

POLICY AND RESOURCES COMMITTEE MEETING

Date: Tuesday 23 July 2019
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Mrs Blackmore, M Burton, Chappell-Tay, Clark, Cox (Chairman), English, Mrs Gooch, Harvey, McKay, Mortimer, Newton, Perry (Vice-Chairman), Purle, Round and Springett

The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.

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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.	
8. Minutes of the Meeting Held on 26 June 2019	1 - 8
9. Presentation of Petitions (if any)	
10. Questions and answer session for members of the public (if any)	
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Issued on Monday 15 July 2019

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

15. Business Rates Retention (Pilot) – Update	73 - 88
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PART II

To move that the public be excluded for the item 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.

Head of Schedule 12 A and Brief Description

20. Additional Land Acquisition	3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).	130 - 143
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PUBLIC SPEAKING AND ALTERNATIVE FORMATS

If you require this information in an alternative format please contact us, call **01622 602899** or email committee@maidstone.gov.uk.

In order to speak at this meeting, please contact Democratic Services using the contact details above, by 5 p.m. one clear working day before the meeting (i.e. Friday 19 July 2019). 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.

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MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 26 JUNE 2019

Present: Councillors Mrs Blackmore, Brice, Chappell-Tay, Clark, Cox (Chairman), English, Garten, Mrs Gooch, Joy, McKay, Mortimer, Newton, Purle, Round and Springett

13. **APOLOGIES FOR ABSENCE**

It was noted that apologies were received from Councillors M Burton, Harvey and Perry.

14. **NOTIFICATION OF SUBSTITUTE MEMBERS**

It was noted that the following members were present as substitute members:

- Councillor Brice for Councillor Perry
- Councillor Garten for Councillor M Burton
- Councillor Mrs Joy for Councillor Harvey

15. **URGENT ITEMS**

There were no urgent items.

16. **CHANGE TO THE ORDER OF BUSINESS**

The Chairman informed the Committee that he intended to make a change to the order of business by taking Agenda Item 17 before Agenda Item 16 as the resolutions made for the Business Rates Retention (Pilot) Additional Projects would have a bearing on the considerations for the Revenue and Capital Outturn.

17. **NOTIFICATION OF VISITING MEMBERS**

There were no visiting members.

18. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures by Members or Officers.

19. DISCLOSURES OF LOBBYING

The following Members of the Committee stated that they had been lobbied on Agenda Item 17 – Business Rates Retention (Pilot) Additional Projects:-

Councillors Mrs Blackmore, Chappell-Tay, Clark, Cox, English, Gooch, Round and Springett.

20. EXEMPT ITEMS

The Chairman stated that he intended to take the Part II minutes alongside the Part I minutes in the public domain providing there were no questions.

RESOLVED: That all items be taken in public, as proposed.

21. MINUTES OF THE MEETING HELD ON 24 APRIL 2019

RESOLVED: That the minutes of the meeting held on 24 April 2019 be agreed as an accurate record of the meeting and signed.

22. MINUTES OF THE MEETING HELD ON 21 MAY 2019

RESOLVED: That the minutes of the meeting held on 21 May 2019 be agreed as an accurate record of the meeting and signed.

23. MINUTES (PART I) AND (PART II) OF THE MEETING HELD ON 22 MAY 2019

RESOLVED: That the minutes (Part I and Part II) of the meeting held on 22 May 2019 be agreed as an accurate record of the meeting and signed.

24. PRESENTATION OF PETITIONS

There were no petitions.

25. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

26. COMMITTEE WORK PROGRAMME

The Committee considered the Work Programme and made no changes.

RESOLVED: That the Committee Work Programme is noted.

27. KEY PERFORMANCE INDICATORS 2018/19 - Q4 UPDATE

The Head of Policy, Communications and Governance introduced the report which set out the performance for Quarter 4 2018/19 Key

Performance Indicators. It was noted that:

- Highlights included performance across the Keeping Maidstone Borough an attractive place for all priority with strong performance in relation to litter and detritus ratings, the percentage of fly tips which resulted in enforcement action and number of fly tips assessed and cleared.
- Information had now been received from Kent County Council for February and March for household waste recycling and performance is 47.77% for the quarter and 51.4% for the year so just missing target and second best in Kent (Feb-March less garden waste which affects the tonnage).
- Strong performance in planning and housing 3 targets were rated as red these include the number of households housed through the housing register and the number of applications where housing duty has ended.

The Head of Policy, Communications and Governance drew Members' attention to the list of new Strategic Key Performance Indicators outlined in the report which had been developed following a recommendation by the Committee in April to have a short list of Strategic Indicators to be presented quarterly along with any indicators from other committees by exception only.

In response to questions from Members, Officers advised that:-

- Supplementary guidance for the policy on affordable housing was being produced and once completed would go out for consultation.
- The Director of Environment and Place was not aware of direct targeting by London boroughs to buy up apartments in Maidstone for their social housing needs. However, if the Member concerned could give him some examples then he could investigate further.
- The Chief Executive advised that a task and finish group had been set up with other authorities to share experiences on out of area placements of vulnerable people. She offered to provide a Members Briefing on this.
- The Head of Public Realm and Environment would be asked to come up with proposals to align de-littering of rural roads with other agencies, such as de-littering straight after the verges have been trimmed and then email the Committee.
- The Head of Housing and Community Services would be asked to circulate the data on the number of people being presented as homeless to the Committee by email.

RESOLVED: That

- 1) The summary of performance for Quarter 4 of 2018/19 for Key Performance Indicators (KPIs) be noted.
- 2) The draft strategic indicators for 2019/20 as detailed in paragraph 4.5 of the report of the Head of Policy, Communications and Governance be agreed

Voting: For: Unanimous

28. BIODIVERSITY AND CLIMATE CHANGE REVIEW

The Head of Policy, Communications and Governance introduced a report on Bio-diversity and Climate Change Review which set out an approach to undertaking the review.

It was noted that Kent County Council (KCC) had produced a motion on Climate Change and Central Government had also announced their commitment to greenhouse gas emissions in the United Kingdom being cut to almost zero by 2050.

The Committee were of the view that the report should be deferred to enable Officers to consider the approaches of other authorities and central government before coming back with a more informed report to the next meeting.

RESOLVED: That the report be deferred until the next meeting of the Committee to enable a fuller review to be undertaken which would consider what other bodies are committing to under climate change.

Voting: For: Unanimous

29. BUSINESS RATES RETENTION (PILOT) ADDITIONAL PROJECTS

The Committee considered the report on Business Rates Retention (Pilot) Additional Projects which detailed the income generated from Business Rates growth and retained locally as part of the Business Rates Retention pilot in 2018/19.

The Director of Finance and Improvement advised that :-

- There were 13 projects originally funded from the Business Rates Retention (Pilot) Pool in 2018/19.
- A shortlist of 15 further projects (totalling £700,000) had been drawn up by the Corporate Leadership Team for 2019/20 and considered by Councillors at a Workshop held in June 2019.
- A revised list of 13 projects totalling £667,950 was detailed in the report for consideration.

Councillor Garten re-entered the room at 19.48 p.m. during the discussion on this item.

Councillor Mrs Joy put forward a proposal for St Philip's Community Hall which was adjacent to the Church in which she requested that £17,000 be approved to match-fund the amount already raised by the community for the refurbishment of the toilet facilities.

Councillor English asked that funding be given for Conservation Area Appraisals/Conservation Management Plan.

Councillor Mrs Blackmore requested that funding be given to the Sense of Place review that the Economic Regeneration and Leisure Committee wished to undertake.

In response to a question from a Member, the Director of Finance and Business Improvement advised that the Urban Trees bid was separate to the Climate Change Commission as the Urban Trees project would attract match funding from central government. The Director of Finance and Business Improvement undertook to investigate whether the monies would include the ongoing maintenance and replacement of the trees.

The Committee expressed their concern about the amount of the bid for the Arterial Route Improvements (A20) and felt that this should be reduced by 50% and Officers be asked to revisit their proposals with a view to utilising other initiatives that could be provided at minimal cost and ensuring that other bodies were held to account to carry out work on their own areas rather than the Council undertaking the works for them.

The Chief Executive advised that information would be included in the quarterly budget report for July on how the Council could work with stakeholders who could access funding and voluntary labour to take forward some of the works.

The Leader undertook to make contact with Vinters Park Nature Reserve to see if there was anything that they needed funding for from that particular bid proposal.

RESOLVED: That

- 1) The funding for the projects set out in Appendix 1 to the report of the Director of Finance and Business Improvement be approved subject to the inclusion of the additional proposals agreed at the meeting and the reduction of 50% to the bid for the Arterial Route Improvements (A20) as follows:-

Arterial Route Improvements (A20) - £74,000
CCTV Live Monitoring (Waste Collection) - £30,000
Go Green Go Wild (Community Fund) - £20,000
Lower High Street Master Plan - £80,000
Archbishop's Palace Options Appraisal - £60,000
Phoenix Park Regeneration - £75,000
Invicta Park Planning Guidance - £15,000
Inclusion Through Enterprise - £67,500

Cycle Parking Infrastructure - £60,000
Floodlighting for Jubilee Field, Staplehurst - £36,000
Domestic Abuse Awareness - £6,200
Climate Change Commission - £40,000
Urban Trees - £50,000
St Philip's Community Centre - £17,000
Sense of Place - £22,000
Conservation Area Appraisals/Conservation Management Plan -
£24,000

- 2) If there was a shortfall in resources from the Financial Sustainability Fund, that it delegates authority to the Director of Finance and Business Improvement, in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee, to identify funds from within unallocated resources for the agreed projects.

Voting: For: Unanimous

30. REVENUE AND CAPITAL OUTTURN 2018/19

The Director of Finance and Business Improvement presented a report which provided an overview of the revenue and capital budgets and outturn at the end of 2018/19.

The Committee noted that:-

- The Council's budget had ended 2018/19 with an overall positive variance of £154,000 against its revenue budget.
- There had been an overall spend of £15.9 million against the planned capital programme during 2018/19 compared with a revised estimate of £23.9 million. Any unspent resources that would be required in subsequent years would be carried forward.
- The balance on the general fund at 31st March 2019 had increased by £2.5 million which had been mainly due to additional resources from Business Rates.
- Collection Rates had been narrowly missed for both Council Tax and Business Rates.
- The overall growth in Business Rates measured against the Council's baseline was £3.041 million, with an overall Pooling/Benefit for Maidstone of £3.086 million achieved.
- The Council held investments totalling £15.014 million at 31st March 2019.

In response to questions from Members, the Director of Finance and Business Services advised that:-

- The number of write-offs had increased slightly.
- The company name would be included for future write-offs.
- If Officers found that companies had re-emerged after going into liquidation, then this would be reported to the appropriate authorities.
- The Communities, Housing and Environment Committee had fully considered the future provision of CCTV and had recognised the importance of it in preventing crime and disorder.

