

# AGENDA

## POLICY AND RESOURCES COMMITTEE MEETING



Date: Wednesday 28 June 2017

Time: 7.15 pm

Venue: Town Hall, High Street, Maidstone

### Membership:

Councillors Barned, Mrs Blackmore, Boughton, Brice, Cox, Fermor, Garland, Mrs Gooch, Harper, Harvey, Harwood, Hastie, McLoughlin, Perry and Mrs Wilson (Chairman)

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1. Apologies for Absence
2. Notification of Substitute Members
3. Urgent Items
4. Notification of Visiting Members
5. Disclosures by Members and Officers
6. Disclosures of Lobbying
7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
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**Continued Over/:**

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**Issued on Tuesday 20 June 2017**

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

10. Presentation of Petitions (if any)	
11. Questions and answer session for members of the public (if any)	
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## **PART II**

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

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## **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 602263 or by email on [democraticservices@maidstone.gov.uk](mailto:democraticservices@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.

## **ALTERNATIVE FORMATS**

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 Democratic Services on 01622 602263, or by email on [democraticservices@maidstone.gov.uk](mailto:democraticservices@maidstone.gov.uk). To find out more about the work of the Committee, please visit [www.maidstone.gov.uk](http://www.maidstone.gov.uk)

# Agenda Item 8

## **MAIDSTONE BOROUGH COUNCIL**

### **Policy and Resources Committee**

#### **MINUTES OF THE MEETING HELD ON WEDNESDAY 26 APRIL 2017**

**Present:** Councillors Adkinson, Barned, Mrs Blackmore, Boughton, Cox, Fermor, Garland, Mrs Gooch, Harvey, Harwood, McLoughlin, Pickett, Round, Mrs Ring and Mrs Wilson (Chairman)

210. **APOLOGIES FOR ABSENCE**

It was noted that apologies were received from Councillors Brice, Harper and Powell.

211. **NOTIFICATION OF SUBSTITUTE MEMBERS**

The following substitute members were noted:

- Councillor Adkinson for Councillor Harper
- Councillor Barned for Councillor Powell
- Councillor Ring for Councillor Brice

212. **URGENT ITEMS**

There were no urgent items.

213. **NOTIFICATION OF VISITING MEMBERS**

There were no visiting members.

214. **DISCLOSURES BY MEMBERS AND OFFICERS**

Councillor Harwood stated that although he did not have a disclosable interest, he would leave the room during consideration of Item 12. Flood Risk Alleviation in the Medway Confluence in order to avoid the perception of a conflict of interest with his professional role.

Councillor Boughton informed the committee that in his professional role he had been discussing the issues relating to Item 12. Flood Risk Alleviation in the Medway Confluence with departments within central government. However he did not consider this a disclosable interest and intended to speak and vote on this item.

215. **DISCLOSURES OF LOBBYING**



Councillors Round, McLoughlin, Blackmore, Fermor, Cox and Wilson had been lobbied on Item 12. Report of the Director of Finance and Business Improvement – Flood Risk Alleviation in the Medway Confluence.

Councillors Harwood, Fermor and Wilson had been lobbied on item 14. Report of the Head of Regeneration and Economic Development – Phase 3 Public Realm.

216. TO CONSIDER WHETHER ANY ITEMS SHOULD BE TAKEN IN PRIVATE BECAUSE OF THE POSSIBLE DISCLOSURE OF EXEMPT INFORMATION.

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

217. MINUTES OF THE MEETING HELD ON 29 MARCH 2017

**RESOLVED:** That the minutes of the previous meeting be agreed as a correct record and signed.

218. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

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

Mr Paul Billanie asked the following question of the Chairman:

*When considering the decrease in council tax support, was the combined effect of the decrease with the increase in this year's council tax considered and can she explain why more popular ideas for council tax support were outright rejected in favour of the least popular ideas?*

The Chairman responded to the question, stating that the legislation surrounding the Council Tax Support Scheme required that the Council made a decision on its scheme by the 31st January each year. This meant that a decision was required before the council tax charge was set for the following year, and before the Council was made aware of the level of precept to be made by Kent County Council, Kent Police and Kent Fire and Rescue and Parish Councils.

In making a decision the Council did take great care in considering the impact on residents, captured within the supporting impact assessment. That assessment modelled the impact based on the most up to date information held by the Council, consisting of the actual awards and entitlements during that financial year, with an understanding that future increases in council tax would affect all households, including those in receipt of council tax support.

The final scheme adopted by Council included 5 of the 13 options considered as part of the public consultation. Of those 5, 3 options

(options 5, 11 and 12) received the highest level of support through the public consultation so it would be incorrect to say that the Council rejected the most popular ideas in terms of the consultation findings. In considering the wider range of options detailed within the consultation the council took a decision aimed at balancing the need to make the scheme affordable for the council given reductions in funding, the impact on residents affected and desire to align the scheme with the wider welfare system where possible.

Mr Billanie then asked the following supplementary question:

*At a previous meeting of this Committee, Councillor Blackmore mentioned that Medway Council had set the contribution level of full council support at 35%. This meant that, together with the increase in Council Tax, some of their most vulnerable residents' Council Tax bills had increased by up to 65%. Could the Chairman of this committee assure me that a contribution of 35% was not being considered by this council?*

The Chairman responded that the Council takes this decision every year, as set out in legislation. There were no plans to increase the contribution level to 35%, however there could not be any guarantees that our contribution level would not increase in the following year. The Chairman emphasised that every single councillor took this issue very seriously and always sought to do the best they could for the people their decisions affected.

Mrs Yolande Kenward asked the following question of the Chairman:

*Given the volume of new houses that have been built in Maidstone recently and therefore the additional council tax revenue that this generated, why was there any need for a council tax increase in Maidstone?*

The Chairman responded, explaining that as the number of homes in the borough increased, so did the cost of providing services to residents. Many services, such as street cleaning and household refuse collection, were directly related to the number of homes in the borough. Demands on other services were related to the increase in population. For example, a greater number of residents resulted in more pressure on our parks and open spaces which led to increased maintenance costs. Therefore any increase in Council Tax income was linked to increased expenditure.

In addition to the pressures from additional homes, there were specific reasons the Council decided to increase Council Tax. The Council no longer received Revenue Support Grant from government and had increased spending pressures. For example providing temporary accommodation for homeless families, the numbers of households approaching as homeless had increased dramatically over the last few years. Council agreed at its meeting on 1st March 2017 to increase Council Tax. However, the increase for 2017/18 was only £4.95 for a Band D property, which was less than 10p a week.

Mrs Kenward asked a supplementary question, however the question was not directly related to the original question and was not about a matter in which the borough council had any responsibility.

220. COMMITTEE WORK PROGRAMME

The Director of Finance and Business Improvement updated the Committee on the work programme. It was noted that items on the Fourth Quarter Budget Monitoring, Council Tax Support Scheme for 2017-18 and an Update on Maidstone East Regeneration would all be ready for the Committee's June meeting.

221. REPORT OF THE DIRECTOR OF FINANCE AND BUSINESS IMPROVEMENT - FLOOD RISK ALLEVIATION IN THE MEDWAY CONFLUENCE

Councillor Harwood left the chamber for this item.

Edward Raikes, of the Medway, Beult and Teise Flood Group spoke in support of the report. However he also stated that he felt that further measures to improve the flow downstream would prevent flooding around the Rivers Medway, Beult and Teise.

Councillor Geraldine Brown, Chairman of Yalding Parish Council, addressed the committee in support of the report. However she requested that specific reference was made to Yalding in the recommendations, as Yalding was not part of the Joint Parishes Flood Group and Yalding had been amongst the worst areas affected by the floods of 2013.

The Director of Finance and Business Improvement presented the report on Flood Risk Alleviation in the Medway Confluence, and emphasised the following points:

- Following floods in 2013, the Environment Agency conducted research on flooding in the Medway confluence. The research found that there were no simple solutions to flooding in this area, and that the best approach was Property Level Protection against flooding.
- The local community were not convinced by the conclusions of the research and composed a list of possible other solutions that might alleviate future flooding. Maidstone Borough Council commissioned its own report, carried out by Arcadis, to investigate the viability of these options.
- The Arcadis report concluded that there was no single technically feasible or economically viable solution to the problem of flooding in the Medway confluence. This meant that Property Level Protection, or protection for small groups of properties, was the only viable solution.

- In addition to flooding in the Medway Confluence, the report sought to highlight the flood protection work that had been carried out in the Town Centre as part of the Bridges Gyratory scheme.

In response to a question from the Committee, the Director of Finance and Business Improvement explained that works downstream had been explored by Arcadis. But it was concluded that these would not have provided as any works downstream of Watlingtonbury would have a minimal impact owing to the restricted flow there.

It was noted that the report discussed flooding around Yalding, and the measures taken in the Town Centre but that there was no mention of the areas in between Yalding and the Town Centre.

The Committee discussed the impact of the Kent County Council and General Elections in 2017, and was minded to request further funding from central government and Kent County Council after the elections.

**RESOLVED:**

- 1) That the contents and conclusions of the Arcadis report on Medway, Beult and Teise Flood Alleviation Options be noted.
- 2) The Council continues to work proactively with the Environment Agency, other organisations, Yalding Parish Council and the local community as part of the Medway Flood Partnership to develop and implement a range of flood alleviation measures in the Medway confluence area.
- 3) The progress of schemes relating to flood alleviation in Maidstone Town Centre be noted.
- 4) That consideration be given to flood alleviation measures in the area between Yalding and Maidstone Town Centre.
- 5) That the Chief Executive writes to Kent County Council, DEFRA and the Treasury following the 2017 elections to seek further funding for flood alleviation in the borough and report back to this committee.

Voting: For - 14 Against - 0 Abstentions - 0

At the conclusion of this item, Councillor Harwood re-joined the Committee.

222. **REPORT OF THE HEAD OF POLICY AND COMMUNICATIONS - KEY PERFORMANCE INDICATORS 2017-18**

The Head of Policy and Resources presented the report outlining the proposed Key Performance Indicators for the Policy and Resources Committee for 2017-18.

The report set out the indicators that had been suggested at a member workshop held in March. However following the publication of the report the following amendments were required:

- The target for Net additional homes should increase to 880, in line with the housing target set in the local plan.
- Therefore the target for number of affordable homes delivered would also need to be increased, and this target would be confirmed at a later date.
- There were five priorities (organised crime groups including modern slavery, gangs and child sexual exploitation, substance misuse, domestic abuse and other violent crime, mental health) for the Safer Maidstone Partnership, and contextual information would be provided on each of these priorities.

In response to a question from a member of the Committee, the Head of Policy and Communications explained that the number of affordable homes delivered would be part of the figure for the net additional homes provided, not in addition to net additional homes provided.

The Committee was content that KPIs on the processing on minor and other planning applications would only be reported to the Strategic Planning, Sustainability and Transport Committee, as these indicators were not seen as strategic enough to be reported to the Policy and Resources Committee.

**RESOLVED:** That the Key Performance Indicators for the Policy and Resources Committee for 2017-18 will be:

### **Clean and Safe Environment**

<b>Performance Indicator</b>	<b>Target</b>
The percentage of relevant land and highways that is assessed as having deposits of litter at an acceptable level – see note	94%
The percentage of relevant land and highways that is assessed as having acceptable levels of detritus – see note	84%
Number of fly tips assessed within 2 working days	TBC
Percentage of fly tips with evidential value which result in enforcement action	20%

Number of reports of litter attended to	TBC - baseline
Percentage of household waste sent for reuse, recycling and composting (NI 192)	52.5%
Safer Maidstone Partnership information: <ul style="list-style-type: none"> <li>• Organised Crime Groups (including modern slavery)</li> <li>• Gangs &amp; Child Sexual Exploitation</li> <li>• Substance Misuse</li> <li>• Domestic Abuse and other Violent Crime</li> <li>• Mental Health</li> </ul>	Contextual

### Regenerating the Town Centre

Performance Indicator	Target
Percentage of vacant retail units in town centre	TBC
Footfall in the High St.	TBC
Business Rates Income from Town Centre businesses	TBC

### A Home for Everyone

Performance Indicator	Target
Processing of Major planning applications in 13 weeks	85%
Net additional homes provided (NI 154)	880
Number of affordable homes delivered (gross)	TBC
Number of households prevented from becoming	300

homeless through the intervention of housing advice	
Number of households housed through housing register	600

Voting: For - 15 Against - 0 Abstentions - 0

223. REPORT OF THE HEAD OF REGENERATION AND ECONOMIC DEVELOPMENT - PHASE 3 PUBLIC REALM

The Local Economy Project Officer presented the report on the regeneration of the Public Realm in Maidstone Town Centre.

The Officer updated the Committee on changes to plans for the project since the report had been taken to the Communities, Housing and Environment and the Heritage Culture and Leisure committees, and since it was last considered by this Committee:

- The designs included the south side of Week Street, although funding had not yet been found for this part of the scheme.
- Therefore external funding contributions were being sought for the £900,000, including from the Local Enterprise Partnership and Kent County Council.
- The Heritage Lottery Fund had rejected the bid for funding for the project. One of the main reasons for rejection was the lack of Private Sector involvement in the scheme.

The Committee suggested that ward member involvement was required before the approval of final designs, to ensure that their local knowledge could contribute to the scheme.

**RESOLVED:**

1. That the change in scope from the original proposed project, to now include the southern end of Week Street is approved.
2. That the outline designs are approved for all of Week Street and Gabriel's Hill/Lower Stone Street with the exception of the suggested palette of tree species which do not comply with document HAP12; Urban Green Space. In addition the *Ginkgo Biloba* at the bottom of Gabriel's Hill which should be removed and replaced with trees native to South East England as per HAP 12: Urban Green Space.
3. That the proposed materials for Week Street and Gabriel's Hill/Lower Stone Street are approved.

4. That funding of £900k is being sought from external sources, to cover the increased costs is noted.
5. The proposed consultation materials and methodology is approved.
6. That delegated authority is granted to the Head of Regeneration and Economic Development to go out to tender for the construction of this project, with appropriate phasing of the works to ensure flexibility in the delivery phase.
7. That delegated authority is granted to the s151 officer to award the contract to the successful bidder.
8. That delegated authority is granted to the Interim Head of the Legal Partnership to enter into a contract with the successful bidder.
9. That delegated authority is granted to the Head of Regeneration and Economic Development, in prior consultation with the ward councillors of North, East and High Street wards, and subsequently in consultation with the chairs and vice-chairs of Heritage Culture and Leisure Committee, Communities Housing and Environment Committee, and Policy and Resources Committee to approve the final detailed designs.

Voting: For - 11 Against - 3 Abstentions - 1

Councillors Boughton and Blackmore asked for their dissent to be noted on the vote for the recommendations being taken together, instead of each recommendation separately.

#### 224. REPORT OF THE HEAD OF THE AUDIT PARTNERSHIP - RISK MANAGEMENT UPDATE

The Deputy Head of the Audit Partnership introduced his report on the Risk Management Update.

It was noted that the risks presented to the Committee were the council's corporate level risks, rather than the operational risks for each service. Both of these risk profiles combined constituted the council's comprehensive risk register.

The council's corporate level risks had been identified by members and senior officers of the council, and mitigation had been put into place to reduce the impact and likelihood of these risks.

**RESOLVED:** That the report be noted.

Voting: For - 11 Against - 1 Abstentions - 2

#### 225. EXCLUSION OF THE PRESS AND PUBLIC



**RESOLVED:** That the public be excluded from the meeting for the items set out in Part II of the agenda because of the likely disclosure of exempt information for the reason specified, having applied the Public Interest Test.

226. MINUTES (PART II) OF THE MEETING HELD ON 29 MARCH 2017

**RESOLVED:** That the minutes (Part II) of the previous meeting be agreed as a correct record and signed.

227. REPORT OF THE DIRECTOR OF FINANCE AND BUSINESS IMPROVEMENT - MOTE PARK LAKE

The Committee considered an exempt report about Mote Park Lake.

**RESOLVED:** That the report be noted and the recommended actions set out in the exempt report be taken.

228. DURATION OF MEETING

6.33 p.m. to 9.12 p.m.

# Agenda Item 9

## **MAIDSTONE BOROUGH COUNCIL**

### **Policy and Resources Committee**

#### **MINUTES OF THE MEETING HELD ON TUESDAY 23 MAY 2017**

**Present:** Councillor Mrs Wilson (Chairman), and  
Councillors Barned, Mrs Blackmore, Boughton, Brice,  
Cox, Fermor, Mrs Gooch, Harper, Harvey, Harwood,  
Hastie, McLoughlin, Perry, Mrs Ring and Mrs Wilson

1. **APOLOGIES FOR ABSENCE**

It was noted that apologies for absence had been received from Councillor Garland.

2. **NOTIFICATION OF SUBSTITUTE MEMBERS**

It was noted that Councillor Mrs Ring was substituting for Councillor Garland.

3. **ELECTION OF VICE-CHAIRMAN**

**RESOLVED:** That Councillor Harper be elected as Vice-Chairman of the Committee for the Municipal Year 2017/18.

4. **DURATION OF MEETING**

7.10 p.m. to 7.12 p.m.

## 2017/18 WORK PROGRAMME SORTED BY COMMITTEE

Report Title	Work Stream	Committee	Month	Lead	Report Author
Brunswick Street & Union Street	Regeneration and Commercialisation	P&R	Jun-17	William Cornall	Andrew Connors
National Productivity Investment Fund for the Road Network	Regeneration and Commercialisation	P&R	Jun-17	Dawn Hudd	Abi Lewis
Land Disposal Policy	New/Updates to Strategies & Policies	P&R	Jun-17	Mark Green	Lucy Stroud
Maidstone East Annual Update for info	Capital Projects	P&R	Jun-17	William Cornall	John Foster
2016/17 Revenue & Capital Outturn	Corporate Finance and Budgets	P&R	Jun-17	Mark Green	Ellie Dunnet / Paul Holland
Medium Term Financial Strategy 2018/19 Onwards	Corporate Finance and Budgets	P&R	Jun-17	Mark Green	
Equalities Policy	Corporate Planning	P&R	Jun-17	Angela Woodhouse	Anna Collier
Property Acquisition	Regeneration and Commercialisation	P&R	Jun-17	William Cornall	Alison Elliott
Q4 Performance Report 2016/17	Updates, Monitoring Reports and Reviews	P&R	Jun-17	Angela Woodhouse	Anna Collier
Communication and Engagement Strategy Refresh	Corporate Planning	P&R	Jul-17	Angela Woodhouse	Angela Woodhouse/Helen Bell
Revenues and Benefits Changes	Changes to Services & Commissioning	P&R	Jul-17	Sheila Coburn	Sheila Coburn
Council Tax Reduction Scheme	New/Updates to Strategies & Policies	P&R	Jul-17	Sheila Coburn	Sheila Coburn
Housing and Regeneration Strategy	New/Updates to Strategies & Policies	P&R	Jul-17	William Cornall	John Foster
Bereavement Services - Capital investment	Capital Projects	P&R	Jul-17	Jennifer Shepherd	Jennifer Shepherd
Annual Governance Statement and Local Code of Corporate Governance	Corporate Planning	P&R	Jul-17	Angela Woodhouse	Angela Woodhouse
Corporate Planning Time Table	Corporate Planning	P&R	Jul-17	Angela Woodhouse	Angela Woodhouse/Anna Collier
Kent Medical Campus Investment Strategy	Corporate Planning	P&R	Jul-17	Dawn Hudd	Abi Lewis
First Quarter Budget Monitoring	Corporate Finance and Budgets	P&R	Sep-17	Ellie Dunnet	Paul Holland
Digital Strategy	New/Updates to Strategies & Policies	P&R	Sep-17	Georgia Hawkes	Georgia Hawkes
Office Accommodation Strategy	New/Updates to Strategies & Policies	P&R	Sep-17	David Tibbit	David Tibbit
Flood Alleviation	Updates, Monitoring Reports and Reviews	P&R	Sep-17	David Tibbit	David Tibbit
Q1 Performance Report 2017/18	Updates, Monitoring Reports and Reviews	P&R	Sep-17	Angela Woodhouse	Anna Collier
Council Tax Reduction Scheme	New/Updates to Strategies & Policies	P&R	Oct-17	Sheila Coburn	Sheila Coburn
Risk Management Update	Audit	P&R	Nov-17	Russell Heppleston	Russell Heppleston & Alison Blake
Collection Fund Adjustment	Corporate Finance and Budgets	P&R	Nov-17	Mark Green	Ellie Dunnet
Second Quarter Budget Monitoring	Corporate Finance and Budgets	P&R	Nov-17	Ellie Dunnet	Paul Holland
Q2 Performance Report 2017/18	Updates, Monitoring Reports and Reviews	P&R	Nov-17	Angela Woodhouse	Anna Collier
Discretionary Rate Relief Policy	New/Updates to Strategies & Policies	P&R	Nov-17	Sheila Coburn	Sheila Coburn
Debt Recovery Policy	New/Updates to Strategies & Policies	P&R	Dec-17	Sheila Coburn	Sheila Coburn
Medium Term Financial Strategy & Budget Proposals 2018/19	Corporate Finance and Budgets	P&R	Dec-17	Mark Green	Ellie Dunnet
Tax Base 2018/19 (Council Tax)	Corporate Finance and Budgets	P&R	Dec-17	Mark Green	Ellie Dunnet
Resident Survey Summary Results and Action plan (please note that workshops will be held with all members Oct/Nov)	Corporate Planning	P&R	Dec-17	Angela Woodhouse	Anna Collier
Strategic Plan Action Plan 2018/19	Corporate Planning	P&R	Dec-17	Angela Woodhouse	Angela Woodhouse
Property Strategy	New/Updates to Strategies & Policies	P&R	Dec-17	David Tibbit	David Tibbit
Fees & Charges	Corporate Finance and Budgets	P&R	Jan-18	Mark Green	Ellie Dunnet
Medium Term Financial Strategy & Budget Proposals 2018/19	Corporate Finance and Budgets	P&R	Jan-18	Mark Green	Ellie Dunnet
Medium Term Financial Strategy 2018/19 Onwards - Capital Programme	Corporate Finance and Budgets	P&R	Jan-18	Mark Green	Ellie Dunnet
Strategic Plan Action Plan 2018/19	Corporate Planning	P&R	Jan-18	Angela Woodhouse	Angela Woodhouse
Medium Term Financial Strategy 2018/19 Onwards	Corporate Finance and Budgets	P&R	Feb-18		
Setting new Key Performance Indicators (please note that there will be workshops with each committee prior to the report in January/February)	Corporate Planning	P&R	Feb-18	Angela Woodhouse	Anna Collier
Commissioning & Procurement Strategy	New/Updates to Strategies & Policies	P&R	Feb-18	Mark Green	Steve Trigg/Georgia Hawkes
Q3 Performance Report 2017/18	Updates, Monitoring Reports and Reviews	P&R	Feb-18	Angela Woodhouse	Anna Collier

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Agenda Item 12

2017/18 WORK PROGRAMME SORTED BY COMMITTEE

Report Title	Work Stream	Committee	Month	Lead	Report Author
King Street	Regeneration and Commercialisation	P&R	TBC	William Cornall	Alison Elliott
Mote Park Lake Dam	Capital projects	P&R	TBC	Mark Green	David Tibbit

## Policy and Resources Committee

**28 June 2017**

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

**Yes**

## Annual Governance Statement 2016-17

<b>Final Decision-Maker</b>	Policy and Resources Committee
<b>Lead Head of Service</b>	Head of Policy, Communications and Governance
<b>Lead Officer and Report Author</b>	Angela Woodhouse, Head of Policy, Communications and Governance
<b>Classification</b>	Public
<b>Wards affected</b>	All

### This report makes the following recommendations to this Committee:

1. To review and approve the Annual Governance Statement 2016-17 and Local Code of Corporate Governance 2017 prior to sign-off by the Leader of the Council and Chief Executive

### This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all - Effective corporate governance arrangements ensure the council's priorities are understood and delivered
- Securing a successful economy for Maidstone Borough -Effective corporate governance arrangements ensure the council's priorities are understood and delivered

### Timetable

<b>Meeting</b>	<b>Date</b>
Corporate Leadership Team	6 June 2017
Audit, Governance and Standards Committee	26 June 2017
Policy and Resources Committee	28 June 2017

# Annual Governance Statement 2016-17

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Attached at Appendix A is the Annual Governance Statement for 2016-17, the purpose of the Annual Governance Statement is to provide assurance on the council's governance arrangements.
- 1.2 Attached at Appendix B is the Local Code of Corporate Governance, which has been rewritten to meet the requirements of the new CIPFA and Solace framework 2016.

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## 2. INTRODUCTION AND BACKGROUND

- 2.1 Each year we carry out a review of our Governance arrangements to ensure compliance with the Local Code of Corporate Governance. The purpose of the review is to provide assurance that governance arrangements are adequate and operating effectively and to identify action which is planned to ensure effective governance in the future. The outcome of the review takes the form of an Annual Governance Statement prepared on behalf of the Leader at the Council and Chief Executive.
- 2.2 The Council produces an Annual Governance Statement (AGS) to accompany the statement of accounts. The Audit, Governance and Standards Committee is asked to consider this statement prior to submission to Policy and Resources and signing by the Leader and Chief Executive. The statement looks back at the governance arrangements for 2016-17 and identifies areas for action for 2017-18.
- 2.3 A new Local Code of Corporate Governance has been developed to reflect the 'Delivering Good Governance Framework' introduced by CIPFA/Solace in 2016. The format of the AGS has also been updated.
- 2.4 Action taken last year includes the introduction of a mandatory training module for data protection, new policies and guidance for all staff on information management. A new Member Sounding Board has been introduced and has met regularly to look at communication issues and how members can be engaged and informed. There were a number of web casting issues in 2016-17 these have now been resolved through the hard work of the Democracy Committee, democratic services team working with the provider.
- 2.5 Overall the governance arrangements are sound. However, there are a number of areas where improvements can be made, including contract management, areas that continue to have weak assurance following audit reviews and ensuring the council is prepared for the new General Data Protection Regulations.

### **3. AVAILABLE OPTIONS**

- 3.1 The Committee is asked to review the Annual Governance Statement and make amendments prior to sign off by the Chief Executive and Leader of the Council
- 

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

- 4.1 The Committee is asked to review the Annual Governance Statement and action plan and approve the areas suggested for improvement for 2017-18 prior to sign-off
- 

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

- 5.1 The Council's Corporate Governance Working Group has reviewed the Annual Governance Statement (AGS). The Audit, Governance and Standards Committee have reviewed it on 26 June and any amendments will be tabled at this meeting for consideration by the Policy and Resources Committee.
- 

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

- 6.1 Once approved the Code and Annual Governance Statement will be made available on our website and shared with our external auditors.
- 

### **7. CROSS-CUTTING ISSUES AND IMPLICATIONS**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	Effective corporate governance arrangements ensure the council's priorities are understood and delivered	Head of Policy Communications and Governance
<b>Risk Management</b>	The AGS considers and gives assurance on the Council's approach to risk management	Head of Policy Communications and Governance
<b>Financial</b>	This report has no direct financial implications. The AGS is a requirement of statutory regulations and provides assurance about the Council's governance	Director of Finance and Business Improvement

	arrangements.	
<b>Staffing</b>	There are implications in relation to training and information management in the action plan for 2017-18	Head of Policy Communications and Governance
<b>Legal</b>	There are no legal implications, good governance ensures we meet statutory requirements.	Head of Policy, Communications and Governance
<b>Equality Impact Needs Assessment</b>	Good governance ensures the council is adhering to the public sector equality duty	Policy & Information Manager
<b>Environmental/Sustainable Development</b>	N/A	Head of Policy Communications and Governance
<b>Community Safety</b>	N/A	Head of Policy Communications and Governance
<b>Human Rights Act</b>	N/A	Head of Policy Communications and Governance
<b>Procurement</b>	N/A	Head of Policy Communications and Governance
<b>Asset Management</b>	N/A	Head of Policy Communications and Governance

## 8. REPORT APPENDICES

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

- Appendix A: Annual Governance Statement 2016-17
- Appendix B: Local Code of Corporate Governance 2017



**Maidstone Borough Council**

**Annual Governance Statement**

**2016-17**

## **Introduction**

The Annual Governance Statement is a review of the council's governance arrangements in 2016-17. The statement evaluates how we meet the governance framework and provides an opinion on whether the current governance arrangements are fit for purpose.

## **Our Responsibilities**

Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council's section 151 Officer and the Monitoring Officer are key members of the Corporate Leadership Team, reviewing all decisions taken through Leadership Team, Committees and Full Council. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget. The Section 151 officer also has a number of statutory powers in order to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit. The Monitoring Officer serves as the guardian of the Council's Constitution and the decision-making process. They are responsible for advising the Council on the legality of its decisions and providing guidance to councillors and officers on the Council's Constitution and its powers. The Corporate Leadership Team is led by the Chief Executive who is the Council's chief policy advisor with overall corporate management and operational responsibility.

The Council operates a committee system of governance and the Leader is the Council's political and elected head, the focus for political direction and the chief spokesperson for the Borough. The Leader is also Chair of Policy and Resources Committee. The Council has four service based committees taking decisions within their terms of reference as agreed by full council, individual councillors do not have the power to make decisions. In addition there are committees that deal with licensing, planning, audit, governance and standards; democracy; urgent matters employment and other regulatory matters.

In discharging this overall responsibility, Maidstone Borough Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the Chartered Institute of Public Finance & Accountancy (CIPFA) and Society of Local Authority Chief Executive's (SOLACE) Framework [Delivering Good Governance in Local Government Guidance Notes for English Authorities 2007 updated 2012](#). We will be adopting

a new local code of corporate governance to take into account the new 2016 framework in June 2017.

### **Our Governance Framework**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and the activities through which it is accountable to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The monitoring of Corporate Governance has a high priority at the Council. The Head of Policy, Communications and Governance is responsible for Corporate Governance. A small working group made up of the Head of Finance, the Head of Legal services (Monitoring Officer) and the Head of Policy and Communications assisted by the Head of Audit Partnership reports biannually to the Corporate Leadership Team and the Audit, Governance and Standards Committee on governance matters.

This governance framework has been in place at Maidstone Borough Council for the year ended 31 March 2016 and up to the date of approval of the Statement of Accounts.

#### **Our Governance Principles**

- 1) We will focus on our purpose and on outcomes for the community in creating and implementing a vision for the local area.**
- 2) Councillors and officers will work together to achieve a common purpose with clearly defined functions and roles.**
- 3) Councillors and officers will promote our values and demonstrate the values of good governance through upholding high standards of conduct and behaviour.**
- 4) We will take informed and transparent decisions which are subject to effective scrutiny and will manage risk.**
- 5) We will develop the capacity and capability of Councillors and officers to be effective.**
- 6) We will engage with local people and other stakeholders to ensure robust public accountability.**

## Review of Effectiveness

### 1) We will focus on our purpose and on outcomes for the community in creating and implementing a vision for the local area.

The Council has a clear vision set out in the [Strategic Plan](#). In 2016/17 the Council refreshed and updated the Strategic Plan, this was led by Committees using information from the last [resident survey and budget consultation](#) roadshow carried out in Autumn 2016 in locations across the Borough. Outcomes are measured through strategy action plan updates, performance measures and targets which are reported regularly to Wider Leadership Team and the Policy and Resources Committee. To ensure the delivery of the strategic plan priorities and actions each service is required to produce a service plan and individuals also identify how they meet the priorities in their objectives for the year. The Investors in People (IiP) review in January 2017 identified Strategic Planning as a strength, *"Staff clearly understand the challenges ahead and all take part in discussing service plans and their contribution."*

A resident survey will be undertaken in June 2017 to identify satisfaction with our services, areas for improvement and residents priorities.

A Member Sounding Board was formed in 2016 to consider how Councillors engage with officers, public consultation and engagement, share information as well as get involved in communications projects such as the residents' survey. This has ensured Councillors have an opportunity at an early stage to influence public engagement. The board has looked at the proposed changes to the Internet requesting that accessibility issues are taken into consideration in the new design.

The Council's performance management arrangements were audited in 2016-17, recommendations to improve the engagement in performance management and data quality were made and will be implemented in 2017-18. The Council produced an end of year performance report in 2016, it is planned to combine this with the Annual Report in 2017.

## 2) Councillors and officers will work together to achieve a common purpose with clearly defined functions and roles.

The Council's [Constitution](#) clearly defines the roles and responsibilities of Officers and Councillors. The Head of Legal Partnership has reviewed the constitutional arrangements and made recommendations for amendment in 2016/17. These covered clarifying the roles and responsibilities of Heads of Service and some changes to procedure rules.

The [Democracy Committee](#) is charged with amending the council's constitution and has considered constitutional matters throughout the year. The Democracy Committee has begun a review into appointments to outside bodies to be completed in 2017, they also considered the web casting arrangements and held the provider to account in a meeting to discuss the problems with the system and solutions.

The [Audit, Governance and Standards Committee](#) purpose is to promote and maintain high standards of Councillor and Officer conduct within the Council. The Committee has responsibility for adopting and reviewing the Annual Governance Statement; independent assurance of the adequacy of the financial and risk management framework and the associated control environment. In 2016 they commissioned [a review](#) of whistle blowing which resulted in a new charter and briefings for staff and managers on the new policy.

The recent IiP assessment identified Member and Officer relationships as an area for development in 2017/18. It identified that "*Collaborative working needs to be focused on to ensure that MBC can achieve in challenging times.*" As a result an away day has been planned with Councillors and Corporate Leadership Team in Summer 2017.

The Strategic Plan was refreshed in 2016-17 a process which involved workshops with Committee Chairs and Vice Chairs and then input via committee meetings from each service committee. As a result we have identified three priority areas for 2017-18:

- A Home for Everyone
- Providing a Clean and Safe Environment; and
- Regenerating the Town Centre

### 3) Councillors and officers will promote our values and demonstrate the values of good governance through upholding high standards of conduct and behaviour

We have a clearly defined set of core values that are embedded at the Council, they form part of our competency framework, are used as part of the appraisal process. Annually we hold a staff awards event for those who have demonstrated they have exceeded the standards by going above and beyond the expected in their behaviour:

- Service
- Teamwork
- Responsibility
- Integrity
- Value
- Equality

The recent IiP identified that:

*"The STRIVE Values are embedded in all people processes such as recruitment, induction and within the appraisal process. In particular, the STRIVE awards presented at 'One Council' briefings work really well to reinforce the importance of positive behaviours."*

There is an [Equality Policy](#) in place for the organisation and the equality objectives will be refreshed in 2017-18.

A [Register of Interests](#) is maintained and training is offered to councillors on standards, interests and our code of conduct. Councillor and Officer codes of conduct are in place. A register of gifts and hospitality is maintained and staff are regularly reminded to complete this. Information on conduct is included in our Staff Handbook.

The [Audit, Governance and Standards Committee](#) purpose is to promote and maintain high standards of Councillor and Officer conduct within the Council.

The Democracy Committee approved a member development programme that included training on interests and conduct. The Programme is focused on the following areas for Member Development:

- Support and build on existing skills for their role in the community now and in the future
- Support and build on existing skills for the various roles undertaken within and on behalf of the Council

#### 4) Taking informed and transparent decisions which are subject to effective scrutiny and risk management

A [Member Development Plan](#) was delivered in 2016-17 including training set by Committees such as planning and licensing. Training was not always well attended and the Democracy Committee was asked to review the training needs for 2017-18. The plan for 2017-18 has been developed in consultation with the Democracy Committee

We have introduced in 2016-17 work programmes for the four service committees, Democracy Committee and Audit, Governance and Standards Committee. These programmes detail the decisions and reports for the year and are reviewed monthly by each committee.

Our work to implement and embed improved risk management arrangements has continued throughout 2016-17, and builds on the work set out in last year's annual governance statement action plan. The highest level risks on the Comprehensive [Risk Register](#), were reported and monitored by Corporate Leadership Team throughout the year, and action taken to manage risks to an acceptable level. Further to this, risks updates were reported to Policy & Resources Committee and also to Audit, Governance and Standards Committee during the year for oversight and challenge. This momentum of work will continue into 2017-18 as the Council works to refresh its corporate level risks, and seeks to establish its risk appetite.

Whilst the Council demonstrates there is good quality advice and support for councillors and officers in relation to the council's decision making process, it has been identified that report writing could be improved. As such a refresh of the report template and report writing and training is planned for 2017-18 for officers. As part of the refresh of the template we will look at best practice elsewhere as well as current expectations of both Councillors and Officers.

## 5) Developing the capacity of Councillors and Officers to be effective

The Council was recently accredited Silver following an Investors in People assessment. To achieve this level the council had to demonstrate that we have in place regular appraisals, service plans, learning and development activities, recruitment and selection procedures as well as a clear strategic vision, good leadership and strong corporate values.

The appraisal process for staff includes a personal development section where staff are encouraged to think about development needs and identify training required. This information is then fed into the Learning and Development team and assists with the development of the programme for the year. The Council has a management toolkit and training programme and will be introducing the "Maidstone manager" in 2017-18 which will set out the behaviour and standards that are expected of managers. This was developed with staff at staff forum meetings and through team talks across the Council.

The Council has a learning and development programme in place for officers and councillors. This has been assessed as good in the recent assessment. There is a wide variety of training offered to staff and councillors.

The recent assessment identified action needed to improve succession planning and this will be taken forward alongside other areas of development by a wider leadership team project group.



**6) The Authority will engage with local people and other stakeholders to ensure robust public accountability.**

The Policy and Information Team and Communications Team work together with teams across the Council to ensure consultation is run consistently and effectively and are well communicated to all stakeholders. This collaborative working enables the teams to more effectively manage the consultation process, and in particular, better manage barriers such as consultation fatigue. Recognising of the importance of effective engagement with our stakeholders, the Council became a member of the Consultation Institute earlier in the year, which provides a wealth of resources and insight. Officers are currently undertaking accredited training via the Institute to further improve our approach and processes.

A new Communication and Engagement Strategy was approved in 2016-17 with actions aligned to our corporate priorities and action areas. This will be refreshed in 2017.

