

AGENDA

POLICY AND RESOURCES COMMITTEE MEETING



Date: Wednesday 18 January 2017

Time: 6.30 pm

Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Mrs Blackmore (Vice-Chairman),
Boughton, Brice, Cox, Fermor,
Garland, Mrs Gooch, Harper, Harvey,
Harwood, McLoughlin, Pickett, Powell,
Round and Mrs Wilson (Chairman)

Page No.

1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members

Continued Over/:

Issued on Tuesday 10 January 2017

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

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

5. Disclosures by Members and Officers
6. Disclosures of Lobbying
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
8. Minutes of the Meeting Held on 14 December 2016 Adjourned to 3 January 2017 - to follow
9. Presentation of Petitions (if any)
10. Questions and answer session for members of the public (if any)
11. Committee Work Programme 1
12. Report of the Head of Policy and Communications - Strategic Plan 2015-20, Update 2017-18 2 - 16
13. Report of the Director of Finance and Business Improvement - Medium Term Financial Strategy 2017/18 Onwards - Capital Programme 17 - 34
14. Report of the Director of Finance and Business Improvement - Medium Term Financial Strategy - Fees and Charges 35 - 41
15. Report of the Director of Finance and Business Improvement - Council Tax Tax Base 2017/18 42 - 50
16. Report of the Director of Mid Kent Services - Council Tax Empty Property Discounts 51 - 58

PUBLIC SPEAKING

In order to book a slot to speak at this meeting of the Policy and Resources Committee, please contact Caroline Matthews on 01622 602743 or by email on carolinematthews@maidstone.gov.uk by 5 pm one clear working day before the meeting. If asking a question, you will need to provide the full text in writing. If making a statement, you will need to tell us which agenda item you wish to speak on. Please note that slots will be allocated on a first come, first served basis.

Theme	Report Title	Committee	Date
Medium Term Financial Strategy	MTFS - Fees and Charges	Policy and Resources Committee	18-Jan-17
Medium Term Financial Strategy	Medium Term Financial Strategy Update	Policy and Resources Committee	18-Jan-17
Medium Term Financial Strategy	Medium Term Financial Strategy - Capital Programme	Policy and Resources Committee	18-Jan-17
New/ Updates to Strategies and Plans	Strategic Plan 2015-2020 Refresh	Policy and Resources Committee	18-Jan-17
Other Finance Issues	Empty Properties Discount Scheme	Policy and Resources Committee	18-Jan-17
Town Centre Regeneration	Maidstone Town Centre Investment and Development Plan - update	Policy and Resources Committee	18-Jan-17
Town Centre Regeneration	King Street Car Park	Policy and Resources Committee	15-Feb-17
Other Finance Issues	Council Tax - Exceptional Hardship Scheme	Policy and Resources Committee	15-Feb-17
Other	Flood Risk Alleviation in the Medway Confluence	Policy and Resources Committee	15-Feb-17
Monitoring Reports	Strategic Plan Performance Update Quarter 3	Policy and Resources Committee	15-Feb-17
Monitoring Reports	Third Quarter Budget Monitoring	Policy and Resources Committee	15-Feb-17
Other	Bi-annual risk register	Policy and Resources Committee	15-Feb-17
Town Centre Regeneration	Phase 3 Public Realm - approval of outline designs	Policy and Resources Committee	29-Mar-17
Other	Review of the Fraud Investigation Team	Policy and Resources Committee	29-Mar-17
Other Finance Issues	Irrecoverable Business Rates	Policy and Resources Committee	29-Mar-17
Monitoring Reports	Equality Objectives Annual Report	Policy and Resources Committee	26-Apr-17
New/ Updates to Strategies and Plans	Workforce Strategy	Policy and Resources Committee	Jun-17
New/ Updates to Strategies and Plans	Health and Safety Strategy	Policy and Resources Committee	Jun-17
Medium Term Financial Strategy	Council Tax Tax Base 2017/18	Policy and Resources Committee	23-Nov-17
Medium Term Financial Strategy	Council Tax 2017/18 - collection fund adjustments	Policy and Resources Committee	23-Nov-17
Medium Term Financial Strategy	Projected Collection Fund Adjustment Account	Policy and Resources Committee	14-Dec-17
Monitoring Reports	Business Terrace - operation and financial update	Policy and Resources Committee	14-Dec-17
Income Generation	Property Acquisition - Commercial	Policy and Resources Committee	TBC
Monitoring Reports	Fourth Quarter Budget Monitoring	Policy and Resources Committee	TBC
Monitoring Reports	Strategic Plan Performance Update Quarter 4	Policy and Resources Committee	TBC
New/ Updates to Strategies and Plans	Economic Development Strategy Update	Policy and Resources Committee	TBC
Town Centre Regeneration	Brunswick Street Redevelopment	Policy and Resources Committee	TBC
Town Centre Regeneration	Union Street Redevelopment	Policy and Resources Committee	TBC
Town Centre Regeneration	Maidstone East Redevelopment	Policy and Resources Committee	TBC
Town Centre Regeneration	Development of the Mall including Bus station	Policy and Resources Committee	TBC

Key
Completing the Local Plan
Housing
Income Generation
Medium Term Financial Strategy
Member Development and Training (not report specific)
Monitoring Reports
Museums and Heritage
New/Updates to Strategies and Plans
Other
Other Finance Issues
Parks and Open Spaces
Town Centre Regeneration

Agenda Item 12

POLICY AND RESOURCES COMMITTEE

18 January 2017

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

No

Strategic Plan 2015-20, 2017-18 Refresh

Final Decision-Maker	Council
Lead Director	Chief Executive
Lead Officer and Report Author	Angela Woodhouse, Head of Policy and Communications
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. To review and agree amendments to the draft Strategic Plan 2015-20, 2017-18 as part of the full refresh on 15 February 2017
2. To review and agree the performance indicators for the action areas pertinent to this committee for reporting in 2017-18.

This report relates to the following corporate priorities:

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

The Strategic Plan sets the council's priorities and how they will be delivered. The refresh is focused on shaping the plan to be fit for purpose in 2017-18.

Timetable

Meeting	Date
Policy and Resources	14 December 2016
Strategic Planning Sustainability and Transportation	10 January 2017
Communities, Housing and Environment Committee	17 January 2017
Policy and Resources Committee	18 January 2017
Heritage Culture and Leisure	31 January 2017
Policy and Resources	15 February 2017
Council	2 March 2017

Strategic Plan 2015-20, 2017-18 Refresh

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report sets out the refreshed strategic plan at Appendix A for consultation with the service committees.
 - 1.2 The Committee is asked to review the action areas relevant to its terms of reference to identify actions and measures for 2017-18 focused on the “we will” section within each action area.
 - 1.3 The action areas for consideration by the Committee are:
 - Regenerating the Town Centre; and
 - Promoting a range of Employment Skills across the Borough
 - 1.4 The changes made so far reflect the results of the budget consultation and follow up workshop with the leadership team including Chairs and Vice Chairs from all four principal committees.
 - 1.5 The Strategic Plan is aligned to and underpinned by the Medium Term Financial Strategy.
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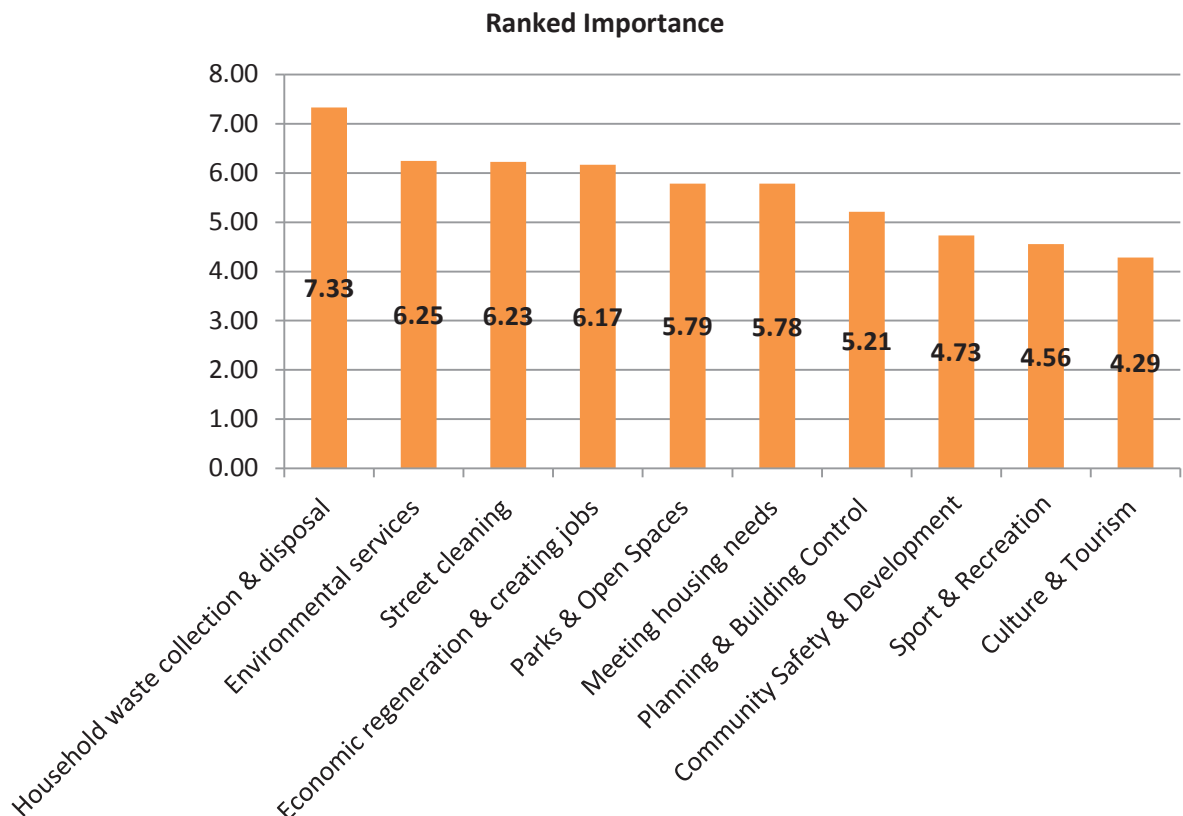
2. INTRODUCTION AND BACKGROUND

- 2.1 This Committee agreed in September that the Strategic Plan would be refreshed for 2017-18 rather than creating a new plan. To support the refresh of the plan and in-light of the budget savings required going forward a budget consultation was carried out.
- 2.2 The consultation was held between 7 October and 20 November 2016. Roadshows were held at a variety of locations around the borough and the survey was emailed to the Council’s consultation mailing list and promoted via social media and available online. Respondents were asked two questions in the survey:
 - to rank ten services in order of importance where 1 was most important and 10 least important.
 - for the same list of services, to say if they thought funding for that service should remain the same, be reduced or be cut altogether.

We received a total of 926 (786 online and 140 through the roadshow) responses.

2.3 The full budget report and results have been appended to the report on the Medium Term Financial Strategy (MTFS) on this agenda.

2.4 The bar chart below shows the ranked importance of the ten areas as prioritised by residents.



2.5 A workshop was held with the leadership team to consider the results of the survey, information from the residents' survey 2015, performance data and proposed actions and measures for 2017-18.

2.6 As a result of the workshop and consultation two of the action areas have been reworded as follows:

- Enhancing the appeal of the town centre for everyone has been changed to: Regenerating the Town Centre
- Planning for sufficient homes to meet our Borough's needs to: A Home for Everyone

2.7 Three areas have been identified for the council to focus on in 2017-18 out of the 8 action areas:

- Providing a clean and safe environment – a clean and tidy borough is consistently a high priority for our residents

- A Home for Everyone –In light of the spend and needs in this area an area for focus in 2017-18
- Regenerating the Town Centre – focusing on delivery of our regeneration projects and working with partners

2.8 This gives the council clear priorities and focus for 2017-18. As such it is recommended a similar focussed approach is taken to performance management in 2017-18. Rather than reporting to the Policy and Resources Committee on all performance measures they will receive a report on the top three areas of focus. Each service committee will be able to design and shape performance reports relevant to their areas of focus in 2017-18.