The Committee asked for their appreciation to be noted for the way the report had been set out.

RESOLVED: That

- 1) The revenue position of the Council at the end of 2018/19 as set out within the Revenue and Capital Outturn report at Appendix 1 be noted.

Voting: For: Unanimous

- 2) The Committee agrees to the earmarking of reserves as set out in Appendix 1 of the report of the Director of Finance and Business Improvement.

Voting: For: Unanimous

- 3) The outturn and slippage within the capital programme in 2018/19, as set out in Appendix 1 of the report of the Director of Finance and Business Improvement be noted.

Voting: For: Unanimous

- 4) The performance of the Collection Fund and the level of balances as at 31st March 2019 be noted.

Voting: For: Unanimous

- 5) The performance in relation to the Treasury Management Strategy for the year be noted.

Voting: For: Unanimous

- 6) The report detailed the performance of Maidstone Property Holdings Ltd be noted.

Voting: For: Unanimous

- 7) The £150,000 of the capital slippage for Communities, Housing and Environment Committee be allocated for the upgrade and relocation

of CCTV equipment as set out in paragraph 1.5 of the report of the Director of Finance and Business Improvement.

Voting: For: 14 Against: 1

Councillor Garten asked for his dissent to be noted.

- 8) The write-off of non-domestic rates as set out in Appendix 2 of the report of the Director of Finance and Business Improvement be approved.

Voting: For: Unanimous

31. DURATION OF MEETING

6.30 p.m. to 8.55 p.m.

2019/20 WORK PROGRAMME

	Committee	Month	Lead	Report Author
Debt Recovery Policy	P&R	Sep-19	Alison Broom	Sheila Coburn
Maidstone East Land Assembly	P&R	Sep-19	William Cornall	John Foster
Communication and Engagement Strategy Action Plan 2019/20	P&R	Sep-19	Angela Woodhouse	Angela Woodhouse
Q1 Budget and Performance Monitoring 2019/20	P&R	Sep-19	Mark Green	Chris Hartgrove
Business Rates Retention Projects - quarterly update	P&R	Oct-19	Mark Green	Chris Hartgrove
Medium Term Financial Strategy 2020/21 - 2024/25 - Final	P&R	Oct-19	Mark Green	Mark Green
Property Asset Review - quarterly update	P&R	Oct-19	Mark Green	Deborah Turner
Risk Management Update	P&R	Oct-19	Rich Clarke	Rich Clarke
Asset Management Strategy	P&R	Nov-19	Mark Green	Georgia Hawkes
Q2 Budget and Performance Monitoring 2019/20	P&R	Nov-19	Ellie Dunnet	Paul Holland
Collection Fund adjustment 2018/19 and Council Tax base 2019/20	P&R	Dec-19	Mark Green	Chris Hartgrove
Draft Budget Proposals 2020/21	P&R	Dec-19	Mark Green	Chris Hartgrove
Business Rates Retention Projects - quarterly update	P&R	Jan-20	Mark Green	Chris Hartgrove
Fees & Charges 2019/20	P&R	Jan-20	Mark Green	Chris Hartgrove

2019/20 WORK PROGRAMME

	Committee	Month	Lead	Report Author
Medium Term Financial Strategy - Capital Programme 2020/21 -	P&R	Jan-20	Mark Green	Chris Hartgrove
Property Asset Review - quarterly update	P&R	Jan-20	Mark Green	Deborah Turner
Final Budget Proposals 2020/21	P&R	Feb-20	Mark Green	Chris Hartgrove
Q3 Budget and Performance Monitoring 2019/20	P&R	Feb-20	Mark Green	Chris Hartgrove
Annual Reports of Outside Bodies and Consideration of Outside Bodies for the Next Municipal Year	P&R	Mar-20	Angela Woodhouse	Mike Nash
KPIs for 2020-21	P&R	Mar-20	Angela Woodhouse	Angela Woodhouse
Risk Management Update	P&R	Mar-20	Rich Clarke	Rich Clarke
Business Rates Retention Projects - quarterly update	P&R	Apr-20	Mark Green	Chris Hartgrove
Property Asset Review - quarterly update	P&R	Apr-20	Mark Green	Deborah Turner
Commissioning and Procurement Strategy	P&R	TBC	Mark Green	Georgia Hawkes
Kent Medical Campus Innovation Centre	P&R	TBC	John Foster	Abi Lewis

**POLICY AND RESOURCES
COMMITTEE**

23 JULY 2019

Corporate Planning Timetable

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Angela Woodhouse
Lead Officer and Report Author	Angela Woodhouse Head of Policy Communications and Governance and Anna Collier Policy and Information Manager
Classification	Public
Wards affected	All

Executive Summary

Every year the Committee is asked to consider whether to update the existing strategic plan, create a new one or leave the current one in place. This report sets out a proposed approach to this and setting the Medium Term Financial Strategy 2020/21 – 2024/25.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

That:

1. The Strategic Plan 2019-45 is not refreshed or re-written.
2. The corporate planning timetable be adopted.

Timetable

Meeting	Date
Policy and Resources Committee	23 July 2019

Corporate Planning Timetable

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The Strategic Plan sets the Council's objectives, currently these are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place 	Head of Policy, Communications and Governance
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation is Reduced and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected 	Head of Policy, Communications and Governance
Risk Management	Already covered in the risk section	Head of Policy, Communications and Governance
Financial	The financial implications of the strategic plan are set out in the Council's five year Medium Term Financial Strategy. The MTFS will be updated and rolled forward to cover the period 2020/21 to 2024/25 as set out in the timetable at paragraph 4.3 of this report.	Director of Finance and Business Improvement
Staffing	We will deliver the recommendations with our current staffing.	Head of Policy, Communications and Governance
Legal	There are no legal implications	Head of Policy, Communications and Governance
Privacy and Data Protection	This decision will have no impact on Privacy and Data Protection	Policy and Information Team
Equalities	The recommendations do not propose a change in service therefore will not require	Policy & Information

	an equalities impact assessment	Manager
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	The decision will have no direct impact on Crime and disorder	Head of Policy, Communications and Governance
Procurement	No procurements will be undertaken as part of this decision	Head of Policy, Communications and Governance

2. INTRODUCTION AND BACKGROUND

- 2.1 The Strategic Plan is a core element of our corporate planning. The priorities and outcomes in the Strategic Plan are developed alongside the Medium Term Financial Strategy (MTFS) to ensure consistency between service delivery and budgets. Service Planning allows the Council to convert high level priorities from the Strategic Plan into actions for each directorate, service or team across the Council, which then feeds into individual staff appraisals.
- 2.2 Each year the Policy and Resources Committee are asked to agree whether to refresh the existing strategic plan or create a new one. A timetable of activity is then planned around this process. The timetable includes a period of public consultation and reports to service committee meetings on the budget.

3. AVAILABLE OPTIONS

- 3.1 The Committee could either choose to create a new strategic plan, refresh the current plan or decide that there is no reason to produce either an update or a new plan and just update time specific actions.
- 3.2 A timetable for corporate planning is outlined in section 4; the Committee can review and amend this timetable as appropriate.
- 3.3 A full residents survey is planned for 2020 so this year there will be the usual budget consultation to inform the MTFS. A report elsewhere on your agenda sets out the process for updating the MTFS.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is recommended that there is no update or rewrite required as the current Strategic Plan 2019- 45 was agreed by Council in March 2019; following substantial consultation and analysis.

- 4.2 A full rewrite of the strategic plan is not recommended as the vision and priorities are fresh and at an early stage of implementation. The Council is at an early stage of monitoring progress against the new vision and priorities and therefore there is insufficient information to identify whether these priorities are the correct area of focus.
- 4.3 An update on the Strategic Plan progress will be presented to this Committee in April 2020, at this point it may opportune to review any actions that have been completed and identify new ones as appropriate.

Corporate Planning Timetable

Date	Action
July 2019	MTFS 2020/21 – 2024/25 – Initial Scope
August 2019	Service Planning begins
September 2019	Public Consultation on MTFS
November 2019	MTFS 2020/21 – 2024/25 – Final
January 2020	MTFS – Capital Programme 2020/21
February 2020	Final Budget Proposals 2020/21
April 2020	Strategic Plan 2019-45 Update

5. RISK

- 5.1 The risks associated with delivering the Council’s Strategic Plan are set out in the Corporate Risk Register.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 All Members and each committee were central to the development of the Strategic Plan 2019-2045

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 If Committee agree the recommended action, next steps will be followed as set out in the timetable at 4.3. If members request another course of action, officers will need to revise the timetable and review resources and bring an updated report to Committee.

**POLICY AND RESOURCES
COMMITTEE**

23 July 2019

**Medium Term Financial Strategy 2020/21-2024/25 –
Initial Scoping and Assumptions**

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

Executive Summary

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 2020/21 to 2024/25. It describes the issues and risks involved, starting with the Council’s current financial position. It sets out key assumptions to be made in preparing the MTFS.

The report concludes by setting out the subsequent steps involved in developing an updated MTFS and includes a timetable for consideration by Members.

This report makes the following recommendations to this Committee:

That:

1. The issues and risks associated with updating the Medium Term Financial Strategy be noted.
2. The assumptions described in this report for planning purposes and to establish the remit for detailed budget development be noted.
3. The approach outlined to development of an updated Medium Term Financial Strategy for 2020/21 – 2024/25 and a budget for 2020/21 be agreed.

Timetable

Meeting	Date
Policy and Resources Committee	23 July 2019
Policy and Resources Committee	20 November 2019
Council	11 December 2019
All Services Committees	January 2020
Policy and Resources Committee	12 February 2020
Council	26 February 2020

Medium Term Financial Strategy 2020/21-2024/25 – Initial Scoping and Assumptions

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Section 151 Officer & Finance Team
Cross Cutting Objectives	The MTFS supports the cross-cutting objectives in the same way that it supports the Council's other strategic priorities.	Section 151 Officer & Finance Team
Risk Management	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
Financial	The budget strategy and the MTFS impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Section 151 Officer & Finance Team
Staffing	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
Legal	The Council has a statutory obligation to set a balanced budget and development of the MTFS and the strategic revenue projection in the ways set out in this report supports achievement of a balanced budget.	Legal Services
Privacy and Data Protection	<ul style="list-style-type: none"> Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report. 	Section 151 Officer & Finance Team
Equalities	The MFTS report scopes the possible impact of the Council's future financial position on service delivery. When a policy, service or	Equalities and

	function is developed, changed or reviewed, an evidence based equalities impact assessment will be undertaken. Should an impact be identified appropriate mitigations will be identified.	Corporate Policy Officer
Public Health	<ul style="list-style-type: none"> The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy. 	Public Health Officer
Crime and Disorder	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
Procurement	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team

2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Council will deliver its Strategic Plan over the next five years. The Council adopted a new Strategic Plan for the period 2019 – 2045 in December 2018, and the existing MTFS for the period 2019/20 to 2023/24 reflects the new Strategic Plan. The new MTFS will continue to reflect the Strategic Plan priorities.
- 2.2 A key outcome of the process of updating the MTFS is to set a balanced budget and agree a level of council tax for 2020/21 at the Council meeting on 26 February 2020. This report is the first step towards achieving that objective.