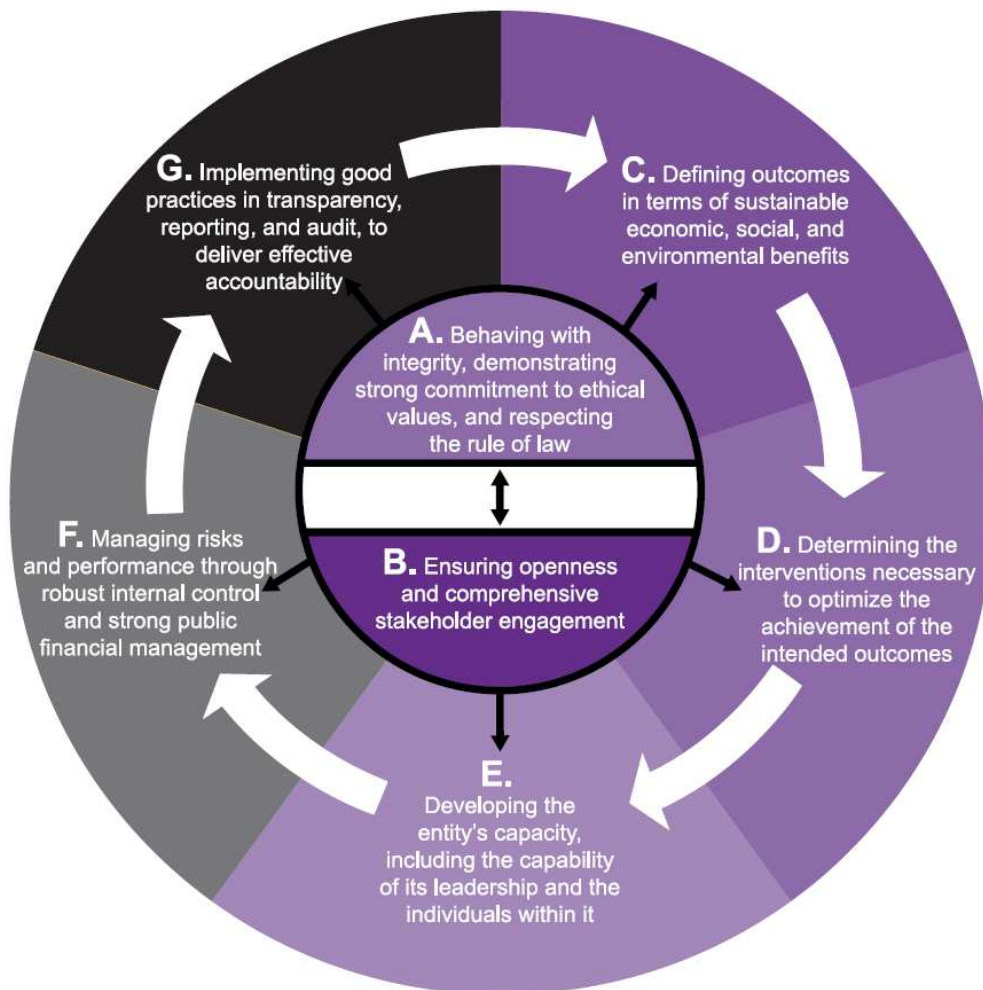
The annual budget consultation was held across a number of channels including face to face and digitally with our residents on the priorities for spending going forwards.

The Council takes up opportunities to engage with partners and stakeholders through avenues such as the Developers' forum, Parish Liaison meetings, Maidstone Destination Management Plan, BME forum, Children and Young People forum, Voluntary and Community Services focus group, disability network and older person's forum.

During the year we also carried out a public consultation to update our customer service standards. A good level of response was received, and we will be working in 2017/18 to implement and embed the new standards. This will include a programme on communication externally (to the public), and internally (to staff) to ensure that we put the standards into practice.

## Looking ahead

In 2017 the council will adopt a new CIPFA and Solace code. The new code has seven principles, effective governance will be judged against these principles when we review our performance for 2017-18, and in light of this the action plan identifies actions for these principles as well.



### Internal Audit Opinion

The Head of Internal Audit will present the annual report and opinion to Audit, Governance and Standards Committee on 26 June 2017. The specific extract of that report that includes the opinion reads:

*I am satisfied that during the year ended 31 March 2017 the Council managed a system of internal control that offers sound assurance on control effectiveness.*

*I am satisfied that Council's corporate governance arrangements for the year ended 31 March 2017 comply in all material respects with guidance on proper practices [CIPFA/SOLACE 2016 guidance].*

*I am satisfied the risk management arrangements at the Council for the year ended 31 March 2017 are effective and provide sound assurance.*

In addition, the report notes consistent findings from the areas offering only weak assurance on a need for the Council to improve consistency in its contract management. This is included as one of the governance actions below.

### **Governance actions 2016-17 - Update**

<b>Governance Issue</b>	<b>Action Taken</b>
Training and Communication on Information Management	<ul style="list-style-type: none"><li>- New e-learning module has been developed and all staff have been asked to complete the module by the end of August</li><li>- Briefings at manager's forum and staff forum</li><li>- Action Plan in implementation</li></ul>
Involvement in decision making and informing residents about our services	<ul style="list-style-type: none"><li>- New communication and engagement strategy introduced</li><li>- Budget roadshows held as well as on-line survey</li><li>- Consultations run on key decisions</li><li>- Member Sounding Board in place for communications</li><li>- Web casting issues resolved</li></ul>
Establishing Risk Appetite	<ul style="list-style-type: none"><li>- Risk register has been reviewed and risks included in service planning</li><li>- Risk appetite set with leadership team next steps to inform and engage officer and members</li></ul>
Audit Reviews with Weak Assurance	<ul style="list-style-type: none"><li>- Safeguarding</li><li>- Business Continuity</li></ul>

	<ul style="list-style-type: none"> <li>- Mote Park and Cobtree Café</li> </ul> <p>During 2016-17 these were re-assessed as sound.</p>
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### **Governance Actions for 2017-18**

<b>Governance Issue</b>	<b>Lead officer</b>	<b>Delivered by</b>
Engaging with local people: -Implementing new Customer Service Standards -Refresh of the Communication and Engagement Strategy	Head of Policy, Communications and Governance	October 2017
Member and Officer Relationships -Externally led away day -Member Bulletin	Chief Executive and Leadership Team	March 2018
Risk Management -setting the risk appetite -improving report writing in relation to risk	Director of Finance and Business Improvement	March 2018
Decision Making <ul style="list-style-type: none"> <li>- Improving report writing</li> <li>- Officers trained to deliver accurate procedural advice in meetings</li> </ul>	Head of Policy and Communications	March 2018
Information Management <ul style="list-style-type: none"> <li>- Ensure the council is compliant with the new General Data Protection Regulations (GDPR)</li> </ul>	Director of Finance and Business Improvement	March 2018
Contract Management <ul style="list-style-type: none"> <li>- Improving consistency and effectiveness of contract management across the council</li> </ul>	Director of Finance and Business Improvement	March 2018
Audit Reviews with weak assurance  Hazlitt Theatre  Health & Safety Park and Ride  Performance Management	Director of Regeneration & Place Mid Kent Services Director Director of Regeneration & Place Director of Finance & Business Improvement	March 2018

## Conclusion

Overall we are compliant and our governance arrangements are fit for purpose.

A number of governance issues have been identified to be addressed in 2017-18 to ensure we continue to improve and meet the requirements of the new corporate code for 2017. These include actions to improve contract management, implementing recommendations for weak audit reviews covering Health and Safety, Park and Ride, Performance Management and the Hazlitt Theatre

The actions we propose to take are set out in the table above.

Signed

Chief Executive:

Date:

Leader of the Council:

Date:

**Maidstone Borough Council**

**Local Code of Corporate Governance**

**Updated June 2017**

## **Introduction**

The International Framework: Good Governance in the Public Sector states that

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

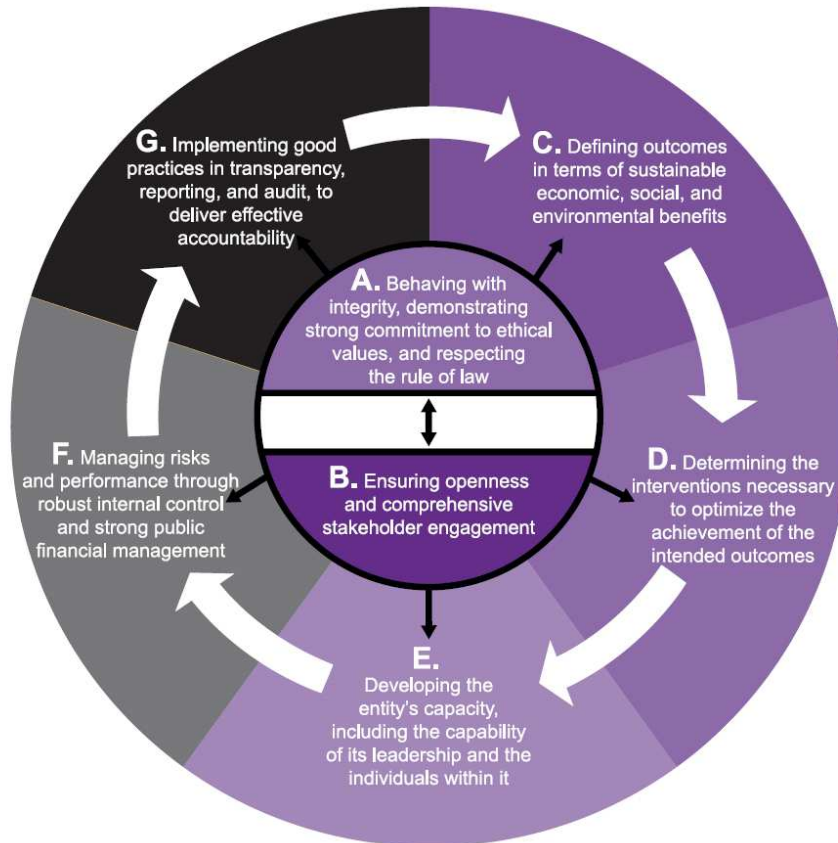
Our Local Code sets out the framework within which we conduct our business and affairs and the governance structure we have in place. Whilst this code sets out principles, processes and policies, it is the application of the framework that will demonstrate good governance.

## **Purpose of the Local Code of Corporate Governance**

Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This code sets out how we meet these requirements, how we conduct our business and affairs

## The Seven Principles

In order to achieve good governance we need to demonstrate that our governance structures comply with the principles contained within the Delivering Good Governance in local Government Framework 2016.





## **Actions and behaviours taken by the Council that demonstrate good governance**

### **Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

<b>Sub Principle</b>	<b>Actions and behaviours</b>	<b>Evidence</b>
Behaving with Integrity	<ul style="list-style-type: none"> <li>• We will ensure that councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</li> <li>• We will ensure that councillors take the lead in establishing values for the organisation and its staff and that they are communicated and understood. Building on the Seven Principles of Public Life (the Nolan Principles)</li> <li>• We will Lead by example and using the above values as a framework for decision making and other actions</li> <li>• We will demonstrate, communicate and embed the values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Councillor Code of Conduct</li> <li>• Officer Code of Conduct</li> <li>• Anti-Fraud and Corruption Policy &amp; Strategy</li> <li>• Equalities Policy</li> <li>• Whistle-blowing charter</li> <li>• Corporate Values (Service, Teamwork, Responsibility, Integrity, Value and Equality)</li> <li>• Investors in People Assessment</li> <li>• Appraisals</li> <li>• Democracy Committee</li> <li>• Audit Governance and Standards Committee</li> <li>• Staff Handbook</li> </ul>
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>• We will seek to establish, monitor and maintain the organisation's ethical standards and performance</li> <li>• We will underpin personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</li> <li>• We will develop and maintain robust policies and procedures which place emphasis on agreed ethical values</li> <li>• We will ensure that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Human Resources Policies</li> <li>• Staff Handbook</li> <li>• Induction Process</li> <li>• Register of Interests</li> <li>• Register of gifts and hospitality</li> </ul>

Sub Principle	Actions and behaviours	Evidence
Respecting the rule of law	<ul style="list-style-type: none"> <li>• We will ensure councillors and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> <li>• We will create the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</li> <li>• We will strive to optimise the use of the full powers available for the benefit of residents, communities and other stakeholders</li> <li>• We will deal with breaches of legal and regulatory provisions effectively</li> <li>• We will ensure corruption and misuse of power are dealt with effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring Officer Role</li> <li>• Internal Audit</li> <li>• External Auditors</li> <li>• Complaints process including referral to the Local Government Ombudsman</li> <li>• Audit, Governance and Standards Committee</li> <li>• Appraisals</li> <li>• Code of Conduct for Councillors and Officers</li> </ul>

## Principle B - Ensuring openness and comprehensive stakeholder engagement

Sub Principle	Actions	Evidence
Openness	<ul style="list-style-type: none"> <li>• We will ensure an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.</li> <li>• We will make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes.</li> <li>• We will provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.</li> <li>• We will use formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Communication and Engagement Strategy</li> <li>• Committee work programmes</li> <li>• Council Website</li> <li>• Formal consultation processes</li> <li>• Community and voluntary sector representation on Partnership Boards</li> <li>• Freedom of Information publication scheme</li> <li>• Report Templates</li> </ul>
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• We will effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and</li> <li>• We will develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> <li>• We will define the purpose, objectives and intended outcomes for each stakeholder relationship</li> <li>• We will use formal and informal consultation and engagement to determine the most appropriate and effective interventions</li> </ul>	<ul style="list-style-type: none"> <li>• Safer Maidstone Partnership and Strategy</li> <li>• Health and Wellbeing Board</li> <li>• Community Safety Unit</li> <li>• Consultation processes</li> <li>• Council Website</li> </ul>
Engaging stakeholders effectively, including individual citizens and	<ul style="list-style-type: none"> <li>• We will establish a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.</li> <li>• We will ensure that communication methods are effective and members and officers are clear about their roles with regard to community engagement.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan published on website</li> <li>• External Auditor provides an annual</li> <li>• organisational assessment of the Council's performance through</li> </ul>

Sub Principle	Actions	Evidence
service users	<ul style="list-style-type: none"> <li>• We will encourage, collect and evaluate the views and experiences of communities, residents, businesses service users and organisations of different backgrounds including reference to future needs.</li> <li>• We will implement effective feedback mechanism in order to demonstrate how their views have been taken into account.</li> <li>• We will balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>• We will take into account of the interests of future generations of tax payers and service users.</li> </ul>	<p>the Value for Money conclusion</p> <ul style="list-style-type: none"> <li>• Council Website</li> <li>• Council minutes and agendas available on website</li> <li>• Formal consultation arrangements</li> <li>• Community and voluntary sector representation on Partnership Boards</li> <li>• Satisfaction Surveys</li> <li>• Freedom of Information publication scheme</li> </ul>

## Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Sub Principle	Actions	Evidence
Defining Outcomes	<ul style="list-style-type: none"> <li>We have a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.</li> <li>We will specify the intended impact on, or changes for, stakeholders including residents, businesses and service users.</li> <li>We will deliver defined outcomes on a sustainable basis within the resources that will be available.</li> <li>We will identify and managing risks to the achievement of outcomes.</li> <li>We will manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available</li> </ul>	<ul style="list-style-type: none"> <li>Strategic Plan</li> <li>Committee work programmes</li> <li>Corporate report template requires information explaining the legal and financial implications of decisions</li> <li>Community Safety Unit</li> <li>Housing Strategy</li> <li>Temporary Accommodation Strategy</li> <li>Risk Management Framework &amp; Guide</li> <li>Regular consideration of risk by Audit, Governance and Standards Committee</li> <li>Corporate report template contains 'risk implications'</li> </ul>
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>We will consider and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.</li> <li>We will take a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.</li> <li>We will determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic Plan</li> <li>Committee work programmes</li> <li>Formal consultation arrangements</li> <li>Economic Development Strategy</li> <li>Medium Term Financial Strategy</li> <li>Safer Maidstone Strategy</li> <li>Local Plan</li> <li>Waste and Recycling Strategy</li> <li>Health and Wellbeing Action Plan</li> <li>Equality Policy</li> </ul>

Sub Principle	Actions	Evidence
	<ul style="list-style-type: none"><li>• We will ensure equality of access.</li></ul>	

## Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principle	Actions	Evidence
Determining interventions	<ul style="list-style-type: none"> <li>• We will ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options.</li> <li>• We will ensure best value is achieved however services are provided.</li> <li>• We will consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate report template requires information explaining the legal and financial implications of decisions</li> <li>• Options appraisal included in all committee reports for decision</li> <li>• Financial, legal and technical advice provided by the s151 Officer, the Monitoring Officer and other officers as required</li> <li>• Council Website</li> <li>• Consultation processes</li> </ul>
Planning interventions	<ul style="list-style-type: none"> <li>• We establish and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.</li> <li>• We engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.</li> <li>• We consider and monitor risks facing each partner when working collaboratively including shared risks.</li> <li>• We ensure arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.</li> <li>• We establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.</li> <li>• We ensure capacity exists to generate the information required to review service quality regularly.</li> <li>• We prepare budgets in accordance with organisational</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Planning Timetable</li> <li>• Strategic Plan</li> <li>• Service Plans</li> <li>• Quarterly Monitoring Reports</li> <li>• Contract Monitoring Arrangements</li> <li>• Performance Reports aligned to Corporate Plan priorities</li> <li>• Medium Term Financial Strategy</li> <li>• Capital Programme</li> <li>• Value for Money judgement by External Auditor</li> </ul>

Sub Principle	Actions	Evidence
	<p>objectives, strategies and the medium term financial plan.</p> <ul style="list-style-type: none"> <li>• We inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.</li> </ul>	
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• We ensure the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.</li> <li>• We ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.</li> <li>• We ensure the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.</li> <li>• We ensure the achievement of 'social value' through service planning and commissioning.</li> </ul>	<ul style="list-style-type: none"> <li>• Medium Term Financial Strategy</li> <li>• Revenue budget process</li> <li>• Capital Programme</li> <li>• Procurement Policy</li> <li>• Procurement Standing Orders</li> <li>• Action Plans developed in response to external audit and inspections</li> <li>• Value for Money judgement by external auditor</li> </ul>



## Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Sub Principle	Actions	Evidence
Developing the entity's capacity	<ul style="list-style-type: none"> <li>• We review operations and performance on a regular basis to ensure their continuing effectiveness and enable organisational learning.</li> <li>• We improve resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.</li> <li>• We recognise the benefits of partnerships and collaborative working where added value can be achieved.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Planning Timetable</li> <li>• Budget Setting Process</li> <li>• Service Plans</li> <li>• Appraisals</li> <li>• Developing Everybody Competency Framework</li> <li>• Mid Kent Services Partnership</li> </ul>
Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> <li>• We clarify roles and responsibilities of members and management at all levels.</li> <li>• We develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.</li> <li>• We publish a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.</li> <li>• We ensure the leader and the chief executive have clearly defined and distinctive leadership roles.</li> <li>• We develop the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks.</li> <li>• We ensure that there are structures in place to encourage public participation.</li> <li>• We hold staff to account through regular performance reviews which take account of training or development</li> </ul>	<ul style="list-style-type: none"> <li>• Job descriptions and person specifications produced for all posts</li> <li>• Recruitment and appointment policies and procedures</li> <li>• Members' Sounding Board</li> <li>• Democracy Committee</li> <li>• Comprehensive learning and development programme for officers and councillors</li> <li>• Corporate Workforce Strategy</li> <li>• Staff surveys</li> <li>• HR Policies and Guidance on intranet</li> <li>• Member and Staff induction</li> </ul>

Sub Principle	Actions	Evidence
	<p>needs.</p> <ul style="list-style-type: none"> <li>• We ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.</li> </ul>	

## Principle F - Managing risks and performance through robust internal control and strong public financial management

Sub Principle	Actions	Evidence
Managing Risk	<ul style="list-style-type: none"> <li>• We recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making.</li> <li>• We implement robust and integrated risk management arrangements and ensuring that they are working effectively.</li> <li>• We ensure that responsibilities for managing individual risks are clearly allocated.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management Framework &amp; Guide in place and reviewed annually</li> <li>• Strategic Risk Register in place and reviewed by Leadership team</li> <li>• Directorate and Service level risk registers in place and reviewed monthly</li> <li>• Corporate report template contains 'risk implications'</li> <li>• Audit Governance and Standards Committee reviews risks regularly</li> </ul>

Sub Principle	Actions	Evidence
Managing Performance	<ul style="list-style-type: none"> <li>• We monitor service delivery effectively including planning, specification, execution and independent post implementation review.</li> <li>• We make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</li> <li>• We ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible</li> <li>• We provide members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>• We ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</li> </ul>	<ul style="list-style-type: none"> <li>• Performance Reports aligned to Strategic Plan priorities</li> <li>• Quarterly Monitoring Reports</li> <li>• Contract Monitoring Reports</li> <li>• Corporate report template requires information explaining the legal and financial implications of decisions</li> <li>• Corporate report template contains risk implications</li> <li>• Monthly spend/budget reports sent to all budget holders</li> </ul>
Robust Internal Control	<ul style="list-style-type: none"> <li>• We align the risk management strategy and policies on internal control with achieving the objectives.</li> <li>• We evaluate and monitoring the authority's risk management and internal control on a regular basis.</li> <li>• We ensure effective counter fraud and anticorruption arrangements are in place.</li> <li>• Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.</li> <li>• We ensure an audit committee or equivalent group or function which is independent of the executive provides further assurance regarding arrangements for managing risk and maintaining an effective control environment</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management Policy &amp; Guide in place and reviewed annually</li> <li>• Strategic Risk Register in place and reviewed by Leadership team</li> <li>• Corporate and Service level risk registers in place</li> <li>• Anti-Fraud and Corruption Policy</li> <li>• Audit, Governance and Standards Committee reviews risks and the Risk Management process quarterly</li> <li>• Corporate Information Management and Governance Groups</li> </ul>

Sub Principle	Actions	Evidence
Managing Data	<ul style="list-style-type: none"> <li>• We ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.</li> <li>• We review and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.</li> <li>• We ensure effective arrangements for sharing data with other bodies are in place</li> </ul>	<ul style="list-style-type: none"> <li>• Communication and Engagement Strategy</li> <li>• Information Management Group and action plan</li> <li>• Freedom of Information publication scheme</li> <li>• Ongoing monitoring of Data Protection Act / Freedom of Information compliance</li> </ul>
Strong public financial management	<ul style="list-style-type: none"> <li>• We ensure financial management supports both long term achievement of outcomes and short term financial and operational performance.</li> <li>• We ensure well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Plan</li> <li>• Medium Term Financial Strategy</li> <li>• Budget setting process</li> <li>• Procurement Policy</li> <li>• Procurement Standing Orders</li> <li>• Value for Money judgement from the External Auditor</li> <li>• External Auditors' Annual Audit letter</li> </ul>

## Principle G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub Principle	Actions	Evidence
Implementing good practice in transparency	<ul style="list-style-type: none"> <li>• Write and communicate reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.</li> <li>• Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.</li> </ul>	<ul style="list-style-type: none"> <li>• Council website</li> <li>• Communication and Engagement Strategy</li> <li>• Budgets and spending published on website</li> <li>• Senior Officer remuneration published on website</li> </ul>
Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• We report at least annually on performance, value for money and the stewardship of its resources.</li> <li>• We ensure members and senior management own the results.</li> <li>• We assess the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance in action</li> <li>• We ensure that the Framework is applied to jointly managed or shared service organisations as appropriate.</li> <li>• We ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities.</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of Annual Report and Statement of Accounts on website</li> <li>• Annual Governance Statement produced and published on website</li> <li>• Local Code of Corporate Governance refreshed annually in accordance with CIPFA/SOLACE principles</li> <li>• Documents are scrutinised and approved by Leadership Team, Service Committees and Audit Committee prior to publication</li> <li>• Performance information and reports are published on the website and reported to Committees</li> </ul>

<p>Assurance and effective accountability</p>	<ul style="list-style-type: none"> <li>• We ensure that recommendations for corrective action made by external audit are acted upon.</li> <li>• We ensure an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.</li> <li>• We welcome peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.</li> <li>• We gain assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement.</li> <li>• We ensure that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.</li> </ul>	<ul style="list-style-type: none"> <li>• The external auditors produce an Annual Audit Letter which is presented at Audit Committee and published on the website. The council produces a response to all issues and recommendations contained within.</li> <li>• The Head of Audit Partnership presents an annual report to Audit, Governance, Standards Committee to inform members of Internal Audit activity that has taken place during the year</li> <li>• Annual Governance Statement produced and published on website</li> </ul>
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# Agenda Item 14

## Policy and Resources Committee

**28 June 2017**

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

**Yes**

## Equalities Policy 2017- 21 and Objectives

<b>Final Decision-Maker</b>	Policy and Resources Committee
<b>Lead Head of Service</b>	Angela Woodhouse, Head of Policy, Communication and Governance
<b>Lead Officer and Report Author</b>	Anna Collier, Policy and Information Manager Orla Sweeney, Equalities and Corporate Policy Officer
<b>Classification</b>	Public
<b>Wards affected</b>	All

### **This report makes the following recommendations to this Committee:**

1. Agree that the Equalities Policy and new objectives be adopted.

### **This report relates to the following corporate priorities:**

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

The Equalities Policy and Objectives are key documents that underpin our Corporate Priorities and support the Council's ongoing commitment to the residents of Maidstone, ensuring that the Council is accountable, transparent and involving residents in its decision making.

### **Timetable**

<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	28 June 2017



# Equalities Policy 2017-21 and Objectives

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Equalities Act 2010 introduced responsibilities and a duty for public authorities to fulfil which includes: publishing information to demonstrate compliance with the duty annually; and to set and publish equality objectives every four years.
  - 1.2 It replaced previous anti-discrimination laws with a single act; simplifying the law, removing inconsistencies, making it easier to understand and comply with. It also strengthened the law to help tackle inequality and discrimination.
  - 1.3 Prior to, and since the introduction of the Act, Maidstone Borough Council has been proactive in reviewing the way in which equalities are considered as part of its Public Sector Equalities Duty and within the culture of the organisation.
  - 1.4 The Equalities Policy explains the Council's responsibilities, setting out the objectives and action it will take. In order to ensure that the Council continues to support and strengthen its decision making with an evidence based assessment of equalities implications, the process has been aligned with the Strategic Planning process.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 As an organisation we are working towards the same strategic aims and objectives.
- 2.2 The Equalities Policy has been refreshed (Appendix B). However, as the refresh was not dictated by legislative changes and therefore not time sensitive, it was an opportune time to align the equalities process to the strategic planning process.
- 2.3 The Strategic Plan 2015-2020, 2017/2018 update, is overarching to the Equalities Policy and its objectives.
- 2.4 An assessment of the Strategic Plan's commitments for the next year, particularly in the three main action areas (detailed below) has been made to ensure the Policy and Information team can be proactive in continuing to ensure evidence based Equalities Impact Assessments (EqIAs) are being undertaken. This forms one of the new objectives proposed at Appendix A:
  - Providing a Clean and Safe Environment
  - A Home for Everyone
  - Regenerating the Town Centre

- 2.8 EqIAs are published on the Council's website. Publishing relevant equality information demonstrates transparent, decision making processes. The Council also becomes accountable to its service users by providing residents with the information they need to hold it to account, should they need to, for its performance on equality.
- 2.9 Completing robust EqIAs are a key part of risk management in the Council's decision making process. Sufficient consideration of equalities helps ensure the delivery equitable services for Maidstone. This ensures adherence to equalities legislation and in turn safeguards against legal challenge.
- 2.10 An extensive review has been undertaken to evaluate equalities performance to date.
- 2.11 The review revisited all previous activity in relation to equalities; from the Overview and Scrutiny Review undertaken in 2008 to an Internal Audit and Peer Review undertaken more recently. All recommendations made were examined to assess whether or not they had been completed and if so continued to be adhered to; to determine any other relevant actions that could be taken. The review included the most recent set of equalities objectives and actions.
- 2.12 The review considered community cohesion. It was identified that the Council's continued support and involvement with Involve and the five forums they manage provides the most cohesive method of engagement with Maidstone's wider society especially those who are hardest to reach.
- 2.13 Radicalisation and extremist ideologies are a pertinent consideration in today's society. The Council is part of multiagency referral process and is compliant with its duty with regards to the Prevent agenda. An equalities objective that targets a specific community would be discriminative and therefore has not been considered.
- 2.14 The following successes should be noted across the three roles the Council has within equalities from this body of work:

#### As a Community Leader

- The bi annual Residents Survey is now delivered in house. Target analysis is now undertaken using Acorn Customer Insight. For example, ward level analysis is provided to each ward Councillor and service specific analysis to Heads of Service. This provides an additional evidence base to support informed decision making, reflecting the needs of residents.
- Business Transformation Programme. The programme focused on making council correspondence more customer friendly, looking at areas

where there were a high number of customer contacts and additional correspondence being sent as a result of overly complicated language being used. Council tax bills and reminders, for example, were improved with the use of Plain English. As a result of the changes made there was a much lower contact with Customer services and further savings were made as additional correspondence, such as reminder letters, was no longer required.

#### As an Employer

- Analysis of workforce data has been completed. Emerging trends are identified and are now reported on annually
- Development of an Appraisal Process with a competency framework based on the STRIVE Values. The framework sets out the organisation's expectations to ensure that the way we work is consistent with the council's Values and vision.
- Successful One Council briefings and an ongoing programme of well-being events
- ELMS e-learning includes an equalities module for all staff to complete

#### As a Service Provider

- All reports proposing a policy change or review require an Equalities Impact Assessments (EqIA). These are now submitted via modern.gov and reviewed by the Policy and Information team. If the EqIA is insufficient and is lacking in evidence challenge and support is provided to the report author.
- The Communications Strategy has been adopted. It sets out the requirement that all documents should be available on request, in alternative formats.

2.15 The review of equalities seeks to build on these successes. It provided a strong foundation to develop new objectives as it helped identify gaps where there are new areas of opportunity for improvement. The proposed new Equalities objectives are set out at Appendix A.

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### **3. AVAILABLE OPTIONS**

3.10 Keep the current Equalities Policy and objectives. Whilst there have been no legislative changes some of the organisational references are out of date within the Policy. The objectives have either been completed or superseded, therefore providing no ongoing challenge.

- 3.11 Adopt the new Equalities Policy and approve new objectives to enable the organisation to continue to improve on the way in which it fulfils the Public Sector Equalities Duty.

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

- 4.1 As set out at paragraph 3.2, adopt the new Equalities Policy and approve new objectives. A thorough review has been undertaken of previous objectives and recommendations which has provided an informed basis for new objectives. Many of the new objectives demonstrate the correlation between the Policy objectives and the Strategic Planning process. Bringing equalities in line with this Strategic Planning process provides parity of esteem which in itself improves the organisations awareness and understanding of equalities.

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

None.

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

The Equalities Policy and objectives will now be formally published.

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#### **7. CROSS-CUTTING ISSUES AND IMPLICATIONS**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The Equality Policy and Objectives are key documents that underpin our Corporate Priorities and support the Council's ongoing commitment to the residents of Maidstone, ensuring that the Council is accountable, transparent and involving residents in its decision making.	Equalities and Corporate Policy Officer
<b>Risk Management</b>	All proposed policy changes and review require an EqIA. The document forms part of an evidence base for the decision	Equalities and Corporate Policy Officer

	taken. It is a public document, ensuring the Council is accountable to its service users.	
<b>Financial</b>	The new Equalities Policy and objectives will support decisions made by the Council across all areas of its work.	Section 151 Officer & Finance Team
<b>Staffing</b>	The Policy, objectives and actions will be monitored and reported on by the Equalities and Corporate Policy Officer.	Equalities and Corporate Policy Officer
<b>Legal</b>	The review of the Equalities Policy and revised objectives and actions are required as part of the Council's adherence to the Public Sector Equalities Duty.	Equalities and Corporate Policy Officer
<b>Equality Impact Needs Assessment</b>	The Equalities Policy defines and supports the actions the Council takes to ensure that equalities implications are considered as part of the decision making process. EqIAs are a key part of this process.	Equalities and Corporate Policy Officer
<b>Environmental/Sustainable Development</b>	The policy will support decisions made by the Council in this area	Equalities and Corporate Policy Officer
<b>Community Safety</b>	The policy will support decisions made by the Council in this area of business.	Equalities and Corporate Policy Officer
<b>Human Rights Act</b>	Local authorities are required to respect and protect human rights when carrying out public functions. The Equalities Policy helps provides the Council's ability to support this.	Equalities and Corporate Policy Officer
<b>Procurement</b>	EqIAs are a key, supporting part of the commissioning and procurement process.	Equalities and Corporate Policy Officer
<b>Asset Management</b>	The policy will support decisions made by the Council in this area of business.	Equalities and Corporate Policy Officer

## **8. REPORT APPENDICES**

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

Appendix A – Equalities Objectives (Action Plan)

Appendix B – Equality Policy

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## **9. BACKGROUND PAPERS**

None

## Equalities Objectives Action Plan

Objective	Actions	Responsible officer	How will we know that this done?	To be delivered by:
<b>As a Community Leader:</b> We will engage with residents in an open and meaningful way.				
Increase understanding of Maidstone's residents through analysis of demographic information.	Provide ward level analysis of demographic information from annual Resident's Survey to Ward Councillors.	Policy and Information team – Data Intelligence Officer	<ul style="list-style-type: none"> <li>Report to be produced for every ward member following annual Resident's Survey</li> </ul>	November 2017
Provide a consistent approach to providing information to residents in alternative formats across the authority	An audit review to be undertaken on information provided in alternative front facing services	Policy and Information team - Equalities and Corporate Policy Officer	<ul style="list-style-type: none"> <li>A clear process and procedure used consistently across the authority and monitored.</li> </ul>	October 2017
Embed the principles of good consultation and engagement (as set out in the Communications and Engagement Strategy).	New Consultation toolkit and guidelines to be developed	Policy and Information team - Data Intelligence Officer & Equalities and Corporate Policy Officer	<ul style="list-style-type: none"> <li>Improvement in standard and consistency of consultation.</li> <li>Wider engagement with hard to reach groups demonstrated by responses received.</li> </ul>	December 2017
Demonstrate effective engagement with the community and voluntary sector,	Creating a single point of contact for the organisation for all community groups and forums to ensure forward	Policy and Information team - Equalities and Corporate Policy Officer & Data	<ul style="list-style-type: none"> <li>Increased number of consultation responses from hard to reach groups per public consultation</li> </ul>	September 2017

## Equalities Objectives Action Plan

providing evidence of involvement in the Council's decision-making process.	planning and coordination.	Intelligence Officer	<ul style="list-style-type: none"> <li>• Ensure consistent engagement with changes in Council policy</li> <li>• Consistent message being directed across the authority</li> </ul>	
<b>As a Service Provider:</b> We will ensure our services are inclusive, accessible and support residents and customers.				
Review Equalities data collected to ensure personal information is handled correctly, in line with General Data Protection Regulations (GDPR).	To complete an annual equality data audit with Service Managers.	Policy and Information team - Equalities and Corporate Policy Officer & Data Intelligence Officer  Unit Managers	<ul style="list-style-type: none"> <li>• Provide an Equalities data audit record, reported to Committee in the Annual Equalities Update Report.</li> <li>• Improved use of Equalities data as an evidence base, where held appropriately.</li> </ul>	Review by March 2018
Raise standard of Equalities Impact Assessments (EqIAs)	<ul style="list-style-type: none"> <li>• Review of EqIAs paperwork</li> <li>• Undertake training with Managers and Key officers that complete EqIAs</li> <li>• Monitor Committees work programmes to</li> </ul>	Policy and Information team - Equalities and Corporate Policy Officer	<ul style="list-style-type: none"> <li>• Engagement with Policy and Information Team at earliest opportunity</li> <li>• Well thought out and prepared documents</li> </ul> <p>All reports to have clearly considered equalities implications</p>	September 2018



## Equalities Objectives Action Plan

	identify where EqIAs should be included. <ul style="list-style-type: none"> <li>• Provide challenge and support to officers where gaps are identified.</li> </ul>		<ul style="list-style-type: none"> <li>• All EqIAs to be published on the website.</li> </ul>	
Provide a consistent approach to contract management across the services.	<ul style="list-style-type: none"> <li>• Review Commissioning and Procurement Strategy</li> <li>• Evaluate commission and procurement processes and procedures</li> <li>• Review existing contracts</li> </ul>	Procurement	<ul style="list-style-type: none"> <li>• Ensuring all contracts managed are compliant with the Council's values, in line with the Public Sector Equality Duty.</li> </ul>	Review by March 2018
<b>As an Employer:</b> To have a workforce that feels valued and respected.				
Integrate Equalities into Service Planning process.	<ul style="list-style-type: none"> <li>• Equalities to form part of Service Planning Requirements</li> <li>• EqIA requirements submitted to Policy and Information team and timetabled for the year ahead.</li> <li>• Presentation to staff forum/unit managers on annual basis in line</li> </ul>	Policy and Information team  All staff	<ul style="list-style-type: none"> <li>• Increase in the number and quality of EqIA's completed.</li> <li>• Increased understanding of equalities impact on decision making</li> <li>• NETconsent reporting and testing functionality used to ensure all staff have read and understood the policy</li> </ul>	September 2018

## Equalities Objectives Action Plan

	with service planning timetable <ul style="list-style-type: none"> <li>• NETconsent to deliver Equality Policy to All Staff. Mandatory to read and accept.</li> </ul>			
To deliver annual Equalities training to all elected members as part of ongoing professional development	<ul style="list-style-type: none"> <li>• Equalities Training to be included in the Member Development Programme</li> </ul>	Democratic Services & Policy and Information	<ul style="list-style-type: none"> <li>• Members demonstrating an understanding of the implications and importance of providing a sound evidence base as part of Equalities Impact Assessments in determining changes to or reviews of Policy decisions.</li> </ul>	May 2018
To ensure newly elected members are offered appropriate support to be effective in their role	<ul style="list-style-type: none"> <li>• At new member induction session (and on a rolling annual basis) provide a form to request reports, minutes and communications in alternative formats such as large print.</li> </ul>	Democratic Services	<ul style="list-style-type: none"> <li>• Completed forms returned to Democratic Services</li> <li>• Take-up of support</li> <li>• Improved understanding of elected members and their needs and requirements within Democratic Services team</li> </ul>	May 2018
To develop and support member engagement with	<ul style="list-style-type: none"> <li>• Signpost members to appropriate bodies, forums and groups</li> </ul>	Democratic Services & Policy and Information	<ul style="list-style-type: none"> <li>• Improved engagement and understanding of hard to reach groups in</li> </ul>	May 2018

Equalities Objectives Action Plan

hard to reach groups in the community.	within the community		Maidstone.	
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**Equality, Diversity and Inclusion**

***Working towards greater equality in  
Maidstone***



## Public Sector equality duty

### Rights and Responsibilities

As a public authority the Council has responsibilities and a duty to fulfil for both for its residents and staff. This was introduced in the Equality Act 2010 which replaced previous anti-discrimination laws with a single Act; simplifying the law, removing inconsistencies, making it easier to understand and comply with. It also strengthened the laws to help tackle inequality and discrimination.

The Equality Duty applies to public bodies which includes the Council and other organisations carrying out public functions.

It supports good-decision making by ensuring public bodies consider how different people will be affected, helping them to deliver policies and services that are efficient, effective and accessible to all by meeting different types of people's needs.

The duty applies to nine 'protected characteristics': age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

### What the Council must do to fulfil this duty is:

- § Publish information to show compliance with the Equality Duty, at least annually.

The information published must show due regard to:

**Eliminating unlawful discrimination** harassment and victimisation and any other conduct prohibited by the Act

**Advancing equality of opportunity** between people who share protected characteristics and people who do not share it

**Fostering good relations** between people who share a protected characteristic and people who do not share it

- § Set and publish equality objectives, at least every four years. These should be specific and measurable.

By publishing relevant equality information to demonstrate transparent, decision making processes the Council becomes accountability to its service users. This in turns provides the public with the information they need to hold it to account, should they need to, for its performance on equality.

## Policy Statement

Maidstone is the County Town of Kent, a historic market town with a rich and diverse history. It is constantly changing and evolving. What remains important as Maidstone changes and grows is that residents have a sense of belonging and community in order to prosper.

As a Council we want to know our residents, we want to ensure that we are meeting their needs by offering opportunity and access to services through a conscious awareness and understanding of equality and diversity issues.

Our commitment to achieving this is outlined in the standards and actions set out in this document. These apply to staff, councillors and to those who deliver services on our behalf.

Maidstone Borough Council's Strategic Plan 2015-2020 sets the Council's strategic vision for the borough of Maidstone. It outlines the council's priorities and informs on its values. Equalities are firmly ingrained in the council's values. This document helps determine not only the decisions made by the officers and elected members but it also advocates the approach the council staff and elected members take in their day to day business and conduct; the way we treat our customers and each other.