2.9 When considering indicators to measure progress against our actions they should be:

- Relevant to our Strategic Plan, priorities and our responsibilities
- SMART: Specific, Measurable, Achievable, Relevant and Time-Bound

Measures will be added to the 'measured by' sections of the Strategic Plan.

2.10 The Council faces significant financial challenges over the life of the plan with no revenue support grant in 2017/18 and a negative settlement by 2019/20. Despite the financial pressures the MTFs remains aligned to and underpins the delivery of the Strategic Plan priorities.

2.11 The Committee will consider the final draft with changes as recommended by each committee for approval prior to submission to Council in March.

3. AVAILABLE OPTIONS

3.1 The Committee is asked to consider any amendments to the actions prior to consideration of the whole plan in light of all service committee feedback in February. The Committee can choose what amendments to propose if any. They are also asked to consider how the actions will be measured giving consideration to which performance indicators would be appropriate.

3.2 The areas of the Strategic Plan which relate to this committee are:

- Regenerating the Town Centre
- Promoting a range of Employment Skills across the Borough

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The Committee is asked to consider any amendments to the actions and measures prior to final agreement in February.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Residents were asked to consider our priorities in the budget consultation carried out in Autumn 2016, referred to above and appended to the report on the medium term financial strategy on this agenda.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The current stage in the process is to consult with the service committees prior to a final report to this Committee in February then onto full Council.
- 6.2 Policy and Resources will consider the changes put forward by each service committee prior to approving the refreshed plan for submission to Council on 2 March 2017.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Strategic Plan sets the Council's priorities	Head of Policy and Communications
Risk Management	The Strategic Plan sets out our priorities and how they will be delivered informing the council's risk register and risk appetite. The council has a risk register which will pick up any actions from the strategic plan.	Head of Policy and Communications
Financial	The Strategic Plan sets the Council's priorities. The Medium Term Financial Strategy aligns with the Strategic Plan and sets out the priorities in financial terms.	Section 151 Officer & Finance Team
Staffing	The plan informs service plans and individual appraisals	Head of Policy and Communications
Legal	No legal implications	Interim Head of the Legal Partnership

Equality Impact Needs Assessment	As decisions are made on each of the projects and actions these will need to take equality into account	Head of Policy and Communications
Environmental/Sustainable Development	The Strategic Plan sets out the high level priorities for Environment and Sustainable Development	Head of Policy and Communications
Community Safety	The Strategic Plan sets out the high level priorities for Community Safety	Head of Policy and Communications
Human Rights Act	No implications	Head of Policy and Communications
Procurement	No implications	Head of Policy and Communications
Asset Management	No implications	Head of Policy and Communications

8. REPORT APPENDICES

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

- Appendix A: Strategic Plan , 2015-2020 (2017-18, Refresh)
- Appendix B: Potential Performance Measures

9. BACKGROUND PAPERS

None

Appendix A

Strategic Plan 2015-2020



Foreword from the Leader (2017-18), Councillor Fran Wilson



New section to be drafted for Policy and Resources in February

~~Over the next five years Maidstone Borough Council faces an exceptionally challenging future as our funding from Central Government for the provision of local services is removed. Increasingly we have to rely on~~

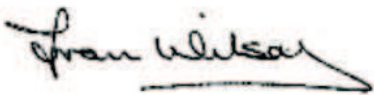
~~self generated income and on our own tax base. Despite this we are confident we can produce a solid medium term financial strategy and continue to deliver the first class services which residents value.~~

~~Devolution is now high on Central Government's Agenda. It is vital that we put time and effort into determining what this will mean for the people of this Borough and, working with the County Council and other district colleagues, into shaping the future for Kent.~~

~~At the heart of the Borough is our county town. Emphasis will be placed on regeneration and transportation projects to underpin a vibrant economy and enhance its appeal to both residents and visitors.~~

~~The gap between income and house prices continues to grow. This, allied to an acute shortage of affordable housing, has made it increasingly difficult to get a foot on the housing ladder and has seen homelessness rise at an alarming rate. A key priority is to provide decent and affordable homes for our growing population.~~

~~Despite these challenges we are determined to remain ambitious in our aspirations for the Borough and its people and to emphasise its unique heritage, cultural and natural assets~~



Our Vision, Mission and Values

OUR VISION

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

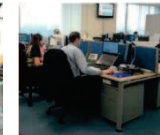
OUR MISSION

Putting People First.

OUR PRIORITIES

Keeping Maidstone Borough an attractive place for

Securing a successful economy for Maidstone



ACTION

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

Regenerating 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

A home for everyone Planning for sufficient homes to meet our Borough's needs

OUR VALUES

Service



Everything we do impacts on our customers, both internal and external. We will listen to and understand their needs, then take action to provide the right service in a positive and professional manner.

Teamwork



Working together to achieve our objectives and to goals in a way that utilises the talents and creativity of everyone in our organisation.

Responsibility



We work in an environment that encourages us to take ownership for our actions. Making the right choices and decisions that lead to a satisfactory outcome for all.

Integrity



We have the courage to act on our convictions to build trust and honesty. We work with our partners and customers to create a feeling of openness and transparency in everything we do.

Value



Taking care and weighing up our options, aiming to get the maximum effect for every penny of public money we spend.

Equality



Valuing our differences and understanding how they can contribute to a better working environment and services that are fair and easy to access.

Providing a Clean and Safe Environment

Maidstone Borough Council has demonstrated its commitment to deliver cost effective and sustainable waste and recycling services, as a result our recycling rate has improved significantly. Maidstone does not experience high levels of crime. We have with our Community Safety Partnership agreed that reducing anti-social behaviour, domestic abuse, reoffending and improving road safety are our priorities up until 2018. During the first year of the Strategic Plan the Council has introduced a street cleansing service designed to meet the current and future needs of the Borough.

We mean:

- People feel safe in the Borough and they live in ~~a clean environment of high quality~~ an attractive and clean environment

We will:

- Work with our partners to improve all areas of the public realm
- Deliver the waste and recycling strategy
- Deliver an efficient and effective street cleansing service
- Deliver the Community Safety ~~strategy~~ Plan 2017-18
- Deliver the Air Quality ~~Strategy working with partners~~ Action Plan

Measured by:

- ~~Resident satisfaction~~
- ~~British crime survey~~
- ~~Environmental quality indicators~~
- ~~Recycling~~
- ~~Reduction in residual waste~~
- ~~Estimated levels of CO2 Emissions (per head of population)~~

Encouraging Good Health and Wellbeing

Deprivation in the Borough is lower than average, however 14.1% (4,100) of children (under 16 years old) in Maidstone live in poverty. There is a difference in life expectancy of men and women; women are expected to live 3 years longer than men and there is a 13 year gap between the ward with the highest life expectancy and the one with the lowest life expectancy.

We mean:

- Addressing the social determinants of health through our role in services like Housing, Environmental Health and Community Development and our provider role in terms of leisure activities
- Improved health outcomes for residents, reduced health inequality

We will:

- Deliver our Housing Strategy
- Deliver our Health ~~Inequalities Action Plan~~ and Wellbeing Action Plan
- ~~Work with businesses to promote health and wellbeing~~

Measured by:

- ~~Health Indicators~~
- ~~Number of private sector homes improved~~
- ~~Disabled Facilities Grants~~
- ~~Homelessness Prevention~~

Respecting the Character and Heritage of our Borough

Maidstone is the county town of Kent. In terms of its geography it is largely rural and the countryside offers high quality landscape and biodiversity. Approximately 50% of the Borough population lives in a parished area. We are focused on achieving economic prosperity, whilst at the same time protecting the environment and landscape that makes the Borough of Maidstone a great place to live, work and visit.

We mean:

- Thriving and resilient urban and rural communities
- Listening to our communities
- Respecting our heritage and natural environment
- Devolving services where we can and working with Kent County Council to do the same

We will:

- Deliver and honour our Parish Charter
- Deliver the Communication and Engagement Action Plan
- Work with our Parishes and Communities on the design of their communities

Measured by:

- ~~Resident survey~~
- ~~Parish survey~~

Ensuring there are good Leisure and Cultural Attractions

There is always something to see or do in Maidstone with the river, two museums and a theatre in the town centre, four green flag parks, a well-used leisure centre, a castle, various markets and a variety of festivals and events held across the Borough and throughout the year.

We mean:

- Maidstone has leisure and cultural offers which attract visitors and meet the needs of our residents

We will:

- ~~Adopt and deliver~~ Deliver thea Destination Management Plan with a shared statement of intent to manage, develop and promote our borough
- Deliver the Festival and Events Strategy
- Adopt and deliver the Museum 20 year plan
- ~~Maximise the benefits of our leisure and cultural assets through our commercialisation approach to maintain key services~~ Deliver the programme of projects a sustainable future for Mote Park.

Measured by:

- ~~Customer satisfaction with our leisure and cultural attractions~~
- ~~Visitor economy indicators~~

Regenerating the Town Centre

Maidstone has had an historically thriving town centre, however we need to ensure that we keep pace with the changing economic environment and continue to meet the demands of businesses and consumers. Investment in Maidstone town centre is needed if it is to continue to be a popular place for leisure, to live, shop and work.

We mean:

- Ensuring we have a thriving and attractive town centre that is fit for the future

We will:

- ~~Be proactive in delivering~~ [Deliver a vision for the town centre through working with partners, businesses and regenerating areas ourselves.](#) [the Town Centre Development Plan](#)
- [Deliver the Destination Management Plan.](#)

Measured by:

- ~~% of vacant retail units~~
- ~~Conversion of office space to residential,~~
- ~~How Maidstone is rated as a retail destination~~
- ~~Resident satisfaction~~

Securing Improvements to the Transport Infrastructure for our Borough

Maidstone is strategically situated between London and the channel ports and is serviced by two motorway networks, the M20 and M2, with rail connections to central London. With regard to travelling in and around the Borough by car, congestion is an issue particularly at peak time in the town centre. The bus transport network serving Maidstone town is relatively strong whilst rural transport presents distinct challenges.

We mean:

- A transport network that meets the needs of residents and businesses

We will:

- [Deliver an Integrated Transport Strategy](#) and work with our partners to seek improvements to the transport infrastructure
- [Deliver the Local Plan](#)
- [Introduce Community Infrastructure Levy](#)
- [Create a transport operators group](#)

Measured by:

- ~~Measures from Integrated Transport Strategy~~
- ~~Resident Survey~~

Promoting a range of employment skills and opportunities across the borough

There were ~~83,100~~87,000 people employed in the Maidstone economy for the period July 2015 to June 2016~~in 2015~~ with a high proportion in the public sector, reflecting the town's status as Kent's County Town and administrative capital. There were ~~7,080~~6,735 registered businesses in Maidstone in 2016~~5~~, equivalent to 43~~2~~ businesses per 1,000 population, ~~compared to 39 for England and an above-average rate of self-employment. In line with the average across England and Wales.~~

We mean:

- Meeting the skills and employment needs of our residents, supporting and attracting businesses and, ~~not becoming a dormitory Borough, and supporting and attracting businesses~~

We will:

- Deliver our Economic Development Strategy with Partners.
- Work with businesses and support them to grow and develop
- Build on the success of the enterprise hub
- Work with our partners to support those not in education, employment or training (NEET)

Measured by:

- ~~% of our residents that are NEET~~
- ~~Net change in jobs~~
- ~~% of Job Seekers Allowance claimants~~
- ~~Business start-ups versus failures~~

A Home for Everyone

The supply of new affordable housing within the borough has been greater than in neighbouring authorities, although still less than historic levels. 163 new affordable homes were built in the borough in 2014/15. New text to be added

We mean:

- Having enough homes to meet our residents needs with sufficient homes across a range of tenures

We will:


- Deliver the Adopt a Local Plan
- Deliver the Housing Strategy
- Implement the Housing Assistance Strategy
- Deliver the Homelessness Action Plan
- Deliver the affordable housing programme
- Deliver the Temporary Accommodation Strategy

Measured by:

- Net Additional Homes
~~% of additional homes that are affordable~~

Design work to be added

Draft Performance Indicators

 = Our current Key Performance Indicators are highlighted in orange.