Local authority funding

- 2.3 Over the past four years, local authority funding has been subject to a national settlement originally announced in 2016. 2019/20 is the final year of this four year settlement. The four year settlement provided a degree of certainty about the Council's funding position, even though the amount of central government support for local government has fallen steadily. The effect in Maidstone has been that the percentage of revenue raised locally has increased from 82.3% in 2014/15 to 93.7% in 2018/19.
- 2.4 The MTFS recognises the increasing dependence of the Council on locally-generated resources, and supports the Council's need to become 100% self-sufficient.

- 2.5 It was originally anticipated that a new local government funding regime would be introduced in 2020. However, other central government priorities have meant that this is now very unlikely to happen. It is currently expected that the existing arrangements will be rolled forward for at least one further year. However, what this will mean in practice remains unclear, given a number of key variables in the local government funding regime, including:
- the Council Tax referendum limit
 - the Business Rates baseline (which dictates the amount of business rates that local authorities may retain locally)
 - future of specific grants, eg New Homes Bonus.
- 2.6 It should be noted that the four year funding settlement has given no Revenue Support Grant (RSG) to Maidstone Borough Council since 2017/18. It was originally envisaged that the funding settlement would incorporate a clawback of £1.6 million from the Council in the form of negative RSG in 2019/20. Under pressure from local authorities like Maidstone and our parliamentary representatives, the government withdrew the proposal to levy negative RSG. However, this concession only applied to 2019/20, so without an overall increase in funding available to local government, it is not clear how the local government financial settlement will be balanced in future years without the 'lost' negative RSG being recouped in some form. At this stage it is appropriate in the interests of prudence to assume that we will have to pay back an equivalent amount to central government in 2020/21 and subsequent years, whether this is presented as 'negative RSG' or adopts some other guise.
- 2.7 At this stage it is not known when we will have clarity about the Council Tax referendum limit, the Business Rates baseline, future specific grants or negative RSG for 2020/21. It would be helpful if the government were to make an announcement soon after parliament returns from recess in the Autumn, but the competing priority of Brexit, and the usual pattern whereby the local government finance settlement is announced just before Christmas, suggest that we may not have any definitive figures until late December.
- 2.8 Whilst it is likely that the existing funding regime will be rolled forward in broadly its current form into 2020/21, there will probably be more significant changes in 2021/22. These are likely to include:
- Implementation of a 'Fair Funding Review'
 - 75% business rates retention by local authorities (versus 50% now)
 - Resetting business rates baselines.

It should be noted that 75% business rates retention will not mean an increase in resources for individual local authorities. The government originally intended the increased business rates income to be accompanied by an increase in responsibilities, eg for public health; it remains to be seen what new responsibilities will actually be devolved to local authorities.

Scenario Planning

- 2.9 Local government funding cannot be considered in isolation from wider economic factors. UK growth is lagging behind that of other major economies. The impact of Brexit on the wider economy remains uncertain. Whilst there are suggestions that the government may expand public expenditure in order to offset any adverse effects from lower economic growth, there is no guarantee that District Councils like Maidstone will benefit, particularly given other public sector spending priorities.
- 2.10 General economic conditions will affect the level of revenue collected directly by the Council. Many businesses in the retail and leisure sectors, which are major contributors to business rates income, are already experiencing difficult trading conditions. A slowdown in housebuilding would lead to lower increases in the Council Tax base.
- 2.11 Given overall economic uncertainty, coupled with the lack of clarity about local government funding, it is proposed that, as in previous years, we model a number of different scenarios when developing the Medium Term Financial Strategy, as follows:

Favourable

Brexit is accompanied by a government-induced stimulus to the economy, which provides more funding for local government. In the medium term, this generates higher economic growth which more than offsets any potential negative Brexit impacts.

Neutral

Current trends are maintained. The Council is able to maintain existing service levels and to fund inflationary increases in expenditure thanks to a steadily growing Council Tax base and regular annual increases in Council Tax. However, without any overall increase in local government spending, new spending pressures have to be funded from within existing resources.

Adverse

An adverse outcome from Brexit reduces Council income but increases service pressures in areas like homelessness, requiring spending cuts in order to ensure that statutory services are maintained. Alternatively standards for these services may need to be reviewed to achieve a balanced budget.

- 2.12 Specific assumptions underlying each of the scenarios will be set out in the Medium Term Financial Strategy.

Corporate Objectives and Key Priorities

- 2.13 The Council's new Strategic Plan sets four key priorities, as follows:
- Embracing Growth and Enabling Infrastructure
 - Homes and Communities

- A Thriving Place
- Safe, Clean and Green.

'Embracing growth and enabling infrastructure recognises' the Council's role in leading and shaping the borough as it grows. This means taking an active role in policy and master planning for key sites in the borough, and where appropriate, investing directly ourselves.

'Homes and communities' expresses the objective of making Maidstone a place where people love to live and can afford to live. This means providing a range of different types of housing, including affordable housing, and meeting our statutory obligations to address homelessness and rough sleeping.

'A thriving place' is a borough that is open for business, attractive for visitors and an enjoyable and prosperous place to live for our residents. We will work to regenerate the County town and rural service centres and will continue to grow our leisure and cultural offer.

A 'safe, clean and green' place is one where the environment is protected and enhanced, where parks, green spaces, streets and public areas are looked after, well-managed and respected, and where people are and feel safe.

The Medium Term Financial Strategy must reflect the overall corporate priorities set out in the new Strategic Plan and ensure so far as possible that resources are available to meet the objectives. Given finite resources, this may mean transferring budgets away from services that do not directly support corporate priorities to those that do.

Revenue Expenditure – Current Position

- 2.14 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 2018/19 Statement of Accounts and is included as Appendix A.
- 2.15 This section sets out the current revenue spending position, given the final outturn for the 2018/19 financial year and our plans to deliver budget savings in 2019/20. The position is set out in summary below. Note that the final outturn for 2018/19 remains subject to audit.

Table 1: 2018/19 Outturn and 2019/20 Savings and Growth

Committee	Service	2018/19			2019/20	
		Final adjusted budget	Actual outturn for the year	Variance (-Adverse/ Favourable)	Budget savings	Budget growth
		£000	£000	£000	£000	£000
CHE	Communities & Housing	4,444	4,089	355	119	0
	Environment & Public Realm	4,244	4,539	-295	116	-30
ERL	Heritage, Culture & Leisure	1,852	1,951	-99	167	0
	Economic Development	614	576	38	7	0
S P I	Planning Services	1,291	1,507	-216	60	-24
	Parking & Transportation	-1,939	-1,978	39	271	0
P & R	Property & Investment	-79	-300	221	291	0
	Corporate and Shared Services	9,022	8,911	111	151	-27
	Total	19,449	19,294	154	1,182	-81

Details by service area are set out below.

Communities and Housing

- 2.16 This service area supports the corporate priority 'Housing and Communities'. The Housing Service has been successful in managing an increasing workload over the past couple of years, thanks in part to one-off government grant funding, and to local initiatives such as the purchase of property to provide temporary accommodation. The service remains demand-driven, so whilst the number of families in temporary accommodation appears currently to have stabilised at around 100, this could change. Current budgets however assume that the status quo is maintained.
- 2.17 Our project with EY Xantura, funded via the Business Rates Retention pilot one-off resources, seeks to target homelessness prevention interventions and reduce the risks and incidence of homelessness in the medium term.
- 2.18 The capital budget for 2019/20 includes provision for phase 3 of the temporary accommodation investment programme and ongoing expenditure on the Brunswick Street and Union Street developments, both of which are currently in progress.
- 2.19 In the longer term, the Housing Development and Redevelopment Investment Plan and our Housing Partnership are designed to contribute towards meeting housing need across a range of different tenures.

Environment & Public Realm

- 2.20 These services support the 'clean and green' agenda, as they include street cleaning, grounds maintenance in parks and open spaces, and household waste collection. Waste collection is outsourced and the cost of the service is directly linked to inflation indices. The adverse variance in 2018/19 was owing to a one-off change in accounting treatment of Garden Waste income and has no ongoing implications.
- 2.21 Budgets assume that current service levels are maintained. However, a provision has been included in the MTFS for a potential annual increase in costs of £500,000 when the existing contract with Biffa comes to an end.

Heritage, Culture & Leisure

- 2.22 This service area helps to make Maidstone a 'thriving place'. It includes the museum, leisure services and bereavement services. Leisure services are seeing significant capital investment at Mote Park with the Adventure Zone and the forthcoming Visitor Centre. This forms part of a long term strategy for Mote Park whereby self-sufficiency is achieved by investment in income generating activities, so the Adventure Zone is projected to deliver £114,000 additional income annually which will contribute towards the running costs of the park. However, it is clear that new visitors also create additional spending pressures in Mote Park generally, highlighting the need for careful forecasting when planning future investment.
- 2.23 The Bereavement service continues to be successful in exceeding its income targets. The business case for further investment in the service is therefore strong.

Economic Development

- 2.24 Economic Development likewise supports the priority of making Maidstone a thriving place. The Council has a small ongoing revenue budget for economic development, supplemented by funding from the Business Rates Pool. The service also plays a key role in major capital-funded projects including the Kent Medical Campus Innovation Centre and Maidstone East.

Planning Services

- 2.25 Planning Services provide the essential framework for 'embracing growth and enabling infrastructure'. These services include spatial planning, and specifically the Local Plan review, infrastructure planning, liaison with developers on major applications, and day-to-day development management and processing of planning applications. The Planning Service is subject to some volatility in income, particularly with major applications, which led to a budget shortfall in 2019/20. This will require careful management. The current MTFS allows for £800,000 to be spent over the next four years on the Local Plan refresh.

- 2.26 There remains a risk of costs in relation to planning appeals, but known likely costs have been provided for in the accounts as at the end of 2018/19.

Parking & Transportation

- 2.27 Parking and Transportation likewise support growth and infrastructure, as well as serving the priority of making Maidstone a thriving place. The Parking Service traditionally out-performed its income budgets, and budgets were increased accordingly. 2018/19 saw a budget surplus, but the margin was smaller than in previous years, reflecting the fact that more income has been built into the base budget. Future years' income will be heavily dependent on performance of the wider economy and specifically on Maidstone Town Centre's success in attracting visitors.
- 2.28 A saving has been achieved by re-commissioning the Park and Ride service.