### Our Values Putting People First

#### **Services**

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 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

We will deliver on our commitment to equalities by setting an organisational standard through a clear objective for each of the three, important **roles and responsibilities** we have as a Council as part of our equalities duty:

**Role 1: As a Community Leader:** We will engage with residents in an open and meaningful way.

**Role 2: As a Service Provider:** We will ensure our services are inclusive, accessible and support residents and customers.

**Role 3: As an employer:** To have a workforce that feels valued and respected.

## Equality Objectives

### Equality objective one

We will engage with residents in an open and meaningful way.

#### Why we have chosen this objective?

What **actions** will we take?

*(insert once agreed)*

How will we **measure** how successful this has been?

*(insert once agreed)*

### Equality objective two

We will ensure our services are inclusive, accessible and support residents and customers.

#### Why we have chosen this objective?

What **actions** will we take?

*(insert once agreed)*

How will we **measure** how successful this has been?

*(insert once agreed)*

### Equality objective three

To have a workforce that feels valued and respected.

#### Why we have chosen this objective?

What **actions** will we take?

*(insert once agreed)*



How will we **measure** how successful this has been?

*(insert once agreed)*

# Agenda Item 15

## Policy & Resources Committee

**28 June 2017**

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

**No**

## Strategic Plan Performance Update Quarter 4 2016/17

<b>Final Decision-Maker</b>	Policy & Resources Committee
<b>Lead Head of Service</b>	Angela Woodhouse, Head of Policy & Communications
<b>Lead Officer and Report Author</b>	Anna Collier, Policy & Information Manager. Alex Munden, Performance and Business Information Officer
<b>Classification</b>	Public
<b>Wards affected</b>	All

### This report makes the following recommendations to this Committee:

1. Note the summary of performance for Quarter 4 of 2016/17 for Key Performance Indicators (KPIs) and corporate strategies and plans.
2. Note where complete data is not currently available.
3. Identify any action that needs to be taken or amendments to the Quarter 4 report including the comments prior to committee circulation.
4. Note the updates of strategic objectives due between 1 November 2016 and 31 March 2017 at Appendix II.

### This report relates to the following corporate priorities:

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

Key Performance Indicators monitor the delivery of the Council's Corporate Priorities as set out in the Strategic Plan 2015-20. The Performance Plan provides progress against the Council's key strategies which deliver the Council's corporate priorities.

### Timetable

<b>Meeting</b>	<b>Date</b>
Wider Leadership Team	9 May 2017
Heritage Culture & Leisure Committee	6 June 2017
Strategic Planning, Sustainability & Transport Committee	13 June 2017
Communities, Housing & Environment Committee	20 June 2017
Policy & Resources Committee	28 June 2017

# Strategic Plan Performance Update Quarter 4 2016/17

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Policy & Resources Committee is asked to review the progress of key strategies, plans, and performance indicators that support the delivery of the Strategic Plan 2015-2020. The team is also asked to consider the comments and actions against performance to ensure these are robust.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Having a comprehensive set of actions and performance indicators ensures that the Council delivers against the priorities and actions set in the Strategic Plan.
- 2.2 In 2016/17 the Strategic Plan had 32 Key Performance Indicators that were agreed by Policy & Resources Committee in April 2016. This was in addition to the existing 14 plan and strategy updates.
- 2.3 Performance indicators are judged in two ways. Firstly on whether performance has improved, sustained or declined, compared to the same period in the previous year. This is known as direction. Where there is no previous data, no assessment of direction can be made.
- 2.4 The second way is to look at whether an indicator has achieved the target set and is known as PI status. If an indicator has achieved or exceeded the target it is rated green. If the target has been missed but is within 10% of the target it will be rated amber, and if the target has been missed by more than 10% it will be rated red.
- 2.5 Some indicators will show an asterisk (\*) after the figure. These are provisional values that are awaiting confirmation. Data for some of the indicators were not available at the time of reporting. In these cases a date has been provided for when the information is expected.
- 2.6 Contextual indicators are not targeted but are given a direction. Indicators that are not due for reporting or where there is delay in data collection are not rated against targets or given a direction.
- 

## 3. Quarter 4 Performance Summary

- 3.1 There are 32 key performance indicators (KPIs) which were developed with Heads of Service and unit managers, and agreed by Policy & Resources Committee for 2016/17.
- 3.2 Overall, 81% (13) of targeted KPIs reported this quarter achieved their target for quarter 4. For 80% of indicators with previous data available, performance improved compared to the same quarter last year.

RAG Rating	Green	Amber	Red	N/A	Total
KPIs	13	1	2	5	21*
Strategic Actions	14	0	0		14
Direction	Up	Across	Down	N/A	Total
KPIs	12	0	3	6	21*

#### 4. \*Data Not Available

- 4.1 Data for quarter four is not available for the Number of Safeguarding Practitioners Trained. This is due to absence of the officer responsible for the data. Child Sexual Exploitation (CSE) training was delivered to staff at McDonald's restaurants in the Town Centre as part of CSE awareness week.

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#### 5. Performance by Priority

##### **Priority 1: Keeping Maidstone Borough an attractive place for all**

- 5.1 The percentage of waste sent for reuse, recycling, and composting for quarter 4 was 47.64%. The recycling rate is the lowest of the year due to seasonal fluctuations in garden waste, and higher levels of waste following the Christmas period. In quarter 4, we delivered the food waste campaign and saw a 28% increase in food waste for March in comparison to February. There was also a significant increase in garden waste, with the peak expected in June/July. The contamination rate for the quarter was 8%, in line with our target, and further work is planned to reduce this.
- 5.2 The percentage of land and highways assessed as having unacceptable levels of litter is 2.5% against a target of 6.5%. The improvement to cleansing schedules seems to be providing the required results and the third tranche of monitoring has provided the best result for 2016/17.
- 5.3 The percentage of land and highways assessed as having unacceptable levels of detritus is 7.48% against a target of 18%. This is a significant improvement on the same quarter of last year and improvement has been seen over the course of the year, representing the hard work of the cleansing team.
- 5.4 The number of incidences of fly-tipping reported in quarter 4 was 273. This is an increase of 49 incidents between quarter 3 and quarter 4 which has been largely due to an increase in the number of fly tips with green waste and bagged household waste. We have recently issued a number of fines in relation to fly-tipping, and the new fixed penalty notice has resulted in more action being taken against those dumping illegal waste. Overall, the number of fly-tips is within the target of 300, and 212 less than the same period last year.
- 5.5 No data has been provided in relation to the number of safeguarding practitioners trained. The Community Partnerships team provided Child

Sexual Exploitation (CSE) training to staff at McDonalds Restaurants in the town centre as part of CSE awareness week.

- 5.6 Crime in the borough has seen a 20% increase in the year to date up to March. Crime has increased across all offences with the exception of vehicle interference, which has declined by 17%. The increase in overall crime is attributed by the service area to the high standard of crime recording now used by Kent Police, and improvements to the 101 service.
- 5.7 The number of Disabled Facilities Grants completed for quarter 4 is 55 against a target of 25. Historically, there is a higher proportion of expenditure in quarter 4 in comparison to the rest of the year, which in turn causes completions to rise. Housing & Health staff co-located staff with Kent County Council's occupational therapist team, which has helped deliver DFGs more effectively. Performance has improved in comparison to the same period in 2015/16.
- 5.8 User satisfaction with the Leisure Centre achieved the quarterly target for the first time in 2016/17, with satisfaction at 87.36% against a target of 82%. This is a significant improvement on satisfaction in quarter 4 2015/16, increasing by 11.3%. Satisfaction for quarter 4 was measured using paper surveys, as the new feedback machines were on trial in quarter 3. These machines will be reinstalled for 2017/18 and should increase the number of responses received.
- 5.9 The number of people completing a course at the Leisure Centre following GP referral was 65 in quarter 4. All of those who completed the course lost weight. This has been the most successful quarter of the year for course completions. Of those that completed the course, 41 achieved 3% weight loss, and 27 achieved 5% weight loss, after 10 weeks.
- 5.10 The number of older isolated people helped to achieve reduced social isolation was 64 for the quarter. Café Culture continues to be popular and is now limited by the number of staff needed to run it, and the space for participants. We are currently undertaking a recruitment drive for volunteers across the museum. Three of the attendees also applied to join a new cohort of museum volunteers.

**Priority 1: Keeping Maidstone an attractive place for all & Priority 2: Securing a successful economy for Maidstone Borough**

- 5.11 For net income generated from commercial activities, a negative figure indicates an income. In quarter 4, the year to date income was -£375,747 against a budget of -£623,250. The variance for the year was -£247,503. Most of this adverse variance is owing to the performance of Mote Park Café, which under-performed by £169,869. Income streams that out-performed budget were:
- Commercial Waste - £14,866
  - Debt Recovery Service Trading - £6,332
- 5.12 Footfall at the Museum and Visitor Information Centre was 14,409 against a target of 19,625. The Graham Clarke exhibition in quarter 4 was very popular, but there was a reduction in casual visits. These are visits which

are not booked in, or attending a specific event or meeting. This highlights the importance of events and temporary exhibitions to attract repeat visits. Nationally, there is a declining trend in people visiting museums. We are working with Marketing and Communications to increase footfall next year.

- 5.13 The number of children taking part in formal educational activities at the museum was 3,775. This is more than double the attendance we had in quarter 3. A contributing factor to this was 'Arts Award in a Day'. This is a recognised qualification that encourages young people to take part in art challenges, activities, events, and be inspired by artists to share their art skills with others.
- 5.14 Footfall in the High Street has exceeded its quarter 4 target by 950,555 for quarter 4, with a footfall figure of 2,956,816. Footfall has increased by 17.8% in comparison to quarter 4 last year.

## **Priority 2: Securing a successful economy for Maidstone Borough**

- 5.15 The number of school journeys undertaken without a car was 4,848 for quarter 4. There has been a continued increase in this figure, which demonstrates a positive modal shift.
- 5.16 The percentage of people claiming an out of work benefit in Maidstone is 1.25%. This is below the target of 2% but shows an increase on the same period in 2015/16. This remains below the average for Kent (1.7%) and the UK (1.9%). The highest percentage of unemployment is in the 18-24 category, with 2.65% unemployment.
- 5.17 The percentage of 16-18 year olds not in Education, Employment, or Training (NEETs) is 2.94% in Maidstone. Maidstone is currently 6<sup>th</sup> out of the 12 Kent authorities for proportion of NEETs. The proportion of NEETs in Maidstone is significantly lower in comparison to 4.93% in quarter 4 of 2015/16.
- 5.18 The number of businesses/start-ups that received information, advice, and guidance in quarter 4 was 229. This has exceeded the target of 200, and contact figures have recovered since quarter 3. 145 contacts were received for information, 29 for advice, and 55 for guidance.
- 5.19 During Quarter 4, 90.48% of major planning applications were processed on time. Performance continues to be strong in the processing of major applications. Of the 21 major applications that were determined, 19 were determined within 13 weeks, or within timescales agreed with the developer.
- 5.20 A total of 45 affordable homes were delivered, meeting the target of 45 for the quarter. There have been 303 affordable completions up to 31 March 2017. The annual target has been exceeded by 153. Delivery against affordable completions has been strong due to good progress made on several key strategic sites. Of the total affordable completions this year, 124 have been delivered for shared ownership.

- 5.21 Homelessness preventions exceeded the target with 115 preventions in quarter 4, against a target of 75. Further households were prevented from homelessness with awards of Discretionary Housing Payments, and from the work carried out by Citizens Advice Bureau and Sanctuary Scheme Assistance. An increase in homelessness prevention activity in the team has contributed to an increase in preventions. This was in spite of the designated Preventions Officer post being vacant during the period. The Preventions Officer posts were filled at the end of May.
- 5.22 We have housed 127 people through the housing register for quarter 4 2016/17. This is a reduction in comparison to the 203 housed in the same quarter last year. This is the first time this year that the quarterly target has not been achieved. The quarterly figure is lower due to fewer properties being provided by our Registered Providers. Despite lower performance in quarter 4, the annual target has still been achieved.

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

- 6.1 The Strategic Plan Performance Update will be reported quarterly to the service committees; Communities Housing and Environment Committee, Strategic Planning, Sustainability and Transport Committee, and Heritage, Culture, and Leisure Committee. The report will then go to Policy & Resources committee following these meetings, with any feedback from the Committees.

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

- 7.1 The Council could choose not to monitor the Strategic Plan and/or make alternative performance management arrangements, such as the frequency of reporting. This is not recommended as it could lead to action not being taken against performance during the year, and the Council failing to deliver its priorities.

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## **8. CROSS-CUTTING ISSUES AND IMPLICATIONS**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The key performance indicators and strategic actions are part of the Council's overarching Strategic Plan 2015-20 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas, for example waste and recycling.	Angela Woodhouse, Head of Policy & Communications
<b>Risk Management</b>	The production of robust	Angela

	performance reports ensures that the view of the Council's approach to the management of risk and use of resources is not undermined and allows early action to be taken in order to mitigate the risk of not achieving targets and outcomes.	Woodhouse, Head of Policy & Communications
<b>Financial</b>	Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium Term Financial Plan and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.	Section 151 Officer
<b>Staffing</b>	Having a clear set of targets enables staff outcomes/objectives to be set and effective action plans to be put in place.	Angela Woodhouse, Head of Policy & Communications
<b>Legal</b>	None identified.	Legal Team
<b>Equality Impact Needs Assessment</b>	The Performance Indicators reported on in this quarterly update measure the ongoing performance of the strategies in place. If there has been a change to the way in which a service delivers a strategy, i.e. a policy change, an Equalities Impact Assessment is undertaken to ensure that there is no detrimental impact on individuals with a protected characteristic.	Equalities and Corporate Policy Officer
<b>Environmental/Sustainable Development</b>	A number of performance indicators relate to our performance in environmental services. This has a significant effect on our ability to monitor the Environment in Maidstone.	Policy and Information Manager



	This is also important as one of our key priorities is to provide a clean and safe environment.	
<b>Community Safety</b>	We have Key Performance Indicators that relate to important areas of community safety. These ensure that the work being done by the Community Safety Unit is relevant, and that key areas such as safeguarding are being developed.	Policy and Information Manager
<b>Human Rights Act</b>	None identified.	Policy and Information Manager
<b>Procurement</b>	Performance Indicators and Strategic Milestones monitor the any procurement needed to achieve the outcomes of the Strategic Plan.	Policy and Information Manager
<b>Asset Management</b>	Performance Indicators that measure our commercial activities monitor our use of our assets. Good performance shows good management of our assets, or can highlight where assets can be utilised more efficiently.	Policy and Information Manager

## 9. REPORT APPENDICES

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

- Appendix I: Strategic Plan Performance Update Q4 2016/17
- Appendix II: Strategic Plan Action Plan Update Q4 2016/17

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## 10. BACKGROUND PAPERS

None.

2016/17

# Quarter 4 Performance Update



For further information about Performance Management at Maidstone Council, please contact Alex Munden, Performance and Business Information Officer.

## OUR VISION

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

## OUR MISSION

Putting People First.

## OUR PRIORITIES

Keeping Maidstone Borough an attractive place for all

Securing a successful economy for Maidstone Borough



## ACTION AREAS

Providing a clean and safe environment

Encouraging good health and wellbeing

Respecting the character and heritage of our Borough

Ensuring there are good leisure and cultural attractions

Enhancing the appeal of the town centre for everyone

Securing improvements to the transport infrastructure of our Borough

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

Planning for sufficient homes to meet our Borough's needs

## 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 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.






# Understanding Performance





## Key to performance ratings

Performance indicators are judged in two ways. Firstly on whether performance has improved, been sustained or declined, compared to the same period in the previous year. For example, 2016/17 performance will be compared against 2015/16 performance. This is known as direction. Where there is no previous data, no assessment of direction can be made.

The second way in which performance is assessed looks at whether an indicator has achieved the target set and is known as PI status. Some indicators may show an asterisk (\*) after the figure, these are provisional figures that are awaiting confirmation.

Data Only indicators are not targeted but are given a direction. Indicators that are not due to be reported or where there is a delay in data collection are not rated against targets or given a direction.

RAG Rating	
	Target not achieved
	Target missed (within 10%)
	Target met
	No target to measure performance against
	Data Only

Direction	
	Performance has improved
	Performance has not changed / been sustained
	Performance has declined
	No previous performance to judge against

Strategic Actions have also been rated using the RAG Status (Red, Amber or Green). The ratings are there to provide an assessment of how well the strategy or plan is progressing.

## Performance Summary

This is the quarter 4 performance update on Maidstone Borough Council's Strategic Plan 2015-20. It sets out how we are performing against the Key Performance Indicators and Strategic actions that directly contribute to the achievement of our priorities: Keeping Maidstone an attractive place for all and securing a successful economy for Maidstone Borough.

Outlined below is a summary of the ratings and direction that have been given for the annual results.

RAG Rating	Green	Amber	Red	N/A	Total
KPIs	13	1	2	5	21*
Strategic Actions	14	0	0		14
Direction	Up	Across	Down	N/A	Total
KPIs	12	0	3	6	21*

\*Data is not available for one indicator.

## Priority 1: Keeping Maidstone an attractive place for all

### Providing a Clean and Safe Environment

Over the past 5 years, 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.

#### Waste & Recycling Strategy

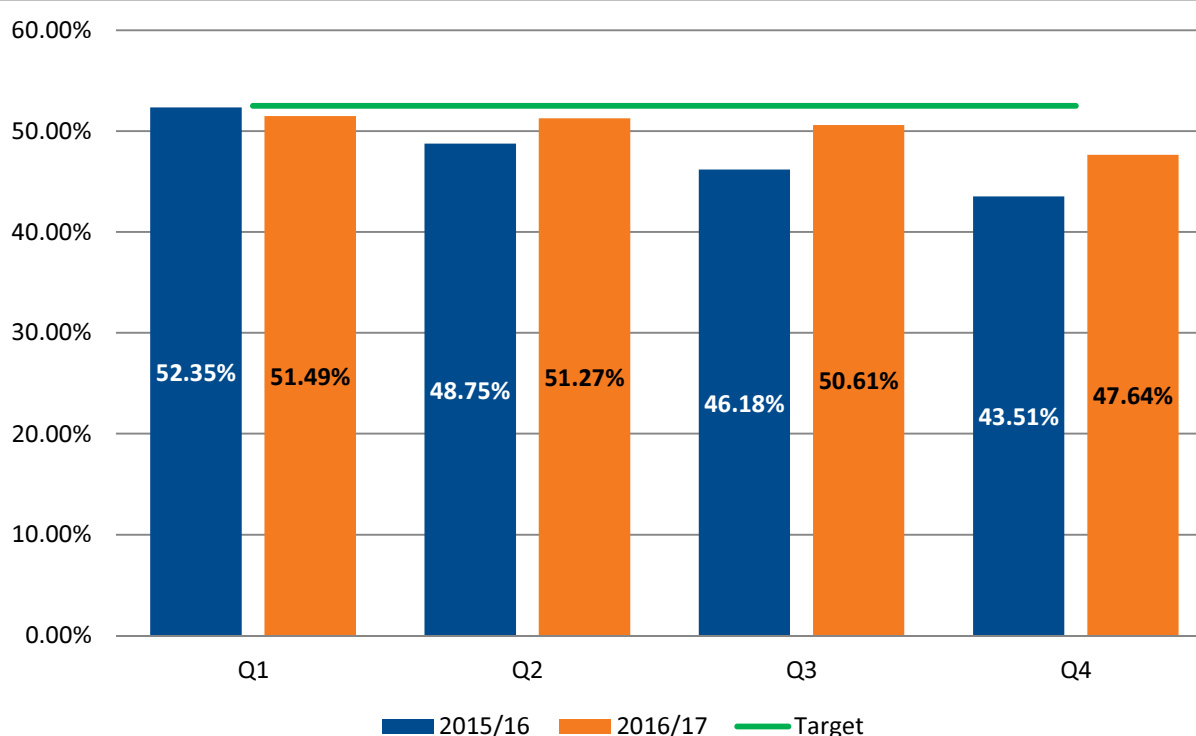
The food waste campaign has been running for the past few months and has generated a surge in requests for replacement food waste bins. The school theatre workshops have been well received by local schools and further school engagement is planned in the Autumn term. The engagement roadshows have been carried out at supermarkets and The Mall shopping centre. The recycling rate for the quarter is lower than the previous quarter due to seasonal fluctuations in garden waste, and an increase in general waste following the Christmas period. In addition, the collection of side waste after Christmas also affects the recycling rate due to more waste being generated over this period. The recycling target of 55% by 2019 is very challenging given the national trend of stagnating rates, which in part can be attributed to lightweight packaging and the growing economy giving an overall rise in waste levels. The Waste Strategy is in the process of being reviewed which will be reported to Communities, Housing and Environment Committee in July.



### Percentage of household waste sent for reuse, recycling or composting

The indicator measures percentage of household waste that has been sent by the Council for reuse, recycling, composting or anaerobic digestion. This is a key measure of a local authority's progress in moving management of household waste up the hierarchy, consistent with the Government's national strategy for waste management. The Government expects local authorities to maximise the percentage of waste reused, recycled and composted.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
47.64%	52.5%	-4.86%	↑	⚠	Target has been slightly missed



**Performance Comment:** The recycling rate for quarter 4 is the lowest of the year, however this is to be expected given the seasonal fluctuations in garden waste and higher levels of waste following the Christmas period. We delivered the food waste campaign in quarter 4 which included stickers on bins, roadshows, theatre workshops in schools, children's competitions and media advertising. There was a 28% increase in the amount of food waste collected in March compared with February. These results will need to be sustained through ongoing communication. The recycling rate for March was 50.05%, up from 45.59% in February. There was also a 169% rise in garden waste in March with the peak expected in June/July. The contamination rate was 8% for the quarter, and further work is planned to reduce this.

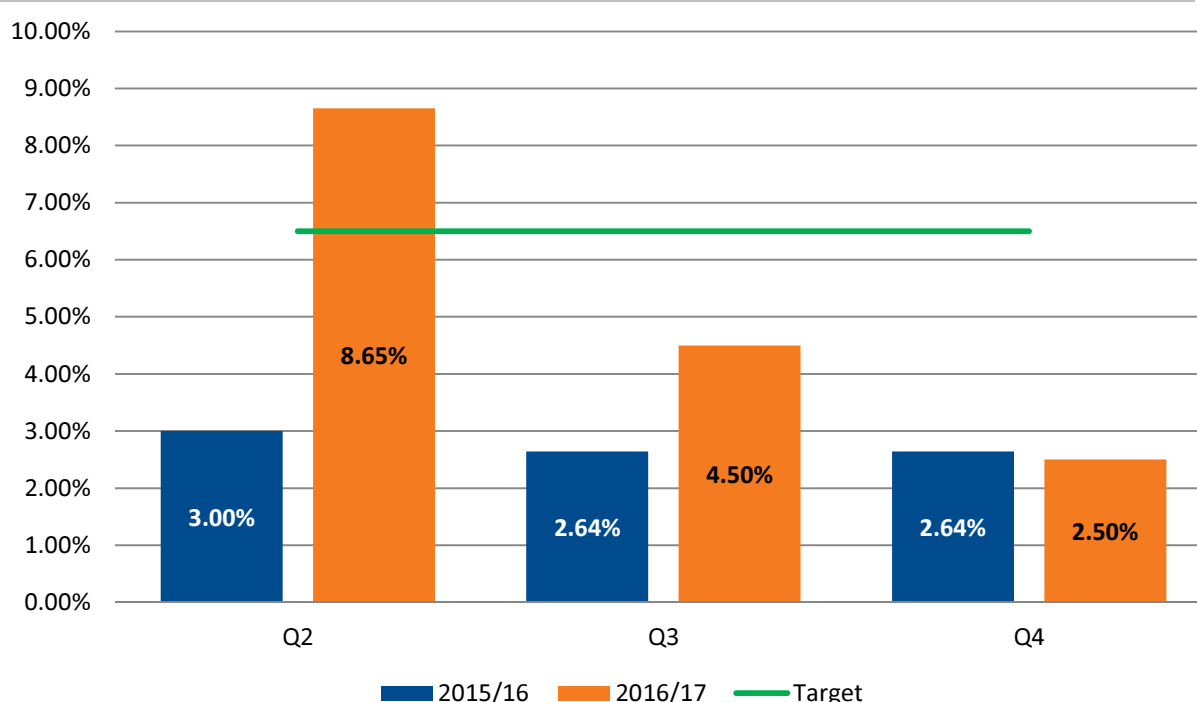
Engagement in recycling is falling nationally after peaking a few years ago when it received high profile media interest and there were national campaigns produced by the Waste & Resources Action Programme. We continue to promote the services and engage with residents, but without the reinforcement of national campaigns this is a greater challenge.

**The percentage of relevant land and highways that is assessed as having deposits of litter that fall below an acceptable level**

Reducing unacceptable levels of litter formed a key part of Government's 'Cleaner Safer Greener Communities'. Through using the improved management information that the indicator provides, the score should be reduced year-on-year.

Litter includes mainly synthetic materials, often associated with smoking, eating and drinking, that are improperly discarded and left by members of the public; or are spilt during waste management operations. Good performance is indicated by a lower figure.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
2.5%*	6.50%	-4%	↑	✓	Target has been achieved



**\*Data for December to March. The environmental survey is conducted every four months.**

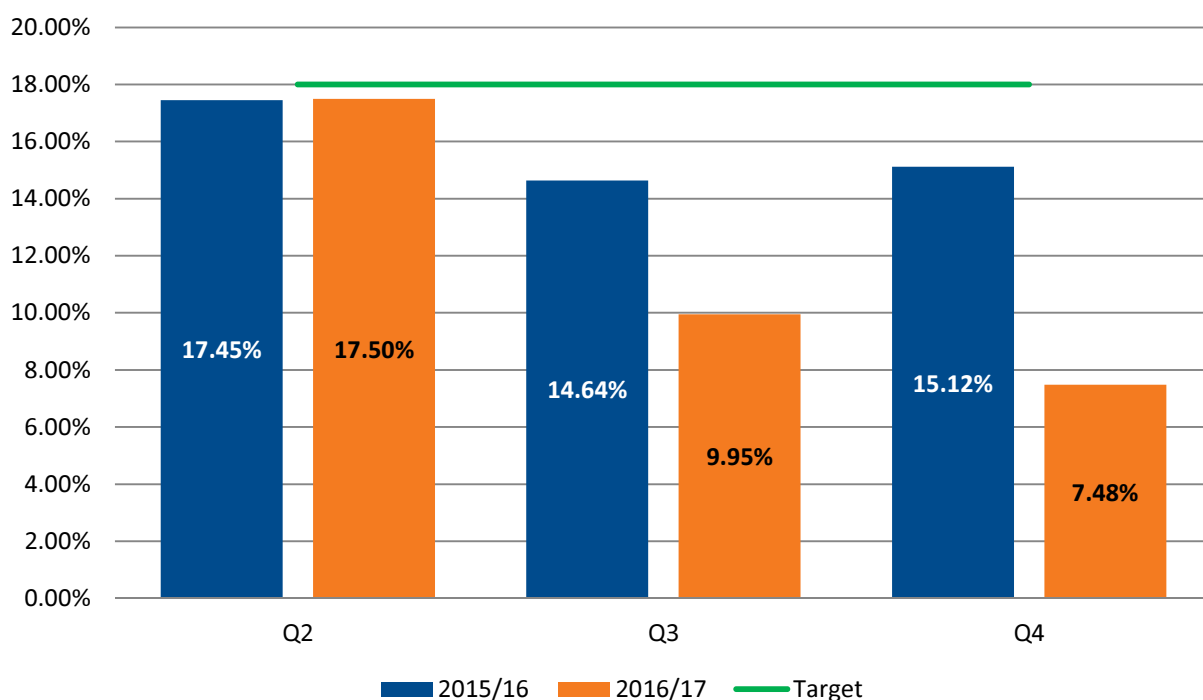
**Performance Comment:** The third environmental survey has provided the best results of 2016/17. This shows a significant improvement in the levels of litter in the borough with urban areas providing the best results in the borough. The improvement to inspection based cleansing schedules earlier in the year seems to be providing the required results. Every road in the borough is now on a 6 weekly cleansing schedule. This is the first period that has shown an improvement in comparison to 2015/16. The levels of litter and detritus have significantly improved due to the cleansing service adapting its working practices to target hotspots and areas of high footfall at the appropriate time of day.

**The percentage of relevant land and highways that is assessed as having deposits of detritus that fall below an acceptable level**

Reducing unacceptable levels of detritus formed a key part of Government's 'Cleaner Safer Greener Communities'. Through improved management information that the indicator provides, the score should be reduced year-on-year.

Detritus includes dust, mud, soil, grit, gravel, stones, rotted leaf and vegetable residues, and fragments of twigs, glass, plastic, and other finely divided materials. Good performance is indicated by a lower figure.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
7.48%*	18%	-10.52%	↑	✓	Target has been achieved



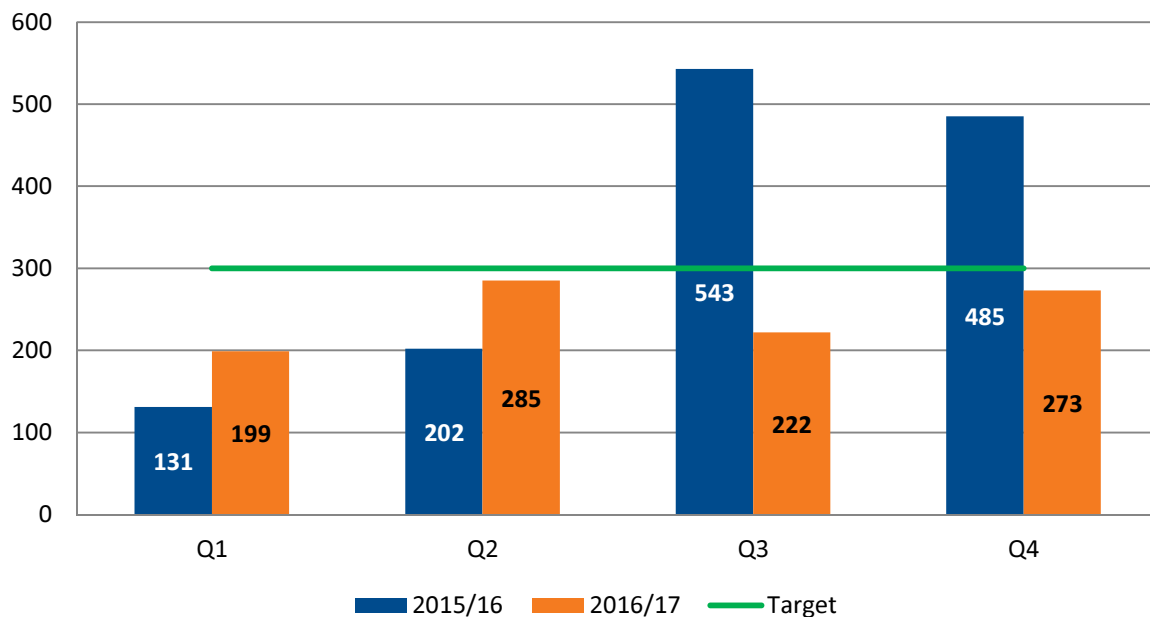
**\*Data for December to March. The environmental survey is conducted every four months.**  
**Performance Comment:** The third environmental survey has provided the best results of the year with improvements across all land types. As with litter, the percentage of land and highways with unacceptable levels of detritus has continually reduced throughout the year. The levels of litter and detritus have significantly improved due to the cleansing service adapting its working practices to target hotspots and areas of high footfall at the appropriate time of day.



### Number of incidences of fly-tipping

This indicator gives a wider view of the issues in waste management beyond street cleansing. It also reflects the work undertaken to reduce the level of fly-tipping in the borough through projects and deterrents. Good performance is indicated by a lower figure.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
273	300	-27	↑	✓	Target has been achieved



**Performance Comment:** There were 273 incidences of fly-tipping in the fourth quarter of 2016/17, which is within target. The increase from the last quarter was due to an increase in green waste and bagged household waste being deposited. Analysis of previous years and the types of waste deposited, shows no specific trends or reasons for the increase. Fly tipping levels fluctuate throughout the year, with weather and seasonality having some impact i.e. increased DIY/construction work in Spring and increased garden growth. There is a growing market of illegal waste carriers using social media, which are being targeted by the Enforcement Team. There have been two recent prosecutions for fly tipping which resulted in fines of £700 and £1100. The new fixed penalty notice for fly tipping has also resulted in more action being taken against those illegally dumping smaller quantities of waste, with 6 recently being issued.

The type and quantity of fly tips is monitored monthly. A working group including Cleansing, Enforcement and Communications is working on resident engagement, focussing on the legal requirement for duty of care and their responsibilities for waste management.

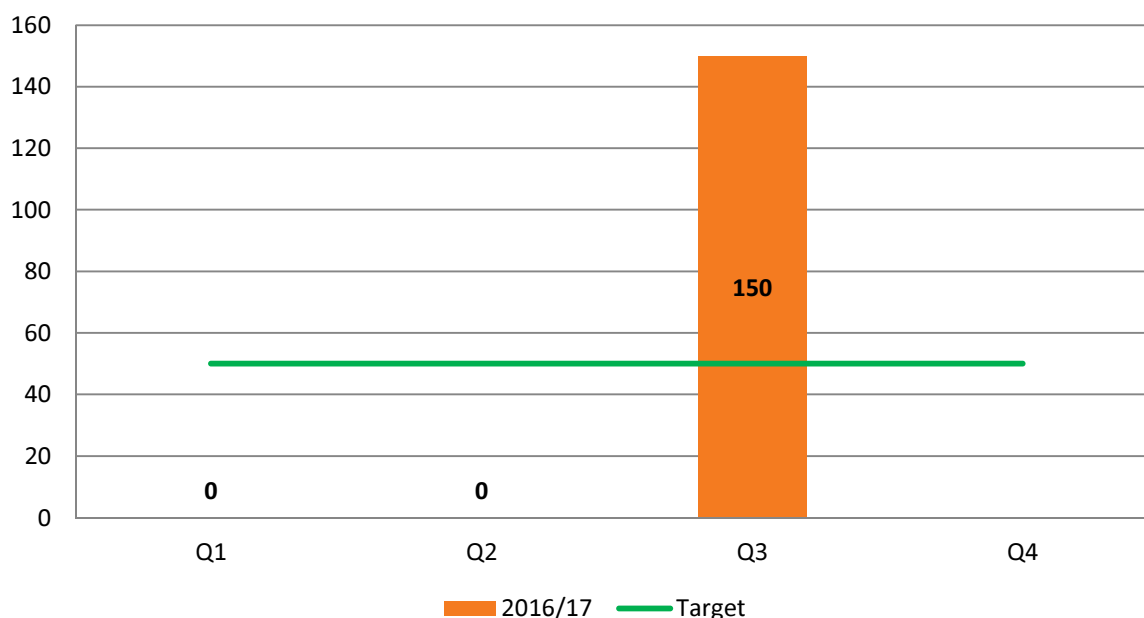
## Community Safety Strategy

Following the annual strategic assessment being presented to the Communities Housing and Environment Committee, acting in its role as Crime & Disorder panel, the Committee approved a set of recommendations for Council to enable the Strategic Plan to be delivered for 2017/18. Applying the new principles enshrined in Managing Risk in Law Enforcement approach, the review recommended four priority areas for the year ahead - Organised Crime Groups (including modern slavery), Gangs and Child Sexual Exploitation, Substance Misuse, Domestic Abuse and other Violent Crime, and Mental Health. The Council adopted the new Strategic Plan in April 2017 and the Safer Maidstone Partnership has since met to begin the process of identifying delivery groups and scoping the action plans.

### Number of safeguarding practitioners trained

Safeguarding has been identified as a national priority and a compulsory part of what we do as a Council. This indicator measures the number of internal and external staff trained in areas such as child sexual exploitation and anti-extremism. Having more practitioners trained in safeguarding ensures the protection of vulnerable adults and children across Maidstone.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
 *	50				



**Performance Comment:** \*Quarter 4 data is not currently available. Child Sexual Exploitation (CSE) training was delivered to staff at McDonalds restaurants in the town centre as part of CSE awareness week in March.

### Air Quality Strategy

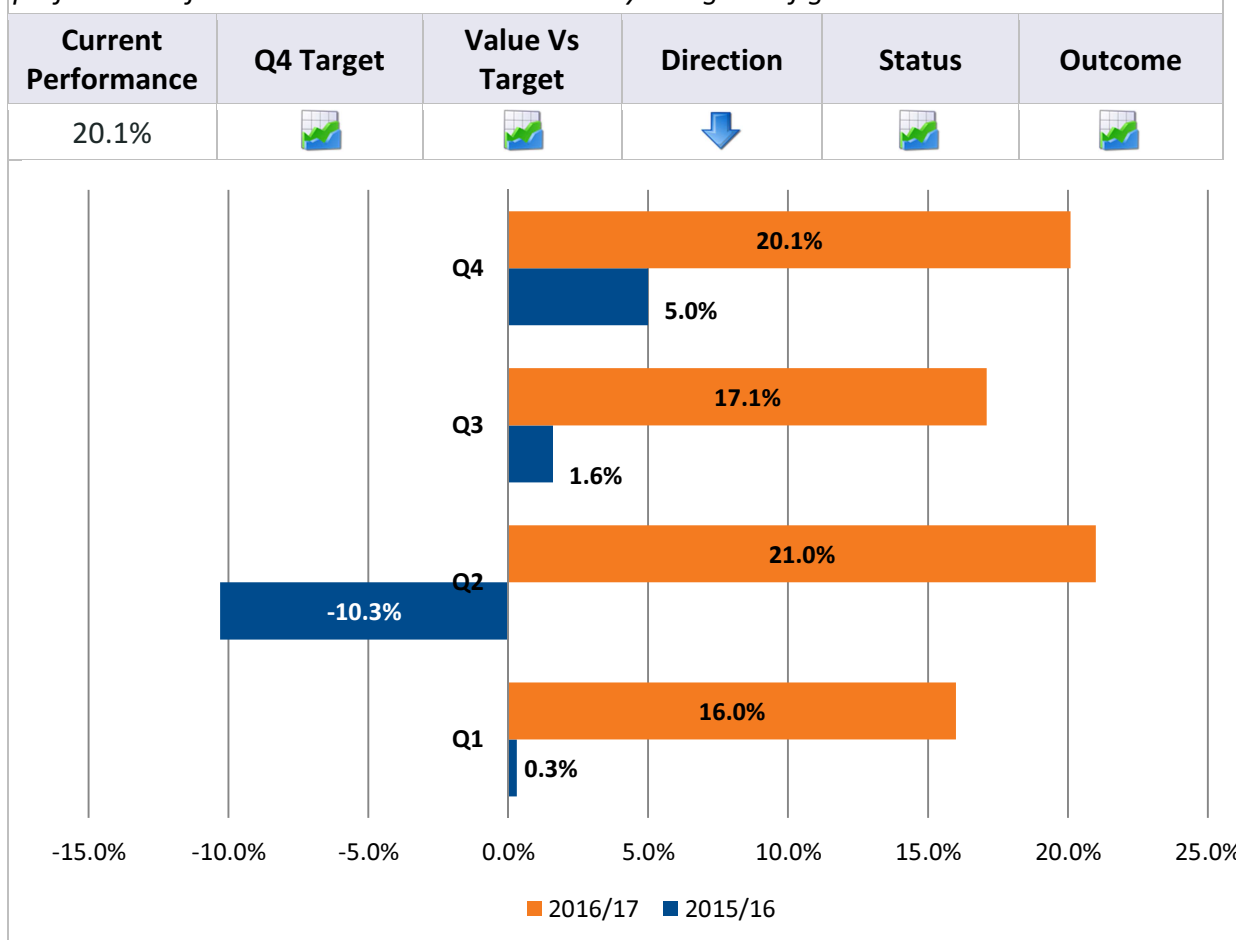
The Member Working Group has now completed a series of information gathering meetings covering the key topics of 'transport', 'public health', 'procurement', and 'planning'. As a result of the information gathered an action plan and recommendations have been developed with a view to be presented in the form of a report to the Strategic Planning, Sustainability, & Transportation Committee. The report will also encompass a review of the Air Quality Action Plan and Air Quality Management Areas.