Regenerating the Town Centre

Indicator	Is the Council Responsible?	Do we collect this data?
Number of start-ups and businesses benefitting from information advice and guidance	Yes	Yes
Footfall in the High St.	Yes	Yes
Participation and attendance at council owned/affiliated cultural and sporting activities	Yes	Yes
Percentage of vacant retail units in the town centre		Yes
Town Centre Vitality Rating		No
Number of visits to the Borough	Yes	Yes
Percentage of Non-domestic rates collected (BV 010)	Yes	Yes
Satisfaction with Maidstone Town Centre as a place to visit, shop, and socialise	Yes	Yes

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

Indicator	Is the Council Responsible?	Do we collect this data?
Percentage of people claiming out of work benefits (JSA & UC)	No	Yes
Percentage of 16 - 18 year olds who are not in education, employment or training (NEETs)	No	Yes
Net increase in employment (NOMIS)	No	Yes
Unemployment rate in the borough	No	No
Percentage change in employee jobs	No	Yes
Number of businesses in the borough	No	Yes

POLICY & RESOURCES COMMITTEE

18 JANUARY 2017

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

No

MEDIUM TERM FINANCIAL STRATEGY 2017/18 ONWARDS – CAPITAL PROGRAMME

Final Decision-Maker	Council
Lead Head of Service	Director of Finance and Business Improvement
Lead Officer and Report Author	Director of Finance and Business Improvement
Classification	Public Report
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the Committee agrees the strategy's principles as set out in paragraphs 2.5 to 2.10;
2. That the Committee agrees the capital funding projection set out in Appendix B to this report;
3. That the Committee agrees the capital programme 2017/18 onwards as set out in Appendix C to this report;
4. That the Committee notes that in agreeing recommendations 2 and 3 above the Committee will set a prudential borrowing limit of £29,002,870 over the period of the programme which will be recommended to Council as part of the Treasury Management Strategy 2017/18 by the Audit, Governance & Standards Committee.

This report relates to the following corporate priorities:

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

The Capital Programme identifies key projects requiring long term funding to improve assets and regenerate the borough.

Timetable

Meeting	Date
Policy & Resources Committee	17 th January 2017
Policy & Resources Committee	15 th February 2017
Council	1 st March 2017

MEDIUM TERM FINANCIAL STRATEGY 2016/17 ONWARDS – CAPITAL PROGRAMME

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To determine the strategy for developing the future capital programme, for 2017/18 onwards, as part of the consideration of the medium term financial strategy.
 - 1.2 To consider and approve the amount and allocation of capital resources for the delivery of the objectives of the strategic plan and other key strategies.
-

2. INTRODUCTION AND BACKGROUND

Background

- 2.1 The capital programme plays a vital part in delivering the Council's strategic plan, since it is only through long term investment that our ambitions for the borough can be realised. This report develops the outline of the capital programme which was set out in the Medium Term Financial Strategy, approved by Council in September 2016.
- 2.2 The capital programme is a rolling five year programme. The existing capital programme for the years 2016/17 to 2020/21 is set out in Appendix A and totals £59 million over five years. Major schemes include the following:
 - Housing investments
 - Brunswick Street redevelopment
 - Union Street redevelopment
 - High Street regeneration (including Gabriel's Hill)
 - Maidstone East
 - The Mall – purchase of Granada House

Finally, unallocated resources of £3 million were identified for funding infrastructure development envisaged in the Local Plan.

- 2.3 Since the approval of the current capital programme, Policy and Resources Committee has agreed at its meeting on 23 November 2016 to broaden the scope of the housing and regeneration agenda. Sites at Brunswick Street and Union Street had already been identified for redevelopment; the proposed new capital programme for 2017/18 to 2021/22 envisages 2 – 3 further developments per annum along similar lines in subsequent years.
- 2.4 In recommending a new capital programme, Policy and Resources Committee needs to consider:
 - the principles underlying development of the programme

- how the programme is to be funded
- the specific schemes proposed for the capital programme.

Each of the above issues is described in more detail below. Details of funding available for the capital programme are provided in Appendix B and specific scheme proposals are shown in Appendix C.

Medium Term Financial Strategy Principles

- 2.5 It is appropriate to re-state the principles underlying inclusion of schemes within the capital programme. Schemes may be included in the capital programme if they fall within one of the four following categories:
- Required for statutory reasons, eg to ensure that Council property meets health and safety requirements;
 - Self-funding schemes focused on strategic plan priority outcomes;
 - Other schemes focused on strategic plan priority outcomes; and
 - Other priority schemes which will attract significant external funding.
- 2.6 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code and the following locally set principles:
- a) Where schemes fit within a specific strategy and resources are available within the capital programme for that strategy, such as the Asset Management Plan, the schemes would also be subject to appraisal and prioritisation against the objectives of that strategy. These schemes must be individually considered and approved by the relevant service committee.
 - b) Where schemes can be demonstrated to be commercial in nature and require the use of prudential borrowing, a business case must first be prepared.
- 2.7 Where schemes do not fit within the criteria above but an appropriate option appraisal has been completed, they may still be included within the programme if they fall within one of the four categories set out at paragraph 2.5 above.
- 2.8 If, following all considerations, there are a number of approved schemes that cannot be accommodated within the current programme, a prioritised list of schemes that can be added to the programme as future resources permit will be created and approved by Policy and Resources Committee, thus allowing officers to focus funding efforts on delivering schemes that are next in priority order.
- 2.9 The MTFS requires the Council to identify actual funding before commencement of schemes. Accordingly, while schemes may be prioritised for the programme, ultimately commencement of any individual scheme can only occur once all the necessary resources have been identified and secured.

2.10 The MTFs principles require that the Council will maximise the resources available to finance capital expenditure, in line with the requirements of the Prudential Code, through:

a) The use of external grants and contributions, subject to maintaining a focus on the priority outcomes of its own strategies;

b) Opportunities to obtain receipts from asset sales as identified in the asset management plan and approved for sale by Policy and Resources Committee;

c) The approval of prudential borrowing when the following criteria also apply to the schemes funded by this method:

i. they are commercial in nature;

ii. the outcome returns a financial benefit at least equal to the cost incurred by borrowing to fund the schemes;

iii. after covering the cost of funding, a further financial or non-financial benefit accrues to the Council that directly or indirectly supports the objectives of the strategic plan or the medium term financial strategy.

d) The use of New Homes Bonus for capital purposes in line with the Council's strategic plan priorities;

e) The implementation of a community infrastructure levy (CIL) and the management of its use, along with other developer contributions (S106), to deliver the objectives of the infrastructure delivery plan.

Funding the Capital Programme

2.11 The Medium Term Financial Strategy takes a flexible approach to funding the capital programme. Before 2008, many local authorities relied heavily on capital receipts to fund their capital programmes. However, in recent years they have increasingly relied on prudential borrowing.

2.12 Maidstone Borough Council has so far not borrowed to fund its capital programme, instead relying primarily on New Homes Bonus to fund the capital programme.

2.13 The Council has however approved the use of prudential borrowing provided that it meets the criteria set out in the MTFs principles (see paragraph 2.10 above). Accordingly, prudential borrowing may be used for:

1) Acquisition of commercial property;

2) Acquisition of property to alleviate homelessness;

3) Action to enable stalled development to progress;

4) Self-funding developments that supports the objectives of the Council's Strategic Plan and the Medium Term Financial Strategy.

- 2.14 The use of prudential borrowing is subject to an approved business case that evidences a benefit above that required to repay any debt over the life of the activity. The additional benefit may be financial or non-financial but must support the objectives of the strategic plan.
- 2.15 Due to uncertainty of future funding the Council maintains a principle of prior funding of schemes. Although commitment to a scheme is given by its inclusion in the programme the strategy requires that funding is identified in advance of formal commencement of the work. The quarterly monitoring of the capital programme enables Policy and Resources Committee to take effective decisions based on current levels of funding before major projects commence.
- 2.16 The funding assumptions made in the development of the future capital programme are essential to the development of the budget. Specific detail in relation to each source is set out in the paragraphs below.

New Homes Bonus

- 2.17 It has been a principle of the Council's capital programme that New Homes Bonus receipts are used to support the capital programme. The draft Local Government Finance Settlement for 2017/18 , announced in December 2016, included a reduction of the period for which New Homes Bonus would be paid from six years to five in 2017/18 and then to four in 2018/19. The reduction takes immediate effect, such that it affects six year payments already being received.
- 2.18 An allowance will also be made in calculating New Homes Bonus for the natural growth in housing from 'normal' levels of development. This means that New Homes Bonus will now only be paid on growth in excess of 0.4% per annum.
- 2.19 The impact of this for Maidstone is that New Homes Bonus will be £750,000 less in 2017/18 than previously anticipated. In future years the impact will be around £1.5 million per annum.
- 2.20 The New Homes Bonus grant is considered to be a revenue grant and its use for capital expenditure is a local decision by this Council. It is therefore properly accounted for as revenue support to the capital programme.

Capital Grants and Contributions

- 2.21 Many of the grants that were available to the council for funding capital projects in the past no longer exist. However, recent projects have received support through grants and contributions, eg the Museum, Mote Park, and the High Street. Some government grants are annual sums, such as the disabled facilities grant, but the majority of sums are one-off and scheme specific.
- 2.22 At present most of the balance of government funding is being directed through Local Enterprise Partnerships (LEP). Proposals must therefore be submitted as bids to the South East LEP if the resources are to be directed towards Maidstone initiatives. The Council has had some success in

gaining funding for infrastructure schemes through bids to government by the SELEP.

- 2.23 The estimated grant for disabled facilities grants is set in the programme at £800,000 per annum. This is the only grant assumed to be received in the future.
- 2.24 External contributions have been received from a number of sources, such as Kent County Council, previously. These are included in the capital programme to the extent that they can be quantified. At this stage, there are no schemes amongst those proposed in the capital programme where it is possible currently to assume a specific contribution. However, regeneration projects in particular are likely to depend on partnership funding.

Developer Contributions (S 106) and Community Infrastructure Levy

- 2.25 The Council may seek to secure benefits to an area or restrict uses or activities related to a proposed development through the negotiation of a 'planning obligation' with the developer. Such obligations, authorised by section 106 of the Town and Country Planning Act 1990, generally either improve the quality of the development, or overcome difficulties which would otherwise result in planning permission being refused. A planning obligation must be:
- (a) necessary to make the development acceptable in planning terms;
 - (b) directly related to the development; and
 - (c) fairly and reasonably related in scale and kind to the development.
- 2.26 The Council may therefore receive funds to enable it, or the relevant public authority, to undertake works arising from these planning obligations. Examples of the use of planning obligations are:
- Improved transport facilities
 - Education Provision
 - Health Provision, eg GP facilities
 - Social and Community Infrastructure, eg community facilities
 - Utilities, eg waste water treatment
 - Green and Blue Infrastructure, ie open space and recreation facilities or river enhancement
 - Flood Prevention and Mitigation
 - Other Public Services.
- 2.27 Amongst these works, many will be delivered by Kent County Council or the NHS. However, S 106 monies are available to fund schemes within Maidstone's capital programme, particularly in the area of parks and open spaces.
- 2.28 Local Authorities in England and Wales can now charge Community Infrastructure Levy (CIL) on new developments in their area. The levy is designed to be fairer, faster and more transparent than the previous system of agreeing planning obligations between local Councils and

developers under S 106. Members and the public have been consulted in relation to the levy and a draft charging schedule was approved by Council at its meeting on 7 December 2016.