Property & Investment

- 2.29 This service is responsible for the Council's own property and investments. The Council's commercial property investment strategy both generates a financial return and supports the regeneration agenda by investing in the local economy. In recent years the Council has been able successfully to generate additional income from commercial investments. Further capital investment is planned in the future, as described in the Capital Strategy elsewhere on this agenda.

Corporate & Shared Services

- 2.30 Corporate services provide the essential support structure to enable all the corporate priorities to be realised. They include central staffing budgets and office accommodation. The Council's future office accommodation needs are under review, with its lease on Maidstone House expiring in 2023. In the meantime, we will seek to maximise value from the space occupied.
- 2.31 Shared Services continue to provide resilience and offer the potential for additional income, eg from lending Internal Audit staff to other authorities and from our debt collection service.

Overall Position

- 2.32 The overall outturn for 2018/19 was an underspend of £154,000 against the budget. This will be utilised under the delegation agreed by Policy and Resources Committee at its meeting on 26 June 2019 to support projects put forward for Business Rates Retention Pilot funding.

Funding

Council Tax

- 2.33 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.
- 2.34 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

	2014	2015	2016	2017	2018
Number of dwellings	67,178	67,721	68,519	69,633	70,843
% increase compared with previous year	0.38%	0.81%	1.18%	1.63%	1.74%

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

- 2.35 The level of council tax increase for 2020/21 is a decision that will be made by Council based on a recommendation made by Policy and Resources Committee. In practice, the Council's ability to increase the level of council tax is limited by the need to hold a referendum for increases over a government set limit. In 2019/20, the limit was the greater of 3% or £5.00. The Council approved the maximum possible increase. The rationale for this approach was that:
- pressures on the Council's budget mean that even a marginal difference in Council Tax income is of value;
 - the referendum limit might revert to a lower level in later years;
 - because the starting point for calculating the referendum limit in any given year is the previous year's Council Tax, agreeing a lower increase reduces the Council's room for manoeuvre in later years.
- 2.36 The referendum limit of 3% was intended broadly to reflect the rate of inflation. With a government target for inflation of 2%, it is likely that the limit will fall to 2% or even lower. Accordingly, the current MTFS projections assume that Council Tax increases will be at the referendum limit, and that this limit will be 2%. It is proposed to retain the assumption that Council Tax will be increased in line with the referendum limit, for the reasons set out in the preceding paragraph.

Retained business rates

- 2.37 Under the current business rates regime, local government in aggregate retains 50% of business rates income. However, most of the 50% share collected locally is lost to Maidstone, because it is redistributed to other authorities through a system of tariffs and top-ups.

Table 3: Baseline Business Rates Income 2019/20

	£000	%
Baseline Business Rates income	55,590	100
Government share	-27,795	-50
Kent County Council / Kent Fire & Rescue Authority	-5,559	-10
Government tariff	-19,028	-34
Baseline Business Rates income retained by MBC	3,208	-6

- 2.38 To the extent that business rates income exceeds the baseline, this growth element is retained locally, subject to a levy payable to central government by tariff authorities like Maidstone. The Council has been able to minimise the levy payable on business rates growth through its membership of the Kent Business Rates Pool. This is because the levy payable by some pool members (district councils) is offset against the top-up received by the major preceptors (Kent County Council and Kent Fire and Rescue).
- 2.39 The Council includes the non-pool element of business rates growth as part of its base budget. Maidstone Council's 30% share of the growth arising from membership of the pool is allocated to a reserve which is used for specific projects that form part of the Council's economic development strategy. A further 30% represents a Growth Fund, spent in consultation with Kent County Council. This has been used to support the Maidstone East development. Another 30% goes directly to Kent County Council; the residual 10% is held back to compensate pool members whose business rates income falls below the baseline and would otherwise have benefited from the government's safety net.
- 2.40 A further element of growth was retained locally for one year only in 2018/19 as a result of Maidstone's participation in the Kent & Medway 100% Business Rates Retention pilot. Kent & Medway local authorities were successful in bidding for pilot status, which meant that 100% of business rates growth, rather than 50%, was retained locally. Unfortunately, a bid for pilot status in 2019/20 was unsuccessful. It is not clear whether there will be further pilots in 2020/21.
- 2.41 Total projected business rates income for 2019/20 and the uses to which it will be put are summarised in the table below.

Table 4: Projected Business Rates Income 2019/20

	£000	
Business Rates baseline income	3,208	Included in base budget
Growth in excess of the baseline	1,129	Included in base budget
Projected income before pooling	4,337	
Pooling gain (MBC share)	315	Earmarked for Economic Development projects
Pooling gain (Growth Fund)	315	Spent in consultation with KCC, eg on Maidstone East
Total	4,967	

- 2.42 Current projections for 2020/21 assume that we will lose the benefit of business rates growth, because of a potential baseline reset, and baseline income itself will be reduced by an amount broadly equivalent to the negative RSG that we had originally expected to suffer in 2019/20. As explained in paragraph 2.5 above, negative RSG was only removed for one year, and the government will have to make good the funding gap that negative RSG was designed to fill, even if this is not badged as such.
- 2.43 Projections of business rates income for the years after 2020/21 must, of necessity, take a cautious position on how much business rates income is likely to be retained locally, given that this is the element in our total resources that is most at risk from the vagaries of government policy.

Revenue support grant

- 2.44 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 receives zero RSG.

Local income from fees and charges

- 2.45 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.

Revenue Projections

- 2.46 The strategic revenue projections underlying the current MTFS suggested that there would be a budget gap of £0.4 million in 2020/21, increasing to £2.1 million by the end of the five year period, as follows. The projections were based on a 'neutral' scenario.

Table 5: Current MTFS Revenue Projections 2019/20-2023/24

	19/20	20/21	21/22	22/23	23/24
	£m	£m	£m	£m	£m
Council Tax	16.2	16.8	17.5	18.2	18.9
Retained Business Rates	3.2	1.7	0.4	0.5	0.6
Business Rates Growth	1.1	0.0	0.2	0.4	0.7
Budget requirement	20.5	18.5	18.1	19.1	20.2
Fees and Charges	20.8	21.0	21.2	21.4	21.6
Total Funding Available	41.3	39.5	39.3	40.5	41.8
Predicted Expenditure	42.5	41.5	41.2	41.1	42.6
Budget Gap	1.2	2.0	1.9	0.6	0.8
Required Savings - Cumulative	1.2	3.2	5.1	5.7	6.5
Savings identified - Cumulative	1.2	2.8	3.7	4.3	4.3
Still to be identified	0.0	0.4	1.4	1.4	2.2

2.47 In light of the many uncertainties around future funding, 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 as described above. 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.

Capital Programme

2.48 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 27th February 2019. An updated capital strategy and capital programme is due to be considered by Council in September 2019, as described in a report elsewhere on the agenda.

2.49 Major schemes include the following:

- Brunswick Street redevelopment
- Union Street redevelopment
- Further mixed housing and regeneration schemes
- Temporary accommodation
- Commercial Property Investments
- Kent Medical Campus Innovation Centre
- Mall Bus Station Improvements
- Mote Park Improvements
- Flood Action Plan.

2.50 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.

2.51 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.

2.52 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. Current funding projections indicate that borrowing will be required for the first time later in 2019/20. The cost of any borrowing will be factored into the updated MTFS financial projections.

2.53 Many of the external grants that were available to the council for funding capital projects in the past no longer exist. However, some recent projects have received support through grants and contributions, eg ERDF Funding for the Kent Medical Campus Innovation Centre. Opportunities to bid for funding are pursued energetically wherever possible.

2.54 Funding is also available through developer contributions (S 106) and, in future, through the Community Infrastructure Levy (CIL).

Reserves

2.55 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.

2.56 In addition to uncommitted General Fund balances, the Council holds reserves that are earmarked for specific purposes. The most substantial of these in the past has been earmarked New Homes Bonus funding for capital expenditure. This stood at £1.4 million at the start of 2018/19

but has now been fully utilised, given that it has been deployed to fund the capital programme. Full details of reserves held are set out below:

Table 6: General Fund balances as at 31 March 2019

	31.3.18 £000	31.3.19 £000
Earmarked Reserves		
New Homes Bonus funding for capital projects	1,404	0
Local Plan Review	200	200
Neighbourhood Plans funding carried forward	70	64
Planning Appeals Contingency	0	300
Accumulated Surplus on Trading Accounts	51	31
Civil Parking Enforcement	481	419
Future Capital Expenditure	0	431
Housing Prevention & Temporary Accommodation	0	700
Unspent Business Rates Growth (Pool and Pilot)	692	3,682
Sub-total Earmarked Reserves	2,898	5,828
Unallocated Balances	9,022	8,620
Total General Fund balances	11,920	14,448

The unallocated balances exceed the £2 million minimum. They are equivalent to around 20% of the gross revenue budget, which is comfortably 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

3. AVAILABLE OPTIONS

- 3.1 A number of factors that influence the annual budget and the MTFS are not yet known. 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.

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. RISK

- 5.1 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.

- 5.2 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.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Consultation with all relevant stakeholders is an important part of the process of developing the MTFS. A public budget consultation will take place this Autumn, then individual Service Committees will be consulted on the details of the MTFS proposals as they affect the respective Committee portfolios.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 An outline timetable for developing the Medium Term Financial Strategy and budget for 2020/21 is set out below.