### Environmental Quality Survey

The 3rd tranche of the environmental survey has been undertaken and has shown continuous improvement on the previous tranches. The new Compliance Manager at the Depot will be undertaking this work in future to ensure independence from the cleansing service. The levels of litter and detritus have significantly improved due to the cleansing service adapting its working practices to target hotspots and areas of high footfall at the appropriate time of day.

### Percentage Change in All Recorded Crime (Information Only)

This indicator reports the percentage change in the number of all recorded crime in the borough to provide an indication of the crime trends in the borough and help assess the impact of the work the Council undertakes in relation to Community Safety. *Note: Improving performance for this indicator is demonstrated by a negative figure.*



#### Percentage Change in All Recorded Crime (Information Only)

**Performance Comment:**

Crime has increased across all offenses except vehicle interference which has declined by 17% compared to 2015/16.

There has been a 25% increase in violent crime, 3% increase in ASB, 28% increase in sexual offences and 62% increase in theft of a peddle cycle.

The increase is most likely due to a combination of the high ethical standards of crime recording now used by Kent Police and improvements to the 101 service. Given the increase in theft offences, the changes in police attendance policy in dealing with shoplifting has not deterred businesses from reporting offenders via 101 or through contact with CCTV control.

### Encouraging Good Health and Wellbeing

Deprivation in the borough is lower than average, however 15% (4,300) of children (under 16 years old) in Maidstone live in poverty. There is a larger difference in life expectancy of men and women; 7 years lower for men and 4 years lower for women in the most deprived areas of Maidstone than in the least deprived.

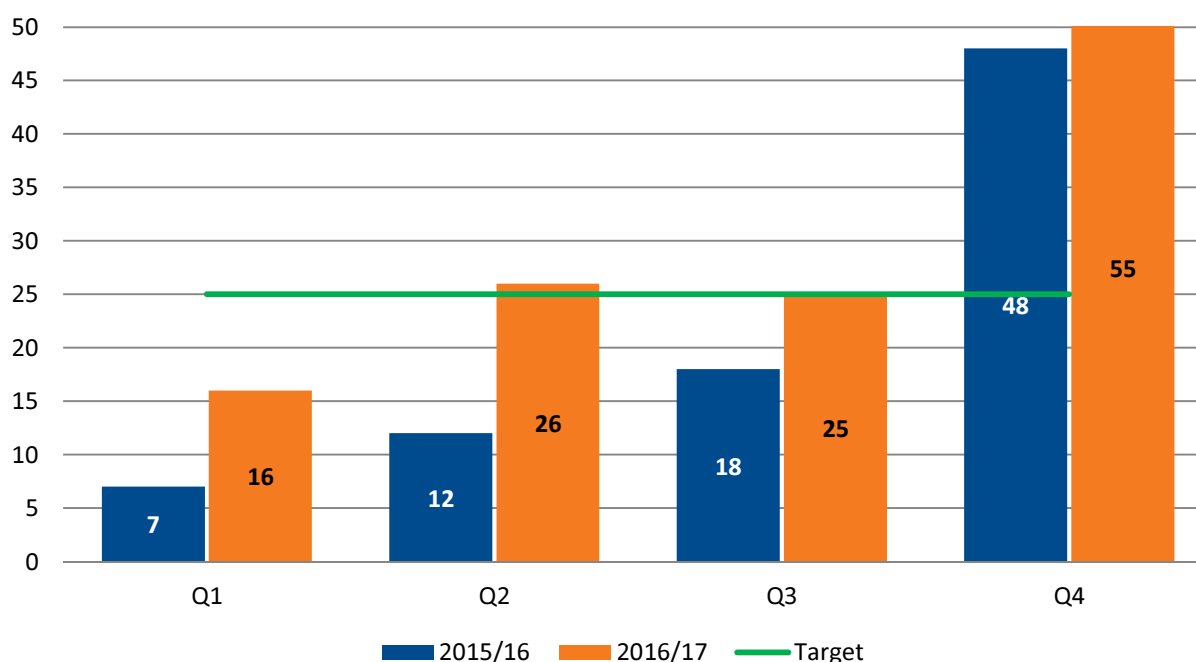
#### Health Inequalities Action Plan Update

During 2016/17 the action plan has been subjected to a comprehensive review. The Health & Well Being Group received a range of data that focused on progress to date against the original targets and to look at new emerging themes. This has enabled a refresh of the action plan and the four themes to be agreed including Homelessness and Health. The refreshed action plan was presented to the Communities, Housing & Environment Committee in October 2016 and adopted. New sub groups of the Maidstone Health & Well Being Group have now been identified and the new action plan is moving into the delivery phase.

### Number of completed Disabled Facilities Grants

Disabled Facilities Grants (DFGs) are used to provide home adaptations for disabled people generally to improve access; access into and around the home and access to, or provision of, basic amenities such as bathing and WC. They are an important part of the work we do to support people who want to remain independent or stay in their own home.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
55	25	+20	↑	✓	Target has been achieved



**Performance Comment:** The cash value of completions was set against a historic budget and what was thought to be achievable. With the budget last year having been increased, the value of completions was not increased proportionately. We have therefore significantly exceeded the target for quarter 4.

As a result of the increase in budget the Housing & Health team introduced a more efficient and ultimately effective way of delivering DFGs that resulted in the number of completions increasing throughout the year. This included having staff co-located with KCC's occupational therapist team. Traditionally, there is a higher proportion of expenditure activity in the fourth quarter. This causes the number of completions to rise in the last quarter whilst conversely the number of completions during the first quarter tends to be lower. The team have delivered a total of 122 Disabled Facilities Grants in 2016/17.

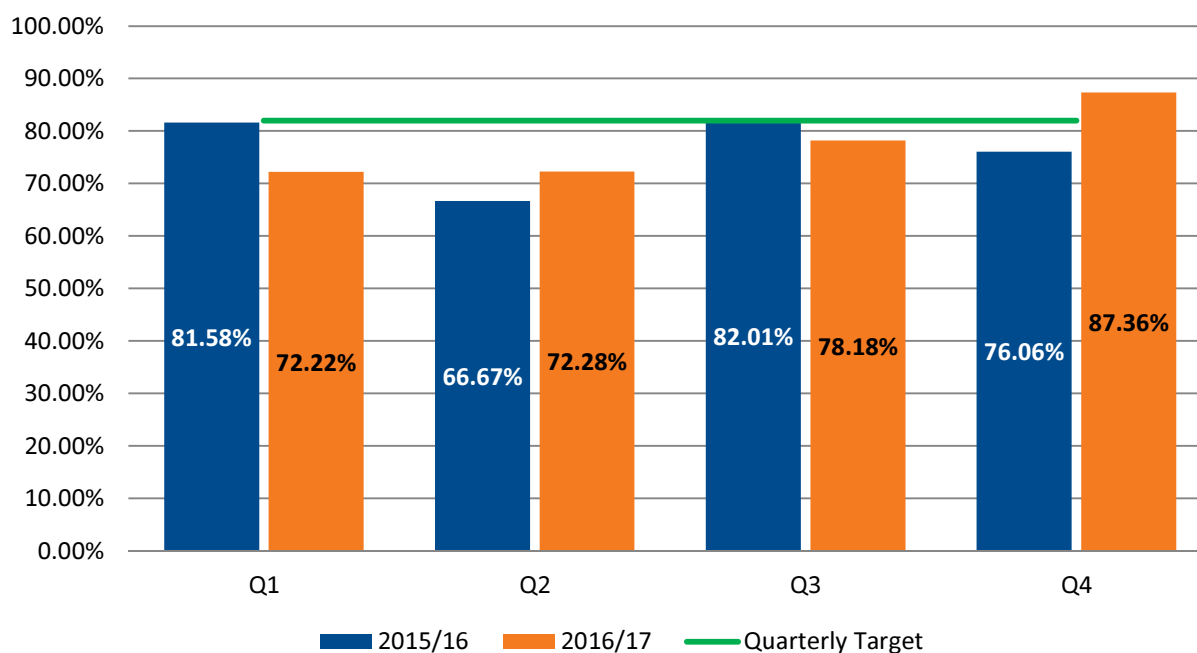
### Housing Strategy Update ✓

A review of the Housing Strategy's progress to date was provided to the Communities, Housing & Environment Committee in June 2017.

### User Satisfaction with the Leisure Centre

The Council recognises that access to leisure services plays an important role making somewhere a good place to live. This indicator measures customer satisfaction with the Leisure Centre.



Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
87.36%	82.00%	+5.36%	↑	✓	Target has been achieved

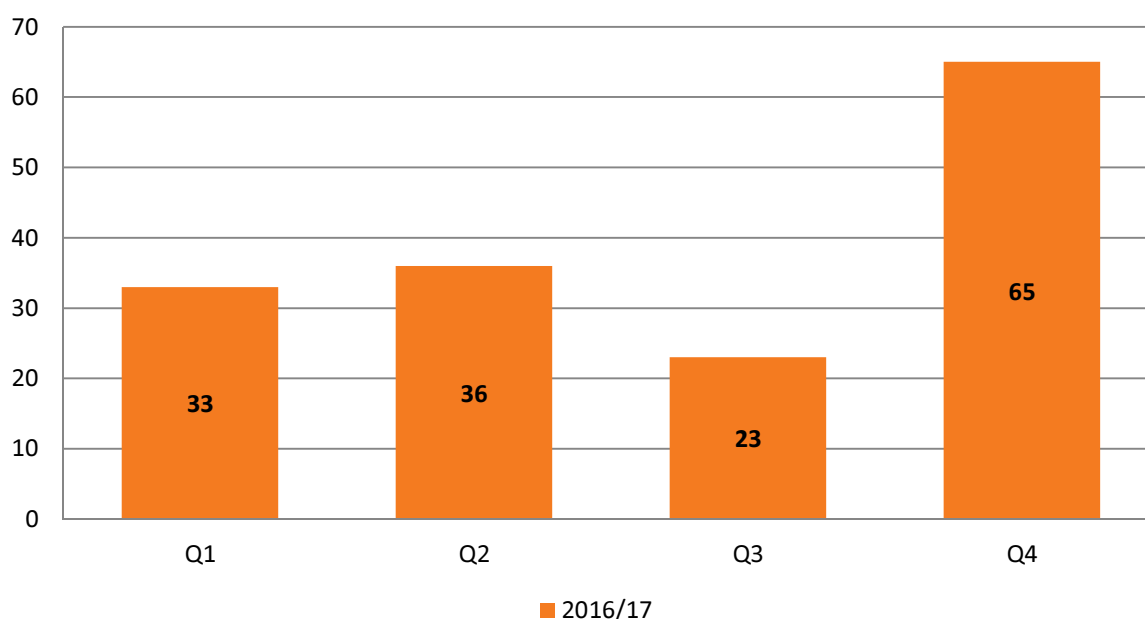


**Performance Comment:** The electronic satisfaction system was initially on trial for the 3rd quarter of the year and once the trial ended the machines were taken away, so a paper system was used for the last quarter. Of the 87 responses received for quarter 4, 76 were satisfied. This has exceeded the target of 82% for quarter 4, and has shown a significant increase in satisfaction in comparison to the same quarter last year. The system has now been procured so is expected to be reinstalled imminently.

## Number of people successfully completing a course at the leisure centre following referral by GP

This indicates the key work that is being completed at the Leisure Centre around health. This part of the Leisure Centre's work is not reflected in ratings of satisfaction. This indicator has no target and is for information only.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
65					



### Performance Comment:

Over the course of quarter 4, 65 people completed a course at the leisure centre. All of those who completed the course lost weight. This is considered good performance by the team, and the number of people completing a course is significantly higher than at any other time throughout the year.

65 people engaged with the programme.

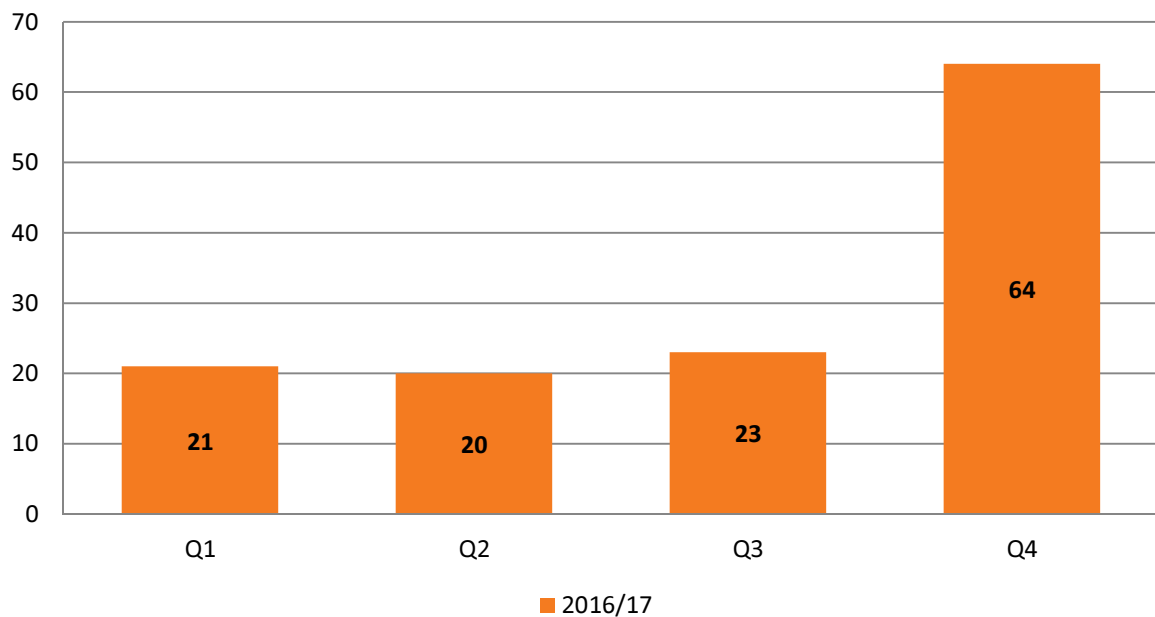
41 achieved 3% weight loss after 10 weeks

27 achieved 5% weight loss after 10 weeks

### Number of older isolated people prevented from social isolation through museum projects

This is a unique sector leading project, which is currently funded. In the longer term, it will look to continue without funding. It seeks to engage older people in learning in a community group to prevent social isolation.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
64					



**Performance Comment:** We helped 64 people reduce social isolation through Museum projects in quarter 4. This is almost three times the amount of attendees in any other quarter this year. We increased marketing of the project, with leaflets being distributed to local surgeries, which had a positive effect on attendance. Cafe Culture continues to be popular and is now limited by the number of staff needed to run it and the size of the room for participants. We are currently undertaking a recruitment drive for more volunteers across the museum, including to help with the delivery of the Café Culture project. As the purpose of the activity is to reduce social isolation among those at risk, we were delighted when three of our attendees also applied to join a new cohort of museum volunteers.



## Respecting the Character 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 live in a parished area. We are focused on achieving economic prosperity, whilst at the same time balancing protecting the environment and landscape that makes the borough of Maidstone a great place to live, work in and visit.

### Communications & Engagement Strategy Update

Since the new Communication and Engagement Strategy and action plan was approved in quarter 3, a number of actions have progressed including the completion of the planning phase of the new resident magazine, a review of our current branding with a view to a refresh and the launch of the new intranet site. A consultation on the Park and Ride service has also been carried out and the team are now in the planning stages of the resident survey looking at how we engage with people at local events being held across the summer.

## Priority 1: Keeping Maidstone an attractive place for all &

## Priority 2: Securing a successful economy for Maidstone Borough

### 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.

#### Festivals & Events Strategy Update

Quarter 4 (January to March) is a quiet time for festivals and events with most activity going into planning for the forthcoming season.

Proms in the Park, delivered in partnership with the Hazlitt Theatre, will take place in Whatman Millennium River Park on Saturday 27 May 2017 from 2pm to 8pm.

The new three day multicultural food and drink festival contract was awarded to Event Umbrella and this will take place from 1-3 September 2017 in Mote Park.

A new Maidstone International Arts Festival organised by Maidstone Area Arts Partnership and Baltic Art Forum will run from 24 June to 16 July across various venues.

#### Destination Management Plan Update

The Destination Management Plan Board met in January and received an update on the four themes:

##### **Countryside:**

Tourism Week – ‘Tourist in my Village’. 12 hours in a village – walk, shop, pub, restaurant, stay.

Videos and links have been added to Visit Maidstone website and in social media posts.

##### **Town:**

The North end of Week Street and Gabriel’s Hill public realm design has gone to three committees. It is hoped the scheme will be expanded to include the whole of Week Street. The Thames Link service starts in summer 2018.

##### **River:**

The Lockmeadow refurbishment is underway.

Fairmeadow path: removing old trees to replace with more suitable trees that will not cause damage to path and road.

Community clearances have taken place at McDonalds and the Rowing Club.

Long Boat café is currently in planning stage.

Kentish Lady Kiosk, Nick Kennedy will provide an information portal.

As there is an underspend on the gyratory scheme there will be improvements to planting and public art.

##### **Events:**

Event venue information is to be added to the Conference Maidstone website. Content is to be created on outdoor venues.



### Cultural Strategy Update

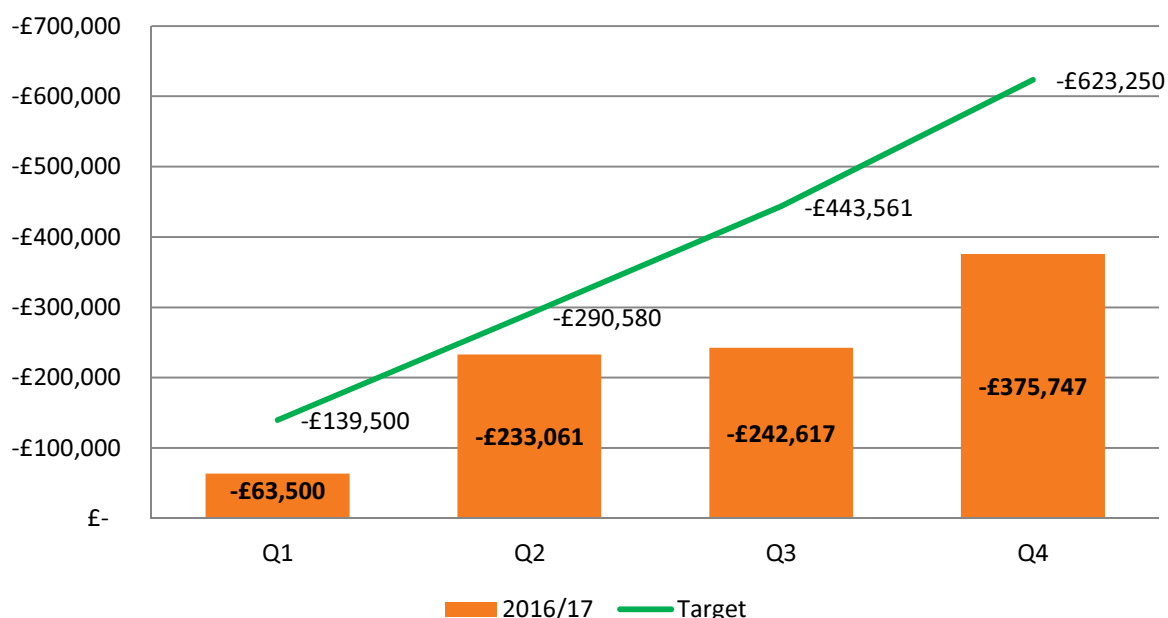
The Public Art Policy will be taken to Strategic Planning Sustainability & Transportation Committee to consider its adoption as a material consideration for planning purposes, which will encourage developers to incorporate public art into their schemes.

Unfortunately our bid to Heritage Lottery Fund Town Scape Initiative fund was unsuccessful. The feedback from our bid was that there was no private investment and there was also concern about the proportion of public realm investment in the scheme. Although public realm improvements can certainly be included in a Townscape Heritage scheme, they are a lower priority relative to investment in the buildings which characterise the scheme area, therefore it was felt that the balance of costs in our application was too skewed towards public realm. The panel was broadly supportive, so we could consider reapplying if we were able to address the relative weaknesses.

### Net contribution generated from commercial activities

The Council has a Commercialisation Strategy, which seeks to make better use of the Council's assets to provide increased leisure opportunities for the borough's residents and visitors. This indicator is to assess the performance and progress of the Commercialisation Strategy in monetary terms. This is a year to date figure against our budget

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
-£375,747	-£623,250	-£247,503			Target has not been achieved



**Performance Comment:** A negative figure represents an adverse variance. The definition of commercial activities for the purpose of this indicator excludes Garden Refuse collection. A breakdown of the variances to the budget is shown below .

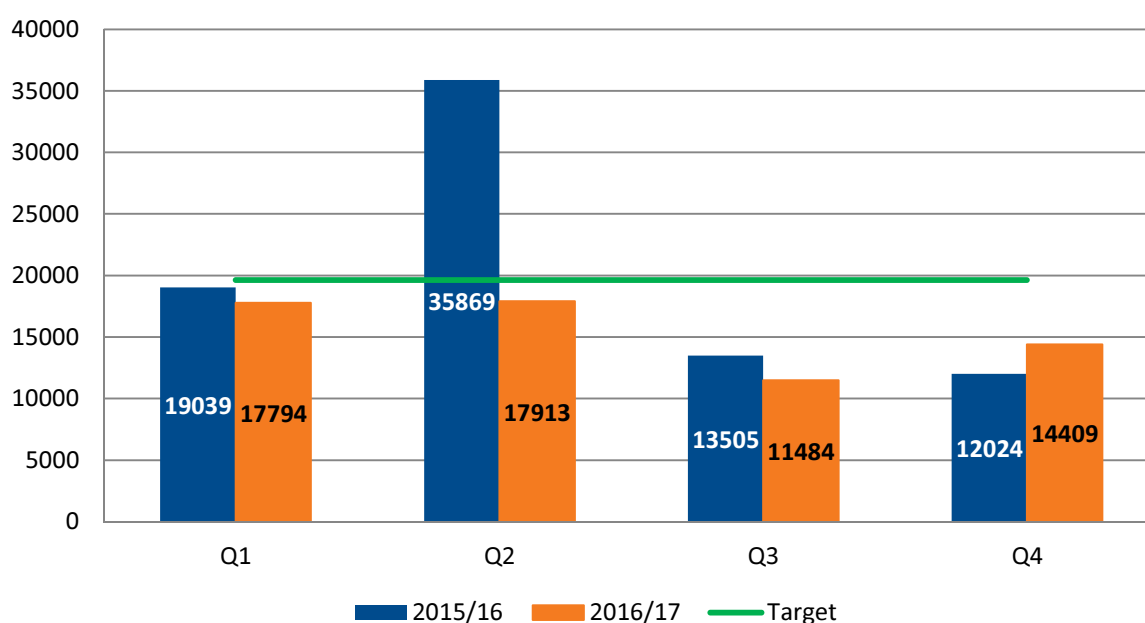
Mote Park Café: -£169,869 (adverse)  
 Commercial Waste: £14,866 (favourable)  
 Chillington House: -£30,642 (adverse)  
 Phoenix Park: -£2,938 (adverse)  
 Granada House: -£2,802 (adverse)  
 Mote Park Pay & Display: -£62,449 (adverse)  
 Debt recovery service: £6,332 (favourable)

Overall variance to budget -£247,503.

### Footfall at the Museum and Visitor Information Centre

This indicator reflects the investment the Council has made to ensure that an important cultural provision and a major draw to the Town Centre is maintained.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
14409	19,625	-5216	↑	●	Target has not been achieved



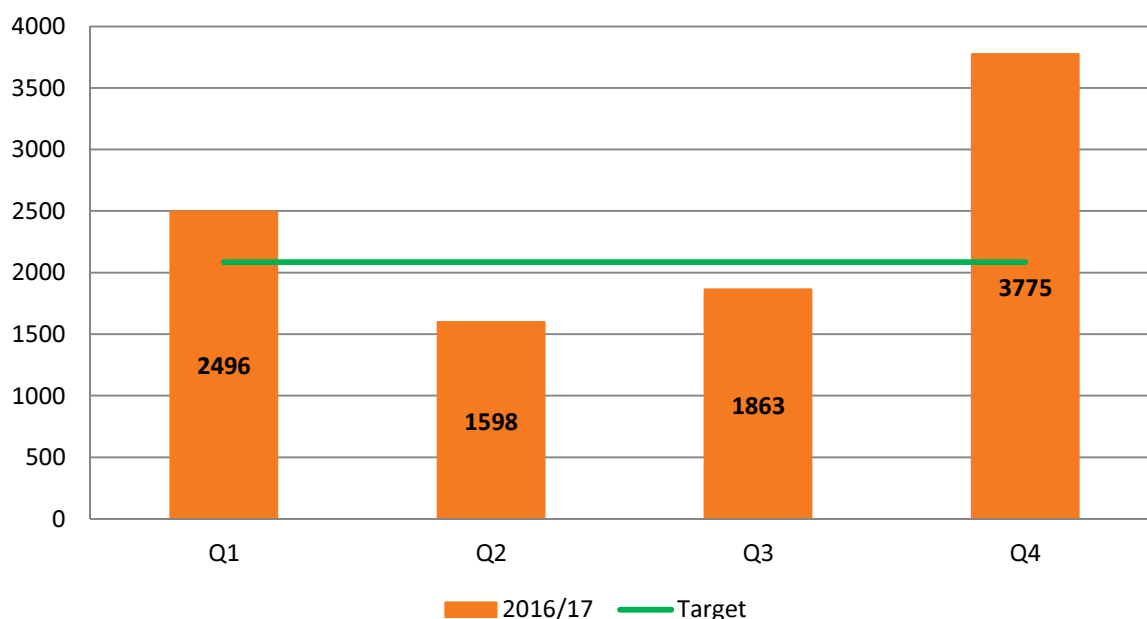
**Performance Comment:** This figure is 2,400 up on the same quarter last year due to the popularity of the Graham Clarke exhibition in quarter 4. Casual visits were reduced, as is always the case in quarter 4, which highlights the importance of events and temporary exhibitions in attracting repeat visits. Casual visits are those which are not booked in, or attending a specific event or meeting.

Nationally there is a declining trend in the number of people visiting museums. However, we are working with the Marketing and Communications Team on a marketing plan to increase footfall over the next year.

### Number of children taking part in formal educational activities on and off site.

This indicator reflects the investment the Council has made to ensuring that an important cultural provision and a major draw to the Town Centre is maintained.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Expected Outcome
3775	2,085	+1690	?	✓	Target has been achieved



**Performance Comment:** We have had an extremely strong fourth quarter. A contributing factor to this has been the museum's work on 'Arts Award in a Day'. Arts Award is a recognised qualification where children and young people take part in challenges in an art form, participate in arts activities, experience arts events, get inspired by artists and share their arts skills with others. Maidstone Museum offer schools the chance to do day's work at the museum and a day's follow up back at school. Artist Graham Clarke was both the focus and guest leader of one day and animals were the main theme of another.

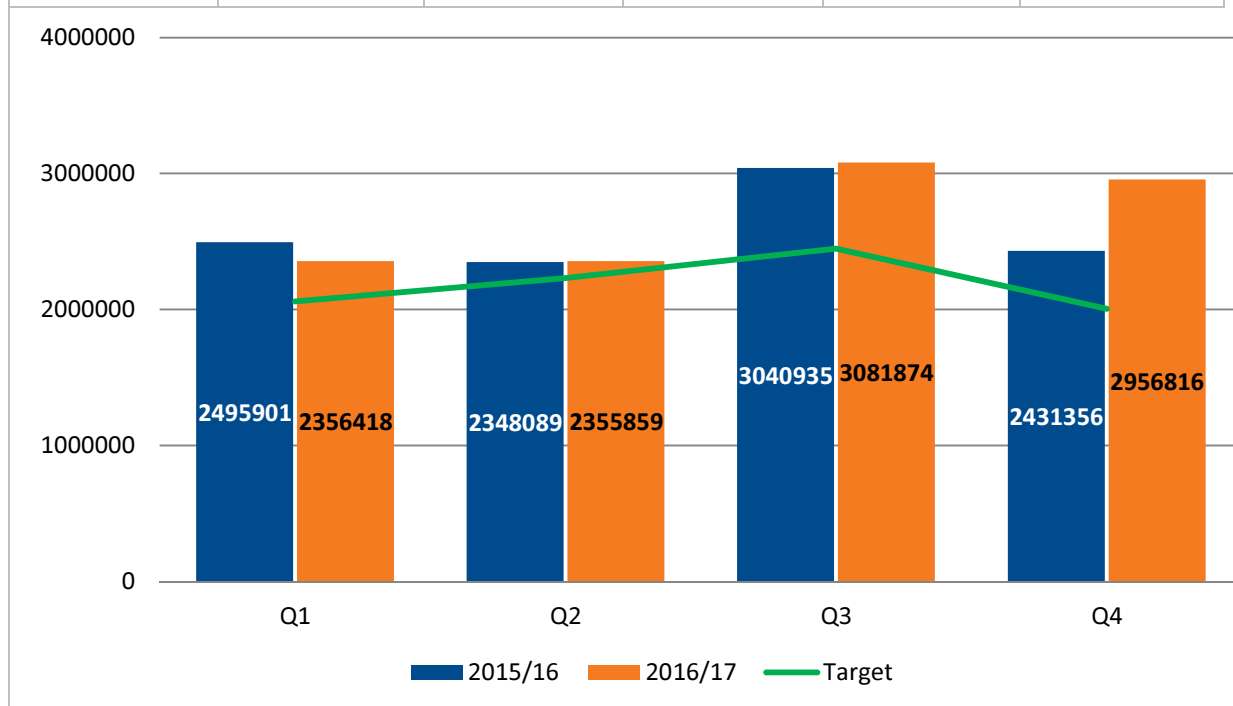
### Enhancing the Appeal of the Town Centre

#### Town Centre Vision Update ✓

The update report to Policy and Resources Committee has been deferred to 2017/18. The Town Centre Strategic Advisory Board continues to meet and has recently received updates on community safety in the town centre, the proposed Public Space Protection Order, CCTV and the development of a business case for Maidstone Business Improvement District.

A workshop took place at the end of May to consider joint working with stakeholders on a marketing strategy for the town centre to attract inward investment and to promote the town as a retail destination.

Footfall in the High Street					
This indicator provides a good balance between Town Centre vitality and satisfaction with the High Street.					
Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
2,956,816	2,006,261	+950,555	↑	✓	Target has been achieved



**Performance Comment:** Footfall in the High Street has significantly exceeded the target for quarter 4. There has been a 17.8% increase in footfall in comparison to the same quarter last year. We have undertaken analysis to establish why and compared this with Dartford and Guildford who we share our data with, who have remained consistent with their 2015/16 figures. Footfall in The Mall has not displayed the same increase as the town centre.

## Priority 2: Securing a successful economy for Maidstone Borough

### 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.

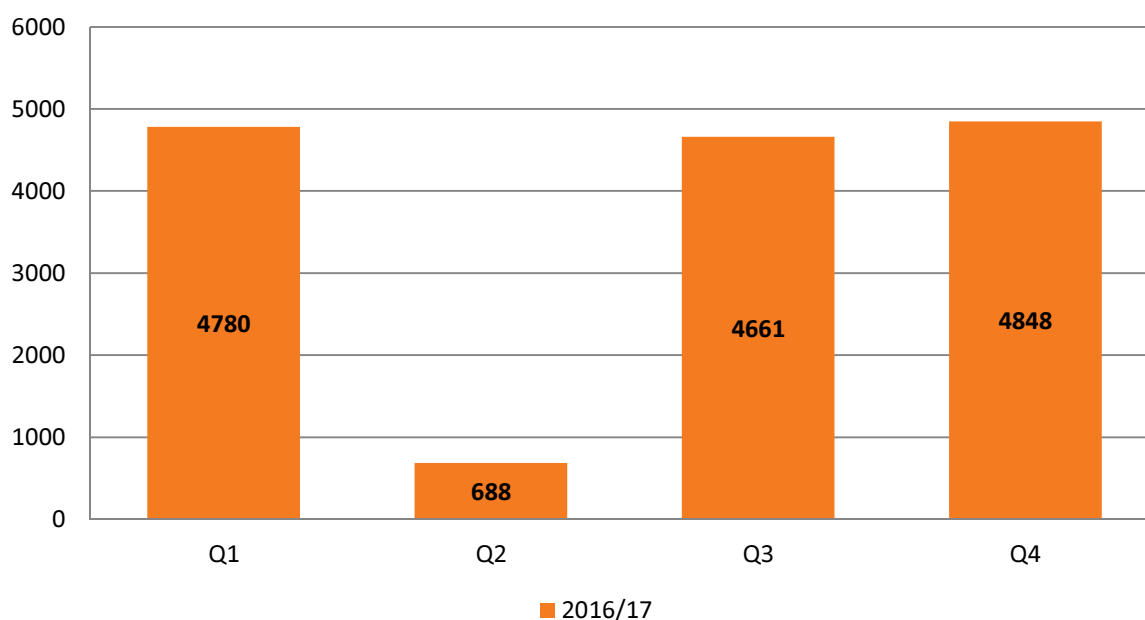
#### Integrated Transport Strategy (ITS) Update

The Integrated Transport Strategy has been agreed by Maidstone Borough Council. The strategy was adopted at Strategic Planning, Sustainability, and Transportation Committee in September 2016.

#### Number of school journeys undertaken without a car as part of borough wide schemes

Figures for this are published by KM Charity Team. This reflects the objectives set out in the Integrated Transport Strategy in reducing the use of unsustainable transport.

Current Value	Q4 Target	Value Vs Target	Direction	Status	Outcome
4848					



**Performance Comment:** There has been a continued increase in the number of school visits undertaken without a car from last quarter, demonstrating a positive modal shift.

## Promoting a range of employment skills and opportunities across the borough

There were 76,300 people employed in the Maidstone economy in 2014 with a high proportion in the public sector, reflecting the town's status as Kent's County Town and administrative capital. There were 6,885 registered businesses in Maidstone in 2013, equivalent to 43 businesses per 1,000 population, compared to 37 for the United Kingdom and higher proportion of people that are self-employed compared to the South East and to United Kingdom.

### Economic Development Strategy Update

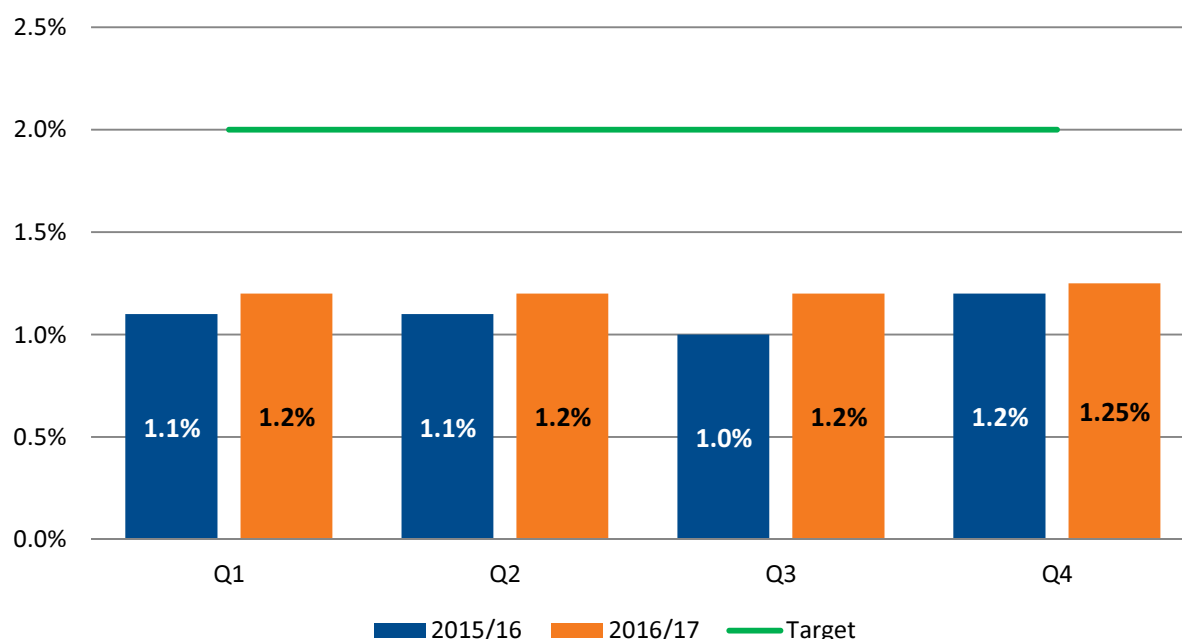
The Holding Strategy for Maidstone East will be implemented in phases but will be completed by the end of May. Six expressions of interest have been received following the issue of a Sifting Brief for a Lead Consultant on the Homes and Communities Agency Property Panel Framework. A shortlist will be produced and mini competition will follow. The Housing and Regeneration Strategy will be presented to Policy and Resources Committee (P&R), alongside an update of the Town Centre Investment Plan in July 2017. A Delivery Plan for the Enterprise Zone was approved by P&R in March. The Council's Local Government Funding bid to fund infrastructure improvements at Junction 7 M20 and nearby roundabouts was not successful - other funding opportunities are being explored. Approval has been given by Heritage, Culture and Leisure and Communities, Housing, and Environment Committees to extend the scope of the public realm work phase 3, and approve the designs for public consultation purposes. P&R approval is being sought in April.



### Percentage of people claiming Out of Work Benefits

Out of Work Benefit claimant count records the number of people claiming Jobseekers Allowance (JSA) and Universal Credit. This indicator is expressed as a proportion of the resident population of the area aged 16 to 64 years old and is provided by the office of National Statistics. A lower figure indicates good performance.