- 2.29 In areas where a CIL is in force, land owners and developers must pay the levy to the local Council. The charges are set by the Council, based on the size and type of the new development and the money raised from the community infrastructure levy can be used to support development by funding infrastructure that the Council, local community and neighbourhoods want, such as new or safer road schemes or park improvements. No assumptions about the availability of resources from a CIL have been included in the Capital Programme proposals at this stage.

Prudential Borrowing

- 2.30 The Council has the power to borrow to finance capital expenditure subject to the guidance set out in the Prudential Code. This code of practice is published by the Chartered Institute of Public Finance and Accountancy and covers the full range of capital planning not just borrowing.
- 2.31 Compliance with the code is a statutory requirement and the Council's MTFs has been developed to ensure compliance. In summary the key objectives of the code are:
- a) To ensure within a clear framework that capital expenditure plans are affordable, prudent and sustainable;
 - b) That treasury management decisions are taken in accordance with good professional practice;
 - c) That local strategic planning, asset management planning and proper option appraisal are supported; and
 - d) To provide a clear and transparent framework to ensure accountability.
- 2.32 In 2012 the Council approved in principle the use of prudential borrowing, but it has not yet needed to undertake any.
- 2.33 The proposals set out in this report suggest a need to consider up to £29,002,870 of prudential borrowing over the life of the programme. This level of borrowing would be subject to the principles set out in paragraph 2.13.
- 2.34 In considering the Treasury Management Strategy 2016/17, for recommendation to Council, the Audit Governance & Standards Committee has been made aware of the potential for the level of prudential borrowing that would arise from the approval of the recommendations in this report.

Internal Borrowing

- 2.35 To date the Council has not borrowed to finance the capital programme, as the value of borrowing was outweighed by the benefit of using the Council's own resources. So long as the Council is holding cash balances, there is no merit in borrowing externally, given the variance between

borrowing and lending rates of interest. This is termed 'internal borrowing'. It is anticipated that the Council will continue to be able to rely on internal borrowing in the short term.

Overall Funding Level

- 2.36 The resource available for the capital programme, based on the detail above, is given in Appendix B. The appendix shows total resources expected in the period 2017/18 to 2021/22 as £60,412,870.

Capital Programme Proposals by Committee

- 2.37 Appendix C to this report sets out a recommended programme, based on the proposals that have been developed to date, as set out below. The proposals are supported by submissions from scheme sponsors and have been subject to review and challenge by the Corporate Leadership Team.

Communities, Housing and Environment

- 2.38 Housing and Regeneration - £20.0 million

The updated Commercialisation Strategy agreed by Policy and Resources Committee at its meeting on 23 November 2016 envisages a focus on housing and regeneration schemes. By building up our existing asset base, the Council can secure a long term, stable revenue stream that will support core services in the medium to long term. By investing specifically in housing, the Council can address the shortage of good quality homes for market rent in Maidstone, whilst generating an attractive financial return. By focussing upon building new homes (rather than acquiring second hand stock) the Council will help to regenerate the borough. It will also, by developing some new homes of its own, be making an active contribution to the delivery of the emerging Local Plan. The draft capital programme includes five indicative self-funding schemes costing £4 million each over the remainder of the five year capital programme planning period.

- 2.39 Brunswick Street and Union Street - £8.0 million

These schemes are in the existing capital programme and are currently in the design phase. It is estimated for the purposes of the capital programme that the total cost of each scheme will be £4 million. As with the schemes outlined above, these schemes will be self-funding. More detailed figures will be reported to Members in due course.

- 2.40 Temporary Accommodation – £6.3 million

MBC will invest up to £4.5m over the next two years to acquire 15 further homes for use as temporary accommodation, which will bring the portfolio to around 50 units, which is anticipated to be sufficient to meet the foreseeable need. This investment is reflected in the new Temporary Accommodation strategy which was considered by the Communities Housing & Environment Committee on 13 December 2016. To allow for potential further acquisitions, an amount of £600,000 per annum has been included thereafter.

2.41 Disabled Facilities Grants – £4.0 million

Assistance under this budget is not funded by the Council but is funded from the Department of Health Better Care Fund (BCF) as a specific capital grant.

2.42 Housing incentives - £1.976 million

In addition to the direct provision of temporary accommodation, the Council will need to increase access for homeless households to the private rented sector and the number of nominations made to housing associations. This budget provides funding for this purpose.

2.43 Flood Defences - £1.0 million

The existing capital programme includes a relatively small (£50,000) annual amount for flood defences, which has been used to pay for consultancy on the development of new schemes. The actual cost of such schemes is much more significant and would be likely to be funded jointly with the Environment Agency and Kent County Council. To allow MBC to make a meaningful contribution to joint funding, it is proposed to increase the capital funding by a total of £750k in 2018/19 and 2019/20, which would represent MBC's contribution to partnership funding of flood defences.

2.44 Public Realm capital improvements - £250,000

With an increasing population and new development and growing pressure on the public realm, there is a need to upgrade equipment such as litter bins and mechanical sweepers, above and beyond the normal end-of-life replacement of existing assets. This will improve help the Council maintain the public realm efficiently and well, and will improve the quality of the public realm.

2.45 Commercial waste expansion - £180,000

The commercial waste service has proved to be successful in generating income for the Council. In particular, it provides a valuable service to small businesses that do not have access to nationwide waste collection contracts. In order to expand the service an additional refuse collection vehicle is required at a cost of £180,000, which would be funded through the additional income generated.

Heritage, Culture and Leisure

2.46 Mote Park Centre - £2.2 million

An allowance has been made in the capital programme for a visitor centre in Mote Park to replace the existing café. Work is currently under way developing proposals and a business case for the Centre.

2.47 Mote Park and Other Parks Essential Improvements - £1.066 million

These works are to update aging infrastructure. They include a figure to improve the management of water flow into Mote Park Lake from the River Len, which is work that has been identified by the Reservoir Panel Engineer responsible for Mote Park Lake.

2.48 Continued improvements to play areas - £940,000

The rationale of this project is to establish a standard for play across the borough, such that 'most residents will live within 12 minutes' walk of a good quality play area'. As some of these strategically important play areas are owned by parish councils it is proposed that these parishes be offered a £10,000 grant towards improving their play areas. The total cost of this grant would be £200,000. S106 money is available to be used towards improving play areas.

2.49 Mote Park Adventure Zone and Parking Improvements - £629,000

The Adventure Zone forms part of the current capital programme. It is linked to improvements intended to increase parking capacity within the park.

2.50 Museum Development Plan - £546,000

As part of the ongoing development of the museum, a number of projects are envisaged including the following:

- Refurbishment of Egyptian Gallery into an Ancient Civilisations Gallery
- Upgrade Old Education room to form a modern classroom
- Install an external lift for access to three galleries
- Create a new Visitor Information point.

The projects will be considered in the context of the governance review for the Museum which is currently in progress.

Policy and Resources

2.51 Infrastructure Delivery Plan - £3.0 million

It is expected that infrastructure schemes as outlined in the Local Plan will be funded directly from the benefits gained from the development. However, viability assessments of expected developments suggest that there will be a funding gap. The Council is prepared to support that infrastructure need in order to deliver its strategic priorities. Accordingly, £3 million has been set aside within the capital programme to contribute towards a range of schemes, to be identified in due course, to provide local infrastructure.

2.52 Town Centre Public Realm improvements - £2.8 million

Following Phases 1 and 2 of the High Street regeneration, further improvements are proposed for the North End of Week Street and Gabriels

Hill. There is potential for further investment if a £2 million bid to the Heritage Lottery Fund's Townscape Heritage Initiative is successful.

Not included in the above sums is any allowance for similar works in Earl Street. The potential to fund such works will remain under review.

2.53 Acquisition of Commercial Assets - £1.5 million

The Council has a successful track record of acquiring commercial assets, which generate a return that has helped to support the revenue budget. The capital programme includes a fund of £1.5 million which is intended to give the capacity to bid for commercial opportunities that would provide a return of 7% or more.

2.54 Asset Management / Corporate Property - £875,000

The Property Services section carries out a 5 year cycle of condition surveys of Council property which provide a costed programme of essential replacement or refurbishment of building elements to ensure the proper, compliant and efficient operation of the buildings in accordance with the Asset Management Plan. There is no financial return from the projects, but they do eliminate the accumulation of a backlog of maintenance, reduce the risk of failure and interruption of service and the cost of reactive maintenance.

2.55 Software / PC replacement - £550,000

This is for replacement of hardware and software within the remit of Maidstone Borough Council (MBC). It is used wholly for MBC assets and is not available to any other partner within the MKS ICT shared service. It may however be used to pay a proportion of costs (related to MBC) for a shared service initiative.

2.56 Maidstone East - £500,000

The agreed priority over the next 3-6 months is to execute the short term holding strategy (creating c.250 temporary car parking spaces and letting of existing buildings for charity use, subject to all necessary consents) in order to mitigate holding costs, meet strategic car parking requirements for KCC and to generate a positive income stream for both Councils. In parallel to the short term plan, the Councils will be procuring a multidisciplinary Master Planning Team to support the design, project management and delivery of the long term objectives in order to create a commercially viable comprehensive mixed use redevelopment of the Maidstone East area. The capital programme contains an allowance for the cost of these short term initiatives.

2.57 Feasibility Studies - £100,000

An allowance has been included in the capital programme for feasibility works on schemes that are not yet ready to be included in the main programme. These include the following:

Hazlitt Theatre - The Hazlitt Theatre is operated by Parkwood Leisure Limited under an agreement which runs through to 2023. The potential of the theatre is constrained by the condition and layout of the buildings. There may be an opportunity through investment to improve the theatre offer and reduce the cost of subsidy.

Invicta Barracks - The Ministry of Defence announced in November 2016 its intention to close Invicta Barracks by 2027. The Council will seek to play an active part in developing plans for the site.

King Street car park - MBC's King Street car park is allocated for retail and mixed use in our emerging Local Plan. Subject to financial viability, it is our intention to take forward the development of this site ourselves, in accordance with our recently refreshed Commercialisation Strategy.

Lenham - The rural service centre of Lenham is identified as a broad location in our emerging Local Plan for up to 1,500 dwellings towards the end of the Local Plan period (ie post 2026). Initial feedback from the Inspector suggests that this scheme should be brought forward within the plan period. In order to facilitate this, MBC may need to invest in specialist consultancy services so that we can positively work with the landowners to fully exploit the potential of this broad location.