<i>Date</i>	<i>Meeting</i>	<i>Action</i>
23 July 2019	Policy and Resources Committee	Agree approach to development of updated MTFS and key assumptions
August - September		Update and roll forward MTFS
20 November 2019	Policy and Resources Committee	Agree updated MTFS for submission to Council
11 December 2019	Council	Approve updated MTFS
October – December		Develop detailed budget proposals for 2020/21
January 2020	All Service Committees	Consider 20/21 budget proposals
12 February 2020	Policy and Resources Committee	Agree 20/21 budget proposals for recommendation to Council
26 February 2020	Council	Approve 20/21 budget

8. REPORT APPENDICES

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

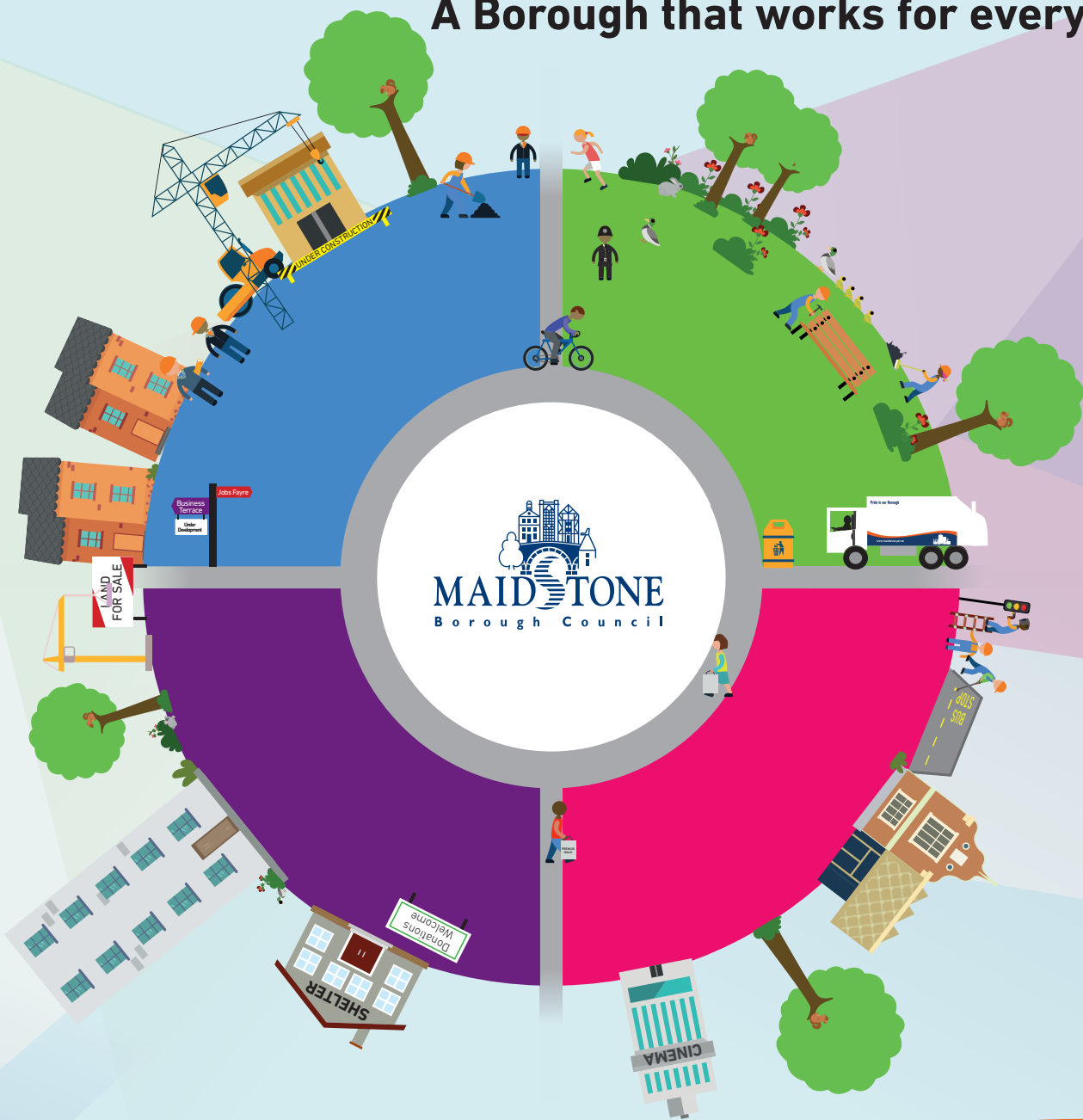
- Appendix A: Narrative Report – Review of 2018/19 Financial Year
-

9. BACKGROUND PAPERS

None.

NARRATIVE Report 2019

PRIDE IN OUR BOROUGH
A Borough that works for everyone





Key Facts about Maidstone

POPULATION OF MAIDSTONE BOROUGH

2017	167,700
2016	165,700

GROSS VALUE ADDED IN BOROUGH

2016	£3.8 billion
2015	£3.6 billion

NUMBER OF ACTIVE BUSINESSES IN THE BOROUGH

2017	7,935
2016	7,755

BUSINESS RATES GENERATED

2018/19	£59.9 million
2017/18	£56.9 million

WEEKLY PAY FOR A FULL-TIME WORKER

2018	£589.50
2017	£562.90

COUNCIL GROSS REVENUE

2018/19	£97.2 million
2017/18	£95.5 million

COUNCIL REVENUE GENERATED LOCALLY

2018/19	93.3%
2014/15	82.3%

COUNCIL SURPLUS AGAINST BUDGET

2018/19	0.9%
2017/18	1.1%

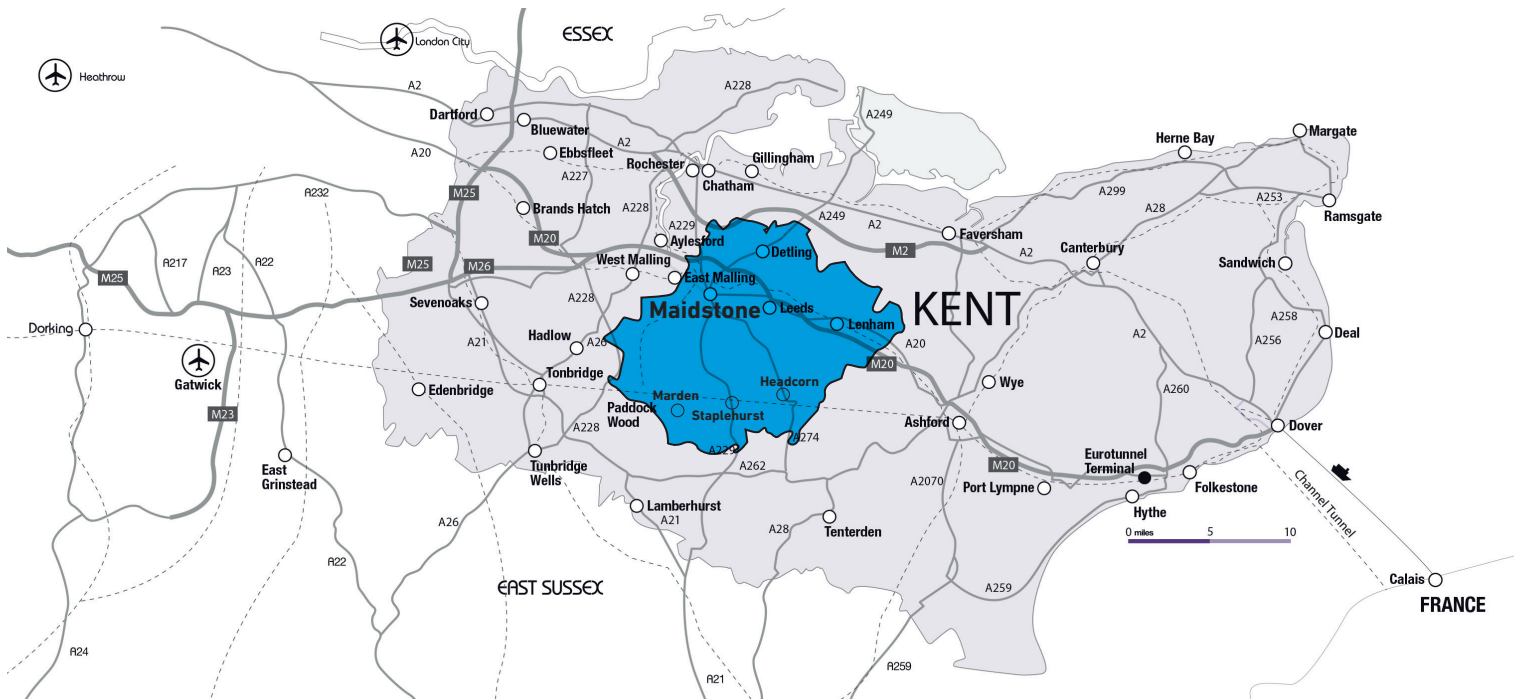
COUNCIL INVESTMENT IN LONG TERM ASSETS

2018/19	£116.9 million
2017/18	£98.0 million

COUNCIL'S USABLE RESERVES

2018/19	£15.1 million
2017/18	£12.4 million

About Maidstone



Maidstone is the largest borough council district in Kent, with an estimated 168,000 residents in mid-2017. Around 70% live in Maidstone, which is the County Town of Kent. In the surrounding rural area there are local service centres such as Staplehurst, Marden, Headcorn, Lenham, Harrietsham and many smaller villages.

Maidstone has the largest economy of any Kent borough, generating an estimated £3.8 billion Gross Value Added per annum. The borough has around 8,000 businesses covering a diverse range of sectors including life sciences, healthcare, ICT, construction and civil engineering, professional and business services, agriculture and horticulture, and education.

The M20 from London to the Kent coast runs through the borough, providing good transport links and the opportunity for further business growth. New developments along the M20 corridor include the following:

- The Kent Medical Campus, located just off Junction 7, is a 30-acre site designed to stimulate and support research-led health and life science businesses and clinical service providers, supported by universities and specialist training providers. Cygnet Hospital opened in late 2018 on the site, providing services for patients suffering from a variety of mental health problems. The Council is also building an Innovation Centre there, providing flexible office space, facilities and business support for businesses in the life science, healthcare and med-tech sectors, with a target opening date of summer 2021.
- Planning permission has been granted for a new commercial business park at Junction 8 of the M20, which will provide office, warehouse and light industrial space to serve the borough's growing economy. A new state-of-the-art commercial business park is planned which will deliver more than 47,500m² of employment space, creating up to 1,200 jobs.



- A strategic site south of the M20 at Junction 6 covering an area of 4,600m² will become an industrial park, comprising a local firm's head office and offering local employment opportunities to businesses looking to locate in the area.

The town of Maidstone is surrounded by a rural area that stretches from the Kent Downs Area of Outstanding Natural Beauty in the north to the Weald in the south. The borough has a rich historical heritage, with 2,000 listed buildings and 28 scheduled ancient monuments. The River Medway flows through the borough and the town centre and, together with its tributaries, is one of the borough's prime assets. All these natural and physical advantages help the borough attract around four million visitors each year.

About the Council

The Council is accountable to local residents through its 55 councillors, who are elected by thirds for terms of four years, such that elections are held in three years out of every four. Following the May 2019 Borough Elections, the political composition of the Council is:

Conservative	25
Liberal Democrat	20
Labour	4
Independent	4
Independent Maidstone	2

The Council operates a Committee system, with decisions being made by four main Committees: Policy and Resources; Communities, Housing and Environment; Economic Regeneration and Leisure; and Strategic Planning and Infrastructure. The Council elects a Leader each year, who is also Chairman of the Policy and Resources Committee. The current Leader of the Council is Martin Cox (Liberal Democrat).