Current Value	Q4 Target	Value Vs Target	Direction	Status	Outcome
1.25%*	2%	-.05%	↓	✓	Target has been achieved








#### \*Data was not available for March. Performance Comment:

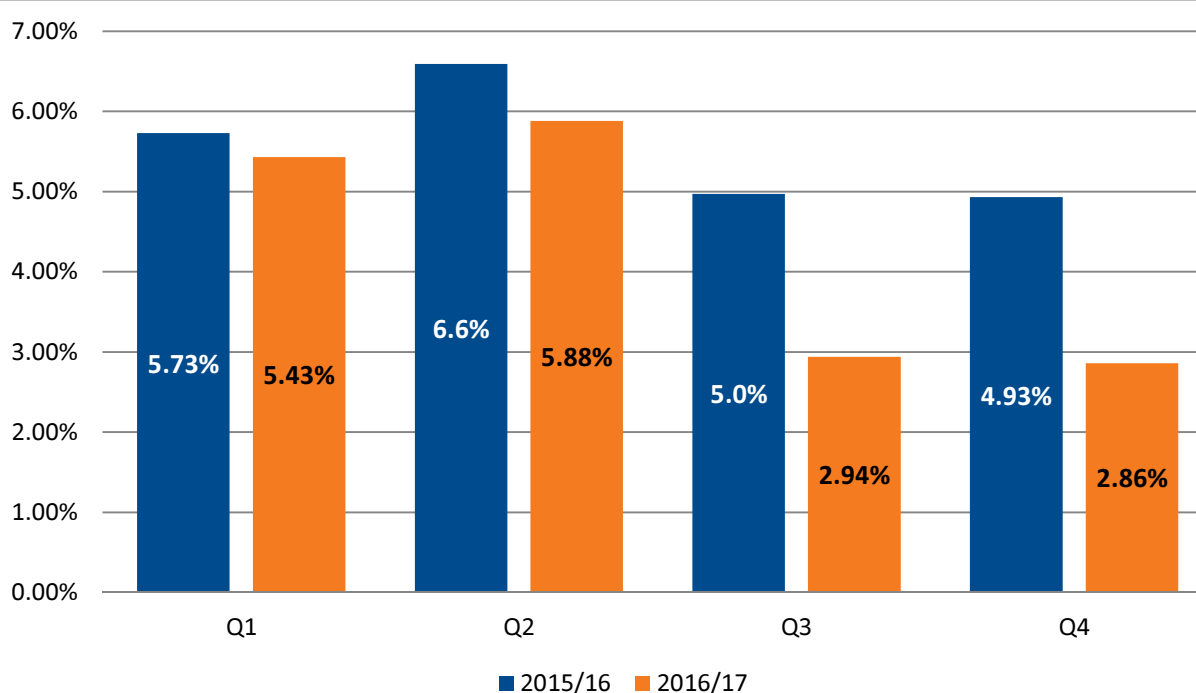
The percentage of people claiming JSA in Maidstone is below the average for Kent (1.7%) and the UK (1.9%).

The highest percentage of unemployment by age remains in the 18-24 category (2.65%).

### Percentage of 16 to 18 year olds who are not in education, employment or training (NEETs)

Non-participation in education, employment or training between the ages of 16 and 18 is a major predictor of later unemployment, low income, depression, involvement in crime and poor mental health. The figures are based on the monthly submission made to Department for Education via National Client Caseload Information System for Kent County Council. Academic age is the age of the young person on 31st August (i.e. prior to the start of the academic year).

Current Value	Q4 Target	Value Vs Target	Direction	Status	Outcome
2.86%*					

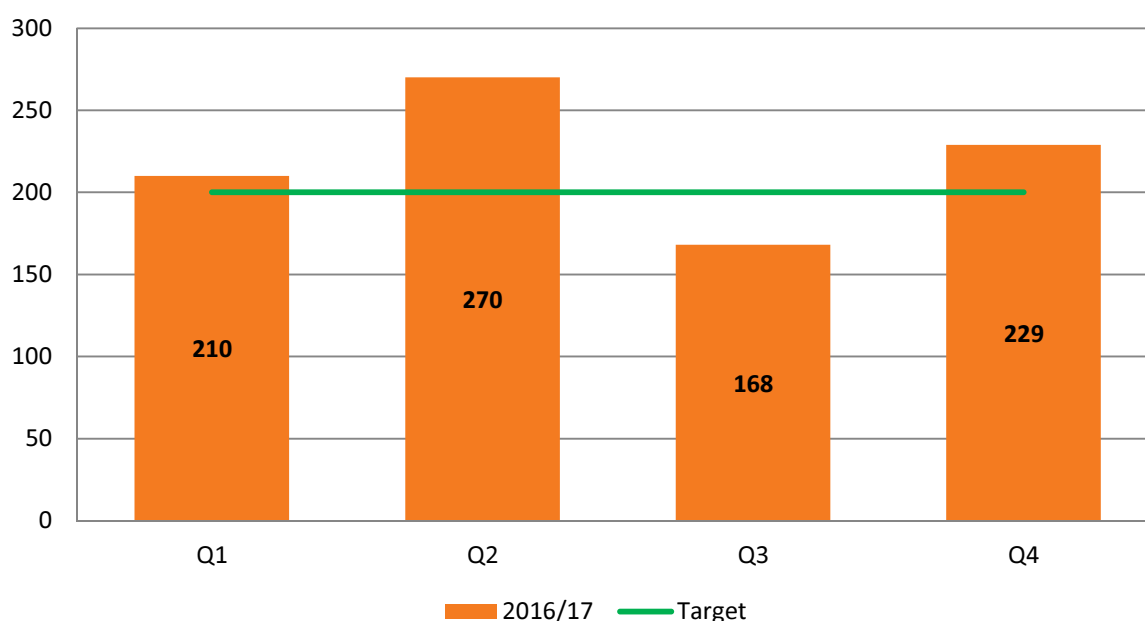


**Performance Comment:** Maidstone is currently sixth out of the twelve Kent authorities for proportion of NEETs. Sevenoaks has the lowest figure at 1.68% and Thanet has the highest at 5%. Maidstone has the ninth lowest proportion of 'unknown' NEETS. These are 16 – 18 year olds where it has not been possible to ascertain their current education or employment status. The NEETs figure for Maidstone has continued to reduce throughout the year, is significantly lower in comparison to the same quarter in 2015/16.

### Number of Businesses/Start-ups receiving information, advice, and guidance

The Business Terrace is a new venture by the Council, to provide office space and facilities to smaller and start-up business with the addition of business support functions. Through local, regional and national partners and other users, the Business Terrace provides formal and informal peer-to-peer business support and advice underpinned by onsite bespoke mentoring, events, seminars and workshops.

Current Value	Q4 Target	Value Vs Target	Direction	Status	Outcome
229	200	+29	?	✓	Target has been achieved



**Performance Comment:** The total number of contacts received from businesses/start ups was 229 in quarter four. 145 of these contacts were for information, 29 were for advice, and 55 were for guidance. Contacts for information and advice have increase since quarter 3, however contacts for guidance have reduced. As expected, overall contacts have increased from businesses and start-ups following the reduction in contact over the Christmas period.



## Planning for Sufficient Homes to meet our Borough's Needs

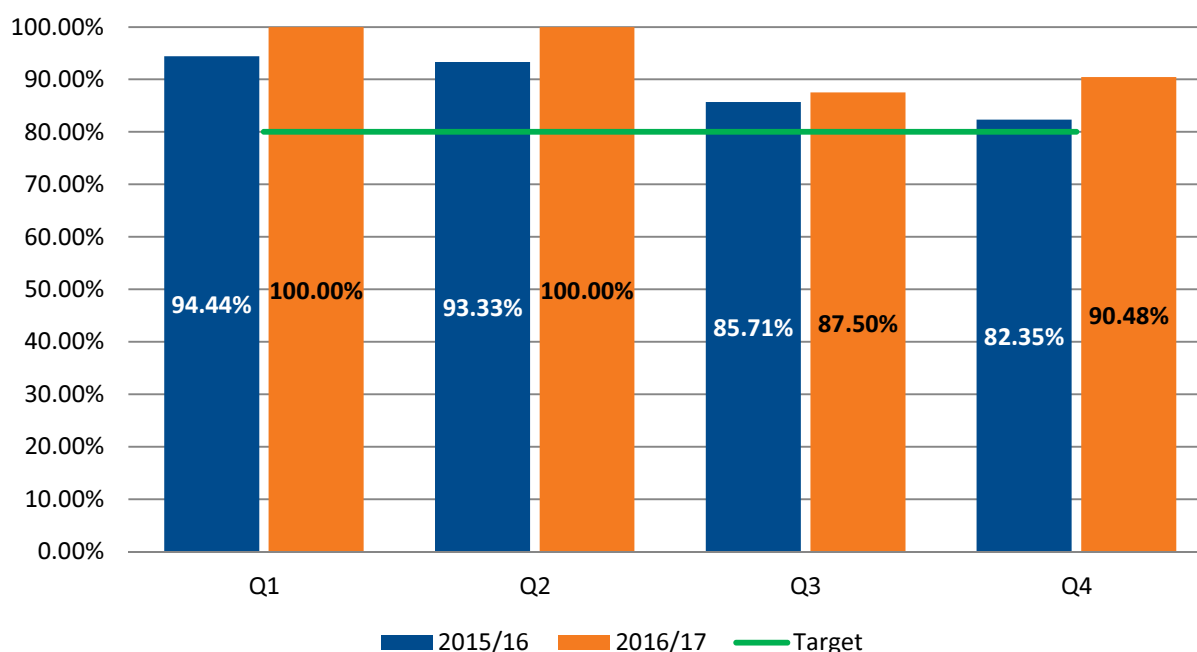
### Local Plan Update

Programmed examinations hearings have been completed. The Inspector asked for formal public consultation on required modifications to the Local Plan. This commenced on 31 March 2017 and ran until 19 May 2017. Following receipt of the representations, the Inspector will either decide to hold further hearings or proceed to drafting his final report.

### Processing of major planning applications in 13 weeks

This indicator measures the percentage of major planning applications processed within the statutory timescale of 13 weeks, or within timescales agreed with the developer. This has increased importance to central government. Major developments are classified as those providing 10 or more dwellings, or on an area of 0.5 hectares or more where the number of dwellings is unknown. Major applications also include building(s) where floor space is 1000 square metres or more, or the site has an area of one hectare or more.

Current Value	Q4 Target	Value Vs Target	Direction	Status	Outcome
90.48%	80%	+10.48%			Target has been achieved

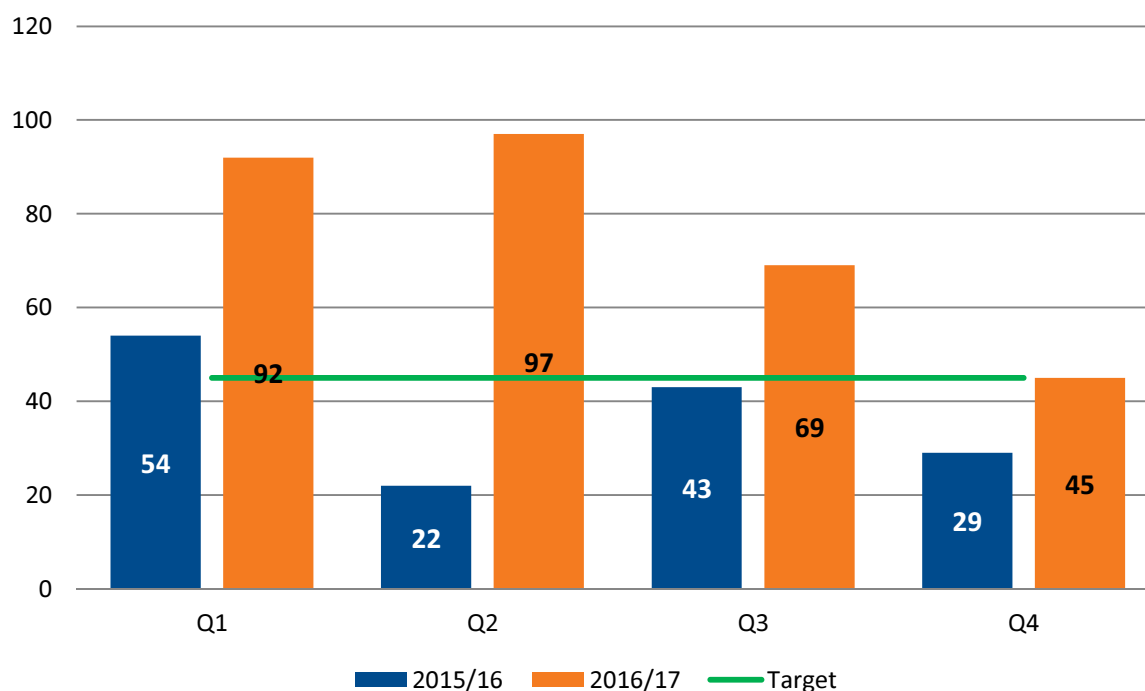


**Performance Comment:** 90.48% of major planning applications were processed on time during quarter 4. Performance continues to be strong in the processing of major applications. Of the 21 major applications that were determined, 19 were determined within 13 weeks, or within timescales agreed with the developer.

### Number of affordable homes delivered

Housing supply has not kept pace with demand. Many families are locked out of the housing market by unaffordable prices and unobtainable mortgages. Affordable dwellings include social-rented housing and intermediate housing. These can be new build or acquisitions; the figure does not take into account any losses.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
45	45	=	↑	✓	Target has been achieved

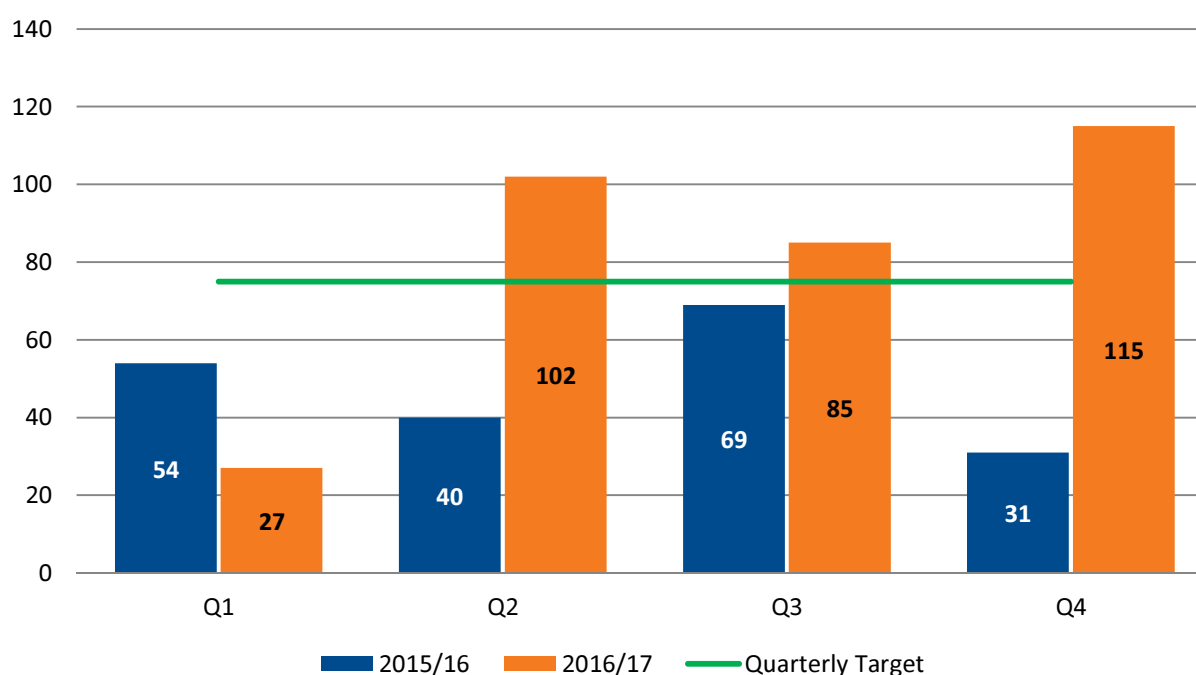


**Performance Comment:** A total of 303 affordable homes have been completed this year, exceeding the annual target (150) by 153 affordable homes. Delivery against affordable completions has been strong due to good progress made on several key strategic sites in the Borough. Of these 303 affordable completions, a total of 124 have been delivered for shared ownership, equating to 41% of the overall total.

### Number of households prevented from becoming homeless through the intervention of housing advice

The provision of comprehensive advice plays an important part in delivering the Council's strategy for preventing homelessness in Maidstone. This measure provides an indication of the effectiveness of housing advice given by the Council in preventing homelessness or the threat of homelessness. The annual target is split to give a quarterly target of 75.

Current Value	Q4 Target	Value Vs Target	Direction	Status	Outcome
115	75	+35	↑	✓	Target has been achieved

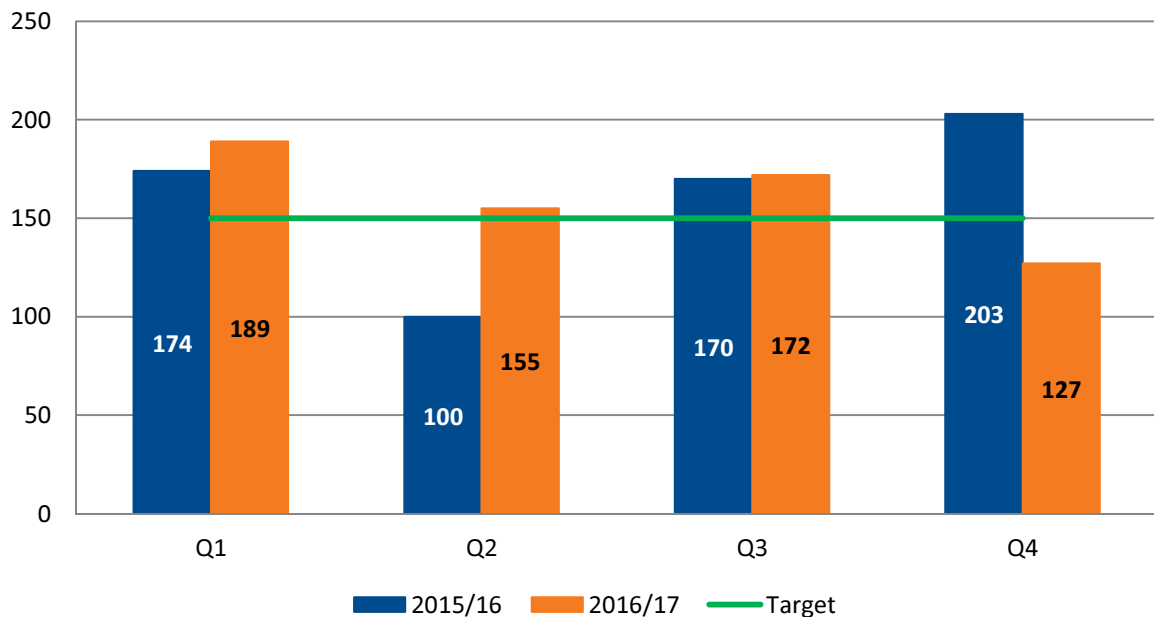


**Performance Comment:** The quarter has seen continued improvements in the number of homelessness preventions. Further households were prevented from homelessness with awards of Discretionary Housing Payments (DHP) and from the work carried out by the Citizens Advice Bureau and Sanctuary Scheme Assistance. An increase in the homelessness prevention activity within the Housing Advice Team has also contributed to the overall increase in number of homeless preventions, despite the Homelessness Preventions Officer leaving post in the middle of February and remaining vacant. At the end of May, we finished recruitment for two Preventions Officers and a Prevention Team Leader.

### Number of households housed through housing register

This is an important indicator, which monitors the number of applicants on the housing register who have been successfully rehoused. This provides a balanced view of the work of the housing service, in addition to the homeless preventions indicator.

Current Performance	Q4 Target	Value Vs Target	Direction	Status	Outcome
127	150	-23	↓	✓	Target will be achieved



**Performance Comment:** We housed 127 people through the Housing Register in quarter 4. The target has been missed for the first time this year, and the figure is significantly lower in comparison to the same period last year. The quarterly figure is lower due to less properties being provided by Registered Providers and a smaller amount of new build units being completed during this quarter. There was some slippage with some new builds that should have been completed in the quarter. This reduced the number of properties we expected to be available to people on the housing register. The annual target has been exceeded.

2016/17

# Quarter 4 Strategic Plan Action Plan Update



For further information about  
Performance Management at Maidstone  
Council, please contact Alex Munden,  
Performance and Business Information  
Officer.



## OUR VISION

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

## OUR MISSION

Putting People First.

## OUR PRIORITIES

Keeping Maidstone Borough an attractive place for all

Securing a successful economy for Maidstone Borough



## ACTION AREAS

Providing a clean and safe environment

Encouraging good health and wellbeing

Respecting the character and heritage of our Borough

Ensuring there are good leisure and cultural attractions

Enhancing the appeal of the town centre for everyone

Securing improvements to the transport infrastructure of our Borough

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

Planning for sufficient homes to meet our Borough's needs

## 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 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.

## Priority 1: Keeping Maidstone an attractive place for all

### Providing a Clean and Safe Environment

#### Review of Licensing Policies

##### **Review and Implement Gambling Act Policy**

Following the closing of the consultation period no significant responses were received. The amended policy was presented to the Licensing Committee in January 2017 and the Committee recommended the policy for adoption by the Council. The process of adoption was completed on 1 March 2017 at full Council.

#### MBC Commercial Waste Service

##### **Food waste collection feasibility study**

Having reviewed the Commercial Waste operation, further work is intended to maximise the profitability and reduce the cost of the current service. Capital funding has been allocated to the expansion of the service however this will be focused on delivering the current service to more customers as opposed to diversifying. There is no further work proposed to explore the introduction of commercial food waste collections.

#### Crematorium Development Project

##### **Commence implementation of Phase One**

A refocussing of Bereavement Services development plans is envisaged and a report was taken to Heritage, Culture, and Leisure Committee in June 2017.

### Encouraging Good Health and Wellbeing

#### Housing Assistance Policy

##### **Review and update housing assistance policy**

Communities Housing and Environment Committee approved the new housing assistance policy in September 2016.

##### **To determine the number of properties for improvement following review of outcome from stock condition survey**

Work on this project has been delayed, as a Kent-wide consortium has been implemented to explore whether a better package can be achieved by commissioning a multi-borough survey. It is anticipated that a decision will be reached in late 2017.

## Respecting the Character of our Borough

### Culture and Heritage

Public realm/public art guidelines produced for Maidstone Town Centre
<p>Public Realm Design Guide for Maidstone Town Centre and Public Art Policy for the Borough both developed and adopted by Heritage, Culture and Leisure Committee in November 2016.</p> <p>The Public Art Policy will be taken to Strategic Planning Sustainability and Transport Committee before the summer to consider its adoption as a material consideration for planning purposes.</p>

### Parish Charter

Undertake full review
<p>The Parish Services Scheme will now be reviewed in 2017/18. A report on this review and implications for the Parish Charter will be taken to Communities, Housing, and Environment Committee in Autumn 2017.</p>

## **Priority 1: Keeping Maidstone an attractive place for all & Priority 2: Securing a successful economy for Maidstone Borough**

### **Ensuring there are good Leisure and Cultural Attractions**

#### **A sustainable future for Mote Park**

##### **Construction of Adventure Zone complete**

A second procurement process has had to be undertaken. This has now taken place and a framework agreement has now been entered into.

#### **Parks and Open Spaces 10 Year Development Plan**

##### **Consider the future operational models for parks and open spaces**

New operational models will emerge from the 10 Year Plan for Parks and Open Spaces.

#### **Museum Development Plan**

##### **Capital programme board established to oversee further capital projects**

The Capital Programme Board continues to monitor progress on individual capital projects. Damp works in the cloisters gallery and old chapel started in March as anticipated, and have now been completed. The 6-week drying out period has nearly completed. After advice from MBC Planners, a revised scheme to provide a two storey, self-supporting glass lift shaft was submitted for planning approval and Listed Building Consent. This was considered by Planning Committee in May and approved. It is anticipated that the refurbished gallery and new lift will open to the public in September.

Work to the Visitor Information point has taken longer than expected, partly due to contractor work schedules. It has now been held back by a few additional weeks to allow for decorative works to be combined with those necessary for the gallery works, thus benefitting from economies of scale and staff capacity to oversee the work. The point will be open by the end of June and school summer holidays. In the meantime we continue to offer the complete service from the old desk.

##### **Consult with key stakeholders on the draft Museums 20 year development**

Members were given an update report on Museum Development at the April meeting of the Heritage, Culture and Leisure Committee. The museums governance report is underway and the appointed consultant has met with Corporate Leadership Team and members of the Bentrif and Queens Own Royal West Kent Trusts. A meeting with the Brenchley Trust and MMF took place in May.

## Enhancing the Appeal of the Town Centre

### Town Centre Development Plan

#### **Plan, design, and implement phase 1 redevelopment of Maidstone East Station**

Demolition of the Victoria pub has been delayed by Network Rail. The demolition will now be added to the main tender for the Station building works which has been issued to NR's framework contractors. The tender period will be up to 8 weeks and once a Principal Contractor is appointed NR will share with partners a programme for the demolition works and main works.

#### **Agree 5 year programme of public and private investment**

The Holding Strategy will be implemented in phases. The building refurbishment work has been delayed by 4 weeks. Caxtons has been appointed as facilities management and lettings agents. Occupier interest exists for the office block. A sifting exercise has been carried out through the HCA Property Panel to identify a short list of lead consultants for a mini competition to take forward redevelopment plans for the site.

#### **Deliver bridge gyratory widening scheme**

Since the completion of the new highways configuration, work has continued to the pedestrian areas in the lower High Street. This work was scheduled to be completed by 23 April (supposing there were no unanticipated delays to progress).  
Crowning of the trees on the tow path from High Level Bridge to Medway Street subway was completed in advance of nesting season, with works to this stretch commencing w/c 4 April initially with grinding out stumps & tree removal. The section was temporarily reopened over Easter and was then closed to pedestrians again to allow for repaving works.

Resurfacing of Earl Street has been delayed following the results of the coring, but will still be completed within the scope of the project, along with old Fairmeadow.

Drainage designs are still ongoing. We're currently anticipating that work to upgrade the drainage will take place in July/August with aesthetic improvements commencing in September. This work will be completed in June/July.

KCC's ITS team have assessed and altered the traffic light timings through the gyratory and in the junctions leading into the system w/c 24 April.

## Priority 2: Securing a successful economy for Maidstone Borough

### Securing Improvements to the Transport Infrastructure for our Borough

#### The Local Plan

##### Independent Examination into Maidstone Borough Local Plan

Programmed examination hearings have been completed. The Inspector has asked for formal public consultation on required modifications to the Local Plan. This took place between 31st March 2017 until 19th May 2017.

##### Independent Examination into the Community Infrastructure Levy Charging Schedule

The examination of the Community Infrastructure Levy commenced following its submission at the end of April 2017. The appointed Examiner arranged a hearing session for participants scheduled for 14 June 2017. Officers have completed responses to the Examiner's matters, issues, and questions, and liaised with the programme officer. The hearing took place on 14 June, and we are expecting the Examiner's report within the next month.

### Promoting a range of employment skills and opportunities across the borough

##### Economic Development Strategy Update

The Holding Strategy for Maidstone East will be implemented in phases but will be completed by the end of May. Six expressions of interest have been received following the issue of a Sifting Brief for a Lead Consultant on the Homes and Communities Agency Property Panel Framework. A shortlist will be produced and mini competition will follow. The Housing and Regeneration Strategy will be presented to Policy and Resources Committee (P&R), alongside an update of the Town Centre Investment Plan in July 2017. A Delivery Plan for the Enterprise Zone was approved by P&R in March. The Council's Local Government Funding bid to fund infrastructure improvements at Junction 7 M20 and nearby roundabouts was not successful - other funding opportunities are being explored. Approval has been given by Heritage, Culture and Leisure and Communities, Housing, and Environment Committees to extend the scope of the public realm work phase 3, and approve the designs for public consultation purposes. P&R approval is being sought in April.



## Planning for Sufficient Homes to meet our Borough's Needs

### Housing Strategy 2015-2020

#### Acquisition of property

Policy & Resources Committee agreed at its meeting on 29 March to proceed with the acquisition of 13 properties. Offers have been made on 13 suitable properties with a view to completion as soon as possible.

### Housing Assistance Policy

#### Adopt New Empty Homes Strategy

Acknowledging that Maidstone does not have a significant issue with long-term empty homes this issue was considered during the member review of the Medium Term Financial Strategy. Having reviewed the progress made in previous years it was agreed that other areas of work, such as supporting the Temporary Accommodation Strategy, required prioritisation for resources. It was therefore agreed that a new Empty Homes Strategy was not required but the work on empty homes would continue as part of the overall Housing Strategy.

#### Review and update housing assistance policy

Communities Housing and Environment Committee approved the new housing assistance policy in September 2016.

#### To determine the number of properties for improvement following review of outcome from stock condition survey

Work on this project has been delayed, as a Kent-wide consortium has been implemented to explore whether a better package can be achieved by commissioning a multi-borough survey. It is anticipated that a decision will be reached in late 2017.

# Agenda Item 16

## **POLICY AND RESOURCES COMMITTEE**

**28 June 2017**

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

**No**

### **Medium Term Financial Strategy – Update**

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

#### **This report makes the following recommendations to this Committee:**

1. That the Committee notes the issues and risks associated with delivering the budget for 2017/18 and updating the Medium Term Financial Strategy.
2. That the Committee agrees the approach outlined to development of an updated Medium Term Financial Strategy for 2018/19 – 2022/23 and a budget for 2018/19.
3. That the Committee notes the assumptions described in this report for planning purposes and to establish the remit for detailed budget development.

#### **This report relates to the following corporate priorities:**

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

The Medium Term Financial Strategy and the budget set out in financial terms how the Council will deliver its strategic priorities.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	28 June 2017
Policy and Resources Committee	25 July 2017
Council	20 September 2017
Policy and Resources Committee	13 December 2017
All Service Committees	January 2018
Policy and Resources Committee	14 February 2018
Council	28 February 2018



# Medium Term Financial Strategy - Update

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the background to be considered in updating the Medium Term Financial Strategy (MTFS) and rolling it forward to cover the five year period 2018/19 to 2022/23. It describes the issues and risks involved, starting with the Council's current financial position. It sets out the steps involved in developing an updated MTFS and includes a timetable for its consideration by Members.
  - 1.2 A key outcome of the process of updating the MTFS is to set a balanced budget and agree a level of council tax for 2018/19 at the Council meeting on 28 February 2018. This report is the first step towards achieving that objective.
- 

## 2. INTRODUCTION AND BACKGROUND

### National Context

- 2.1 The current process of updating the Medium Term Financial Strategy takes place at a time of great uncertainty in the local government funding environment. 2017/18 is year 2 of the four year funding settlement for local government announced by Greg Clarke MP, the then Secretary of State for Communities and Local Government, in 2016. At the time of the announcement, it was intended that the four year settlement would provide certainty for the remaining period of the government's five year term. From 2020, there would be a new local government funding regime, incorporating 100% business rates retention. Local government therefore faced uncertainty from 2020, but could plan with a reasonable measure of confidence for the short term.
- 2.2 The early General Election has now created greater uncertainty in the short term. The new government may not consider itself bound to adhere to the pre-announced settlement figures for years 3 and 4 of the Funding Settlement. Furthermore, the introduction of 100% Business Rates Retention may be affected. The original plans for introducing this depended on enabling legislation, the Local Government Finance Bill, which failed to complete its passage through parliament in the final session before the General Election.

- 2.3 The introduction of 100% Business Rates Retention was also due to be linked to a wide-ranging set of changes in the way local government is financed, including devolution of further responsibilities and a new mechanism for equalising funding between authorities with different levels of business rates income. Initial discussions in the local government sector have made clear the complexity of the changes that would be required in the funding regime. It is possible that the new government will take the opportunity to reconsider 100% Business Rates Retention and local government funding arrangements generally.
- 2.4 Note that the four year funding settlement gives no Revenue Support Grant (RSG) to Maidstone Borough Council with effect from 2017/18. However, this does not represent the minimum potential level of funding in the Funding Settlement: the four year funding settlement plans to claw back £1.6 million from the Council in the form of negative RSG in year 4, ie 2019/20. A worst case scenario could see the new government bringing forward such a clawback to 2018/19.
- 2.5 The factors described above mean that the Medium Term Financial Strategy must allow sufficient flexibility to deal with potential changes in the local government funding regime.
- 2.6 More generally, there is considerable uncertainty about the economic impact of Brexit. If this is unfavourable, local authority finances would inevitably be affected, because of the impact on central government finances, because of our dependence on the local economy for income generation, and because of the service pressures likely to arise, such as increased homelessness.
- 2.7 Because of this uncertainty, it is proposed that a number of different scenarios are considered when developing the Medium Term Financial Strategy.

### **Corporate Objectives and Key Priorities**

- 2.8 The Council has recently updated its Strategic Plan for the five years 2015-2020. For the current financial year, three areas for action have been agreed, namely:
- A home for everyone
  - A clean and safe environment
  - Regenerating the town centre.

The Strategic Plan sets out ambitious objectives for the Council. The Medium Term Financial Strategy must reflect these overall corporate objectives and ensure so far as possible that resources are available to make an impact in the areas for action. The Revenue Outturn report, elsewhere on your agenda, proposes that the underspend for 2016/17 be earmarked for spending on these action areas.

## Revenue Expenditure – Current Position

- 2.9 A key element in developing the Medium Term Financial Strategy is a consideration of Maidstone's current financial position. An overall summary of the financial position is set out in the Narrative Report that accompanies the 2016/17 Statement of Accounts and is included as Appendix I.
- 2.10 This section sets out the current revenue spending position, given the final outturn for the 2016/17 financial year and our plans to deliver budget savings in 2017/18. The position is set out in summary below. Note that the final outturn for 2016/17 remains subject to audit.

**Table 1: 2016/17 Outturn and 2017/18 Savings and Growth**

Committee	Service	2016/17			2017/18	
		Final adjusted budget	Actual outturn for the year	Variance (-Adverse/ Favourable)	Budget savings	Budget growth
		£000	£000	£000	£000	£000
CHE	Communities & Housing	3,610	3,758	-148	178	-329
	Environment & Public Realm	5,578	5,473	105	114	0
HCL	Heritage, Culture & Leisure	718	750	-32	130	-146
S P S & T	Planning Services	1,519	1,842	-323	84	-200
	Parking & Transportation	-1,564	-1,883	319	300	0
P & R	Economic Development	517	489	28	126	0
	Property & Investment	301	491	-190	365	0
	Corporate and Shared Services	5,790	5,459	331	522	-200
	<b>Total</b>	16,469	16,380	89	<b>1,819</b>	<b>-875</b>

Details by service area are set out below.

### *Communities and Housing*

- 2.11 Developments in the housing market continue to create very significant budget pressures for the Council. This led to an overspend in 2016/17. This is illustrated by the number of homeless applications, which amounted to nearly 600 in 2016/17 and to 79 alone in the first month of 2017/18. As a result, the cost of providing temporary accommodation led to an overspend for this area in 2016/17.
- 2.12 The Council has responded positively to these pressures through direct investment in property to provide temporary accommodation. Whilst this will reduce the cost of providing temporary accommodation over time, in the short term growth of £235,000 has been included in the budget for

2017/18. Early indications are that the continuing high number of homeless applications, and the length of time taken to bring our own property on stream, mean that it will be challenging to remain within budget even having taken into account the growth of the budget.

- 2.13 The Council is also anticipating the implementation of new homelessness legislation, and is investing in revenue resources for homelessness prevention. Further growth of £94,000 was built into the budget for 2017/18 to allow for additional recruitment to the preventions team, giving total growth of £329,000.

#### *Environment & Public Realm*

- 2.14 Within the overall underspend for this area, there was an overspend on staffing costs. It is expected that with better management of staffing budgets and less dependence on overtime and agency staff this overspend will not recur in 2017/18.

- 2.15 The service is planning savings of £114,000 in 2017/18, principally arising from additional income from commercial waste and garden waste collections. In addition to the challenge of delivering these savings, there will be £180,000 additional costs for waste collection in 2017/18 arising from the effect of contract indexation. The service has identified a number of measures which are intended to mitigate this cost and so achieve a balanced outturn.

#### *Heritage, Culture & Leisure*

- 2.16 The overall position for this area was a small overspend in 2016/17. There was an overspend on the Mote Park Café, arising from it failing to achieve its income targets, but this was offset by savings elsewhere, principally a better than expected income performance from the Crematorium and some unspent budgets.
- 2.17 Growth of £96,000 has been built into the budget for 2017/18 for the Mote Park Cafe, for one year only. This represents removal of the income target, such that the Café only has to break even to achieve budget. At this stage, this objective is being achieved. The operation of the Café will be recommissioned during 2017/18 with the intention of generating a net surplus in future years.
- 2.18 Growth of £50,000 was allowed for the Museum in 2017/18, in anticipation of it failing to secure external funding for outreach activities. In the event, the Museum has secured an Arts Council grant of £70,000 for 2017/18. The Museum will therefore be expected to deliver a surplus in 2017/18.
- 2.19 This area is planning savings of £130,000 in 2017/18, including additional Crematorium income of £55,000, £25,000 of operating savings at the Museum and £50,000 from a new operating model for Parks and Open Spaces. Recent performance of the Crematorium indicates that it should achieve its savings target. Careful monitoring will be required to ensure that the other savings are delivered.

### *Planning Services*

- 2.20 This area overspent in 2016/17, mainly owing to additional staffing costs in Development Management. The service has now reduced the use of temporary staff and is operating within budget, so it is not expected that this overspend will recur.
- 2.21 The area has a savings target of £84,000, comprising additional income for Building Control and Planning Support and a modest reduction in staffing levels. These savings are considered to be achievable. However, there will be pressures on the budget in 2017/18 arising from the potential cost of planning appeals. Additionally, the service area was expecting additional income of £120,000 from increasing Planning Fees by 20%. The legislation to implement this has been delayed by the General Election, so any additional income will be reduced and the service area will need to plan accordingly.
- 2.22 Growth of £200,000 has been built into the budget for 2017/18, to allow for work to commence on the Local Plan refresh that will be required for 2020.

### *Parking & Transportation*

- 2.23 Parking Services generated a higher than budgeted level of income in 2016/17, although this was offset by an under-achievement of budgeted income at Mote Park. £300,000 of savings are built into the 2017/18 budget, reflecting both the continued strong income performance of the service and increased charges that took effect in April 2017. Given current performance it is likely that the income budget will be exceeded again in 2017/18.

### *Economic Development*

- 2.24 This area delivered a small underspend in 2016/17. Although the Business Terrace failed to achieve a challenging income target, this was offset by unspent budgets elsewhere.
- 2.25 Savings of £126,000 are projected for 2017/18, arising from the capitalisation of some staffing costs and use of the Business Rates Pool for certain revenue costs which meet the criteria for generating business growth. Whilst these are not cash savings, it is legitimate to maximise alternative sources of funding such as capital resources and the Business Rates Pool at a time when revenue resources are under pressure.

### *Property and Investment*

- 2.26 This area overspent in 2016/17. Whilst Commercial Property income was broadly in line with budget, investment income was below budget owing to the continued low level of interest rates.
- 2.27 Savings are projected in this area from commercial investments (£200,000) and office accommodation (£165,000). The saving from commercial investments should now be achievable following a new acquisition at Heronden Road. Office accommodation savings were based principally on

the opening of the Link as a shared facility with the DWP and should also be achievable.

#### *Corporate and Shared Services*

- 2.28 This area contributed a large underspend in 2016/17, offsetting the overspends described above from various service areas. This was principally owing to an underspend on staffing budgets, as positions were held vacant.
- 2.29 Substantial savings are projected in this area, of which the major items are Revenues and Benefits restructuring (£108,000), Finance Service savings arising from the deletion of the Head of Finance and Resources post (£100,000) and income from the new Debt Recovery Service (£88,000). At this stage all savings in this area are considered to be deliverable.
- 2.30 Budget growth of £200,000 to reinstate the Contingency Fund has been included under Corporate and Shared Services. It will be allocated, if necessary, wherever required across all Council services.

#### *Overall Position*

- 2.31 The overall outturn for 2016/17 is an underspend of £89,000 against the budget. It is proposed that this be ringfenced within the General Fund balances for any further one-off expenditure that is required to deliver the three key action areas for 2017/18. Although significant capital resources have been allocated as part of the Capital Programme for 'A Home for Everyone' and 'Regenerating the Town Centre', there have not been similar allocations for 'Clean and Safe'. A recommendation to earmark the underspend in this way has been included in the Outturn report which also forms part of the agenda for this meeting of the Policy and Resources Committee.