3. AVAILABLE OPTIONS

- 3.1 Option 1: the Committee could choose to confirm the recommendations proposed in this report.
- 3.2 Option 2: the Committee could choose not to approve a capital programme at this time, leaving the decision to February's Committee meeting when the programme is included in the final decision on the 2017/18 budget recommendations to Council. This option is not advised as considering the programme at this time and revisiting that decision in February allows all Councillors adequate opportunity to raise concerns and questions to ensure they are prepared for the final decisions at this Committee's meeting in February 2017 and Council in March 2017.
- 3.3 Option 3: the Committee could amend the principles, programme or funding levels. The option is not recommended as the proposals set out in this report have been developed on the basis of fit to the Council's strategic priorities, overall delivery of the full programme and represents the best information available at this time.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 1 is the recommended option. The amendments to the principles of the medium term financial strategy regarding capita projects are essential as they reflect the governance changes already in place. The funding proposals are based upon best estimates given current knowledge about government's proposals. The programme has been developed by officers

and approved by service committees as meeting the needs of their services in full awareness of the principles that must be met.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The other service committees will consider their element of the capital programme at their meetings in January 2017.
- 5.2 Audit Committee was due to consider the Treasury Management Strategy, which deals with how the Capital Programme is to be funded, at its meeting on 16 January 2017.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The decision of this Committee will form part of the final report on the medium term financial strategy and budget for 2017/18. This will be considered by this Committee at its meeting on 15 February 2017 and the committee will formulate its recommendations to Council on the budget for 2017/18 and the level of Council Tax at that time.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The medium term financial strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. It reflects the Council's decisions on the allocation of resources to all objectives of the strategic plan.</p> <p>The Capital Programme identifies key projects requiring long term funding to improve assets and regenerate the borough.</p>	Director of Finance and Business Improvement
Risk Management	<p>Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk.</p> <p>The proposed capital</p>	Director of Finance and Business Improvement

	programme as set out in this report supports the council's strategic priorities and the medium term financial strategy.	
Financial	<p>The MTFS impacts upon all activities of the Council. The future availability of resources to address specific issues is planned through this process.</p> <p>The prudential borrowing proposed in this report is governed by the Prudential Code for Capital Finance in Local Authorities and is governed by a number of principles that are set out in the Council's published medium term financial strategy.</p>	Director of Finance and Business Improvement
Staffing	No specific impact.	Director of Finance and Business Improvement
Legal	<p>The Council has an obligation under Part 1 of the Local Government Act 2003 to have regard to the Prudential Code for Capital Finance in Local Authorities. Under the code the Council has an obligation to ensure that all borrowing is affordable and this is publically reported through the indicators that form part of the Council's Treasury Management Strategy.</p> <p>Subject to the decision of the Committee on this report the Treasury Management Strategy has been considered and approved by Audit Governance and Standards Committee for recommendation to Council. Their concerns relating to risk have been raised in this report.</p>	Director of Finance and Business Improvement
Equality Impact Needs Assessment	The objective of the MTFS is to match available resources to the priorities set out in the Strategic Plan. Delivery of	Director of Finance and Business Improvement

	those priorities should enable delivery in line with the impact assessment of the strategic plan.	
Environmental/Sustainable Development	None identified	Director of Finance and Business Improvement
Community Safety	None identified	Director of Finance and Business Improvement
Human Rights Act	None identified	Director of Finance and Business Improvement
Procurement	None identified	Director of Finance and Business Improvement
Asset Management	Resources for management and maintenance of the Committee's assets are included within the proposed programme.	Director of Finance and Business Improvement

8. REPORT APPENDICES

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

- Appendix A: Current Capital Programme 2016/17 to 2020/21
- Appendix B: Estimated Capital Resources 2017/18 to 2021/22
- Appendix C: Proposed Capital Programme 2017/18 to 2021/22

9. BACKGROUND PAPERS

None

APPENDIX A - CURRENT APPROVED CAPITAL PROGRAMME 2016/7 - 2021/22

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
	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 & ENV	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 Gyatory 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

APPENDIX B - ESTIMATED CAPITAL RESOURCES 2017/18 - 2021/22

SOURCE OF FUNDING	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	TOTAL £
Cont'n from Earmarked Reserve	11,216,000	3,059,000	2,935,000	2,800,000	2,800,000	22,810,000
Capital Grants	800,000	800,000	800,000	800,000	800,000	4,000,000
Internal Borrowing	1,029,870	3,570,130				4,600,000
Prudential Borrowing	0	9,002,870	10,960,000	7,615,000	1,425,000	29,002,870
TOTAL FUNDING	13,045,870	16,432,000	14,695,000	11,215,000	5,025,000	60,412,870

APPENDIX C - PROPOSED CAPITAL PROGRAMME 2017/18 - 2021/22

SUMMARY TOTALS BY COMMITTEE	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Totals £
Communities, Housing & Environment	7,056,310	9,350,000	13,600,000	10,850,000	4,850,000	45,706,310
Heritage, Culture & Leisure	2,401,560	2,095,000	795,000	90,000	0	5,381,560
Policy & Resources	4,465,290	4,987,000	300,000	275,000	175,000	10,202,290
Strategic Planning, Sustainability & Transport	0	0	0	0	0	0
TOTALS	13,923,160	16,432,000	14,695,000	11,215,000	5,025,000	61,290,160

COMMUNITIES, HOUSING & ENVIRONMENT	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Totals £
Housing Incentives	576,310	350,000	350,000	350,000	350,000	1,976,310
Housing - Disabled Facilities Grants Funding	800,000	800,000	800,000	800,000	800,000	4,000,000
Housing Investments	3,900,000	600,000	600,000	600,000	600,000	6,300,000
Brunswick Street Housing Development	500,000	2,000,000	1,500,000			4,000,000
Union Street Housing Development	500,000	2,000,000	1,500,000			4,000,000
King Street Housing Development	500,000	2,000,000	1,500,000			4,000,000
Housing & Regeneration - Indicative Scheme A		500,000	2,000,000	1,500,000		4,000,000
Housing & Regeneration - Indicative Scheme B		500,000	2,000,000	1,500,000		4,000,000
Housing & Regeneration - Indicative Scheme C		500,000	2,000,000	1,500,000		4,000,000
Housing & Regeneration - Indicative Scheme D			500,000	2,000,000	1,500,000	4,000,000
Housing & Regeneration - Indicative Scheme E			500,000	2,000,000	1,500,000	4,000,000
Commercial Waste	180,000					180,000
Street Scene Investment	50,000	50,000	50,000	50,000	50,000	250,000
Flood Defences	50,000	50,000	300,000	550,000	50,000	1,000,000
TOTALS	7,056,310	9,350,000	13,600,000	10,850,000	4,850,000	45,706,310

HERITAGE, CULTURE & LEISURE	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Totals £
Continued Improvements to Play Areas	940,140					940,140
Commercial Projects - Mote Park Adventure Zone	629,400					629,400
Mote Park Essential Improvements	397,020	369,000				766,020
Other Parks Essential Improvements	225,000	50,000	25,000			300,000
Mote Park Centre	100,000	1,500,000	600,000			2,200,000
Museum Development Plan	110,000	176,000	170,000	90,000		546,000
TOTALS	2,401,560	2,095,000	795,000	90,000	0	5,381,560

POLICY & RESOURCES	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Totals £
Town Centre Public Realm improvements	1,400,000	1,400,000				2,800,000
Asset Management / Corporate Property	175,000	175,000	175,000	175,000	175,000	875,000
Feasibility Studies	50,000	50,000				100,000
Infrastructure Delivery		3,000,000				3,000,000
Software / PC Replacement	175,000	150,000	125,000	100,000		550,000
Acquisition of Commercial Assets	1,500,000					1,500,000
Maidstone East/Sessions Square	288,000	212,000				500,000
Enabling Works - The Mall Regeneration	877,290					877,290
TOTALS	4,465,290	4,987,000	300,000	275,000	175,000	10,202,290

POLICY & RESOURCES COMMITTEE

18 January 2017

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

Yes

MEDIUM TERM FINANCIAL STRATEGY 2017/18 – FEES & CHARGES

Final Decision-Maker	Policy & Resources Committee
Lead Director or Head of Service	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Chief Accountant
Classification	Non-exempt
Wards affected	All

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

1. That the Committee approves the proposed fees and charges for 2017/18 as set out in detail in **Appendix A**.
2. That the Committee notes the fees and charges set by the government for 2017/18, as detailed in **Appendix A**.

This report relates to the following corporate priorities:

Increases in fees and charges can have a significant impact on the Council's ability to meet its objectives.

Timetable

<i>Meeting</i>	<i>Date</i>
Policy & Resources Committee	18 January 2017

MEDIUM TERM FINANCIAL STRATEGY 2017/18 – FEES & CHARGES

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the proposed fees and charges for 2017/18 for the services which fall under the responsibility of this Committee and generate income through a charge to the service user. For the fees and charges which are set at the Council's discretion, the Committee is asked to consider the appropriateness of the proposals set out in Appendix A to this report.
 - 1.2 Fees and charges for some services are set in accordance with statutory requirements. The Committee is therefore asked to note the level of fees and charges relating to these areas, which are also detailed at Appendix A.
 - 1.3 This decision forms part of the Council's medium term financial strategy (MTFS) and budget for 2017/18. Committee members are therefore encouraged to keep in mind the impact of the proposed changes on the MTFS and budget when considering the proposals.
 - 1.4 The proposed changes will be effective from 1 April 2017 unless otherwise stated within the report or appendix.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Council has a corporate fees and charges policy which sets out the approach that the Council takes in setting its fees and charges for the forthcoming financial year. The policy promotes consistency and a focus on the strategic objectives of the Council when setting fees and charges.
- 2.2 The policy covers fees and charges that are set at the discretion of the Council and does not apply to services where the Council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. certain licence fees, are also outside the scope of the policy. However, consideration of any known changes to such fees and charges and any consequence to the medium term financial strategy are included in this report.
- 2.3 In addition to raising income to fund the Council's services, the policy seeks to ensure that conscious decisions are made on the subsidy level for individual services, concessions, and the impact on service users and on the Council's Strategic Plan. It is assumed that a charge will be levied for a service unless there is a justification not to do so arising either from strategic considerations or legal constraints.
- 2.4 The policy also proposes that a review of all fees and charges will occur annually in line with the development of the Medium Term Financial Strategy. The review of fees and charges should consider the following factors:
 - a) The Council's strategic plan and values, and how they relate to the specific services involved;
 - b) The level of subsidy currently involved and the impact of eliminating that subsidy on the level of fees and charges, the effect on users and the social impact;

- c) The actual or potential impact of any competition in terms of price or quality;
- d) Trends in user demand including an estimate of the effect of price changes on customers;
- e) Customer survey results;
- f) Impact on users both directly and in terms of delivery of the Council's objectives;
- g) Financial constraints including inflationary pressure and service budget targets;
- h) The implications arising from developments such as an investment made in a service;
- i) The corporate impact on other service areas of Council wide pressures to increase fees and charges;
- j) Alternative charging structures that could be more effective;
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

2.5 The detailed results of the review carried out this year are set out in Appendix A and the approval of the Committee is sought to the amended fees and charges for 2017/18 as set out in that appendix.

2.6 As required by the policy, the fees and charges budgets for 2017/18 set out in Appendix A reflect consideration of the effect of increasing the charges, such as elasticity of demand and creating movement of users to competitors or ceasing to use a service. Each area has been considered separately and in all cases the policy has been followed.

2.7 The table below summarises the 2015/16 outturn and 2016/17 estimate for income from the fees and charges which fall under the responsibility of this Committee. It also shows the proposed budget increase that can be achieved from increased fees and charges for each service. Note that the table only shows proposals relating to increased fees and charges and so does not include other budget proposals that may impact these service areas. The table also shows known increases in charges set by the government or in accordance with regulation. The approval of the Committee is sought to the proposed levels of budgeted income for 2017/18 as shown in the table.