The Council employed 526 people (489 full time equivalent) at 31 March 2019, based at the Council's administrative offices in Maidstone House, King Street, and at service locations including the Council's depot at Bircholt Road, Parkwood.

Maidstone's Strategic Plan

The Council has a Strategic Plan which is updated on an annual basis. 2018/19 was year four of the five year Strategic Plan adopted in 2015. A new long term Strategic Plan was agreed in December 2018, and is described in the 'Future Plans' section below.

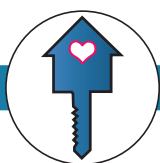
The 2015 Strategic Plan identified two overriding priorities – keeping Maidstone Borough an attractive place for all and securing a successful economy for the Borough. Within these overall priorities, three specific areas of focus were identified for 2018/19:

- **A Home for Everyone;**
- **Providing a Safe, Clean and Green environment; and**
- **Regenerating the Town Centre.**



Key achievements

Key achievements in the priorities from the Strategic Plan and progress against key performance indicators are set out below:



A HOME FOR EVERYONE

- **New housing developments**

Work is under way on two new housing developments in Maidstone town centre, at Union Street and Brunswick Street. When complete in Summer 2020, the developments will provide 94 new homes, comprising a mix of affordable housing, housing for market rent and housing for sale.

- **Lenworth House**

The regeneration of Lenworth House on Ashford Road has transformed a derelict Georgian building into 14 new apartments, which have been let to private sector tenants through the Council's housing company. The Council acquired Lenworth House in 2017 as part of its commitment to deliver high-quality housing to the borough.

- **Temporary accommodation**

The Council dealt with 1,212 homelessness applications in 2018/19 and has provided temporary accommodation to an average of over 100 households at any one time. In order to provide good quality, affordable temporary accommodation, the Council has continued its programme of acquiring suitable properties. In 2018/19 it bought a further 17 units, making a total of 76.



A CLEAN, SAFE AND GREEN ENVIRONMENT

- **Mote Park**

Mote Park is Maidstone's 'jewel in the crown', a Grade 2 listed 460 acre park, 10 minutes walk from the Town Centre. It attracts thousands of visitors and hosts a range of events throughout the year. The Council is investing in the park to provide even more attractions. A new play area and an Adventure Zone, offering high ropes, mini adventure golf, climbing walls and a skate park opened in Spring 2019.

- **Reducing flytipping**

The Council has continued to make progress in reducing flytipping. It has pursued enforcement action vigorously, with 83% of fly-tips where there is evidence available leading to enforcement action. 94% of fly-tips are cleared within two working days.

- **Go Green Go Wild**

Go Green Go Wild is an exciting new project that is intended to encourage people to look after the nature that is on their doorstep. We want to help residents create wildlife corridors, encourage native species and provide habitats so that wildlife can thrive throughout Maidstone. The initiative provides advice and information, promotes local wildlife groups and is leading the creation of new wildflower meadows to increase biodiversity.



REGENERATING THE TOWN CENTRE

- **Public Realm**

Maidstone town centre is the largest traditional high street in Kent and a thriving location for retail businesses. A major programme of works to improve the public realm in the town centre was completed in Spring 2019, making it more pedestrian friendly by removing kerbs and street clutter and introducing new seating, trees and wayfinding signage. Key features of the works included patterns in the paving to create distinctive squares along the length of the road, and text engraved in the paving to highlight key historic events.

- **Maidstone East redevelopment**

Maidstone Borough Council and Kent County Council own the old Post Office Sorting Office next to Maidstone East railway station and are bringing forward ambitious plans to redevelop the area, including the adjacent commuter car park and Cantium House. A new square, linked to the public realm improvements to the north end of Week Street, will be created, alongside an extended and refurbished station ticket office. This multi-million-pound landmark regeneration project will be crucial to transforming this key gateway to the County Town.

- **Business Improvement District**

Working with One Maidstone, the Borough Council has supported the creation of a Business Improvement District. Businesses in the town centre have overwhelmingly voted to support the establishment of a BID which will generate over £2 million in additional revenue, to be spent on tackling anti-social behaviour, enhanced street cleansing, floral displays, more events, marketing and christmas lights.

- **Opportunity areas**

The Council has identified five areas in the town centre that provide the opportunity for distinctive developments. It has liaised with the landowners and prepared planning guidance to demonstrate the Council's ambition for the sites and help unlock funding for development. Where appropriate the Council will lead the master-planning process and co-ordinate land assembly.



KEY PERFORMANCE INDICATORS

Key Performance Indicators are set for each Council priority in consultation with the relevant Service Committee. Performance against targets is set out below.

PRIORITY: A Home for Everyone

Performance Indicator	Service	Value	Target	Status	Last Year
Processing of planning applications: major applications (NI 157a)	Development Management	96.33%	88.00%		
Processing of planning applications: minor applications (NI 157b)	Development Management	94.49%	80.00%		
Processing of planning applications: other applications (NI 157c)	Development Management	97.04%	90.00%		
Number of affordable homes delivered (gross)	Economic Development	205	180		
Number of households living in temporary accommodation last night of the month (NI 156 & SDL 009-00)	Housing & Health	113			
Number of households living in nightly paid temporary accommodation last night of the month	Housing & Health	58			
Number of applications where Prevention Duty has ended as applicant has suitable accommodation for at least six months	Housing & Health	189	300		N/A
Number of households housed through housing register	Housing & Health	578	600		

PRIORITY: Providing a Clean, Safe and Green Environment

Performance Indicator	Service	Value	Target	Status	Last Year
The percentage of land and highways with acceptable levels of litter	Depot Services	98.17%	94.00%		
The percentage of land and highways with acceptable levels of detritus	Depot Services	95.25%	94.00%		
Percentage of report of littering attended to	Depot Services	48.77%			N/A
Percentage of fly tips resulting in enforcement action	Environmental Crime Team	83.3%	50.0%		
Percentage of fly-tips cleared or assessed within two working days	Environmental Crime Team	93.99%	89.00%		
Percentage of fly-tips clear or assessed within four working days	Environmental Crime Team	101%	94%		N/A
Percentage of household waste sent for reuse, recycling and composting (NI 192)	Waste & Recycling	51.40%*	52.50%		

Data only indicator - reported for information but no target set

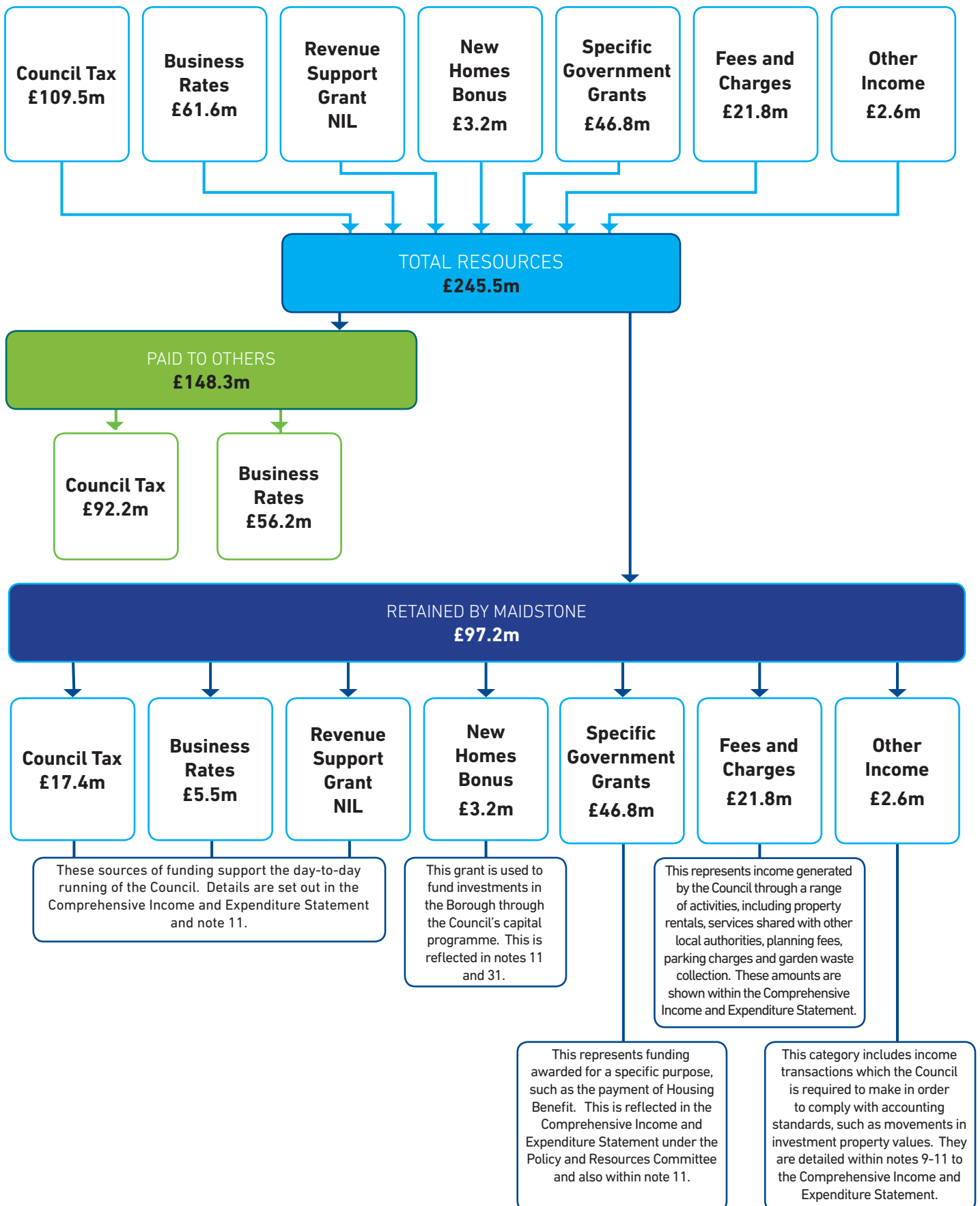
PRIORITY: Regenerating the Town Centre

Performance Indicator	Service	Value	Target	Status	Last Year
Percentage of vacant retail units in town centre	Economic Development	TBC	11%	?	?
Footfall on the High Street	Economic Development	11,719,223	10,600,000	✓	↓
Business Rates income from the Town Centre	Revenues & Benefits	£23,531,680.79			↓