### **Funding**

#### *Council Tax*

- 2.32 Council Tax is a product of the tax base and the level of tax set by Council. The tax base is a value derived from the number of chargeable residential properties within the borough and their band, which is based on valuation ranges, adjusted by all discounts and exemptions.
- 2.33 The tax base has increased steadily in recent years, reflecting the number of new housing developments in the borough. See table below.

**Table 2: Number of Dwellings in Maidstone**

	2012	2013	2014	2015	2016
Number of dwellings	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%

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

2.34 The level of council tax increase for 2018/19 is a decision that will be made by Council based on a recommendation made by Policy and Resources Committee. The Council's ability to increase the level of council tax has been limited firstly by a cap and more recently by the need to hold a referendum for increases over a government set limit. The limit set by the government for 2017/18 remained the greater of 2% or £5.00. For 2017/18, the Council approved an increase of £4.95 (2.1%).

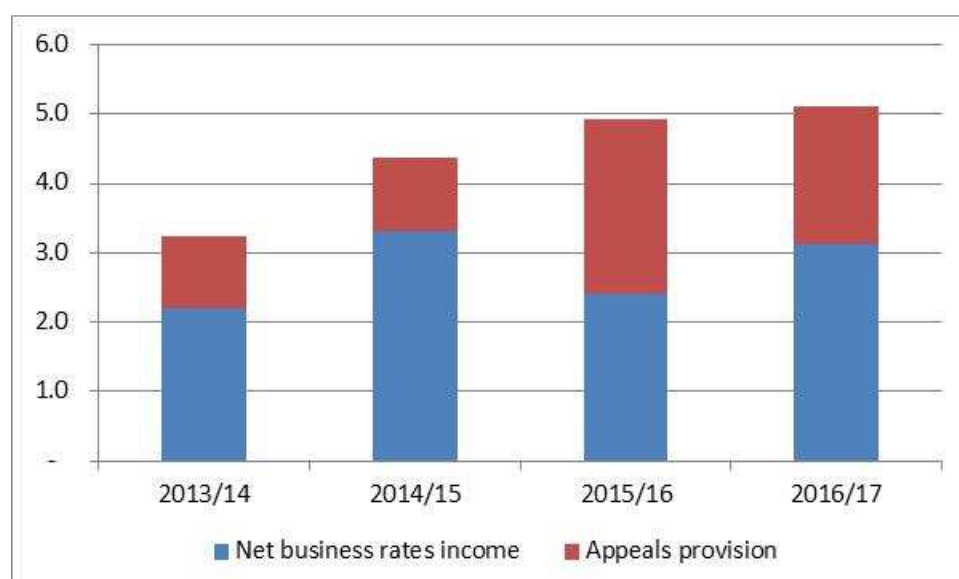
2.35 For the purposes of the Strategic Revenue Projection, it is assumed that the Council Tax base will increase by 1% per annum for the MTFS period, and Band D Council Tax will continue to increase by £4.95 per annum, reverting to 2% in 2020/21 when this becomes a greater figure than £4.95.

*Retained business rates*

2.36 The current business rates regime, where 40% of business rates is allocated to the Council, but most is then redistributed within local government through a fixed tariff, leads to a high degree of volatility in business rates income. This is because the tariff is fixed, whilst business rates income is variable. This variability is exacerbated by the number of appeals outstanding at any one time. As a result, it has proved very difficult to project business rates income. See graph below.

**Table 3: Net Business Rates Income receivable by Maidstone BC**

£ million



- 2.37 The government's proposals for 100% local retention of business rates include a series of additional responsibilities and a realignment of the shares of business rates received by each tier of local government. As with the current 50% localisation of business rates (40% of which is notionally allocated to the Council), the proposal for 100% localisation will mean substantially less than that amount being made available to Maidstone Borough Council. The vast majority of the resource will be redistributed elsewhere within local government. The Council can also expect to lose other specific grants such as Housing Benefit Administration Grant and potentially receive additional responsibilities.

*Business rates growth and the Kent Business Rates Pool*

- 2.38 As a member of the Kent Business Rates Pool, the council has the ability to retain more of the income from growth in business rates than it otherwise would. This is because the pool members who are charged a levy (district councils) are sheltered by the pool members who receive a top-up (major preceptors).
- 2.39 Originally the Council held all income from business rates growth in reserve and committed it in the year following its receipt. In setting the 2016/17 budget the Council approved the use of the non-pool element of business rates growth, which is retained by the Council regardless of whether or not it is a member of the pool, into its base budget to maintain overall resource levels. An earmarked reserve holds the growth protected by membership of the pool. The reserve is used for specific projects that form part of the Council's economic development strategy, such as the Maidstone East development.

*Revenue support grant*

- 2.40 As has already been mentioned, the four year funding settlement announced by the Department for Communities and Local Government in 2016 means that the Council will receive zero RSG for the three years 2017/18 to 2019/20. In addition, the four year funding settlement includes a 'tariff / top-up adjustment', effectively negative Revenue Support Grant, of £1.589m in the financial year 2019/20. Nevertheless, at its meeting on 21 September 2016, Council agreed to accept the four year settlement offer, and adopted its Medium Term Financial Strategy 2017/18 – 2021/22 as an Efficiency Plan, as required by government.

*Local income from fees and charges*

- 2.41 Fees and charges income is an increasingly important source of funding for the Council. We have a policy that guides officers and councillors to set the appropriate level of fees and charges based on demand, affordability and external factors. The policy is not influenced directly by the MTFS with the exception that charges should be maximised within the limits of the policy.



2.42 In developing the strategic revenue projection for 2017/18 a broad assumption of a 1% increase in future fees and charges was used for the development of the MTFS, in line with overall inflation assumptions.

### **Revenue Projections**

2.43 It can be seen from the preceding discussion that managing spending pressures is essential given the constraints over funding. The strategic revenue projections underlying the current Medium Term Financial Strategy suggested that a budget gap would arise in 2020/21, as follows.

**Table 4: Current MTFS Revenue Projections 2017/18 – 2021/22**

	17/18	18/19	19/20	20/21	21/22
	£m	£m	£m	£m	£m
Council Tax	14.8	15.0	15.5	15.9	16.4
Retained Business Rates	4.1	4.2	4.4	4.5	4.6
Tariff / top-up adjustment (negative RSG)			-1.6	-1.6	-1.6
Budget requirement	18.9	19.2	18.3	18.8	19.4
Fees and Charges	16.4	16.6	16.7	16.9	17.1
Total Funding Available	35.3	35.8	35.0	35.7	36.5
Predicted Expenditure	37.1	35.7	36.4	36.9	36.4
Budget Gap	1.8	-0.1	1.4	1.2	-0.1
Required – Cumulative	1.8	1.7	3.1	4.3	4.2
Budget Savings	1.8	2.7	3.2	3.4	3.4
Still to be identified	0.0	-1.0	-0.1	0.9	0.8

2.44 In light of the many uncertainties described above, it is important to note that projections like these can only represent a 'best estimate' of what will happen. In updating the projections, various potential scenarios will be modelled. Projections will be prepared for each of the scenarios modelled, giving consideration to:

- Assessment of external opportunities and threats
- Evaluation of existing budget savings in the five year plan
- Latest emerging information about economic developments and government policy.

2.45 Under most scenarios it is likely that there will still be a budget gap in future years. It is proposed to engage with elected members to establish the remit for identifying the necessary budget savings.

### **Capital Programme**

2.46 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. The capital programme is a rolling five year programme. The existing capital programme was approved by Council at its budget meeting on 1<sup>st</sup> March 2017 and totals £60 million over five years. Major schemes include the following:

- Housing for temporary accommodation
- Brunswick Street redevelopment
- Union Street redevelopment
- Further mixed housing and regeneration schemes
- Commercial property investments
- High Street regeneration (including Gabriel's Hill)
- Maidstone East
- Flood defences
- Infrastructure development envisaged in the Local Plan.

The last heading above, infrastructure development in the Local Plan, will be primarily funded from S106 contributions and the Community Infrastructure Levy. However, an allocation of £3 million has been included in the capital programme to cover investment by the Council itself. This may be used in advance of receiving S 106 contributions to facilitate access to other sources of funding.

2.47 Since the capital programme was agreed by Council, a requirement has emerged for a capital investment to strengthen the dam at the western end of Mote Park Lake. Detailed costings still have to be prepared but the cost is likely to be in the region of £1 million.

2.48 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.

2.49 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, 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.

2.50 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. The funding projections for the Capital Programme envisage that borrowing will not be required in 2017/18, but will be in subsequent years. The cost of any borrowing will be factored into the updated MTFS financial projections.

- 2.51 There has been 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. An allowance is also 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.
- 2.52 Many of the external 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. Government funding is also available through the South East Local Enterprise Partnership (SELEP). Opportunities to bid for funding are pursued energetically wherever possible.
- 2.53 Funding is also available through developer contributions (S 106) and, in future, through the Community Infrastructure Levy (CIL). Members have been consulted in relation to the levy and a draft charging schedule was approved by Council at its meeting on 7 December 2016. The way will be clear for the Council to introduce a CIL when its Local Plan is adopted, subject to an examination of the Council's CIL proposals.

## **Reserves**

- 2.54 The Council maintains reserves as a safety net to allow for unforeseen circumstances. There is no statutory definition of the minimum level of reserves: the amount required is a matter of judgement. However, the Council has agreed to set £2 million as the minimum General Fund balance.
- 2.55 Within the General Fund balance, amounts have been allocated for specific purposes. These amounts do not represent formal commitments. Instead, they represent the level of reserves considered to be required for specific purposes, including asset replacement, commercialisation and Invest to Save projects.
- 2.56 In addition to uncommitted General Fund balances, the Council holds reserves that are earmarked for specific purposes. The most substantial of these is the earmarked New Homes Bonus funding for capital expenditure, which stood at £7.2 million as at the end of 2016/17. Full details of reserves held are set out below.

**Table 5: General Fund balances as at 31 March 2017**

	£000
<b>General Fund</b>	
Asset Replacement	167
Planning Management	200
Commercialisation – contingency	500
Invest to Save projects	547
2016/17 underspend earmarked for Action Areas	89
Unallocated balance	5,855
<b>Sub-total</b>	<b>9,329</b>

<b>Earmarked Reserves</b>	
New Homes Bonus funding for capital projects	7,214
Local Plan	336
Neighbourhood Plans	64
Accumulated Surplus on Trading Accounts	243
Business Rates Growth Fund	158
Sub-total	8,014
<b>Total General Fund balances</b>	<b>17,343</b>

The unallocated balance exceeds the £2 million minimum. It represents 17% of the revenue budget, which is in excess of the 10% benchmark that is sometimes cited as a reasonable level. It can therefore be seen that the level of reserves is adequate without being excessive.

### **Risks**

- 2.57 The preceding paragraphs have indicated at several points the risks and uncertainty surrounding the Council's financial position. In order to address these in a structured way and to ensure that appropriate mitigations are developed, the Council has developed a budget risk register. This seeks to capture all known budget risks and to present them in a readily comprehensible way. The budget risk register is updated regularly and is reviewed by the Audit, Governance and Standards Committee at each meeting. The risk register is included as Appendix II.
- 2.58 It should be recognised that risks are not usually discrete. There are interrelationships between the risks, such that (for example) inaccurate inflation projections could impact the overall risk of failing to deliver a balanced budget.

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## **3. AVAILABLE OPTIONS**

- 3.1 A number of factors that influence the annual budget and the MTFS are not yet known. Consideration could be given to waiting for the information before taking decisions on the issues raised in this report. A significant unknown factor at this time is the future framework to be set by central government for local government funding. However, the disadvantage of this approach is that it could take some time for full information to emerge, and in the meantime the Council needs to take steps to set a budget for the coming year.

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

- 4.1 The preferred option is to proceed with development of an updated MTFS. Whilst there is a considerable amount of uncertainty about the future, this can be addressed through careful consideration of the risks and by building flexibility into our financial plans.
-

## 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Consultation with all relevant stakeholders is an important part of the process of developing the MTFS. Specifically, it is proposed to use the Residents' Survey, to be undertaken later in 2017, to consult residents directly on budget priorities.

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## 6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 An outline timetable for developing the Medium Term Financial Strategy and budget for 2018/19 is set out below.

<b>Date</b>	<b>Meeting</b>	<b>Action</b>
28 June 2017	Policy and Resources Committee	Agree approach to development of updated MTFS and key assumptions
June – July		Update and roll forward MTFS
25 July 2017	Policy and Resources Committee	Agree updated MTFS for submission to Council
20 September 2017	Council	Approve updated MTFS
September – November		Develop detailed budget proposals for 2018/19
13 December 2017	Policy and Resources Committee	Agree initial 18/19 budget proposals for consideration by Service Committees
January 2018	All Service Committees	Consider 18/19 budget proposals
14 February 2018	Policy and Resources Committee	Agree 18/19 budget proposals for recommendation to Council
28 February 2018	Council	Approve 18/19 budget

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## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council's decisions on the	Section 151 Officer & Finance Team

	allocation of resources to all objectives of the strategic plan.	
<b>Risk Management</b>	Matching resources to priorities in the context of the significant pressure on the Council's resources is a major strategic risk. As described in the report, a Budget Risk Register is maintained to ensure that the specific risks inherent in the budget setting and management process are monitored and appropriate action taken.	Section 151 Officer & Finance Team
<b>Financial</b>	The budget strategy and the MTFS impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Section 151 Officer & Finance Team
<b>Staffing</b>	The process of developing the budget strategy will identify the level of resources available for staffing over the medium term.	Section 151 Officer & Finance Team
<b>Legal</b>	The Council has a statutory obligation to set a balanced budget and development of the MTFS and the strategic revenue projection in the ways set out in this report supports achievement of a balanced budget.	[Legal Team]
<b>Equality Impact Needs Assessment</b>	The report sets out a policy that will have a positive impact as it will enhance the lives of all members of the community through the provision of resources to core services. In addition it will affect particular groups within the community. It will achieve this through the focus of resources into areas of need as identified in the Council's strategic priorities.	Section 151 Officer & Finance Team

<b>Environmental/Sustainable Development</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium term Financial Strategy.	Section 151 Officer & Finance Team
<b>Community Safety</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium term Financial Strategy.	Section 151 Officer & Finance Team
<b>Human Rights Act</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium term Financial Strategy.	Section 151 Officer & Finance Team
<b>Procurement</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium term Financial Strategy.	Section 151 Officer & Finance Team
<b>Asset Management</b>	Resources available for asset management are contained within the strategic revenue Projections that support the MTFS.	Section 151 Officer & Finance Team

## **8. REPORT APPENDICES**

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

- Appendix I: Narrative Report – Review of 2016/17 Financial Year
- Appendix II: Budget Risk Register

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## **9. BACKGROUND PAPERS**

None.

# NARRATIVE Report 2017







## About Maidstone

The borough of Maidstone is set in the heart of Kent, between the North Downs and the Weald. It has a population of 164,500, occupying a mix of rural and urban areas, and is 32 miles south-east of London and 32 miles from the Eurotunnel terminal at Folkestone.

The total area of the borough is 151 square miles. It includes Maidstone, the County Town of Kent, where around 70% of the population live, and many villages, with larger ones such as Staplehurst, Marden, Headcorn, Lenham and Harrietsham being important local service centres.

The River Medway flows northwards through the borough on its route to Rochester and the Thames Estuary. The Rivers Teise and Beult join the Medway at Yalding, and the River Len joins further downstream at Maidstone. The area has some spectacular landscapes and has a rich historical heritage, with over 2,000 listed buildings.

With nearly 7,000 businesses, we have the largest economy in Kent and a lower than average unemployment rate. Agriculture remains an important industry, and there are new commercial developments including the Kent Medical Campus at junction 7 of the M20, which forms part of the North Kent Enterprise Zone. The council continues to plan for the future with investment in projects recently opened and planned totalling more than £300 million.

The Council faces a number of significant challenges over the next few years. The borough needs to accommodate housing and employment growth, which will put pressure on local infrastructure, whilst at the same time protecting its high quality environment. Public services generally face the challenges of constrained funding and increased service demands.

Maidstone Borough Council is a confident organisation, with a strong ambition to deliver our priorities. Building on our strengths – assets, knowledge and expertise and our track record for innovation and improvement – we are creating a financially sustainable future for our borough.

## Maidstone's Strategic Plan

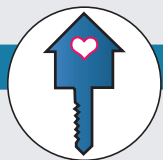
Maidstone has a five year strategic plan covering the years 2015-20. This has been updated in 2016/17 and the council has identified three areas for action:

- **A home for everyone**
- **A clean and safe environment**
- **Regenerating the town centre**

As a council our mission is to put people first. The three areas of focus will see action that respects our heritage and environment and ensures we continue to have an attractive borough. This year we will start to deliver a new housing and regeneration strategy which will focus on providing much needed sustainable housing for our residents across the borough and further investment in Maidstone town centre.

# Key achievements

Key achievements in 2016/17 have been:



## A home for everyone

- Our Local Plan will guide the future development of the borough. Following extensive local consultation, it was submitted to the Planning Inspectorate for examination in May 2016. Examination hearings ran from October 2016 to January 2017 and gave rise to a number of modifications in order that the Plan can be found sound. The Inspector is expected to conclude on the soundness of the plan and modifications in Summer 2017.
- The Council set up a property holding company, Maidstone Property Holdings Limited, in September 2016 to progress the acquisition, delivery and retention of housing through direct investment. Two major sites are being progressed in addition to smaller purchases that will support the Council's new temporary accommodation strategy. The Council is also working with housing providers to maximise the potential delivery of affordable housing, which should see an additional 200 plus homes provided this year.



## A clean and safe environment

- Over the past 5 years, 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. A food waste campaign was launched in February 2017 with "No Food Waste" stickers being attached to refuse bins, a school theatre workshop campaign and an animated video. The recycling rate is currently 52%.



## Regenerating the town centre

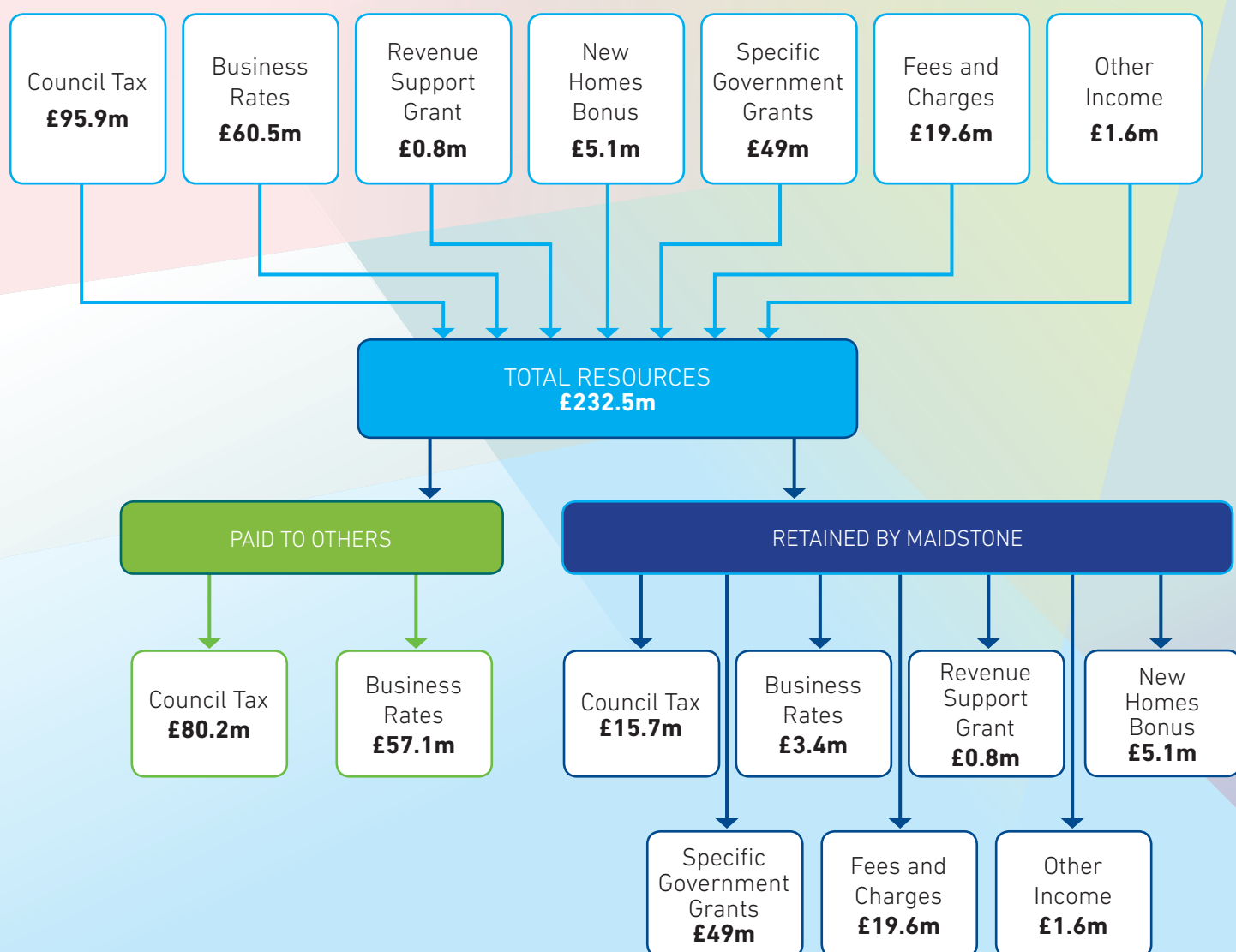
- Progress was made across a wide range of projects. The Council and Kent County Council jointly purchased the former Royal Mail Depot next to Maidstone East station. This is a key site for the town centre and the two Councils are now planning a landmark new mixed use development. The Maidstone bridges gyratory scheme and improvement works to the River Medway cycle path, both part-funded by the Council, were completed. Maidstone Borough Council is now planning to undertake additional public realm improvements to complement the work that has already taken place by upgrading Gabriel's Hill and Week Street.





## Financial Performance

Maidstone Council's financial turnover, including Council Tax and Business Rates collected on behalf of other local authorities and government, amounted to £233 million in 2016/17 (£224 million in 2015/16). The table below shows the flows of income and expenditure.

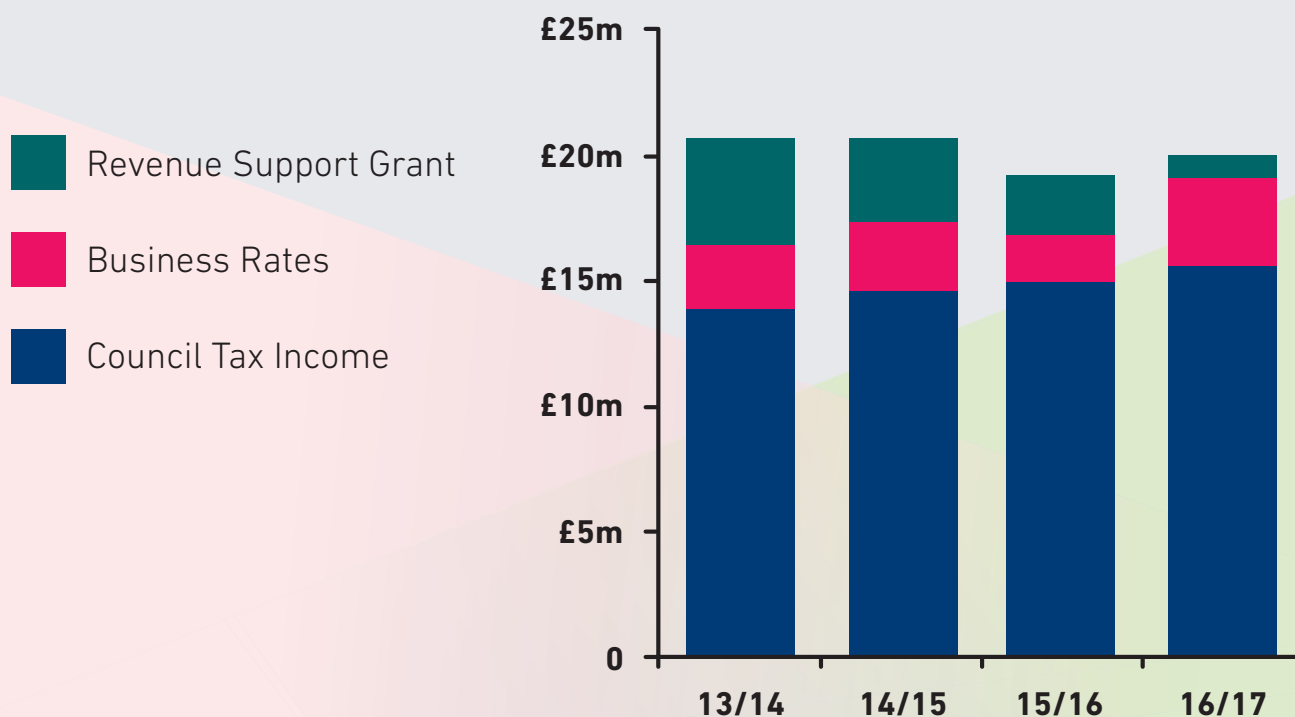




## Income

An increasing proportion of the Council's income is generated locally in Maidstone, through a combination of Council Tax, our share of Business Rates, and Fees and Charges for the services that we provide. By contrast, the Revenue Support Grant from Central Government has fallen from £4.3 million in 2013/14 to £870,000 in 2016/17. It will be zero in 2017/18.

Business rates are increasingly important source of income, but are volatile. Income in 2015/16 was particularly low owing to the need to provide for appeals against business rates valuations.



Fees and Charges account for a further £19.6 million of the Council's income, excluding specific government grants. A new source of income in 2016/17 has come from the Mid Kent Enforcement service, which carries out debt collection previously undertaken by third party bailiffs both for the Council and for other authorities.



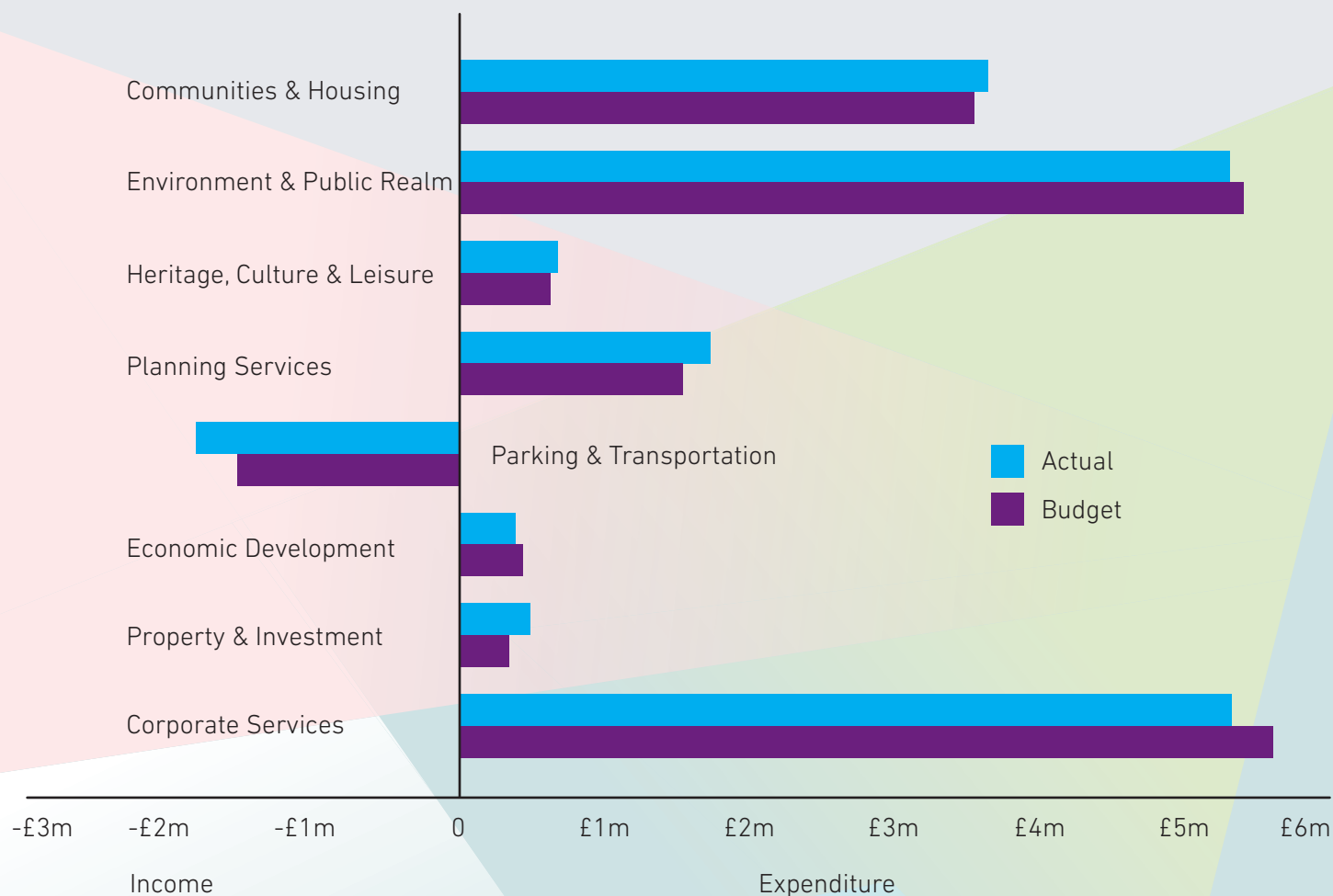


## Expenditure

The Council spends money to meet its statutory obligations - delivering services like refuse collection, and making payments such as housing benefit. Council spending also enables us to meet our strategic priorities.

Delivering expenditure in line with budget is likewise an important performance indicator. This objective was achieved overall in 2016/17, but there were areas of overspend which were offset by underspends elsewhere.

The outturn for the year was an overall underspend compared with the budget of £0.1m. Variances are detailed below:



The Council's income and expenditure is set out in the **Comprehensive Income & Expenditure Statement** in the Statement of Accounts.







## Balance Sheet

**The Balance Sheet** shows the value of the Council's assets less its liabilities at the end of the year. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. The Council's net assets fell from £35.4m to £22.7m, mainly because of the need to set aside a higher provision, shown under long term liabilities, for the cost of meeting our legal obligations to pay current and former employees' pensions.

2015/16 £000		2016/17 £000
57,882	Property, Plant & Equipment	64,222
10,384	Heritage Assets	10,384
16,309	Investment Properties	16,346
452	Other Long Term Assets	463
31,138	Money owed to the Council	31,391
(15,074)	Money owed by the Council	(18,754)
(65,715)	Long Term Liabilities	(81,966)
<b>35,376</b>	<b>Net Assets</b>	<b>22,086</b>
19,302	Usable Reserves	17,850
16,074	Unusable Reserves	4,236
<b>35,376</b>	<b>Total Reserves</b>	<b>22,086</b>

Property, plant and equipment are assets held by the Council to deliver services or for administrative purposes. The increase reflects capital expenditure during the year. Further details of capital expenditure are shown overleaf.

## Balance Sheet (continued)

Money owed to the Council includes amounts receivable from debtors and cash balances, being cash in hand, bank deposits and investments that are readily convertible to cash. The **Cash Flow Statement** provides an analysis of the movement in cash during the course of the year.

Money owed by the Council includes amounts payable to creditors, provisions for business rates appeals and grants received in advance. The Council currently has no long term borrowing.

Usable reserves include money set aside for specific purposes and sufficient contingency to cover unforeseen events. In particular, the Council has decided that the New Homes Bonus that it receives will be set aside for capital investment to improve and enhance the borough. £7.2million was held at year end and a capital expenditure programme has been developed setting out how we plan to spend this money.

Unusable reserves will only become available at some future date, for example if assets are sold. Unusable reserves fell, reflecting the increase in pension liabilities described above.

Changes in Reserves are shown in the **Movement in Reserves Statement** in the Statement of Accounts.

## Capital Expenditure

The Council made two significant capital investments in 2016/17. It acquired the Royal Mail site next to Maidstone East station for future development, in partnership with Kent County Council, and it acquired Granada House in Gabriel's Hill to generate rental income and to hold as a strategic asset.

The Council plans significant further investment over the next five years as part of its housing and regeneration strategy.

	Actual	Five year plan					Total
	16/17 £000	17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	
Housing and regeneration schemes	21	1,500	7,500	11,500	8,500	3,000	32,000
Housing investments	754	3,900	600	600	600	600	6,300
Other housing	840	1,376	1,150	1,150	1,150	1,150	5,976
Commercial property investments	3,653	1,500	0	0	0	0	1,500
Parks and open spaces	641	2,292	1,919	625	0	0	4,836
Town Centre regeneration	131	1,400	1,400	0	0	0	2,800
Maidstone East	2,783	288	212	0	0	0	500
Flood defences	28	50	50	300	550	50	1,000
Infrastructure delivery	500	0	3,000	0	0	0	3,000
Bridges Gyratory Scheme	941	0	0	0	0	0	0
Other	1,559	740	601	520	415	225	2,501
	<b>11,851</b>	<b>13,046</b>	<b>16,432</b>	<b>14,695</b>	<b>11,215</b>	<b>5,025</b>	<b>60,413</b>



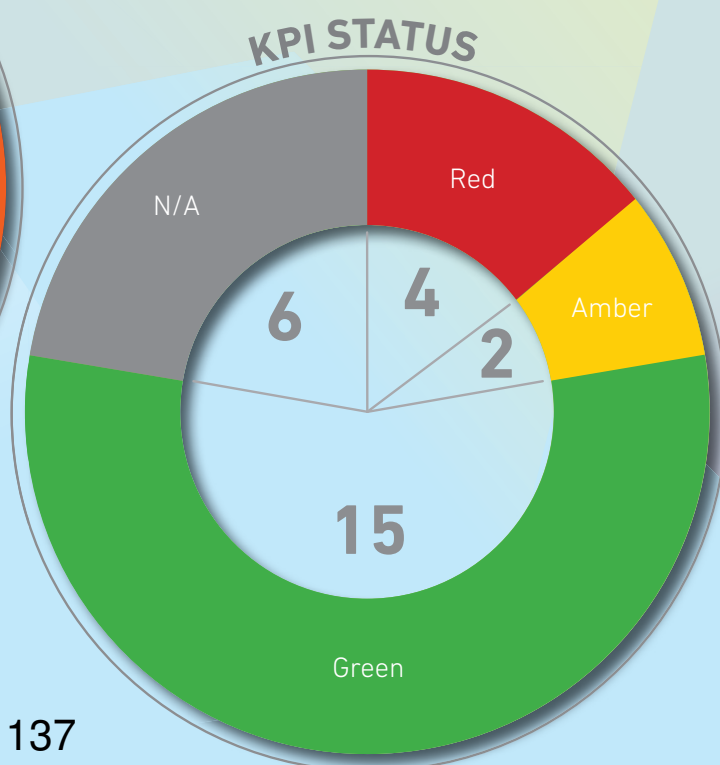
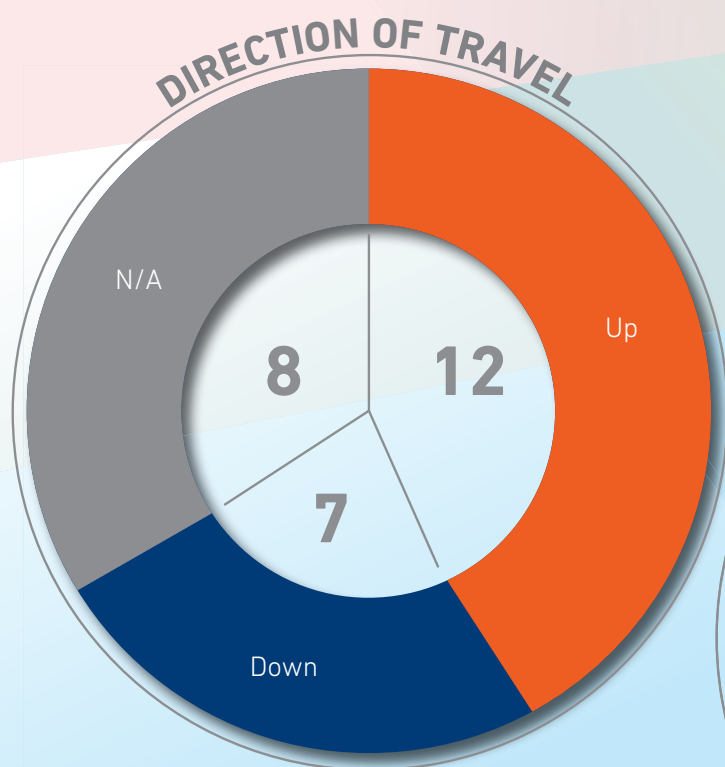


## Key Performance Indicators

Performance is judged in two ways; firstly on whether performance has improved, been sustained or declined, compared to the same period in the previous year. For example, 2016/17 annual performance is compared against 2015/16 annual performance. This is termed **direction of travel**. Where there is no previous data, no assessment of direction can be made.

The second way in which performance is assessed looks at whether an indicator has achieved the target set and is termed **KPI status**. Some indicators may show an asterisk (\*) after the figure, these are provisional figures that are awaiting confirmation.

Data Only indicators are not targeted but are given a direction. Indicators that are not due to be reported or where there is a delay in data collection are not rated against targets or given a direction.





## PRIORITY 1: Keeping Maidstone Borough an attractive place for all

### Providing a clean and safe environment

Indicator Name	Service	2016/17 Target	2016/17 Performance	Direction	RAG
Percentage of household waste sent for reuse, recycling and composting (former NI 192)	Waste & Recycling	52.50%	50.30%*	↑	Yellow
The percentage of relevant land and highways that is assessed as having deposits of litter that fall below an acceptable level (former NI 195a)	Street Cleansing	6.50%	2.50%	↓	Green
The percentage of relevant land and highways that is assessed as having deposits of detritus that fall below an acceptable level (former NI 195b)	Street Cleansing	18.00%	7.48%	↓	Green
Number of incidences of fly-tipping	Depot Services	1,200	979	↓	Green
Number of safeguarding practitioners trained	Community Partnerships	200	150**		Red
Percentage change in all crime	Community Partnerships		20.1%	↓	

\*Data for March was not available at the time of publication.

\*\*Data for Quarter 4 (January to March) was not available at the time of publication.