Table 1: Fees & Charges Summary (P&R)

Service Area	2015-16 Outturn	2016-17 Estimate	Proposed increase in income	2017/18 Estimate
Legal Services	£96,274	£39,980	£0	£39,980
Town Hall	£1,584	£2,150	£1,850	£4,000
Business Terrace	-	£69,850	£0	£69,850
Jubilee Square	£5,796	£3,500	£0	£3,500
Total fees set locally	£103,654	£115,480	£1,850	£117,330
Shared Debt Recovery Service	-	£290,900	£0	£290,900
Total fees set externally	-	£290,900	£0	£290,900
GRAND TOTAL	£103,654	£406,380	£1,850	£408,230

- 2.8 The following points should be noted in relation to these figures:
- Charges for town hall lettings are based on usage;
 - Prices in the business terrace have been increased in response to the high demand for this service;
 - The income figures shown for the shared debt recovery service represent the total income figure which is used to fund the shared service.
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3. AVAILABLE OPTIONS

- 3.1 **Option 1:** The Committee could approve the recommendations as set out in the report, adopting the revised fees and charges as proposed in Appendix A. As these proposals have been developed in line with the Council's policy on fees and charges they will create a manageable impact on service delivery whilst maximising income levels.
- 3.2 **Option 2:** The Committee could agree different increases to those proposed. Any alternative increase may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2017/18.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 1 is the recommended option. Officers have considered all aspects of the policy in developing the proposed fees and charges set out in Appendix A and they are in line with the policy's factors set out earlier in this report.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No specific consultation has been completed on these fees and charges but the resident's survey included questions relating to direct payment for services and this option is seen by residents as the second most popular way of managing pressures on Council budgets, with over one third of responders voting in favour of this option. The most popular option relates to being more efficient in the delivery of services.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The decision of the Committee will be reported to Policy & Resources Committee. This will assist Policy & Resources Committee in making a final recommendation on a balanced budget to Council.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>Increases in fees and charges can have a significant impact on the Council's objectives. The use of the policy as a guide to assessing a correct level of increase means that the most appropriate levels are proposed in this report.</p> <p>The direct charging of a fee for a service reduces the level of subsidy required by all council tax payers and ensures a greater element of the cost is recovered directly from the service users where this approach is appropriate.</p>	Director of Finance & Business Improvement
Risk Management	<p>The budget agreed will form part of the medium term financial strategy for 2017/18. The major risk is that the proposed increases do not deliver the income that is reflected in the budget once it is approved. If the income does not reach the levels expected within the budget, the Committee will have to take corrective action to manage the shortfall.</p> <p>This risk is faced every year and, where the income generated is not sufficient to reach the budget, corrective action is taken by service managers. In such cases the quarterly budget monitoring report will highlight any significant issues to the Committee. In addition the constitution requires that any significant variances from income targets are reported to the Policy & Resources Committee along with proposed actions to resolve the budget pressure created.</p>	Director of Finance & Business Improvement
Financial	<p>The medium term financial strategy impacts upon all activities of the Council. The future availability of resources to address specific issues is planned through this process.</p> <p>Appendix A details the anticipated financial impact of the proposed changes.</p>	Director of Finance & Business Improvement
Staffing	No specific issues have been identified.	Director of Finance & Business Improvement
Legal	A number of the fees and charges made for services by the Council are set so as to provide the service at cost. These	Legal Team

	<p>services are set up as trading accounts to ensure that the cost of service is clearly related to the charge made. In other cases the fee is set by statute and the Council must charge the set fee. In both cases the proposals in this report meet the Council's obligations.</p> <p>Where a customer defaults the fee or charge for a service must be defensible, in order to recover it through legal action. Adherence to the policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting these charges.</p>	
Equality Impact Needs Assessment	The objective of the review of fees and charges including a focus on the factors required by the corporate policy minimises the opportunity for unintended disadvantage to be created.	Director of Finance & Business Improvement
Environmental/Sustainable Development	No specific issues identified	Director of Finance & Business Improvement
Community Safety	No specific issues identified	Director of Finance & Business Improvement
Human Rights Act	No specific issues identified	Director of Finance & Business Improvement
Procurement	No specific issues identified	Director of Finance & Business Improvement
Asset Management	No specific issues identified	Director of Finance & Business Improvement

8. REPORT APPENDICES

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

- **Appendix A:** Proposed level of fees and charges for 2017/18 (Policy & Resources Committee).

9. BACKGROUND PAPERS

None

BUDGET STRATEGY 2017/18 - FEES AND CHARGES

Fees and Charges April 2016 - March 2017	* Includes VAT	2015-2016 Actuals	2016 -2017 Current Estimate	Current Charges 2016-2017	Proposed Charges 2017-2018	% Change	2016-2017 + / - Income	2017 -2018 Estimate
Legal Services								
Business Tenancies and Leases								
		96,274	39,980					39,980
Licences (minimum charges)				210.00	212.00			
Initial lease/tenancy (minimum charges)				315.00	318.00			
Renewal (minimum charges)				160.00	162.00			
Licences to assign/sublet/change use/alter premises (minimum charges)				160.00	162.00			
Hourly Rate				205.00	208.00			
New Road licences				Contribution negotiated with asset management team	Contribution negotiated with asset management team			
Council Land								
Routine transactions* (subject to minimum charge)				525.00	527.00			
Hourly Rate				205.00	207.00			
Complex transactions (hourly rate shown - subject to a minimum charge of £1,000)				205.00	207.00			
Sale as mortgagee in possession (minimum charge)				365.00	369.00			
<i>*Includes sale of council land and disposal of public open spaces (advertising is a separate fee)</i>								
Easement								
Residential (minimum charge)				220.00	222.00			
Commercial (minimum charge)				330.00	333.00			
Completion of Section 106 Planning Agreements								
Routine (minimum charge)				575.00	578.00			
Routine (per hour)				205.00	207.00			
Complex (minimum charge)				1,050.00	1,060.00			
Complex (per hour)				205.00	207.00			
Variation (minimum charge)				575.00	581.00			
Variation (per hour)				205.00	207.00			
Other Legal work (not covered by the above)								
External hourly rate				N/A	100.00			
Administrative Fees (plus postage where applicable)								
A4 Documents Single Sided per page				N/A	0.42			
A4 Documents Double Sided per page				N/A	0.83			
Colour A4 Documents Single Sided per page				N/A	0.83			
Copies of Legal Agreements/Deeds etc				N/A	4.17 to 33.33			
		96,274	39,980				0	39,980
Town Hall								
Town Hall Lettings F071								
		1584	2,150				1,850	4,000
Town Hall Total		1,584	2,150				1,850	4,000
Shared Debt Recovery Service (Service commenced on 20 June 2016)								
			290,900					290,900
Compliance Fees - statutory charge				75.00	75.00	0.00%		
Enforcement Fees - statutory charge				235.00	235.00	0.00%		
		0	290,900				0	290,900
Business Terrace								
Business Terrace								
Offices (month)								
			59,750					59,750
Office 1				600.00	600.00	0.00%		
Office 2				250.00	250.00	0.00%		
Office 3				250.00	250.00	0.00%		
Office 4				167.00	167.00	0.00%		
Office 5				360.00	360.00	0.00%		
Office 6				325.00	360.00	10.77%		
Office 7				490.00	525.00	7.14%		
Office 8				286.00	375.00	31.12%		
Office 9				433.00	500.00	15.47%		
Office 10				285.00	375.00	31.58%		
Office 11				250.00	250.00	0.00%		
Hot desks and meeting space								
			10,100					10,100
Hot desk day pass					10.00			
Hot desk package 30 (month)				40.00	40.00			
Hot desk package 50 (month)				62.50	62.50			
Hot desk package 100 (month)				120.00	120.00			
Hot desk unlimited (month)				162.50	162.50			
Meeting room (hour)				5.00	5.00			
Seminar Room (half day)				58.33	58.33			
Seminar Room (full day)				125.00	125.00			
		69,850						69,850
Economic Development-Jubilee Square								
Jubilee Square (EN40 B724)								
		5796	3500					3500
Use of premises licence				68.00	68.00	0.00%		
Use of electricity				22.00	22.00	0.00%		
Promotional/educational stands				230.00	230.00	0.00%		
Promotional with use of Licence				250.00	250.00	0.00%		
Events (min)				105.00	105.00	0.00%		
		5,796	3,500				0	3,500

Agenda Item 15

Policy and Resources Committee

18 January 2017

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

Collection Tax – Tax Base 2017/18

Final Decision-Maker	Council
Lead Head of Service	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Chief Accountant
Classification	Public
Wards affected	All

This report makes the following recommendations to this committee:

That the Committee agrees:

1. Pursuant to this report and in accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, that the amount calculated by this Authority as its Council Tax Base for the year 2017/18 will be 59,439.3;
2. In accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012, that the amount calculated by this Authority as the Council Tax Base for each parish area for the year 2017/18 will be as identified in Appendix II to this report.
3. To agree the revised council tax adjustment figures as attached at Appendix III.

This report relates to the following corporate priorities:

The tax base is an integral part of the council tax collection process which is a basic financial function of this Authority. It is essential for the efficient funding of all Local Authorities in the area. The income received from Council Tax, within the overall context of the budget process, provides resources for the achievement of all the Council's priorities.

Timetable	
Meeting	Date
Policy & Resources Committee	18 January 2017

Council Tax – Tax Base 2017/18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report advises Members of the information available on the tax base as At 14 October 2016 for Council Tax purposes. It identifies potential changes to that tax base that can be expected in the forthcoming year and recommends the tax base for 2017/18.
- 1.2 The report also proposes a revision to the council tax adjustment for 2017/18 which is detailed within Appendix III. It is proposed that these figures should replace the projections agreed by this committee on 23 November 2016. The nature of the change is a correction to the Kent County Council precept figure for 2016/17, and this opportunity has been taken to update the other figures with more up to date information.

2. INTRODUCTION AND BACKGROUND

- 2.1 In accordance with the statutory timetable a decision on the tax base must be made between 1st December and 31st January each financial year.
- 2.2 The basis of the calculation of the tax base is the valuation information received from the Valuation Office as in September 2016 and the latest information on exemptions and discounts available as at 14 October 2016.
- 2.3 This information has been collated for the whole of the Borough area and for individual Parish areas. Information for the whole area has been supplied to the Government for their use in the monitoring of:
- The Local Council Tax Support Scheme;
 - This Council's needs baseline, which was fixed by Central Government in 2013/14 as part of the new system of retained business rates; and
 - Property changes that will be used to calculate the Council's New
 - Homes Bonus award next year.
- 2.4 The tax base figure supplied to central government is given at Appendix I. This shows 68,519 properties in the borough and a net tax base of 59,300.1 as at 14 October 2016. The pattern of growth in the number of properties over the past few years is shown below:

	2012	2013	2014	2015	2016
Number of properties	66,325	66,924	67,178	67,721	68,519
% increase compared with previous year	1.19%	0.90%	0.38%	0.81%	1.18%

- 2.5 Starting from the tax base figure at Appendix I, an estimate of the tax base for 2017/18 can be made by considering movements that may occur in the factors that influence the tax base over the forthcoming year.
- 2.6 It is necessary that a realistic assessment is made of the potential changes to the tax base for 2017/18 as an under or over recovery of council tax income will affect the council's cash flow. If the tax base is overestimated, there will inevitably be a deficit on the collection fund which will need to be recovered through the council tax in the

following financial year. In addition, during the course of the year, the borrowing necessary to cover the under recovery of the tax would need to be paid for by this council. If the tax base is underestimated there will be a surplus on the collection fund because the council will have asked tax payers to contribute more than necessary in this financial year. The surplus would then be used to reduce the need for resources in the following year.

- 2.7 It is also necessary at this time to provide the parish councils, which set a precept, with the element of the tax base of the borough that equates to their area. Attached at Appendix II to this report is the detail of the calculation of the tax base for each parish.

3. AVAILABLE OPTIONS

Option 1

- 3.1 An assessment of the information held by both the Revenues Service and the Planning Service suggests that between October 2016 and March 2017 a total of 1,328 properties will be added to the council tax records. Distributing this sum evenly over the period and taking the average, to identify the effect on the tax base for 2017/18, the result suggests an increase of 821.8 band D equivalent properties. Adjusting this figure for the current levels of discount and other allowances suggests a net tax base increase of 739.6.
- 3.2 This figure is significantly lower than the 1,328 new properties identified because they will not all be band D properties, they will not all start to pay council tax at the beginning of the year and some will receive the discounts and allowances that are part of the system.
- 3.3 Finally the revised total tax base must be adjusted to allow for non-collection for which the council currently targets 1% of total debt.
- 3.4 The calculation is set out in the table below:

Tax Base as at Appendix I	59,300.1
New properties (Avg: by band D & time)	821.8
Adjustment for potential allowances	-82.2
Non-collection allowance (1% of above)	-600.4
Proposed Tax Base	59,439.3

Table 1: Summary of proposed tax base calculation 2017/18

- 3.5 Appendix II to this report provides details of the tax base for each parish based on an identical calculation.

Option 2

- 3.6 It would be possible to vary some of the factors set out above. The exception is the figure from Appendix I as this is reconciled to the District Valuers' records and has been reported to central government. The other figures given above are current known data and though they could rise or fall during the year they are based on accurate knowledge.
- 3.7 The risk of making an inaccurate calculation are set out in paragraph 2.4 above and the data used in calculating option 1 is accurate and evidenced any variation the committee may wish to make should be similarly evidence based.

