUSEUM TRUST**

21 SEPTEMBER 2016

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

Yes

REVIEW OF ALLOCATION OF SEATS ON THE QUEEN’S OWN ROYAL WEST KENT REGIMENT MUSEUM TRUST COMMITTEE

Final Decision-Maker	Maidstone Borough Council acting as Corporate Trustee of the Charity Known as the Queen’s Own Royal West Kent Regiment Museum Trust
Lead Head of Service	Angela Woodhouse, Head of Policy and Communications
Lead Officer and Report Author	Debbie Snook, Democratic Services Officer
Classification	Public
Wards affected	N/A

This report makes the following recommendations to the Council:

1. That the allocation of seats on the Queen’s Own Royal West Kent Regiment Museum Trust Committee as set out below be approved:

Conservative	2
Liberal Democrats	2
Independent	0
UKIP	1
Labour	0

This report relates to the following corporate priorities: N/A

Timetable

Meeting	Date
Maidstone Borough Council Acting as Corporate of the Charity Known as the Queen’s Own Royal West Kent Regiment Museum Trust	21 September 2016

REVIEW OF ALLOCATION OF SEATS ON THE QUEEN'S OWN ROYAL WEST KENT REGIMENT MUSEUM TRUST COMMITTEE

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Following the Shepway South by-election and the decision of Councillor Newton to join the UKIP Group requests have been received to review the representation of the different Political Groups on the Queen's Own Royal West Kent Regiment Museum Trust Committee pursuant to Section 15 of the Local Government and Housing Act 1989.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 Following the Shepway South by-election and the decision of Councillor Newton to join the UKIP Group, the composition of the Council has changed, and requests have been received for a review of the allocation of seats on Committees, including the Queen's Own Royal West Kent Regiment Museum Trust Committee, pursuant to Section 15 of the Local Government and Housing Act 1989.
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3. AVAILABLE OPTIONS

- 3.1 The Queen's Own Royal West Kent Regiment Museum Trust Committee and the Cobtree Manor Estate Charity Committee both comprise five Members. The Conservative and Liberal Democrats Groups are entitled to two Members each on each Committee and the Independent and UKIP Groups are entitled to one Member each in total between the two Committees. Following consultation with the relevant Group Leaders it is proposed that the UKIP Group should take the fifth seat on the Queen's Own Royal West Kent Regiment Museum Trust Committee and the Independent Group should take the fifth seat on the Cobtree Manor Estate Charity Committee.
 - 3.2 Section 17 of the Local Government and Housing Act 1989 provides for exceptions to the political balance requirements. Essentially, the Council can amend the political balance of a Committee provided that notice of the intention to give such consideration has been given to all Members of the Council and that when the alternative arrangements are put to the vote at the Council meeting, no Member of the Council votes against them.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is proposed, following consultation with Group Leaders, that the allocation of seats on the Queen's Own Royal West Kent Regiment Museum Trust Committee be as follows:

Conservative	2
Liberal Democrats	2
Independent	0
UKIP	1
Labour	0

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The Group Leaders have been consulted on the allocation of seats on the Queen’s Own Royal West Kent Regiment Museum Trust Committee, and their views have been taken into account in the proposed allocation.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Once the allocation of seats has been decided upon, there is a duty to give effect to the allocation by making appointments to them in accordance with the wishes of the Group Leaders on behalf of their respective Political Groups.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	N/A	Head of Policy & Communications
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Human Rights Act	There are no human rights implications.	Head of Policy & Communications
Procurement	There are no procurement implications.	Head of Policy & Communications
Asset Management	There are no asset management implications.	Head of Policy & Communications

8. BACKGROUND PAPERS

None