### Encouraging good health and wellbeing

Indicator Name	Service	2016/17 Target	2016/17 Performance	Direction	RAG
Number of completed Disabled Facilities Grants	Housing & Health	100	122	↑	Green
User satisfaction with the leisure centre	Leisure Services	82%	78.18%	↓	Yellow
Number of people successfully completing a course at the leisure centre following referral by GP	Community Partnerships		157		
Number of older people helped to reduced social isolation through museum projects	Museum		128		

### Respecting the Character of our Borough

Indicator Name	Service	2016/17 Target	2016/17 Performance	Direction	RAG
Percentage of Parishes satisfied with the level of communication and engagement they have with MBC	Democratic Services		38.3%	↑	



## **PRIORITY 1: Keeping Maidstone Borough an attractive place for all**

## **PRIORITY 2: Securing a successful economy for Maidstone Borough**

### **Ensuring there are good leisure and cultural attractions**

Indicator Name	Service	2016/17 Target	2016/17 Performance	Direction	RAG
Net Contribution generated from commercial activities	Finance	£623,250	£375,747	↑	Red
Footfall at the Museum and Visitors Information Centre	Museum	78,500	63,541	↓	Red
Number of children taking part in formal educational activities on and off site	Museum	6,500	9,732		Green

### **Enhancing the appeal of the town centre**

Indicator Name	Service	2016/17 Target	2016/17 Performance	Direction	RAG
Footfall on High Street	Economic Development	8,745,691	11,256,227	↑	Green
Percentage of vacant retail units in town centre	Economic Development	12%	9.78%	↑	Green



## PRIORITY 2: Securing a successful economy for Maidstone Borough

### Securing improvements to the transport infrastructure in our Borough

Indicator Name	Service	2016/17 Target	2016/17 Performance	Direction	RAG
Number of school journeys undertaken without a car as part of borough wide schemes	Planning Policy	N/A	14,977		
Percentage of sustainable vehicles in Maidstone	Planning Policy	N/A	1.34%		

### Promoting a range of employment skills and opportunities across the Borough

Indicator Name	Service	2016/17 Target	2016/17 Performance	Direction	RAG
Percentage of people claiming Out of Work Benefits	Economic Development	2%	1.25%	↑	
Percentage of 16 to 18 year olds who are not in education, employment or training (NEETs)	Economic Development	N/A	2.86%	↑	
Number of Businesses/Start-ups receiving information, advice and guidance	Economic Development	800	877		
Net increase in employment (NOMIS)	Economic Development	2,800	-8,800		

### Planning for sufficient homes to meet our Borough's needs

Indicator Name	Service	2016/17 Target	2016/17 Performance	Direction	RAG
Number of households prevented from becoming homeless through the intervention of housing advice	Housing & Inclusion	300	329	↑	
Number of households housed through housing register	Housing & Enabling	600	643	↓	
Number of affordable homes delivered (gross)	Housing & Enabling	180	303	↑	
Processing of planning applications: Major applications processed within agreed timescales (former NI 157a)	Development Management	80%	94%	↑	
Net additional homes provided (former NI 154)	Planning Policy	550	1,145	↑	







## FUTURE PLANS

The Council has a Medium Term Financial Strategy, which sets out the financial implications of the overall Strategic Plan. During 2016/17, the Council updated its Medium Term Financial Strategy and rolled it forward to cover the years 2017/18 to 2021/22. Key points from the Strategy are a commitment to continue to reduce costs through efficiency savings, commercial initiatives, shared services and partnership working. There is a formal arrangement with Swale and Tunbridge Wells Borough Councils in the form of Mid Kent Services (MKS), and a number of partnership arrangements are now established covering Internal Audit, Revenues & Benefits, ICT Services, Environmental Health, Human Resources & Payroll and Legal Services.

The Council has further developed its commercialisation strategy, with a focus now on housing and regeneration.

The Medium Term Financial Strategy indicates that, given our savings plans, the Council can fund its spending in 2017/18 and 2018/19. On current projections there are shortfalls between projected income and expenditure in subsequent years and work is under way to address these.

The position in the years 2019/20 and beyond is subject to considerable uncertainty, with the Government having committed to introduction of 100% business rates retention in 2019/20, necessitating a thorough overhaul of local government funding. There is also considerable economic uncertainty generally associated with the UK's prospective exit from the EU.

As part of the finance settlement for 2016/17 the Government made an offer of a fixed, four year local government finance settlement. The Council agreed formally to accept this offer in October 2016. The Medium Term Financial Strategy described above serves as the Efficiency Plan, required by the Government to demonstrate how the Council will achieve its objectives within the available resources set out in the settlement.

## RISK MANAGEMENT

The Council addresses future uncertainty through an explicit strategy of managing risk. Risks are identified at corporate and service levels, and mitigations developed to address those risks, with the key outputs from the process reported to the Policy and Resources Committee every six months. The budget risks described above are also addressed in a separate Budget Risk Register which is kept under review by the Audit, Governance and Standards Committee.



## Budget Strategy Risks

### Summary

The risk matrix below provides a summary of the key budget risks. The risk register that follows provides more detail on each risk.

Likelihood 143	5					
	4			B		
	3			C	H	
	2		E	F,G, I,L,M	A, D, J	
	1		K			
		1	2	3	4	5
		Impact				

- A. Failure to contain expenditure within agreed budgets
- B. Fees and Charges fail to deliver sufficient income
- C. Commercialisation fails to deliver additional income
- D. Planned savings are not delivered
- E. Shared services fail to meet budget
- F. Council holds insufficient balances
- G. Inflation rate predictions underlying MTFS are inaccurate
- H. Adverse impact from changes in local government funding
- I. Constraints on council tax increases
- J. Funding the capital programme
- K. Increased complexity of government regulation
- L. Collection targets for Council Tax and Business Rates missed
- M. Business Rates pool fails to generate sufficient growth

## Budget Strategy Risk Register 2017/18

The following risk register sets out the key risks to the budget strategy 2017/18 onwards. The register sets out the consequences of each risk and the existing controls in place.

Ref	Risk (title & full description)	Consequences	Key Existing Controls	Overall Risk rating		
				I	L	Σ
144 A	<b>Failure to contain expenditure within agreed budgets</b> The Council overspends overall against its agreed budget for the year	Failure to meet the budget makes it more likely that the Council will have to rely on short term expedients to balance the budget from year to year, rather than following a coherent long term strategy.	<ul style="list-style-type: none"> <li>- Embedded and well established budget setting process</li> <li>- Medium Term Financial Strategy</li> <li>- Balanced budget agreed by Council for 2017/18.</li> <li>- Strong controls over expenditure and established process for recovering from overspends</li> </ul>	4	2	8
B	<b>Fees &amp; Charges fail to deliver sufficient income</b> Fee charging services may be affected if there is a downturn in the economy, resulting in Fees and Charges failing to deliver the expected level of income.	The total value of all Council income from fees and charges is in excess of £16 million. A loss of income for service budgets will require restrictions on expenditure levels and delivery of all objectives may not be met.	<ul style="list-style-type: none"> <li>- Fees and charges are reviewed each year, paying careful attention to the relevant market conditions</li> <li>- Where the Council is operating in a competitive market, the aim is to ensure price sensitivity does not lead to a loss of income.</li> <li>- Procedures are in place to ensure that fees and charges are billed promptly (or in advance) and that collection is maximised.</li> </ul>	3	4	12
C	<b>Commercialisation fails to deliver additional income</b> The commercial activities currently being delivered and projected in the MTFS do not	The medium term financial strategy includes a contribution from commercial opportunities, so any shortfall would have an impact on the overall strategy.	<ul style="list-style-type: none"> <li>- The Council set aside a provision of £0.5m against losses from activities that do not deliver. This provision is cash limited but</li> </ul>	3	3	9



Ref	Risk (title & full description)	Consequences	Key Existing Controls	Overall Risk rating		
				I	L	Σ
	deliver the expected level of income.	Income generation from commercial activities supports the revenue budget and is required in ordered to pay back capital investment.	<p>available to cover short term losses.</p> <p>- Individual risks associated with specific projects within commercialisation strategy will be assessed, both as part of the project appraisal process and during the course of delivering the projects.</p> <p>- Decision made to outsource the management of the Mote Park Café from Autumn 2017.</p>			
145 D	<p><b>Planned savings are not delivered</b></p> <p>Failure to deliver savings and / or failure to monitor savings means that the Council cannot deliver a balanced budget</p>	<p>The level of saving required to achieve a balanced budget is significant and non-delivery of these savings will have a major consequence on managing financial viability of the organisation.</p> <p>Not achieving savings will impact the overall delivery of the Medium Term Financial Strategy and would require appropriate action, which might include the suspension of some Council services, redundancies, etc.</p>	<p>- The risks associated with delivery of savings proposed in the current Medium Term Financial Strategy have been reviewed as part of the budget setting process.</p> <p>- Savings proposals are separately identified and monitored in the Council's general ledger.</p> <p>- The ability to achieve the targeted savings is reported quarterly to Corporate Leadership Team and to Service Committees.</p>	4	2	8
E	<p><b>Shared Services</b></p> <p>Shared services, which are not entirely under the Council's control, fail to perform within budgeted levels.</p>	<p>Failure of a shared service to manage within the existing budget will have the same consequences as for any overspending budget, ie it would require appropriate action, which might include the suspension of some Council services, redundancies, etc.</p>	<p>The arrangements governing shared services include a number of controls that minimise the risk of budget overspends and service failure, including quarterly reporting to a Shared Service Board comprising representatives of the authorities involved. The shared services are required to report regularly on financial performance and key indicators.</p>	2	2	4



Ref	Risk (title & full description)	Consequences	Key Existing Controls	Overall Risk rating		
				I	L	Σ
F	<p><b>Insufficient Balances</b></p> <p>Minimum balance is insufficient to cover unexpected events</p> <p>OR</p> <p>Minimum balances exceed the real need and resources are held without identified purpose with low investment returns</p>	<p>Additional resources would be needed which would result in immediate budget reductions or use of earmarked reserves.</p> <p>The Council would not gain best value from its resources as Investment returns are low in the current market.</p>	<p>- The Council has set a lower limit below which General Fund balances cannot fall of £2 million.</p> <p>- At the beginning of the 2016/17 financial year General Fund balances stood at £4.6 million.</p>	3	2	6
G	<p><b>Inflation rate predications underlying MTFs are inaccurate</b></p> <p>Actual levels are significantly above or below prediction</p>	<p>Unexpected rises will create an unbudgeted drain upon resources and the Council may not achieve its objectives without calling upon balances.</p> <p>Services have supported the budget strategy through savings. Levels below those expected would result in an increase in balances or unused resources that could be used to achieve strategic priorities.</p>	<p>- Allowances for inflation are developed from three key threads:</p> <ul style="list-style-type: none"> <li>○ The advice and knowledge of professional employees</li> <li>○ The data available from national projections</li> <li>○ An assessment of past experience both locally and nationally</li> </ul> <p>- Current inflation projections are in line with the Bank of England and economic commentators.</p>	3	2	6
H	<p><b>Adverse impact from changes in local government funding</b></p> <p>Unexpected shocks lead to changes in Local Government funding. Government strategy fails to address economic challenges, such as those which could arise from Brexit.</p>	<p>The Council will no longer receive Revenue Support Grant (RSG) after 2016/17, but will be subject to 'negative RSG' in 2019/20 and the amount of this negative RSG – effectively a government tax on the Council – could increase if public finances come under pressure.</p>	<p>- The medium term financial strategy to 2021/22 has been developed to allow for a significant impact on the Council's resources,</p> <p>- The Council has developed other sources of income to ensure it can maximise its resources while dealing with the consequences of government strategy.</p>	3	4	12
I	<p><b>Constraints on council tax increases</b></p> <p>The limit on Council Tax increases means that the Council must manage expenditure pressures even if these potentially give rise to cost increases greater than 2% per annum.</p>	<p>The limit on Council Tax increases means that additional pressures, such as those arising from providing temporary accommodation, have to be absorbed by making savings elsewhere.</p>	<p>- Planning for the budget 2017/18 has been based upon a £4.95 (2.06%) increase, as agreed by Policy and Resources Committee at its meeting on 29 June 2016 and by full Council at its meeting on 1<sup>st</sup> March 2017.</p>	3	2	6

Ref	Risk (title & full description)	Consequences	Key Existing Controls	Overall Risk rating		
				I	L	Σ
			- No issues have been raised in relation to the proposed increase through consultation.			
J	<b>Funding the capital programme</b> Reduction or total loss of funding sources means that the capital programme cannot be delivered	<p>The main sources of funding are:</p> <ul style="list-style-type: none"> <li>○ New Homes Bonus</li> <li>○ Capital Grants</li> <li>○ Prudential borrowing</li> <li>○ Developer contributions (\$106)</li> </ul> <p>A reduction in this funding will mean that future schemes cannot be delivered.</p>	<p>- Council has been able to fund the capital programme without recourse to borrowing,</p> <p>- Council has confirmed in the past that borrowing is acceptable if it meets the prudential criteria.</p> <p>- Local authorities continue to be able to access borrowing at relatively low cost through the Public Works Loan Board and our treasury advisers expect this to continue being the case.</p> <p>- Council remains active and aware of Housing White Paper to incorporate 'right to buy' – and the impact on the Housing investment programme.</p>	4	2	8
K	<b>Increased complexity of government regulation</b> Complexity of financial and other regulations along with increasing delays in providing guidance reduce the ability of the Council to identify risks at an early stage.	<p>On a small number of occasions the financial consequences of future events are likely to be significant. Failure to provide adequate warning would leave the council little time to prepare through the medium term financial strategy.</p> <p>In general these events bring consequences to other agencies and external relationships.</p>	<p>- The Council has formal procedures for monitoring new legislation, consultations and policy / guidance documents.</p> <p>- Our relationships with organisations such as the Council's external auditor provide access to additional knowledge regarding relevant future events.</p>	2	1	2
L	<b>Business Rates &amp; Council Tax collection</b> Council fails to maintain collection targets for business rates and council tax	<p>Failure to achieve collection targets will reduce the level of key resources to ensure a balanced budget. This will mean further cuts in other budgets or the</p>	- The Council has a good track record of business rates and Council Tax collection.	3	2	6

Ref	Risk (title & full description)	Consequences	Key Existing Controls	Overall Risk rating		
				I	L	Σ
		<p>cost of financing outgoing cash flow to other agencies in relation to taxes not yet collected.</p> <p>Business rates due are in excess of £60 million for 2017/18.</p> <p>Council tax due is in excess of £80 million per annum.</p>	<p>- Steps are taken to maximise collection rates, such as active debt collection, continual review of discounts, etc.</p>			
	<p><b>Business Rates pool</b></p> <p>Changes to rateable value (RV) or instability of business rates growth within the pool means that members require support from the Council</p>	<p>Membership of Business Rates Pool precludes access to the central government safety net.</p> <p>Changes in RV or instability in growth will result in a reduction in income from business rates and a potential consequence for the Council.</p>	<p>- Provisions exist so any loss of income would relate to the excess over the provision already made.</p> <p>- The pool is monitored quarterly Kent wide and Maidstone is the Pool administrator. Projected benefit of pool increased from £5.1m to £7.5m.</p> <p>- The Council has the ability to exit the pool on 1<sup>st</sup> April in any year by giving notice by the previous September.</p>	3	2	6

# Impact & Likelihood Scales

## RISK IMPACT

Level	Service risk	Reputation Risk	H&S	Legal Risk	Financial Risk	En'ment Risk
Catas-trophic (5)	Ongoing failure to provide an adequate service	Perceived as failing authority requiring intervention	Responsible for death	Litigation almost certain and difficult to defend. Breaches of law punishable by imprisonment or significant fines	Uncontrollable financial loss or overspend over £500k	Permanent, major environmental or public health damage
Major (4)	Failure to deliver Council priorities Poor service. Disrupted 5 days+	Significant adverse national publicity	Fails to prevent death, causes extensive perm injuries or LT sick	Litigation expected, but defensible Breaches of law punishable by fines	Financial loss or overspend greater than £250k	Long term major public health or environmental incident (1yr+)
Moderate (3)	Unsatisfactory performance Service disrupted/ stopped 3-5 days	Adverse national publicity or significant adverse local publicity	Fails to prevent extensive, permanent injuries or LT sickness	Complaint likely, litigation possible Breaches of regs or standards	Financial loss or overspend greater than £50k	Medium term major public health or environmental incident (up to 1yr)
Minor (2)	Marginal reduction in performance Service disrupted/ stopped 1-2 days	Minor adverse local publicity	Medical treatment required, potential long term injury or sickness	Unlikely to cause complaint Breaches of local procedures	Financial loss or overspend greater than £10k	Short term public health or environmental incident (weeks)
Minimal (1)	No significant service impact Service disruption up to 1 day	Unlikely to cause adverse publicity	First aid level injuries	Unlikely to cause complaint Breaches of local procedures	Financial loss or overspend under £10k	Environmental incident with no lasting detrimental effect

# RISK LIKELIHOOD

Type	Probability	Detail description
Almost certain (5)	90%+	Without action is likely to occur; frequent similar occurrences in local government/Council history
Probable (2)	60%-90%	Strong possibility; similar occurrences known often in local government/Council history
Possible (3)	40%-60%	Might occur; similar occurrences experienced in local government/Council history
Unlikely (2)	10%-40%	Not expected; rare but not unheard of occurrence in local government/Council history
Rare (1)	0%-10%	Very unlikely to occur; no recent similar instances in local government/Council history

# Agenda Item 17

## POLICY AND RESOURCES COMMITTEE

28 June 2017

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

Yes

### Revenue & Capital Outturn 2016-17

<b>Final Decision-Maker</b>	Policy and Resources Committee
<b>Lead Head of Service</b>	Director of Finance and Business Improvement
<b>Lead Officer and Report Author</b>	Mark Green – Director of Finance and Business Improvement (Lead Officer) Ellie Dunnet – Head of Finance (Report Author)
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### This report makes the following recommendations to this Committee:

That the committee:

1. Notes the revenue and capital outturn at the end of 2016-17.
2. Notes the carry forward of resources as detailed in **Appendix B**.
3. Agrees to earmark the £89,000 underspend for 2016-17 for any further one-off expenditure that is required to deliver the three key action areas for 2017/18.
4. Approves the proposed slippage in the capital programme of £2,974,264 into 2017-18 as detailed in **Appendix C**.
5. Notes the performance in relation to the treasury management strategy for 2016-17.
6. Notes the performance of the collection fund and the level of balances at the year-end.

#### This report relates to the following corporate priorities:

The budget is a 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 issues raised in this report identify areas where financial performance is at variance with priority outcomes.

#### Timetable

<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	28 June 2017

# Revenue & Capital Outturn 2016-17

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides the committee with an overview of the capital and revenue budget and outturn for 2016-17, and highlights other financial matters which may have a material impact on the medium term financial strategy or the balance sheet.
  - 1.2 The first section of the report presents the revenue information specific to this committee's services, and the remainder of the report provides an update on strategic and cross-cutting issues since both aspects fall into the remit of this committee.
  - 1.3 The revenue outturn position for 2016-17 is an underspend of £89,000. It should be noted that the council's accounts for 2016-17 are still subject to audit and there is therefore a possibility that this figure could change. This is a significant improvement from the end of the third quarter, when an overspend of £288,000 was projected. It follows the introduction of additional controls over spending, designed to ensure that the council remained within budget for the year.
  - 1.4 The capital spending for the year totals £11,480,345 from the annual budget of £14,331,350, which includes an adjustment for slippage previously agreed by this committee.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.
- 2.2 The budget for 2016-17 was agreed by full Council on 2 March 2016. This report sets out the position as at the end of the fourth quarter for revenue and capital expenditure against the approved budgets, and also includes sections on Collection Fund performance and Treasury Management performance.

### Fourth Quarter Results – Revenue

- 2.3 Attached at **Appendix A** is a table detailing the current budget and actual position for this committee to March 2017, by cost centre.
- 2.4 The Appendix shows:
  - a) The cost centre description;
  - b) The value of the net expenditure budget for the year;
  - c) Actual expenditure;

- d) Actual income;
- e) Actual net expenditure;
- f) The variance between expected and actual net expenditure;

2.5 **Appendix A** shows net expenditure of £5.486 million compared with a budget of £6.660 million.

2.6 Explanations are shown below for all variances within individual cost centres which exceed £30,000:

<b>Cost Centre</b>	<b>Positive Variance £000</b>	<b>Adverse Variance £000</b>
<b>Appropriation Account</b>  The capital funding budget for vehicle and equipment purchases was not used as the proceeds from vehicle disposals were sufficient to fund the purchases made in 2016-17.	39	
<b>Pensions Backfunding</b>  As previously reported actual payments exceeded the budget for the year.		53
<b>Council Tax Collection</b>  This variance is a combination of reduced postage costs and increased income from legal costs.	48	
<b>Interest &amp; Investment Income</b>  As was previously reported returns have continued to be low and have not improved since the end of the 3 <sup>rd</sup> quarter.		84
<b>Commercial Property</b>  The shortfall in this area arose primarily because of a number of rental issues and empty property rates, although these were partly offset by additional income from new acquisitions.		31
<b>Corporate Management</b>  There has been an increase in the provision for bad debts, which is reflected in this budget heading. This is due to an ongoing dispute over payments with the contractor at the Cobtree Golf Course, in which the Council has a 2/9ths interest.		43
<b>Members' Facilities</b>  The variance in this area has arisen from underspends against the photocopying and central training budgets.	41	



<b>Cost Centre</b>	<b>Positive Variance</b>	<b>Adverse Variance</b>
<b>Maidstone House</b>  There were increased rent and non-domestic rates payments, along with a shortfall in income following the write-off of irrecoverable debt.		44
<b>Rent Allowances</b>  The positive variance has arisen from the recovery of housing benefit overpayments.	36	
<b>Legal Services</b>  There is additional income generated this year due to the high volume of Section 106 agreements and planning applications during the year.	108	
<b>Internal Printing</b>  The printing section has not recovered its costs over the course of the year.		70
<b>Grant Funding</b>  A number of unused grants have been carried forward to be used in 2017/18, the most significant ones being the Transition Grant and funding from DCLG for settling land charges legal claims.	345	
<b>Salary Slippage</b>  This arises primarily from the MBC share in the Revenues & Benefits and ICT shared services.	217	

*Table 1: Summary of significant variances (Policy & Resources Committee)*

- 2.7 The overall position for the council at the end of 2016-17 was an underspend of £89,000. It is proposed that this be ringfenced within the General Fund balances for any further one-off expenditure that is required to deliver the three key action areas for 2017/18. Although significant capital resources have been allocated as part of the Capital Programme for 'A Home for Everyone' and 'Regenerating the Town Centre', there have not been similar allocations for 'Clean and Safe'.
- 2.8 Details of grant funding to be carried forward into 2017-18 have been included within **Appendix B**. These amounts relate to unspent sums of money which the council has received for a specific purpose. These sums have been carried forward into 2017-18 and will be spent on fulfilling the objectives for which they were originally received.
- 2.9 In accordance with best practice, virements are reported to this committee as part of quarterly budget monitoring. A virement represents the transfer of a budget between objectives that occurs subsequent to the formal approval of the budget by Council. The following reportable virements were made during the fourth quarter of 2016-17:

Reason	Value £	Temp/Perm*
Return unspent business rates funding to balances	9,370	Temporary
Return unspent Penenden Heath funding to balances	27,500	Temporary
Funding of commingled bins from FPN surplus	14,000	Temporary

*Table 2: Reportable virements*

\* Temporary virements represent one-off budget transfers to fund a discrete project or purchase. Permanent virements reflect alterations to the base budget which will be carried forward into subsequent years.

2.10 The amounts listed within the above table have all been previously earmarked for a specific purpose, and were transferred back into the relevant area at the beginning of the new financial year. This process ensures that this funding can be used to deliver the objectives for which the amounts were originally allocated, rather than being used to offset overspends elsewhere.

#### Strategic Level Capital Programme 2016-17

2.11 The capital programme was approved by Council on 2 March 2016. Funding for the programme remains consistent with previous decisions of Council in that the majority of resources come from New Homes Bonus along with a small grants budget. Previous decisions of Council, Cabinet and this committee have focused the use of New Homes Bonus on infrastructure projects where these are required by the infrastructure delivery plan that forms part of the Local Plan.

2.12 The current programme is set out in **Appendix C** and shows the approved budget and actual expenditure incurred. The budget figure incorporates slippage previously approved by this committee during 2016-17. At the end of the fourth quarter, £11.480 million had been spent against a total budget of £14.331 million. The committee is asked to approve slippage into 2017-18 totalling £2.974 million at this stage.

2.13 The slippage has arisen in the following areas:

- Brunswick Street Housing Development – it is anticipated that expenditure will now be incurred during 2017-18;
- Improvements to play areas – spending has been lower than anticipated;
- Maidstone East/Sessions Square – further expenditure will be incurred for master planning work during 2017-18; and
- Bridges Gyratory System – final payments due for this scheme will be made during 2017-18.

2.14 The Council has sufficient resources to fund capital expenditure for 2016-17 from New Homes Bonus, capital receipts and government grants, and has therefore not needed to borrow for this purpose.

## Reserves and Balances

2.15 The total of earmarked reserves and balances as at 31st March 2017 was £17.35 million. This represents a decrease of £1.5 million from the beginning of the year, which relates to use of New Homes Bonus previously set aside for capital expenditure to fund acquisitions during the year. This is also reported in the council's draft financial statements for 2016-17.

2.16 The closing position allows for the minimum level of general balances of £2m, as agreed by Council in March 2017, to be maintained.

## Collection Fund

2.17 The council is dependent on income generated through council tax and business rates, which is accounted for through the collection fund. Due to the risks in this area, including the risk of non-collection and the pooling arrangements in place for business rates growth, the Council monitors the collection fund carefully.

2.18 The collection rates achieved are reported below, alongside the target for the year, and the actual amount collected. The rates are given as a percentage of the debt targeted for collection in 2016-17:

	<b>Target %</b>	<b>Actual %</b>	<b>Amount collected</b>
Council Tax	98.45	98.10	£93,976,662
Business Rates	97.95	96.86	59,229,908

*Table 3 : Collection Rates for Council Tax and Business Rates 2016-17*

2.19 The targets have been narrowly missed for both council tax and NNDR. Although as a percentage of the overall total, the variances appear small, the sums involved are significant and officers are therefore monitoring this closely.

2.20 The Head of the Revenues and Benefits Partnership follows a recovery timetable and action will be taken to maximise collection rates. Officers will continue to pursue payment of any developing arrears along with the arrears from prior years.

2.21 Income from retained business rates growth is also lower than anticipated, due to a high volume of businesses appealing against their rateable value.

2.22 The overall growth against the baseline is £0.45 million for 2016-17. The benefit from membership in the Kent Business Rates Pool for 2016-17 is £0.19 million, which represents the difference between the levy of 50% which would have been payable on business rates growth if the council were not part of the pool, compared with the 9.351% payable as a pool member. It should be noted that £0.02m of the retained levy will be used to pay as contingency to a pool member who ended 2016-17 in a safety net position.

2.23 As agreed previously the 30% share of the pool benefit retained by the council will be used to fund the delivery of the Economic Development Strategy, alongside the 30% growth fund share which is spent in consultation with KCC.

## Treasury Management

2.24 The Council has adopted and incorporated into its Financial Regulations, the CIPFA Code of Practice on Treasury Management in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In March 2016, the Council approved a Treasury Management Strategy for 2016-17 that was based on this code. The strategy requires that this committee should formally be informed of Treasury Management activities quarterly as part of budget monitoring.

2.25 During the Quarter ended 31st March 2017, economic data showed:

- UK GDP growth in quarter 4 was at 0.7% which represents an increase from 0.5% in the previous quarter.
- The unemployment rate had dropped to 4.7% in February, the lowest in 11 years.
- There has been a 3% appreciation in sterling since November but this remains 18% below its peak in late 2015.
- In Quarter 3 gilt yields had risen to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.
- After forecasts that the Bank of England Bank Rate may fall to 0%, this has remained at 0.25% during the quarter.

## Council Review of Treasury Management for Quarter 4

2.26 Typically, the Council's income sources start to slow down during the final quarter whilst expenditure steps up. Investments have therefore been kept short term with the majority of funds being held within money market funds and cash plus funds.

2.27 Total investments held as at 31st March 2017 were £15.86m with a total investment income of £186k. A list of investments can be found in **Appendix D**.

2.28 The average rate of return on investments for the year was 0.58%, compared with a benchmark of 0.54%.

## Borrowing

2.29 The Council has not needed to borrow during this quarter.

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## **3 AVAILABLE OPTIONS**

3.1 Providing the outturn to the Policy and Resources Committee at this time facilitates good financial management and aids consideration of issues and challenges faced by the council. The committee could choose to defer their consideration of this report until the conclusion of the external audit in September 2017.

- 3.2 This is not recommended as the outturn position will inform future budget strategy and it is therefore considered important for committee members to have early sight of this.
- 3.3 The committee could decide not to approve the slippage in the council's capital programme, however, this option is not recommended given that the planned projects are closely aligned with achievement of the council's current priorities.
- 3.4 The committee has the option to propose an alternative use of the £89,000 underspend, however, the proposal made by the Corporate Leadership Team is to use the money to support the delivery of the council's priorities, as set out in the Strategic Plan.
- 3.5 There is no alternative option to the carry forward of grant funding as these amounts have been awarded to the council to spend on specific projects and will need to be repaid if they are not used for the intended purpose.
- 

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

- 4.1 The committee is requested to note the content of the report, agree the proposed use of the £89,000 underspend and approve the proposed slippage in the capital programme to enable more accurate monitoring of the programme in future periods.
- 4.2 This is recommended as the outturn position can then be used as the basis for financial planning and formulation of the medium term financial strategy for 2018-19 onwards.
- 

#### **5 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 Each committee has been given the opportunity to consider the outturn position for the services within their remit. This report is not expected to lead to further consultation.
- 

#### **6 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 Fourth quarter budget monitoring reports are being considered by service committees in June 2017. The overall outturn for the year ended 31 March 2017 will be reported as part of the council's Statement of Accounts, which will be considered in draft form by the Audit, Governance and Standards Committee at its meeting on 26 June 2017. The Statement of Accounts will be audited and is due to be approved, in its final form, by the Audit, Governance and Standards Committee at its meeting on 18 September 2017.

- 6.2 In the event that material changes arise as a consequence of the audit of the council's financial statements, then a follow up report will be brought to this committee.

## 7 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The Council's budget reflects its corporate priorities. This report compares actual performance with the budget, and so provides a measure of whether the Council has fulfilled its priorities in financial terms.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Risk Management</b>	Regular and comprehensive monitoring of financial performance as summarised in this report ensures early warning of significant issues that may place the council at significant risk and gives the Committee the best opportunity to take actions to mitigate such risks.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Financial</b>	Financial implications are the focus of this report. Budget monitoring, as summarised in this report, ensures that services can react quickly to potential operational and resourcing problems. The process helps to ensure that the Council delivers against its strategic priorities.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Staffing</b>	Employee costs represent approximately 50% of the direct spend of the Council. Any consideration of resource allocation and monitoring therefore pays attention to employee costs and relevant issues will be raised in monitoring reports such as this.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Legal</b>	The Council has a statutory obligation to maintain a balanced budget. The monitoring process enables the Committee to ensure that it meets this requirement for the services within its remit.	[Legal Team]

<b>Equality Impact Needs Assessment</b>	No specific implications.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Environmental/Sustainable Development</b>	No specific implications.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Community Safety</b>	No specific implications.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Human Rights Act</b>	No specific implications.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Procurement</b>	No specific implications.	Director of Finance & Business Improvement (Section 151 Officer)
<b>Asset Management</b>	The budget allocates resources for asset management. There are no specific issues arising from service performance as reported here for asset management.	Director of Finance & Business Improvement (Section 151 Officer)

## 8 REPORT APPENDICES

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

- Appendix A: Revenue Outturn 2016-17 – Policy & Resources Committee
- Appendix B: Carry Forward of Grant Funding 2016-17 to 2017-18
- Appendix C: Capital Outturn 2016-17
- Appendix D: Investments Held as at 31 March 2017

## 9 BACKGROUND PAPERS

None



**POLICY & RESOURCES COMMITTEE  
FINAL OUTTURN FOR 2016/17**

Cost Centre/Service	Final Adjusted Estimate A £	Actual Outturn for Year			Carry Forwards C £	Variance (-Adverse / Favourable) A-B-C £
		Expenditure £	Income £	Net B £		
Appropriation Account	855,070	815,650		815,650		39,420
Contingency	343,060	0	-125,000	-125,000	468,060	0
Non Service Related Government Grants	-4,979,660	-196,574	-5,112,541	-5,309,115	333,775	-4,320
Pensions Fund Appropriation	0	-23,000		-23,000		23,000
Unapportionable Central Overheads	186,370	239,656		239,656		-53,286
<b>Balances, Pensions &amp; Appropriations</b>	<b>-3,595,160</b>	<b>835,732</b>	<b>-5,237,541</b>	<b>-4,401,809</b>	<b>801,835</b>	<b>4,814</b>
Business Support & Enterprise	19,100	6,315		6,315		12,785
Business Terrace	84,540	153,450	-64,651	88,799		-4,259
Town Centre Management Sponsorship	15,000	15,000		15,000		0
<b>Business Support</b>	<b>118,640</b>	<b>174,765</b>	<b>-64,651</b>	<b>110,114</b>	<b>0</b>	<b>8,526</b>
Council Tax Benefits	0	-26,624		-26,624		26,624
Council Tax Benefits Administration	-163,800		-163,794	-163,794		-6
Council Tax Collection	-245,900	144,005	-437,753	-293,748		47,848
Council Tax Requirement	0		-15,858	-15,858		15,858
Elections	86,450	232,474	-141,083	91,390		-4,940
External Interest Payable	150,820	150,822		150,822		-2
Facilities & Corporate Support Section	462,830	426,275	-2,239	424,036		38,794
Interest & Investment Income	-270,000	102	-186,387	-186,285		-83,715
NNDR Collection	-154,230	92,202	-266,430	-174,228		19,998
Registration Of Electors	124,730	108,116	-40,617	67,499	61,860	-4,629
<b>Central Services to the Public</b>	<b>-9,100</b>	<b>1,127,372</b>	<b>-1,254,161</b>	<b>-126,789</b>	<b>61,860</b>	<b>55,829</b>
Archbishops Palace	-99,230	54,811	-142,049	-87,238		-11,992
Chillington House	-35,430	11,153	-15,941	-4,788		-30,642
Granada House - Commercial	-61,900	6,397	-63,962	-57,565		-4,335
Granada House - Residential	-40,400	700	-43,333	-42,633		2,233
Industrial Starter Units	-19,480	25,120	-48,392	-23,271		3,791
Palace Gatehouse	-9,710	6,793	-10,000	-3,207		-6,503
Parks Dwellings	-9,420	44,938	-61,651	-16,713		7,293
Parkwood Equilibrium Units	-38,930	26,146	-96,403	-70,257		31,327
Parkwood Industrial Estate	-307,340	3,740	-367,501	-363,761		56,421
Phoenix Park Units	-217,910	9,967	-224,939	-214,972		-2,938
Sundry Corporate Properties	-93,150	110,172	-127,930	-17,758		-75,392
<b>Commercial Investments</b>	<b>-932,900</b>	<b>299,936</b>	<b>-1,202,100</b>	<b>-902,163</b>	<b>0</b>	<b>-30,737</b>
Corporate Management	140,880	185,878	-2,023	183,855		-42,975
Corporate Projects	42,840	45,630		45,630		-2,790
Performance & Development	14,800	13,951	-10,483	3,468		11,332
Press & Public Relations	40,050	41,116		41,116		-1,066
<b>Corporate Management</b>	<b>238,570</b>	<b>286,575</b>	<b>-12,506</b>	<b>274,069</b>	<b>0</b>	<b>-35,499</b>
Accountancy Section	687,870	674,932	-6,623	668,309		19,561
Chief Executive	173,940	175,812		175,812		-1,872
Commercial Projects Manager	58,990	60,851	-22,331	38,520		20,470
Communications Section	134,830	149,356	-26,252	123,104		11,726
Customer Services Section	699,200	721,814	-32,783	689,031		10,169
Democratic and Administration Services Manage	44,830	11,062		11,062		33,768
Democratic Services Section	144,490	130,491		130,491		13,999
Director of Finance & Business Improvement	143,250	136,955		136,955		6,295
Director of Regeneration & Place	143,120	135,793		135,793		7,327
Economic Development Section	259,080	265,411		265,411		-6,331
Executive Support	165,510	148,610		148,610		16,900
Head of Commissioning and Business Improvement	85,890	142,342	-184,371	-42,029	129,710	-1,791
Head of Economic and Commercial Development	103,900	103,199		103,199		701
Head of Finance and Resources	103,790	56,798		56,798		46,992
Head of Policy and Communications	110,240	111,188		111,188		-948
Improvement Section	256,580	244,623	-5,964	238,660		17,920
Mayoral & Civic Services Section	111,420	109,371		109,371		2,049
Policy & Information	233,140	216,282		216,282		16,858
Procurement Section	75,860	119,032	-8,051	110,981		-35,121
Property & Procurement Manager	87,670	83,059		83,059		4,611
Property & Projects Section	272,520	193,608		193,608		78,912
Registration Services Section	142,100	156,056	-16,500	139,556		2,544
<b>Corporate Support Services</b>	<b>4,238,220</b>	<b>4,146,646</b>	<b>-302,875</b>	<b>3,843,771</b>	<b>129,710</b>	<b>264,739</b>
Civic Occasions	34,810	41,531	-2,707	38,824		-4,014
Members Allowances	362,540	345,935		345,935		16,605
Members Facilities	60,090	32,460	-13,268	19,192		40,898
Subscriptions	18,100	10,450		10,450		7,650
<b>Democratic Representation</b>	<b>475,540</b>	<b>430,376</b>	<b>-15,975</b>	<b>414,401</b>	<b>0</b>	<b>61,139</b>
Economic Dev - Promotion & Marketing	49,510	68,567	-28,665	39,902		9,608
Economic Dev Government Initiatives	1,400	0		0		1,400
<b>Economic Development</b>	<b>50,910</b>	<b>68,567</b>	<b>-28,665</b>	<b>39,902</b>	<b>0</b>	<b>11,008</b>
Economic Research	9,350	0		0		9,350
<b>Economic Research</b>	<b>9,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,350</b>
Emergency Centre	29,080	18,914		18,914		10,166
<b>Emergency Planning</b>	<b>29,080</b>	<b>18,914</b>	<b>0</b>	<b>18,914</b>	<b>0</b>	<b>10,166</b>
Housing Benefits Administration	-475,700	2	-466,734	-466,732		-8,968
<b>Housing Benefit Administration</b>	<b>-475,700</b>	<b>2</b>	<b>-466,734</b>	<b>-466,732</b>	<b>0</b>	<b>-8,968</b>
Medway Conservancy	111,050	108,870		108,870		2,180
<b>Levies</b>	<b>111,050</b>	<b>108,870</b>	<b>0</b>	<b>108,870</b>	<b>0</b>	<b>2,180</b>
Maidstone House	1,141,660	1,228,517	-42,421	1,186,096		-44,436
South Maidstone Depot	129,820	149,935	-939	148,996		-19,176
The Gateway King Street	143,850	298,079	-131,060	167,019		-23,169
Town Hall	89,120	79,038	-1,330	77,708		11,412
<b>Office Accommodation</b>	<b>1,504,450</b>	<b>1,755,568</b>	<b>-175,749</b>	<b>1,579,819</b>	<b>0</b>	<b>-75,369</b>
Parish Precepts	1,497,230	1,498,683		1,498,683		-1,453