Option 3

- 3.8 The do nothing option is not available to the Council as it is statutorily obliged to set a tax base after 1 December each year.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The recommended option is Option 1 above as this calculation is based on current known data and collection rates.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 No consultation is necessary on this specific issue but consultation has occurred with the public and with service committees on the wider issues relating to the budget and council tax for 2017/18.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The tax bases approved as part of this decision will be provided, as appropriate, to relevant preceptors.
- 6.2 The Council will use this tax base in setting its 2017/18 budget on 1 March 2017.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The tax base is an integral part of the Council Tax collection process which is a basic Financial function of this Authority. It is essential for the efficient funding of all Local Authorities in the area. The income received from Council Tax, within the overall context of the budget process, provides resources for the achievement of all the Council's priorities.	Section 151 Officer
Risk Management	The major risk relates to an over optimistic estimate of the tax base, as this would lead to cash flow problems during the year. As a direct consequence this would reduce investment income. An over pessimistic estimate would lead to increased balances on the Collection Fund. When fed into the overall budget	Section 151 Officer

	process this can produce yearly variations which need to be managed as part of the Budget Strategy and place unnecessary burdens on tax payers in advance of need.	
Financial	The setting of the tax base is an essential part of the budget process and is required by legislation. Any increase in the tax base effectively means that the cost of services provided by this Authority and others in the area is being spread over more Council Tax payers and would effectively reduce the Council Tax burden on any individual tax payer. This relationship however must be realistic in that any underachievement on the collection of Council Tax will result in cash flow problems for this Authority and a loss of investment income.	Section 151 Officer
Staffing	None identified	N/A
Legal	Setting the tax base is a statutory obligation of this Council and is calculated under the provisions of the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012.	Mid Kent Legal
Equality Impact Needs Assessment	The council tax system includes discounts and allowances that ensure that any impact arising from changes is minimised.	N/A
Environmental/Sustainable Development	None identified	N/A
Community Safety	None identified	N/A
Human Rights Act	None identified	N/A
Procurement	None identified	N/A
Asset Management	None identified	N/A

8. REPORT APPENDICES

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

- Appendix I: Calculation of Council Tax Base 2017/18 (CTB1 Return)
- Appendix II: Calculation of Individual Parish Tax Bases 2017/18
- Appendix III: Collection Fund 2016/17 – Council Tax Adjustment

9. BACKGROUND PAPERS

Council Tax and Business Rates – Projected Collection Fund Surplus / Deficit for 2016/17 (Policy & Resources Committee, 23 November 2016)

CTB(October 2016)

Calculation of Council Tax Base

Please e-mail to : ctb.statistics@communities.gsi.gov.uk
Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

Please select your local authority's name from this list

Maldstone
Malvern
Malvern Hills
Manschester
Mansfield
Merchwy

Check that this is your authority :

Maldstone
E2237
Local authority contact name : Sheila Coburn
Local authority contact telephone number : 01622 602093
Local authority contact e-mail address : sheila.coburn@tunbridge Wells.gov.uk

CTB(October 2016) form for : Maldstone

Completed forms should be received by DCLG by Friday 14 October 2016

Dwellings shown on the Valuation List
for the authority on
Monday 12 September 2016

Band A
entitled to
disabled relief
reduction
COLUMN 1

Band A
COLUMN 2

Band B
COLUMN 3

Band C
COLUMN 4

Band D
COLUMN 5

Band E
COLUMN 6

Band F
COLUMN 7

Band G
COLUMN 8

Band H
COLUMN 9

TOTAL
COLUMN 10

Part 1

1. Total number of dwellings on the Valuation List		4,192	8,626	18,776	17,993	9,376	5,290	3,910	356	68,519.0
2. Number of dwellings on valuation list exempt on 3 October 2016 (Class B & D to W exemptions)		235	97	341	178	77	49	19	3	999.0
3. Number of demolished dwellings and dwellings outside area of authority on 3 October 2016 (please see notes)		0	0	0	1	0	0	0	0	1.0
4. Number of chargeable dwellings on 3 October 2016 (treating demolished dwellings etc as exempt) (lines 1-2-3)		3,957	8,529	18,435	17,814	9,299	5,241	3,891	353	67,519.0
5. Number of chargeable dwellings in line 4 subject to disabled reduction on 3 October 2016		1	17	42	80	66	31	26	15	278.0
6. Number of dwellings effectively subject to council tax for this band by virtue of disabled relief (line 5 after reduction)	1	17	42	80	66	31	26	15		278.0
7. Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6 or in the case of column 1, line 6)	1	3,973	8,554	18,473	17,800	9,264	5,236	3,880	338	67,519.0
8. Number of dwellings in line 7 entitled to a single adult household 25% discount on 3 October 2016	1	2,364	3,948	6,084	4,722	1,809	783	479	29	20,219.0
9. Number of dwellings in line 7 entitled to a 25% discount on 3 October 2016 due to all but one resident being disregarded for council tax purposes	0	12	65	137	142	78	42	26	2	504.0
10. Number of dwellings in line 7 entitled to a 50% discount on 3 October 2016 due to all residents being disregarded for council tax purposes	0	0	6	9	22	6	10	21	12	86.0
11. Number of dwellings in line 7 classed as second homes on 3 October 2016 (b/fwd from Flex Empty tab)		23	20	29	34	13	21	21	6	167.0
12. Number of dwellings in line 7 classed as empty and receiving a zero% discount on 3 October 2016 (b/fwd from Flex Empty tab)		40	82	142	112	46	18	16	0	456.0
13. Number of dwellings in line 7 classed as empty and receiving a discount on 3 October 2016 and not shown in line 12 (b/fwd from Flex Empty tab)		20	15	45	30	14	6	6	0	136.0
14. Number of dwellings in line 7 classed as empty and being charged the Empty Homes Premium on 3 October 2016 (b/fwd from Flex Empty tab)		11	24	22	18	14	12	4	1	106.0
15. Total number of dwellings in line 7 classed as empty on 3 October 2016 (lines 12, 13 & 14).		71	121	209	160	74	36	26	1	698.0
16. Number of dwellings that are classed as empty on 3 October 2016 and have been for more than 6 months. NB These properties should have already been included in line 15 above.		43	57	87	83	50	26	12	1	359.0
16a. The number of dwellings included in line 16 above which are empty on 3 October 2016 because of the flooding that occurred between 1 December 2013 and 31 March 2014 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0.0
16b. The number of dwellings included in line 16 above which are empty on 3 October 2016 because of the flooding that occurred between 1 December 2015 and 31 March 2016 and are only empty because of the flooding.		0	0	0	0	0	0	0	0	0.0
17. Number of dwellings that are classed as empty on 3 October 2016 and have been for more than 6 months and fall to be treated under empty homes discount class D (formerly Class A exemptions). NB These properties should have already been included in line 15 above. Do NOT include any dwellings included in line 16a and 16b above.		10	2	16	13	6	2	4	0	53.0
18 Line 16 - line 16a - line 16b - line 17. This is the equivalent of line 18 on the CTB(October 2015) and will be used in the calculation of the New Homes Bonus.		33	55	71	70	44	24	8	1	306.0
19. Number of dwellings in line 7 where there is liability to pay 100% council tax before Family Annexe discount	0	1,566	4,496	12,175	12,863	7,343	4,383	3,344	294	46,464.0

CTB(October 2016)

Calculation of Council Tax Base

Please e-mail to : ctb.statistics@communities.gsi.gov.uk

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

20. Number of dwellings in line 7 that are assumed to be subject to a discount or a premium before Family Annexe discount	1	2,407	4,058	6,298	4,937	1,921	853	536	44	21,055.0
21. Reduction in taxbase as a result of the Family Annexe discount (b/fwd from Family Annexe tab)	0.0	9.9	2.6	1.5	1.4	0.5	0.0	0.0	0.0	15.9
22. Number of dwellings equivalents after applying discounts and premiums to calculate taxbase	0.8	3,354.6	7,542.1	16,877.3	16,549.1	8,781.8	5,024.8	3,739.3	324.8	62,194.4
23. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
24. Total number of band D equivalents (to 1 decimal place) (line 22 x line 23)	0.4	2,236.4	5,866.1	15,002.0	16,549.1	10,733.3	7,258.0	6,232.1	649.5	64,526.9
25. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2016-17 (to 1 decimal place)										219.0
26. Tax base (to 1 decimal place) (line 24 col 10 + line 25)										64,745.9

CTB(October 2016)

Calculation of Council Tax Base

Please e-mail to : ctb.statistics@communities.gsi.gov.uk

Please enter your details after checking that you have selected the correct local authority name

Ver 1.0

Part 2

27. Number of dwellings equivalents after applying discounts and premiums to calculate tax base (Line 22)	0.75	3,354.62	7,542.12	16,877.25	16,549.12	8,781.75	5,024.75	3,739.25	324.75	62,194.4
28.Reduction in taxbase as a result of local council tax support (b/fwd from CT Support tab)	0.74	979.01	1,659.68	2,246.52	1,019.33	269.41	76.56	24.90	2.10	6,278.3
29. Number of dwellings equivalents after applying discounts, premiums and local tax support to calculate taxbase	0.0	2,375.6	5,882.4	14,630.7	15,529.8	8,512.3	4,948.2	3,714.4	322.7	55,916.1
30. Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
31. Total number of band D equivalents after allowance for council tax support (to 1 decimal place) (line 29 x line 30)	0.0	1,583.7	4,575.2	13,005.1	15,529.8	10,404.0	7,147.4	6,190.6	645.3	59,081.1
32. Number of band D equivalents of contributions in lieu (in respect of Class O exempt dwellings) in 2016-17 (to 1 decimal place)(line 25)										219.0
33. Tax base after allowance for council tax support (to 1 decimal place) (line 31 col 10 + line 32)										59,300.1

Certificate of Chief Financial Officer

I certify that the information provided on this form is based on the dwellings shown in the Valuation List for my authority on 12 September 2016 and that it accurately reflects information available to me about exemptions, demolished dwellings, disabled relief, discounts and premiums applicable on 3 October 2016 and, where appropriate, has been completed in a manner consistent with the form for 2015.