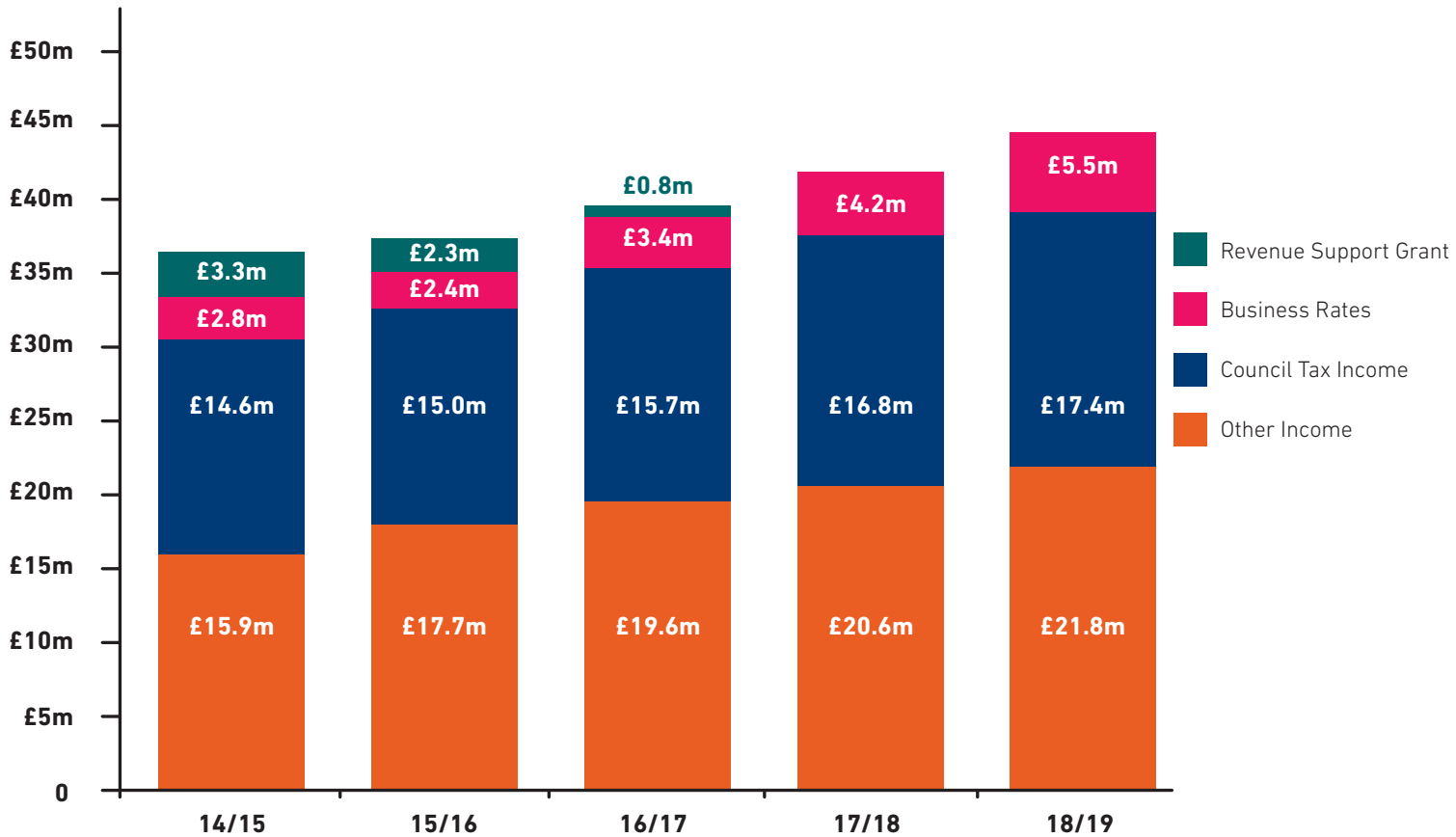
Financial Performance

Maidstone Council's financial turnover, including Council Tax and Business Rates collected on behalf of other local authorities and government, amounted to £246 million in 2018/19 (£234 million in 2017/18). The table below shows the flows of income and expenditure.



Income

The Council no longer receives Revenue Support Grant from central government. It depends on income generated locally in Maidstone, comprising Council Tax, our share of Business Rates, and Fees and Charges for the services that we provide.



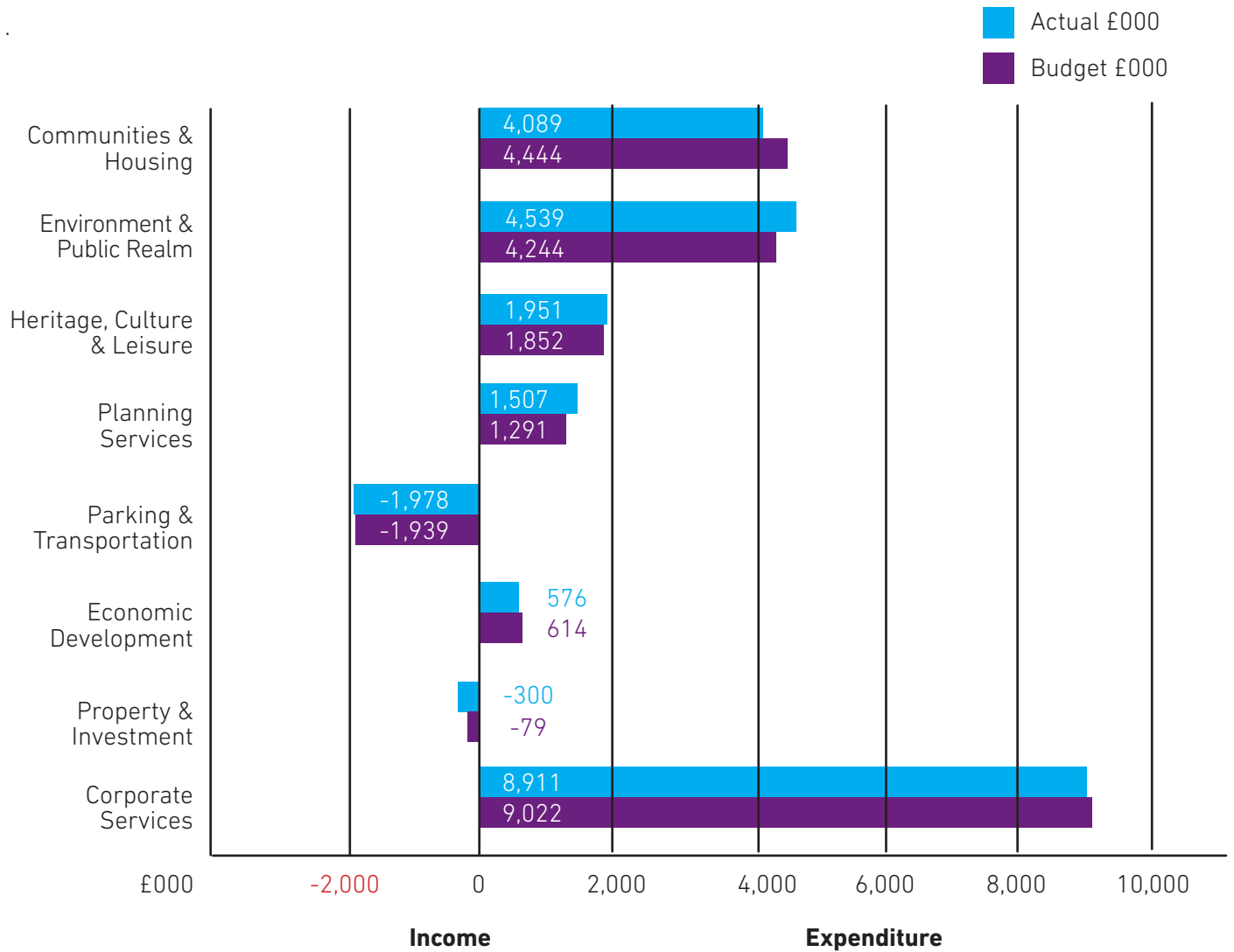
These sources of income are shown in note 11 to the Statement of Accounts, **Taxation & Non-Specific Grant Income**, and in the income totals for the relevant Committee in the **Comprehensive Income and Expenditure Statement**.



Expenditure

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

Delivering expenditure in line with budget is an important performance indicator. This objective was achieved in 2018/19.



The Council's income and expenditure is shown 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 increased from £27.4 million to £45.3 million, mainly because of upward revaluations of the Council's property assets and growth in pension fund assets managed by Kent County Council.

2017/18 £000		2018/19 £000
67,145	Property, Plant & Equipment	80,830
10,383	Heritage Assets	10,393
19,976	Investment Properties	23,014
516	Other Long Term Assets	2,648
31,646	Money owed to the Council	33,610
-20,089	Money owed by the Council	-30,216
-82,207	Long Term Liabilities	-74,983
27,380	Net Assets	45,296
12,446	Usable Reserves	15,050
14,934	Unusable Reserves	30,246
27,380	Total Reserves	45,296

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.

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.

Balance Sheet (continued)

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. £4.6 million of New Homes Bonus has been used in this way during the year (17/18 - £9.8 million).

Unusable Reserves will only become available at some future date, for example if assets are sold. Unusable reserves rose, reflecting the revaluations and change in pension liabilities described above.

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

Capital Expenditure

During the year, £16.1 million was spent on delivering the projects identified within the Council's capital programme.

These projects include:

- Expenditure on new housing developments at Union Street and Brunswick Street
- Acquisition of Lenworth House to provide private sector rented accommodation
- Purchase of properties for use as temporary accommodation for homeless people
- Construction of an Adventure Zone and new Play Area at Mote Park
- Public realm improvements in the Town Centre

The Council has an ambitious capital programme for the coming five years, totalling £80 million. The two largest elements in the capital programme are the Council's housing and regeneration strategy and its commercial property investment strategy. The programme will be funded both through New Homes Bonus receipts and other internal resources, and through external borrowing, in line with the regulatory requirement that such borrowing be affordable, prudent and sustainable.

	Actual	Five year plan					Total
	18/19	19/20	20/21	21/22	22/23	23/24	
	£000	£000	£000	£000	£000	£000	£000
Housing Development and Regeneration	4,142	8,965	3,658	7,675	7,675	7,675	35,648
Temporary Accommodation	4,446	3,000					3,000
Disabled Facilities Grants	578	800	800	800	800	800	4,000
Flood Action Plan	67	1,000	63				1,063
Mote Park Improvements	2,501	2,290	1,650	100			4,040
Town Centre Regeneration	2,283						0
Property Investment Strategy	5	2,500	2,500	2,500	2,500	2,500	12,500
Kent Medical Campus Innovation Centre	251	750	8,250	1,500			10,500
Infrastructure delivery	0	600	600	600	600	600	3,000
Corporate Property Improvements	542	1,115	467	175	175	175	2,107
Mail Bus Station Redevelopment	0	1,500					1,500
Section 106 Contributions	376	201	280	63	754	60	1,358
Other	937	401	637	270	134	70	1,513
	16,128	23,122	18,906	13,683	12,638	11,880	80,229

FUTURE PLANS

The Council agreed a new long term Strategic Plan in December 2018, setting out its aspirations through to 2045. Our vision is for Maidstone to be a vibrant, prosperous, urban and rural community at the heart of Kent, where everyone can realise their potential. Within the overall Strategic Plan, we have defined four Strategic priorities: embracing growth and enabling infrastructure; making Maidstone safe, clean and green; providing homes and supporting communities; and making the borough a thriving place.