**POLICY & RESOURCES COMMITTEE  
FINAL OUTTURN FOR 2016/17**

Cost Centre/Service	Final Adjusted Estimate A £	Actual Outturn for Year			Carry Forwards C £	Variance (-Adverse / Favourable) A-B-C £
		Expenditure £	Income £	Net B £		
<b>Parish Precepts</b>	<b>1,497,230</b>	<b>1,498,683</b>	<b>0</b>	<b>1,498,683</b>	<b>0</b>	<b>-1,453</b>
Discretionary Housing Payments	1,000	213,044	-217,767	-4,723		5,723
Non HRA Rent Rebates	-5,000	652,951	-652,748	203		-5,203
Rent Allowances	-203,330	45,322,581	-45,561,978	-239,396		36,066
<b>Rent Rebates</b>	<b>-207,330</b>	<b>46,188,577</b>	<b>-46,432,493</b>	<b>-243,916</b>	<b>0</b>	<b>36,586</b>
Salary Slippage	-416,500	0	0	0		-416,500
<b>Salary Slippage</b>	<b>-416,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-416,500</b>
Benefits Section	456,840	511,668	-62,550	449,118		7,722
Central Telephones	60,200	58,688		58,688		1,512
Director of Mid Kent Services	49,860	83,649	-46,110	37,539		12,321
Fraud & Visiting Partnership Section	18,950	197,910	-188,735	9,175	17,190	-7,415
GIS Section	114,110	177,318	-64,700	112,618		1,492
Head of Human Resources	92,670	130,354	-55,442	74,913		17,757
Human Resources	199,370	302,429	-114,755	187,674		11,696
I.T. Operational Services	320,840	296,319		296,319		24,521
Learning & Development	121,110	137,718	-36,338	101,381		19,729
Legal Services Section	518,650	552,736	-141,803	410,933		107,717
Mid Kent ICT Services	788,680	1,619,762	-862,912	756,851		31,829
Mid Kent Improvement Partnership	0	120,655	-120,600	55		-55
Mid Kent Internal Audit Section	235,680	669,646	-433,304	236,343		-663
Pay & Information	141,870	195,698	-62,262	133,436		8,434
Revenues & Benefits Business Support	146,090	287,822	-132,627	155,195		-9,105
Revenues & Benefits Manager	236,700	152,819	0	152,819		83,881
Revenues Section	419,410	539,309	-109,537	429,772		-10,362
<b>Shared Services</b>	<b>3,921,030</b>	<b>6,034,503</b>	<b>-2,431,674</b>	<b>3,602,829</b>	<b>17,190</b>	<b>301,011</b>
Debt Recovery Service	-36,860	317,876	-370,848	-52,972		16,112
Debt Recovery Service - Set up Costs	0	47,719	-31,161	16,557		-16,557
Internal Printing	-85,240	49,684	-64,695	-15,011		-70,229
Mid Kent ICT Software	174,520	506,272	-336,797	169,475		5,045
Youth Development Programme	50,430	31,780	-14,148	17,632		32,798
<b>Trading Accounts</b>	<b>102,850</b>	<b>953,331</b>	<b>-817,649</b>	<b>135,682</b>	<b>0</b>	<b>-32,832</b>
	<b>6,660,230</b>	<b>63,928,418</b>	<b>-58,442,772</b>	<b>5,485,647</b>	<b>1,010,595</b>	<b>163,988</b>

Request for Carry Forward of Grant Funded Revenue Resources				
From 2016/2017 to 2017/2018				
Revised Estimate £	Actual Spend £	Carry Forward £	Grant Details	Justification
19,200		19,200	Ace Transition money	<b>ACE Museums and Schools transition money;</b> Budget to be ring- fenced to sustain Learning Team to the end of July to ensure the schools programme can be offered to schools to the end of the summer term 2017; This will now be used alongside the additional grant given by ACE for Museums and Schools programme to continue through to 2018. It will be used to develop a sustainable programme, resourcing, awareness of the museum to schools, and access to the museum via workshops/outreach etc for schools in both the borough and county.
950		950	Golding Homes Funding	Golding homes grant; to be used for the promotion of and running of 'Café Culture' - a legacy to 'Museums on Prescription' project. Being used for fliers, banners, general promotion and resourcing for sessions.
14,645		14,650	Grant received for the creation of the new Brownfield Register	This grant was received in the last week of 2016/17 so the whole amount will need to be carried forward to 2017/18.
56,640	39,453	17,190	Grant received from KCC for £155,250 at the start of 2016/17	Grant paid for 75% of the Fraud Employee & Transport costs (£98,617) and Single Person Discount Review (£39,453) leaving a balance of £17,180 to be carried forward to next year.
71,500	9,469	61,860	Individual Electoral Registration Grant	Salary budget only. Used to employ Canvassers to meet the statutory function of making house to house enquiries. This is due to the lack of response to postal correspondence from 3 stages of mailing out household enquiry forms or invitations to register.
68,000	50,060	17,940	DCLG funding for Incentives Scheme was provided for 2-3 years in advance. Funding must be spent on increasing residents participation in the food waste service through communications and providing incentives	If the grant cannot be carried forward, unspent money will need to be returned to the DCLG and the food waste campaign will not be able to continue. This will have an impact on the overall effectiveness of the campaign so far and a likely impact on the Borough's recycling rate as food waste recycling levels have been previously declining.
1,750		1,750	Env Health (KCC Funding) Rem amount from £33k income in 2015/16	External grant
		206,000	Defra Grant - Env Health	DEFRA grant for on going project
100,450	66,900	33,550	Troubled Family Grant (Bal from 15/16)	External grant for on going project
		16,790	Troubled Family Grant(Financial Inclusion)	External grant for on going project
		147,110	Armed Forces Covenant Grant	Grant for on going project; terms determined centrally by MoD
		15,000	Custom Build Grant	Grant for project due to commence 2017/18 (received late 2016/17)
		5,150	Self Register Grant	Grant for project due to commence 2017/18 (received late 2016/17)
34,870	500	34,370	KCC supporting People Funding	External grant for on going project
60,110	50,140	9,970	Grant from Canterbury City Council	DCLG grant for on going Street Outreach project
48,730	35,110	13,620	Public Health (KCC Funding)	External Public Health grant for on going project
		760	Lettings agency Redress Scheme	DCLG grant for project due to commence 2017/18 (received late 2016/17)
221,640	88,007	129,710	Transition Grant	This central government grant is to enable the council to prepare for the changes in funding for local government. Some of the grant is already allocated for 2017/18. Plans for use of the remaining grant are being prepared and will be agreed with the Director of Finance and Business Improvement.
		7,850	From Museums Development SE for purchase of new case to hold loans from national museums	Unspent to date - the PO has been raised for the case and will be invoiced by end of August
		27,540	Grant from HLF for Ancient Civilisations gallery project	Will be used fully by end of 17/18 as gallery will open by end of August
118,750		118,750	DCLG funding for dealing with legal claims relating to land charges search fees	The legal claims are ongoing and this funding will be required to fund any costs that are awarded against the Council. This is the continuation of a carry forward from 2015/16.
10,200		10,200	DCLG funding for dealing with legal claims relating to land charges search fees	The legal claims are ongoing and this funding will be required to fund any costs that are awarded against the Council. This is the 2016/17 payment.
8,100		8,100	DCLG Transparency Grant	This grant was not utilised in 2016/17.
<b>785,610</b>				



MAIDSTONE BOROUGH COUNCIL  
POLICY & RESOURCES COMMITTEE  
BUDGET MONITORING - 4TH QUARTER 2016/17

APPENDIX C

Capital Programme 2016/17 by Service Committee to 31st March 2017

Capital Programme Heading	Adjusted Estimate 2016/17	Outturn 2016/17	Budget Remaining	Carried Forward into 2017/18	Notes
<b>COMMUNITIES, HOUSING &amp; ENVIRONMENT</b>					
Housing Incentives	248,700	87,580	161,120	161,120	
Housing - Disabled Facilities Grants Funding	866,000	651,434	214,566	214,566	
Housing Investments	739,940	753,879	-13,939	0	2017/18 budget will be adjusted
Stilebridge Lane Sewage Treatment Works	50,350	100,948	-50,598	0	Funded from capital receipts
Brunswick Street Housing Development	1,000,000	21,085	978,915	978,915	
Flood Defences	30,000	27,624	2,376	0	
<b>Total</b>	<b>2,934,990</b>	<b>1,642,550</b>	<b>1,292,440</b>	<b>1,354,601</b>	
<b>HERITAGE, CULTURE &amp; LEISURE</b>					
Continued Improvements to Play Areas	930,600	520,773	409,827	409,827	
Green Space Strategy	9,600	0	9,600	9,600	
Commercial Projects - Mote Park Parking	31,800	725	31,075	31,075	
Commercial Projects - Mote Park Café	36,070	36,067	3	0	
Commercial Projects - Crematorium Projects	151,870	33,012	118,858	118,858	
Commercial Projects - Mote Park Adventure Zone	87,560	77,259	10,301	10,301	
Mote Park Essential Improvements	2,830	6,480	-3,650	0	2017/18 budget will be adjusted
Museum Development Plan	93,000	58,359	34,641	34,641	
<b>Total</b>	<b>1,343,330</b>	<b>732,675</b>	<b>610,655</b>	<b>614,302</b>	
<b>POLICY &amp; RESOURCES</b>					
High Street Regeneration	128,600	131,396	-2,796	0	2017/18 budget will be adjusted
Enterprise Hub	5,900	13,605	-7,705	0	2017/18 budget will be adjusted
Asset Management / Corporate Property	200,000	181,017	18,983	18,983	
Software / PC Replacement	250,500	134,427	116,073	116,073	
Maidstone East/Sessions Square **	3,154,840	2,783,110	371,730	371,730	
Union Street (Recommended Option) **	130,110	131,126	-1,016	0	2017/18 budget will be adjusted
Enabling Works - The Mall Regeneration **	3,474,570	3,522,010	-47,440	0	Overspend funded from 17/18 commercial assets budget
Gateway Refurbishment	625,000	624,915	85	0	Funded from DWP contribution
Town Hall - Webcam & Speakers	114,360	114,356	4	0	
<b>Total</b>	<b>8,083,880</b>	<b>7,635,962</b>	<b>447,918</b>	<b>506,786</b>	
<b>STRATEGIC PLANNING, SUSTAINABILITY &amp; TRANSPORT</b>					
King Street Multi-storey Car Park	20,310	27,733	-7,423	0	Funded from improvements budget
Improvements to the Council's Car Parks	8,840	0	8,840	0	Used to fund King Street works
Bridges Gyrotory Scheme	1,400,000	941,425	458,575	458,575	
Riverside Towpath	540,000	500,000	40,000	40,000	
<b>Total</b>	<b>1,969,150</b>	<b>1,469,158</b>	<b>499,992</b>	<b>498,575</b>	
<b>Grand Total</b>	<b>14,331,350</b>	<b>11,480,345</b>	<b>2,851,005</b>	<b>2,974,264</b>	



### Maidstone Borough Council Investments as at 31st March 2017

Counterparty	Type of Investment	Principal £	Start Date	Maturity Date	Rate of Return	Arlingclose Credit Limits	
						Suggested Term	Maximum Deposit
HANDELSBANKEN	DEPOSIT - FIXED	45,643			0.100%	13 months	£3,000,000
SANTANDER UK PLC	DEPOSIT - FIXED	3,000,000			0.550%	6 months	£3,000,000
STANDARD LIFE LIQUIDITY FUNDS	MONEY MARKET FUND	5,810,000			0.286%	2 Years	£8,000,000
NATIONWIDE BUILDING SOCIETY	DEPOSIT - FIXED	2,000,000	03/10/2016	03/04/2017	0.420%	6 months	£3,000,000
UNITED OVERSEAS BANK LTD	DEPOSIT - FIXED	1,000,000	28/10/2016	28/04/2017	0.460%	6 months	£3,000,000
LLOYDS BANK PLC	DEPOSIT - FIXED	1,000,000	01/09/2016	31/08/2017	1.000%	13 months	£3,000,000
LLOYDS BANK PLC	DEPOSIT - FIXED	2,000,000	12/10/2016	11/10/2017	1.000%	13 months	£3,000,000
COOPERATIEVE RABOBANK	CERTIFICATE OF DEPOSIT	1,000,000	21/10/2016	21/07/2017	0.530%	13 months	£3,000,000

15,855,643
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# Agenda Item 18

## **POLICY AND RESOURCES COMMITTEE**

**28 June 2017**

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

**Yes**

### **National Productivity Investment Fund**

<b>Final Decision-Maker</b>	POLICY AND RESOURCES COMMITTEE
<b>Lead Head of Service</b>	Head of Regeneration and Economic Development
<b>Lead Officer and Report Author</b>	Abi Lewis, Economic Development Officer
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### **This report makes the following recommendations to this Committee:**

1. To approve the allocation of £500,000 to match investment for the National Productivity Investment Fund.
2. To give delegated authority to the Director of Finance & Business Improvement, in consultation with the Chair of Policy and Resources Committee, to agree the detailed terms of a funding agreement with Kent County Council.
3. To give delegated authority to the Director of Regeneration and Place, in consultation with the Chair of Policy and Resources Committee, to agree the detailed terms of a bilateral agreement with the landowner.
4. That an update on progress of the scheme be reported at a future Strategic Planning, Sustainability and Transportation Committee and the Maidstone Joint Transportation Board.

#### **This report relates to the following corporate priorities:**

- Securing a successful economy for Maidstone Borough – The proposals are intended to reduce congestion and travel times in the vicinity of M20 Junction 7, from which the Kent Medical Campus Enterprise Zone and Eclipse Park employment sites are accessed.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Policy and Resources Committee	28 June 2017

# National Productivity Investment Fund

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 As part of the Autumn Statement 2016 the Government announced the creation of a National Productivity Investment Fund (NPIF), worth in total £23bn. NPIF is for investment in areas that are key to boosting productivity. The most recent tranche of NPIF monies has been announced, with schemes required to promote or facilitate one or more of the following objectives:
- § Ease congestion and provide upgrades on important national, regional or local routes;
  - § Unlock economic and job creation opportunities;
  - § Enable the delivery of new housing developments
- 1.2 Kent County Council has the opportunity to submit two projects to the Department for Transport for NPIF grant of between £2 and £5 million. Three potential projects are currently being worked up to full business cases, with the selected schemes to be submitted determined following appraisal. A scheme to deliver improvements to the Bearsted Road and New Cut Road Roundabouts in the vicinity of Junction 7 M20 has been identified as a priority.
- 1.3 Prior to the likely submission of the bid to Government by 30<sup>th</sup> June 2017, approval from Policy and Resources Committee is required to approve a financial 'match' contribution to deliver the scheme as outlined in this report.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Traffic capacity modelling carried out in support of the planning application for Kent Medical Campus indicates that there are capacity constraints in the current highways configuration, and these are forecast to worsen towards the horizon assessment year (10 years hence).
- 2.2 The proposed scheme involves the enlargement of the A249/ Bearsted Road roundabout junction and the A249 Bearsted Road/ New Cut Road roundabout junction to improve junction capacity and traffic flow in order to accommodate the traffic associated with the Kent Medical Campus (KMC) development and housing growth in the town centre and to the south of the town.
- 2.3 A bid for £7.5m was submitted to Government in 2016 to fund these improvements and the signalisation of Junction 7 M20 as part of the South East Local Enterprise Partnership's (SELEP) Local Growth Fund Round 3 bid. However, the monies allocated to the SELEP were not enough to fund the Kent Medical Campus Highway Works. Submission for the NPIF is directly to Department for Transport as opposed to via the Kent and Medway Economic Partnership and South East Local Enterprise Partnership.

- 2.4 Schemes submitted to the National Productivity Investment Fund must be “shovel ready”, with construction commencement in 2018/19 financial year. KCC will, at risk, be commissioning consultants to develop detailed designs in advance of learning of the outcome of the bid to enable delivery within these timescales.
- 2.5 Schemes submitted to Government also need to demonstrate a minimum of 30% match funding to be considered. The cost of the two junction enlargements is currently anticipated to be £7m (currently being reviewed by independent cost consultants). It is proposed that this will be funded through:
- £5m - National Productivity Investment Fund  
£1.5m - contribution from landowner plus £0.75m land in-kind  
£0.5m - Maidstone Borough Council
- The signalisation of Junction 7 M20 will be delivered through S.106 obligations, as agreed with Highways England.
- 2.6 The landowner is not currently in a position to provide the full £2m cash match required to deliver the scheme, having expended significant investment on on-site infrastructure (c. £1.5m). Maidstone Borough Council’s £500,000 contribution is therefore needed to fill this shortfall. This funding is available from the £3m Infrastructure Delivery Capital Budget which was presented to Council in March 2017.
- 2.7 Whilst planning permission for Kent Medical Campus has been granted, subject to a Section 278 agreement requiring the delivery of the full package of off-site highways works, the trigger points for this lie at 676 one way trips in AM and PM peak hours combined or 70% occupation of the development (whichever is the sooner), and therefore these improvements are not anticipated to be delivered before the next 6-10 years, unless an interested party requiring a large amount of floor space locates on the site in which case mitigation will need to be delivered by the landowner.
- 

### **3. AVAILABLE OPTIONS**

- 3.1 Option 1 - Do nothing  
MBC could decide not to contribute to this scheme. However, without intervention, the development of Kent Medical Campus could proceed at a significantly slower pace, as sufficient value will need to be gained from development before the necessary transport works are completed. Background growth on the network will also not be accommodated.
- 3.2 Option 2 – Reduce the budget allocated to this scheme  
A reduction in funding would result in insufficient funding to deliver the highway improvements detailed above, and the need for a further reduction in the scope of the project. Advice from consultants has indicated that the two junction enlargements need to be delivered in tandem to deliver benefit to the network.
- 3.3 Option 3 – Reduce the scope of the project



As above, the scope of the project has already been reduced.

### 3.4 Commit £500,000 from the Infrastructure Delivery Capital Fund

## 4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 This report recommends that Maidstone Borough Council commits £500,000 from the Infrastructure Delivery Capital Fund to this scheme to enable the submission of the National Productivity Investment Fund to the Department for Transport. This scheme is fundamental to the delivery of the emerging Integrated Transport Strategy.
- 4.2 The Council's £500,000 financial commitment will be recouped through a bilateral agreement with the landowner, requiring funds to be repaid at the existing s106 trigger point if not realised earlier through other developments that may be obliged to contribute to this highways scheme.
- 4.3 The need for these improvements at this location is ever more pertinent given the Highways England improvements scheduled for Junction 5/ M2 under the Road Investment Strategy 2015/16 – 2020/21. Initial conversations with Highways England have raised concerns that increased efficiency at Junction 5/ M2 will result in traffic reaching Junction 7/ M20 via the A249 more quickly, thus increasing pressure on this part of the network.

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## 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 If successful in securing grant funding from Government, a subsequent report will be taken to Strategic Planning, Sustainability and Transportation Committee, and Maidstone's Joint Transportation Board, to present scheme plans to Members. A significant public engagement exercise will commence akin to that undertaken for the Maidstone Bridges Gyratory Scheme.

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## 6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Pending approval of the £500,000 allocation by Members, and KCC's authorisation of the bid, the scheme will be submitted to the Department for Transport by 30 June 2017.

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## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The project supports the Corporate Objective of "Securing a successful economy for Maidstone Borough" and "Securing improvements to the transport infrastructure of the borough"	Head of Regeneration and Economic Development

<b>Risk Management</b>	Risk management will be carried out as part of the KCC scheme documentation.	[Head of Service or Manager]
<b>Financial</b>	MBC's contribution of £500,000 can be financed through the Infrastructure Delivery Capital Fund	[Section 151 Officer & Finance Team]
<b>Staffing</b>	Existing staff resources in Economic Development and Planning Policy teams.	Head of Regeneration and Economic Development
<b>Legal</b>	A funding agreement with KCC setting out the terms under which MBC will pay its contribution to the project will be required, as well as a unilateral agreement with the landowner.	[Legal Team]
<b>Equality Impact Needs Assessment</b>	This will form part of the project documentation carried out by KCC and their consultants.	Head of Regeneration and Economic Development
<b>Environmental/Sustainable Development</b>	This will form part of the project documentation carried out by KCC and their consultants.	Head of Regeneration and Economic Development
<b>Community Safety</b>	N/A	Head of Regeneration and Economic Development
<b>Human Rights Act</b>	N/A	Head of Regeneration and Economic Development
<b>Procurement</b>	KCC will be the procuring authority.	[Head of Service & Section 151 Officer]
<b>Asset Management</b>	The Highway asset will be maintained by KCC.	[Head of Service & Manager]

## 8. REPORT APPENDICES

None

## 9. BACKGROUND PAPERS

None

## Policy and Resources Committee

**28<sup>th</sup> June 2017**

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

**Yes**

### Update on the Maidstone East project

<b>Final Decision-Maker</b>	Policy and Resources Committee
<b>Lead Head of Service</b>	Head of Regeneration and Economic Development
<b>Lead Officer and Report Author</b>	John Foster, Regeneration and Economic Development Manager
<b>Classification</b>	Public
<b>Wards affected</b>	North

#### This report makes the following recommendations to this Committee:

1. To note progress against the short term holding strategy and approach to the master planning and redevelopment work.

#### This report relates to the following corporate priorities:

- Regenerating the town centre: through the regeneration of the Maidstone East area.
- Promoting a range of employment opportunities and skills required across our borough: from the business and retail development on the site.
- A home for everyone: from the residential development of the site

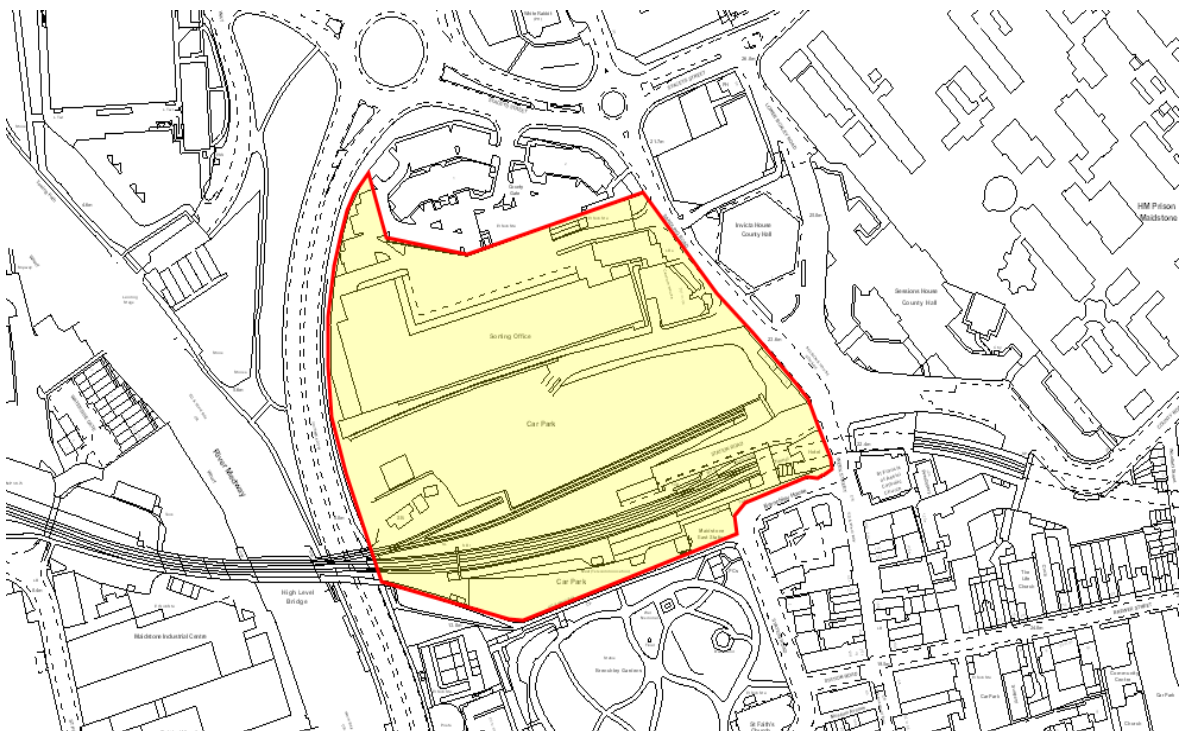
#### Timetable

<b>Meeting</b>	<b>Date</b>
Committee	28 <sup>th</sup> June 2017

# Update on the Maidstone East Project

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out progress towards achieving the Councils' Short Term Holding Strategy (c.5 years) in respect of the former Royal Mail Site, jointly owned with Kent County Council (KCC), and the appointment of a suitable Lead Consultant to support and facilitate the delivery of the comprehensive mixed-use redevelopment of Maidstone East. The proposed Maidstone East Scheme is approximately 10.5 acres in extent and comprises the former Royal Mail Sorting Office site, Cantium House and Network Rail's adjacent station & commuter car park, as illustrated below.



## 2. INTRODUCTION AND BACKGROUND

- 2.1 Following protracted negotiations, the Councils exchanged contracts with Royal Mail to acquire the site on 28th July 2016 at a revised price of £5m. Completion of the purchase took place on 16th September 2016.
- 2.2 Policy and Resources Committee in September 2015 agreed the establishment of a member led joint Strategic Board to oversee the project and gave delegated authority to the Chief Executive and Director of Regeneration and Place, in consultation with the Chairman of Policy and Resources Committee and the Chairman of Strategic Planning, Sustainability and Transport to implement the Business Plan as approved by this Committee. The Strategic Board has met three times since September 2016.

2.3 The short term holding strategy includes capital works to convert/refurbish the existing buildings on site to enable four primary income generating activities:

- Conversion of Warehouse 1 and the open yard areas to operate a 'Pay & Park' public car park (c.150 spaces)
- Short term letting of Warehouse 2 to Demelza Children's Hospice for retail warehouse use, following a targeted marketing exercise
- Short term letting of the office building and storage/welfare areas to charities or commercial businesses, subject to viability
- Licensing the car parking spaces (c.100) located in the undercroft to KCC for staff use Monday to Friday (public 'Pay & Park' at weekends)

## **2.4 Progress to Date**

2.5 Temporary Planning Permission (5 years from Jan 2017) for the works and changes of use was granted in December 2016. A Traffic Regulation Order (TRO) for the creation of the new Pay & Park car park is now in place.

2.6 At the 10th October 2016 Strategic Board Meeting, KCC requested that the c.100 space under croft car park be made available to KCC staff from 3rd January 2017, much earlier than the programmed completion date for the public car park due in early April 2017. The works necessary to achieve this were commissioned separately from the main mechanical & electrical and civils contracts and were completed ready for KCC occupation in January. However, in late December 2016 KCC advised the Partnership that due to unforeseen delays with wider staff consolidation/relocation programmes, its requirements for additional staff parking had been regrettably delayed and reduced. KCC subsequently took occupation of 66 designated spaces in the under croft from 25th April 2017 paying a rent of £59,400pa (£900pa per space). The licence to document the occupation is in the course of being completed. The remaining 34 spaces in the under croft are currently being marketed along with the vacant office building and storage space to prospective tenants.

2.7 The Lease to Demelza Children's Hospice of Warehouse 2 was signed and completed on the 2<sup>nd</sup> June. The Councils have granted a 5-year internal repairing lease contracted outside of the Landlord & Tenant 1954 Act security of tenure provisions with a 6-month rolling break option so either party can terminate from September 2018.

2.8 The 'Pay & Park' public car park opened for business on the 8<sup>th</sup> June 2017. MBC Parking Services will be responsible for the collection of income from the public Pay & Park car park (cash, card & phone payments accepted) and parking enforcement on behalf of the Partnership under a management agreement. The annual cost of this service is estimated to be £29,570 (including daily patrols and pay machine collections/maintenance, etc.).

2.9 Caxtons Chartered Surveyors have been appointed as the Partnerships' managing & letting agent to deal with the day-to-day management of the former Royal Mail site including, but not limited to, arranging general

maintenance, repairs, security, rent collection (including arrears management), tenant liaison, statutory compliance management, office and permit parking lettings, etc. It was previously intended under the Councils' Collaboration Agreement that GEN2 would undertake the facilities and estates management function for the whole of the site but unfortunately they were not in a position to do so. The Partnership invited three local businesses to quote for the work from which Caxtons were selected.

- 2.10 Following two tender processes DMA were appointed on 3<sup>rd</sup> January 2017 to carry out both Mechanical & Electrical validation and rectification work together with the Civils contract. The original target date for completion of the two warehouses and external areas was April 2017. This included a two week period for asbestos clearance from the floor of warehouse 1 being converted into a car park. Unfortunately the contractor encountered significant issues in removing the asbestos as the nature of the adhesive meant that it had impregnated into the top layer of the concrete surfacing. Its removal took over seven weeks and is the main reason for the over-run and delayed handover. It has now been tested and is clear of asbestos.
- 2.11 It should be noted that professional fees, specialist contractors, ticket machines, off site signage and CCTV works are all separate from these contract sums, and are part of the overall project budget.
- 2.12 A number of variations to the contracted works were required as is common in a building refurbishment project. The fire alarms had previously been checked by a specialist, and they did indicate that the existing alarms should be suitable for re-use. However upon further testing, it was found that the parts for these alarms are no longer available meaning they could not be upgraded to include all building areas, and the cost for their replacement was £26,495. A further £11,700 has also been incurred for the unforeseen lightning protection system works.
- 2.13 The other high cost element is the replacement of the lighting in the main carpark warehouse at £55,000 (including rewire). The decision was made to install a higher specification of LED light as the old lights were not suitable for the intended use. This would also allow the lighting to be programmed to reduce output when not in use. This will significantly reduce the electricity usage over the next five years, which will assist in offsetting the additional capital expenditure incurred.
- 2.14 Whilst the majority of the two-storey welfare and plant room block adjacent to warehouse 1 is considered beyond economic reuse, there is an area of approximately 2,700 sq. ft. on the ground floor that is considered suitable for storage use. Interest has been expressed by KCC's ICT department for a 9-month laptop roll out programme. In principle, it has been agreed that if KCC meet the capital costs of the required fit out works estimated at a further £10,000 to £15,000 then a lease for a period of 9 months could be granted rent free. Following this period, the space could be re-let to the open market generating a rental income in the region of £15,000 pa.

- 2.15 The costs for rectification works to the office building are estimated to be in the order of £73,000, but given previous findings this figure will likely increase depending on the specification and fit-out requirements of these areas. A budget figure of £100,000 is therefore considered prudent to bring the property up to a basic lettable standard. The Strategic Board met on the 5<sup>th</sup> June and agreed to carry out the works. There is occupier interest in the office and the site is on the market with Caxtons.
- 2.16 The office building which fronts Sandling Road provides a first impression of the wider site owned by the councils. Having it refurbished and occupied by charities or SME business(es) not only provides a better first impression and improves security, but also offers a much needed opportunity for wider socio-economic benefits to the town during the master planning/delivery phase of the project, which could run for the next 5 years+ as well as generating potential income.

#### **2.17 Project Budget Summary, please see Exempt Appendix.**

#### **2.18 Delivering a comprehensive mixed-use development**

- 2.19 Following the Strategic Board meeting in November 2016, a Sifting Brief was prepared and issued to all thirteen consultancy firms listed on the HCA's Property Panel. This particular technical framework panel (OJEU Reference No. 2013/S 235-408288) was considered to comprise the most suitable real estate consultancy firms who would be best placed to lead the Councils' redevelopment objectives for the Maidstone East area from master planning through to delivery.
- 2.20 The objective of the Sifting Brief was to identify from this selected panel the most suitably qualified, experienced and interested parties who would then be invited to tender and enter into a mini competition to lead the master planning and delivery of the Maidstone East scheme. Six bids were received and four firms were subsequently scored and shortlisted.
- 2.21 An Invitation to Tender (an ITT) setting out the scope of the proposed appointment was issued to the four firms on the 9<sup>th</sup> June. The proposed timetable to appoint the Lead Consultant is set out below.

**Table 4: Timetable for Appointment**

<b>Stage</b>	<b>Date</b>
Issue Invitation to Tender	Friday 9 <sup>th</sup> June
Deadline for Clarifications	Friday 23 <sup>rd</sup> June
Tender Return Date	Monday 3 <sup>rd</sup> July
Potential Interview date	Wednesday 12 <sup>th</sup> July
Notification of Successful Bidder	Thursday 13 <sup>th</sup> July
Contract Start	Monday 17 <sup>th</sup> July

- 2.22 It is expected that the Lead Consultant identified to undertake this commission will act as Programme/Project Manager and will be able to draw upon a variety of suitable multidisciplinary resources including, but

not limited to urban designers, cost consultants (Qs), architects, structural engineers, master planners, planning & transport consultants, legal advisors, valuation/development appraisal & commercial/development agency services.

- 2.23 The Partnership is not expecting consortium bids. After appointment the Lead Consultant will procure any necessary specialist sub-consultants on behalf of and in consultation with the Partnership where it is unable to demonstrate it has the skills and resources in house. The Lead Consultant will be expected to manage and pay any appointed sub-consultants on behalf of the Partnership who will reimburse the Lead Consultant at agreed intervals. An indication of which sub-consultants the Lead Consultant will look to appoint to form part of the proposed master planning team will be requested. The Partnership is interested in offering opportunities for sub-consultancy work to Kent based firms who have solid experience in the area.
- 2.24 It is expected that the firm appointed would have a strong background in implementing complex development schemes and have expertise and a track record in major station redevelopment and working with Network Rail and its complex consents processes.
- 2.25 It is envisaged that the commission will be divided into three main stages with the ability for stages two and three to be reviewed and refined at the end of stage one (with agreed milestones within each stage as required) to ensure maximum flexibility and value for money. It is worth noting the ITT will allow the Lead Consultant firms to make their recommendations as to how they propose to structure the commission. From which the Councils can assess the merits of each approach from the submissions, presentations and interviews to be scored as part of the selection process.

#### **STAGE ONE: Feasibility, Market Research & Optioning**

This stage will involve:

- Site analysis including title review, technical/commercial/planning feasibility work and market research to understand what type of scheme could increase the potential viability of the site (financial return and wider regeneration benefits) understanding the constraints whilst reducing risk, optimising values and deliverability.
- Early stakeholder engagement through workshops and meetings with senior planning officers, Highways officers, elected local councillors/Members, Kent Estates Partnership and Network Rail
- Strategic requirements of the Councils and its wider One Public Estate (OPE) partners is to be investigated.
- Preparation of scheme plans for at least 4 – 5 different scheme options setting out the proposed mix of uses, quantum and arrangement of the different uses taking into account of site constraints and market conditions.
- Computer generated images of the preferred scheme option should be produced.



- Exploration and advice relating to various delivery strategies potentially available to the Councils including phasing and private sector development partner.
- It is envisaged at this stage that an Economic Impact Appraisal setting out the wider socio-economic benefits of the scheme may be required to support bids to Government and South East Local Enterprise Partnership (to be itemised in the price separately)
- Demonstrate viability against anticipated costs and the Councils' need for a return on their investment. It is envisaged that the scheme options will be presented with accompanying development appraisals and robust market commentary in the form of an "Options & Feasibility Report" as deemed appropriate for the Councils and other stakeholders to consider preferred option(s).

Estimated Duration: 3-6 months

## **STAGE TWO:** De-risking the site

At this stage it is not known whether it would be more appropriate to obtain an outline planning permission or seek to produce a development brief for the Councils preferred scheme whether or not it is adopted as a Supplementary Planning Document or as a more informal material consideration. Panel Applicants are therefore asked to price all three options. The Partnership would be interested to know if the Panel Applicants consider whether there is a better way of achieving the same outcome exploring means for the Councils to add value, de-risk and secure both private and public funding. This second stage will involve a greater level of due diligence including securing formal agreements from Network Rail regarding the preferred development proposal affecting their land. It is expected that robust soft market testing of occupier and developer/investor interest will take place to inform the outline designs and refined development appraisals. The aim is to de-risk the scheme in order to create an attractive proposition for developer investment. Progression to this stage is dependent on the outcome of phase 1, satisfactory performance and Council funding.

Estimated Duration: 12 -18 months

## **STAGE THREE** – Appointment of Development Partner & Delivery

Progression to stage 3 will be dependent upon the success of phase 2, satisfactory performance and Councils funding. The detailed brief will be significantly informed by the work from the previous stages. It is envisaged at this stage that the Partnership will need the Lead Consultant to ultimately seek and secure an experienced Private Sector Development Partner to invest in the site's infrastructure, promote the site and secure occupier interest, identify the sequencing and timing for development, negotiate development agreements. The Lead Consultant will advise the Councils in respect to retention of elements of the scheme for occupation and or investment purposes and the mechanism to achieve a fair and equitable return on investment to all parties.

The Development Partner will secure all necessary consents from Network Rail, the Office for Road and Rail (ORR) and detailed planning consents prior to building out the end scheme.

Once the development partner has been secured there is a strong likelihood that the Partnership will still need further advice outside the scope of this commission from the Lead Consultant through to practical completion but this will be agreed as an additional service at the appropriate time.

Duration: 6 to 12 months to appoint a Private Sector Development Partner

- 2.26 Surplus income generated from the holding strategy, the Kent Business Rates Pool (c.£100,000 is available to date) and OPE funding will be used to help fund this commission.
- 2.27 The Strategic Board has agreed the approach set out above in respect of the Lead Consultant appointment including the indicative timetable and give delegated authority to the Project Team to appoint the Lead Consultant following a panel interview.

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### **3. AVAILABLE OPTIONS**

- 3.1 The report is for information only.

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

- 4.1 The report is for information only.

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

- 5.1 Committee Members have asked to be kept updated on an annual basis.

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

- 6.1 The report is for information only.

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### **7. CROSS-CUTTING ISSUES AND IMPLICATIONS**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate</b>	The proposal impacts on the corporate priorities in four	Head of Finance &

<b>Priorities</b>	<p>ways:</p> <ol style="list-style-type: none"> <li>1. Regenerating the town centre.</li> <li>2. Promoting a range of employment opportunities and skills required across the borough.</li> <li>3. A home for everyone.</li> <li>4. Securing improvements to the transport infrastructure of the borough.</li> </ol>	Resources
<b>Risk Management</b>	<p><u>The key risk of this proposal is:</u></p> <p>The scheme as envisioned does not commence and the resale of the site does not generate the resources required to recoup the Council's costs. Given the current appraisals significant work will be undertaken to test market values and demand to seek the mix of uses that meet both Councils agreed objectives.</p> <p><u>Further risks are:</u></p> <ul style="list-style-type: none"> <li>• Car parking on the site does not generate the income expected. This is unlikely as the location is highly suitable as car parking given the proximity of a major route into the town and the main railway station.</li> </ul>	Head of Finance & Resources
<b>Financial</b>	The financial implications are set out in the report.	Head of Finance & Resources
<b>Staffing</b>	Staff time is being met within existing resources.	Head of Regeneration and Economic Development
<b>Legal</b>	<p>The legal implications relate to:</p> <ul style="list-style-type: none"> <li>• License to KCC for their Staff Car Park.</li> <li>• The Pay and Park Contract with KCC for MBC to manage the new car park.</li> </ul>	Head of Legal Partnership

	<ul style="list-style-type: none"> <li>• A lease to Demelza and subsequent license or leases for the remaining property on site.</li> <li>• A contract with the letting and management agent (Caxtons)</li> <li>• Advice required in connection with the appointment of the Lead Consultant and any work flowing from that appointment</li> </ul>	
<b>Equality Impact Needs Assessment</b>	Disabled access for Pay and Park Car park has been assessed and the necessary car parking spaces have been made and dropped kerbs introduced. However due to the significant level differences, the ramp up to Sandling Road from the car park will remain an obstacle.	Head of Regeneration and Economic Development
<b>Environmental/Sustainable Development</b>	The redevelopment of the site will enable the Council to ensure the regeneration plans deliver the Council's sustainable development requirements	Head of Regeneration and Economic Development
<b>Community Safety</b>	N/A	N/A
<b>Human Rights Act</b>	N/A	N/A
<b>Procurement</b>	All purchases of goods and services will be completed in line with the Council's procurement procedures.	Head of Finance & Resources
<b>Asset Management</b>	The site will be managed by Caxtons on behalf of the Councils.	Head of Finance & Resources

## 8. REPORT APPENDICES

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

Exempt Appendix: Report of the Head of Regeneration and Economic Development – Update on the Maidstone East Project

## **9. BACKGROUND PAPERS**

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

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