Chief Financial Officer :

Date :

**POLICY RESOURCES COMMITTEE
TAX BASE CALCULATION FOR PRECEPTING PARISH
COUNCILS 2017/18**

Parish	Total	Adjustment net	Non Collection	Net Tax Base
Barming	736.1	1.2	5.5	731.8
Bearsted	3,627.2	9.5	27.3	3,609.4
Bicknor	43.8		0.3	43.5
Boughton Malherbe	221.2		1.7	219.5
Boughton Monchelsea	1,320.8	46.5	10.3	1,357.0
Boxley	3,886.5	10.1	29.2	3,867.4
Bredhurst	174.2	1.2	1.3	174.1
Broomsfield & Kingswood	715.5	1.2	5.4	711.3
Chart Sutton	413.9	0.6	3.1	411.4
Collier Street	365.3	-	2.7	362.6
Coxheath	1,516.7	42.3	11.7	1,547.3
Detling	380.1	6.0	2.9	383.2
Downswood	842.6	-	6.3	836.3
East Sutton	145.9		1.1	144.8
Farleigh East	669.3	1.8	5.0	666.1
Farleigh West	221.1	3.0	1.7	222.4
Fristed	74.7		0.6	74.1
Harrietsham	1,058.0	28.0	8.1	1,077.9
Headcorn	1,497.2	18.5	11.4	1,504.3
Hollingbourne	442.0	6.0	3.4	444.6
Hucking	32.3		0.2	32.1
Hunton	315.7	2.4	2.4	315.7
Langley	500.0	-	3.8	496.2
Leeds	334.7	1.8	2.5	334.0
Lenham	1,403.9	9.5	10.6	1,402.8
Linton	249.5	0.6	1.9	248.2
Loose	1,101.7	3.0	8.3	1,096.4
Marden	1,604.3	35.2	12.3	1,627.2
Nettlestead	310.6		2.3	308.3
Otham	240.3	45.9	2.1	284.1
Otterden	90.1		0.7	89.4
Staplehurst	2,361.1	14.9	17.8	2,358.2
Stockbutry	320.8		2.4	318.4
Sutton Valence	655.3	8.3	5.0	658.6
Teston	317.1	-	2.4	314.7
Thurnham	558.7	6.0	4.2	560.5
Tovil	1,337.8	19.1	10.2	1,346.7
Ulcombe	384.2	0.6	2.9	381.9
Wichling	57.3		0.4	56.9
Wormshill	102.7		0.8	101.9
Yalding	975.4	4.2	7.3	972.3
	31,605.6	327.4	239.5	31,693.5

Maidstone Borough Council
Policy & Resources Committee
18 January 2017
Collection Fund 2016/17 - Council Tax Adjustment

	£	Approx %
<u>Demands on the fund</u>		
Maidstone Borough Council budget requirement	15,581,938	16.39%
Kent County Council (including adult social care charge)	66,341,367	69.80%
Kent Police Authority	8,904,640	9.37%
Kent and Medway Towns Fire Authority	4,213,829	4.43%
Council Tax requirement	95,041,774	100.00%
<u>Debit raised</u>		
Charges raised	114,679,096	
Less Disabled Relief	-80,032	
Discounts	-16,181,462	
Other reductions & exemptions	-2,578,651	
	95,838,951	
Less Provision for bad and doubtful debts	958,390	
Projected Council Tax Income	94,880,561	
Projected deficit for the year	-161,213	

	£
<u>Utilisation of fund balance</u>	
Actual Surplus at 31 March 2016	1,764,204
Less anticipated surplus (2015-16 Estimate)	1,016,915
	747,289
Add Projected Deficit 2016-17	-161,213
Projected Surplus at 31 March 2015	586,076

<u>Distribution of surplus</u>		
Maidstone Borough Council	96,174	16.41%
Kent County Council	408,962	69.78%
Kent Police Authority	54,973	9.38%
Kent and Medway Towns Fire Authority	26,021	4.44%
Total projected Surplus share as at 31 March 2016	586,130	100.00%

**POLICY AND RESOURCES
COMMITTEE**

18th January 2017

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

No

Council Tax Empty Property Discounts

Final Decision-Maker	Council
Lead Head of Service	Sheila Coburn
Lead Officer and Report Author	Sheila Coburn
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the Committee recommends to Council that the Council Tax Empty Property Discount Policy (appendix I) be approved.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all – Removal of the discounts will encourage empty properties being brought back into use
- Securing a successful economy for Maidstone Borough – Removal of the discounts will increase available funding to support local services

Timetable

Meeting	Date
Policy and Resources Committee	18 th January 2017
Council	1 st March 2017

Council Tax Empty Property Discounts

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Council Tax legislation provides for a number of statutory and discretionary discounts for empty properties.
 - 1.2 The council amended its policy for the award of empty property discounts from April 2013, reducing the level of discount to certain categories of empty properties.
 - 1.3 Given the increasing pressures on housing and local government finance it is proposed that these discounts are further amended, with the existing discretionary discounts removed.
 - 1.4 Removal of discretionary Council Tax discounts will provide greater incentive for empty properties to be returned to use, increase income through council tax and reduce the cost of administration.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The Local Government Finance Act 2012 introduced discretion for councils to vary the Council Tax discounts for certain categories of empty properties, whilst maintaining a range of mandatory discounts and exemptions.
- 2.2 The discretion allows the council to vary the exemption and replace it with a local discount where:
 - A property becomes unoccupied and is left substantially unfurnished (6 month exemption); or
 - A property is vacant and it requires or is undergoing major repair works to render it habitable; it is undergoing structural alteration; or less than 6 months have elapsed since the date on which such work was substantially completed (12 month exemption).
- 2.3 The council exercised this discretion from April 2013 in removing the exemption for properties that are unoccupied and unfurnished and replacing it with a local discount for 1 month.
- 2.4 In making such a change the cost of the exemption was reduced from £991,000 in 2012/2013 to £289,000 in 2015/2016. However, with 4,287 properties continuing to receive the reduced 1 month discount the cost remains high.
- 2.5 The average value of the discount awarded is £67.50, representing the charge for 17 days.

- 2.6 The council has not exercised its discretion to remove the exemption for properties requiring/undergoing major works. In 2015/2016, 308 properties received such as discount at a total cost of £199,000. The average reduction per property was £646.00, representing the charge for 145 days.
- 2.7 Examples of mandatory discounts and exemptions for unoccupied properties which will be unaffected by the proposed change include circumstances where:
- Liable person has died
 - Liable person is living in hospital or a care home
 - Liable person is living elsewhere to provide personal care
 - Liable person is a student living away
 - Liable person is in prison
 - Liable person is a charity
 - Occupation is prohibited by law
- 2.8 The Revenues and Benefits shared service employs 3 FTE property inspectors. If the discretionary discounts were removed, the Council Tax inspector's workload would be reduced through not having to inspect and verify entitlement to discounts, providing the opportunity to reduce by 1 FTE and saving £20,000 in administration. Such a saving would be dependent on TWBC making a similar change to their empty property discounts.
-

3. AVAILABLE OPTIONS

- 3.1 Option 1 - 'do nothing' will mean discounts are awarded as they currently are and no additional Council Tax will be generated.
- 3.2 Option 2 - The council can choose to remove both of the discretionary discounts currently available. In doing so the council would generate an estimated £488,000 in additional council tax, providing MBC with £73,200 based on its share of the precept. A further £20,000 saving would also be available through reduced staffing providing a total saving of £93,200.
- 3.3 Option 3 - If the council chose to only remove the one month discount for unoccupied and unfurnished properties, this would generate an estimated £289,000 in additional council tax, providing MBC with £43,350 based on its share of the precept. The reduction in workload is not expected to be sufficient to reduce staffing. However, this would continue to be monitored.
- 3.4 The main disadvantage with removing the one month discount would be for landlords where they are looking to carry out minor repairs and re-decorate properties before the start of a new tenancy. The landlord would immediately become liable to pay full Council Tax in between tenancies whereas currently they benefit from up to one month discount. However, many other councils have now removed the one month empty discount and have found that this discretion has now been accepted. The current demand for rented accommodation means that landlords can expect to be

able to re-let property promptly, and this demand unlikely to diminish in the foreseeable future.

- 3.5 Option 4 - If the council chose to remove the 12 month discount for properties under major works, this would generate an estimated £199,000 in additional council tax, providing MBC with £29,850 based on its share of the precept.
- 3.6 In the case of removal of the uninhabitable discount, there is likely to be resistance from owners who are unable to occupy their properties because they need major repair works or structural alterations to make the property habitable. However, removal of this discount may encourage owners to bring their properties back into use and support the council's wider aims to reduce the number of empty properties in the borough. Other councils have found that where this discount has been removed, this discretion has now been accepted.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Given the local pressures on housing and local government finance it is recommended that option 2 be progressed, with both local discounts removed from 1st April 2017.
- 4.2 The main argument for not progressing such a change would be the issue of fairness to non resident owners, who it could be said are being asked to pay for services that they do not use. Such services include refuse collection.
- 4.3 In considering that issue it is important to acknowledge that non resident owners are unlikely to use the full range of services funded through council tax. However, council tax is not charged on the basis that residents or non resident owners will use every service.
- 4.4 Many services such as planning, highways, street cleaning, local policing and fire services are essential in maintaining the local environment for both residents and non resident owners. Those services do not stop or reduce in cost when a property becomes empty with the cost of awarding discounts currently subsidised by the wider council tax payer.
- 4.5 However, it is further recommended that where there has been a natural disaster, a flood or a fire which leave a property uninhabitable, officers have discretion to award a discount of up to 12 months in these circumstances.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The decision to reduce the empty property discount from 6 months to 1 month was considered and agreed by Full Council in December 2012, following a full public consultation.

5.2 There is no requirement for another consultation regarding the proposal to further reduce the discount.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Subject to the approval by the Committee and Full Council, details of the change will be made available through the Maidstone Link (formerly the Gateway), Website and within information provided with the Council Tax demand.

6.2 Information will also be included with all communications being sent to private landlords to further promote awareness of the change.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Support the council's aim to reduce the number of empty properties and increase the number of available homes within the borough.	Sheila Coburn, Head of Revenues and Benefits (interim)
Risk Management	No impact	Sheila Coburn, Head of Revenues and Benefits (interim)
Financial	The financial impact on non resident owners and Council is set out within the body of the report. The additional income generated by the changes set out in this report will help the Council achieve a balanced budget position in 2017/18 and subsequent years.	Mark Green, Director of Resources and Business Improvement (S151 Officer)
Staffing	The recommended change would support a reduction in staffing of 1 FTE.	Sheila Coburn, Head of Revenues and Benefits (interim)
Legal	Discretion to set a local policy on empty property discounts is set out with S11 Local Government Finance Act 2012.	Estelle Culligan, Head of Legal Services (Interim)

Equality Impact Needs Assessment	An Equality Impact Assessment has been undertaken and the changes are not expected to adversely impact on residents with protected characteristics as defined by the Equalities Act.	Sheila Coburn, Head of Revenues and Benefits (interim)
Environmental/Sustainable Development	No impact.	Sheila Coburn, Head of Revenues and Benefits (interim) [Head of Service or Manager]
Community Safety	No impact	Sheila Coburn, Head of Revenues and Benefits (interim)
Human Rights Act	No impact	Sheila Coburn, Head of Revenues and Benefits (interim)
Procurement	No impact	Sheila Coburn, Head of Revenues and Benefits (interim)
Asset Management	No Impact	Sheila Coburn, Head of Revenues and Benefits (interim)

8. REPORT APPENDICES

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

- Appendix I: Council Tax Empty Property Policy

9. BACKGROUND PAPERS

None

COUNCIL TAX EMPTY PROPERTY POLICY

The Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012, The Council Tax (Exempt Dwellings) Order 1992, The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 allow for Council Tax discounts and exemptions to be awarded for empty properties. The statutory exemptions are:

- Property owned by charity (maximum 6 months)
- Property where the liable person has died and awaiting probate/transfer to beneficiaries
- Property where occupation is prohibited by law (e.g. Planning/Housing/Environmental health reasons)
- Property that is held empty for minister of religion to take up residence
- Property that is left unoccupied by a student
- Property where the mortgagee is in possession
- Property that has been left empty by a bankrupt
- Property where the unoccupied annexe cannot be let separately due to planning restrictions
- Property left empty by a person in prison
- Property left empty by a person living in a hospital/care home
- Property left empty by a person who needs personal care elsewhere
- Property left empty by a person who is providing care elsewhere
- An empty caravan pitch or empty boat
- A dwelling left empty because an individual is living in another dwelling provided for the purposes of armed forces accommodation

In addition to the above exemptions, the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 amended discretionary discounts for unoccupied properties

1. Where a property becomes unoccupied and substantially unfurnished
2. Where a property is requiring or undergoing major repairs or structural alterations to render it habitable

In the case of 1, any discount is applicable for a maximum continuous period of 6 months. The billing authority may set the discount of between 100% and 0%.

In the case of 2, any discount is applicable for a maximum continuous period of 12 months. The billing authority may set the discount of between 100% and 0%.

Tunbridge Wells Borough Council has decided the discount for properties in 1 and 2 will be 0% effective from 1 April 2017.

Tunbridge Wells Borough Council will only consider a discount of 25% where a property is uninhabitable because of a natural disaster such as flooding, or malicious damage which can be substantiated by a police report number.

Appeal rights

If a person feels they have not been awarded an exemption or discount to which they should be entitled, there is a right of appeal.

In the first instance an appeal should be made to the council for the decision to be reconsidered.

If the original decision is not changed, the council will advise you of how to appeal to an independent Valuation Tribunal