At the same time as it agreed its Strategic Plan, the Council approved a new five year Medium Term Financial Strategy. This sets out how our strategic priorities will be delivered, given the financial resources available to the Council. Resources depend first of all on the overall economic environment. The combination of relatively slow economic growth and pressure on government expenditure from other areas of the public sector mean that the Council cannot rely on government support to increase spending, and in the worst case may have to cut back. The Council is already very largely self-sufficient, with most of its income coming from Council Tax and other local sources, including parking, planning fees and property income.

The Council plans to invest through its capital programme. Any such investment must be sustainable in terms of the Council's ability to fund interest payments and ultimately repayment of capital. The capital programme is intended to support local public services and to help the Council achieve its strategic priorities for the borough.

The main financial risk to the Council arises from continued uncertainty about the shape of local government funding arrangements from 2020/21. Although Maidstone Borough Council no longer receives direct grant funding from central government, the framework for setting Council Tax, and the distribution of business rates collected locally between central government, precepting authorities and the Council itself is subject to change after 2020/21. The details will be critical in determining the level of resources available to the Council.

Given this uncertainty, the Council has planned for a range of feasible scenarios, characterised as favourable, neutral and adverse. In all scenarios, the Council will seek to continue making efficiency savings and generating additional income in order to optimise its financial position.





RISK MANAGEMENT

The Council manages risk through a comprehensive risk management framework. This involves identification of risk at corporate and service levels, ownership of individual risks by named officers, development of controls to mitigate risks, and regular reporting. Quarterly reports are presented to the Corporate Leadership Team and bi-annual reports to Policy and Resources Committee. Members take an active interest in the risk management process and engage fully in discussion about individual risks.

The following table sets out what we have assessed as being the key corporate risks

Ranking	Risk description	Risk rating	
		Inherent risk	After planned mitigations
1	Housing pressures increasing	20	12
2=	Major project failure	16	12
2=	Financial restrictions	16	12
4	Poor partner relationships	16	9
5	Impact of Brexit	12	12
6=	Contraction in retail and leisure sectors	12	8
6=	Significant control failure	12	8
8=	Failure to implement Local Plan	9	9
8=	Environmental damage	9	9
10=	Governance failures	8	8
10=	IT security failure	8	8
12	Loss of community engagement	6	6
13	Workforce capacity and skills	4	4

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Agenda Item 14

Policy & Resources Committee

23 July 2019

Updated Capital Strategy

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

Executive Summary

The latest version of CIPFA's Prudential Code, which governs the Council's capital investment and borrowing, introduced a new requirement in 2019/20 for a Capital Strategy. The Capital Strategy is intended to bring together all the Council's strategies and policies that relate to capital expenditure and how it is financed. This report proposes the adoption of an updated Capital Strategy which reflects developing best practice in the sector. The report also sets out an updated Capital Programme.

This report makes the following recommendations to this Committee:

That:

1. The Capital Strategy set out at Appendix A be recommended to Council.
2. The Capital Programme at Table 1 of the Capital Strategy be recommended to Council.

Timetable

Meeting	Date
Policy & Resources Committee	23/07/2019
Council	25/09/2019

Updated Capital Strategy

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Medium Term Financial Strategy and the Capital Strategy express in financial terms the priorities set out in the strategic plan. Specifically, the Capital Strategy allows for investment in long term projects that support the strategic plan objectives.	Section 151 Officer & Finance Team
Cross Cutting Objectives	The report recommendations support the achievement(s) of the cross cutting objectives for the reasons set out above.	Section 151 Officer & Finance Team
Risk Management	Covered in the risk section.	Section 151 Officer & Finance Team
Financial	Set out in report.	Section 151 Officer & Finance Team
Staffing	No specific financial implications. Implementation of the Capital Strategy requires project management skills which, if not available from within the Council's own staff, will have to be sourced externally.	Section 151 Officer & Finance Team
Legal	Under section 151 of the Local Government Act 1972, the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management, advising on the corporate financial position and providing financial information. The overarching Capital Strategy brings together the Strategic Plan, the Medium Term Financial and Treasury Management Strategies and the Asset Management Plan thereby demonstrating the Council's commitment to fulfilling it's duties under the Act. The Capital Strategy is in compliance with the	Team Leader (Corporate Governance), MKLS

	CIPFA 's Prudential Code governing capital investment and borrowing.	
Privacy and Data Protection	Privacy and data protection are considered when developing capital projects for inclusion in the capital programme. There are no specific implications arising from this report.	Section 151 Officer & Finance Team
Equalities	The Equalities impacts will be identified at project level via an equalities impact assessment and appropriate actions considered.	Equalities and Corporate Policy Officer.
Public Health	We recognise the recommendations may have varying impacts on the health of the population or individuals within Maidstone.	Public Health Officer
Crime and Disorder	None.	Section 151 Officer & Finance Team
Procurement	Procurement of capital schemes will be in accordance with the procurement provisions within the Council's constitution.	Section 151 Officer & Finance Team

2. INTRODUCTION AND BACKGROUND

- 2.1 CIPFA's Prudential Code, which governs the Council's capital investment and borrowing, introduced a new requirement in 2019/20 for a Capital Strategy. The intention was to ensure that councils provide a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with a description of how associated risk is managed and the implications for future financial sustainability.
- 2.2 Accordingly, the Capital Strategy articulates in a single place a number of strategies and policies that the Council already addresses elsewhere: it is an overarching document linking the Strategic Plan, the Medium Term Financial Strategy, the Treasury Management Strategy and the Asset Management Plan.
- 2.3 Council approved a Capital Strategy when setting the budget for 2019/20 at its meeting on 27 February 2019. Since then, practice amongst councils in meeting the requirements of the Prudential Code for a Capital Strategy has evolved. Maidstone Borough Council has also started working with new treasury advisers, Link Asset Services. It is now worth the Council taking this opportunity to adopt some of the good practice that has been seen elsewhere and to update its Capital Strategy. The draft Capital Strategy is included as Appendix A.

- 2.4 The Capital Programme has been updated to reflect slippage from 2018/19 and decisions made by Policy and Resources Committee to take advantage of new opportunities that have arisen. It is therefore recommended that Council endorse the updated Capital Programme, which is included within the Capital Strategy as Table 1.
-

3. AVAILABLE OPTIONS

- 3.1 Agree the capital strategy and capital programme as set out in Appendices A.
- 3.2 Amend or delete some or all of the proposals, and agree alternative proposals.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred option is that the Committee agree the capital strategy and capital programme as set out in Appendices A.
-

5. RISK

- 5.1 The capital programme is a vital part of the Council's strategy for delivering its overall priorities and it is therefore of fundamental importance that the associated risks are managed actively. The Capital Strategy describes how risk will be managed in Section 8.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The Capital Strategy draws on a number of other strategies and policies, including the Strategic Plan and the Medium Term Financial Strategy, which have been subject to extensive consultation.
-

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 It is envisaged that the Capital Strategy will be submitted to Council for adoption at its meeting on 25 September 2019. If adopted, it will then serve to guide decisions about capital investment and financing.

7.2 The Capital Strategy will be subject to regular review as part of the annual budget setting process.

8. REPORT APPENDICES

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

- Appendix A: Capital Strategy
-

9. BACKGROUND PAPERS

None.

MAIDSTONE BOROUGH COUNCIL
CAPITAL STRATEGY

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5. Other Long Term Liabilities.....	14
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1. INTRODUCTION

- 1.1 CIPFA's Prudential Code, which governs the Council's capital investment and borrowing, introduced a new requirement in 2019/20 for a Capital Strategy. The intention was to ensure that councils provide a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with a description of how associated risk is managed and the implications for future financial sustainability.
- 1.2 Accordingly, the Capital Strategy articulates in a single place a number of strategies and policies that the Council already addresses elsewhere: it is an overarching document linking the Strategic Plan, the Medium Term Financial Strategy, the Treasury Management Strategy and the Asset Management Plan.

2. CAPITAL EXPENDITURE AND LINKS TO OTHER CORPORATE STRATEGIES

Strategic Plan

- 2.1 Capital expenditure at Maidstone Borough Council plays a vital part in the Council's Strategic Plan, since long term investment is required to deliver many of the objectives of the plan.
- 2.2 The current Strategic Plan originated in a detailed process of discussion and development over the period June – October 2018 and was approved by Council on 12 December 2018. It sets out four objectives, as follows:
- Embracing Growth and Enabling Infrastructure
 - Homes and Communities
 - A Thriving Place
 - Safe, Clean and Green.

The ways in which capital expenditure can support these priorities are described below.

Embracing Growth and Enabling Infrastructure

The Council has a vital role in leading and shaping our borough as it grows. This means being proactive in policy and master planning for key sites in the borough, and where appropriate, investing directly ourselves.

Separate objectives, set out below, address specifically the development of new housing, and other investments intended to make Maidstone a thriving place. As a first step, in order to enable these developments to take place, investment in infrastructure will be needed. In general, infrastructure schemes are funded from the benefits gained from the development. To address any potential funding gap, the Council will enable infrastructure spending, to the extent that it meets our strategic priorities.

Accordingly, £3.6 million has been set aside within the current capital programme to contribute towards provision of local infrastructure, and to indicate our intention to invest to unlock development and attract matching funding.

Homes and Communities

The Strategic Plan seeks to make Maidstone a place where people love to live and can afford to live. This means a range of different types of homes, including affordable housing.

The Council plans to develop new housing, providing a mixture of tenures, under the Housing Development and Regeneration Investment Plan agreed by Policy and Resources Committee in July 2017. Developments are under way at Brunswick Street and Union Street. Lenworth House was acquired in 2018/19 and further acquisitions are envisaged. Private sector rented accommodation will be managed by the Council's subsidiary, Maidstone Property Holdings Limited. The Council is seeking partnerships to enable further development to take place.

In total, £35.6 million has been provided in the capital programme for the Housing Development and Regeneration Investment Plan. This will be supplemented by grants, eg from Homes England, where additional resources are needed in order to ensure the financial viability of developments.

We aim, and are required by law, to address homelessness and rough sleeping. The Council has invested in temporary accommodation for homeless families, thereby ensuring a good standard of accommodation and providing a more cost-effective solution than is offered by the private sector. In 2018/19 we acquired 17 homes for use as temporary accommodation and we plan to buy a further 10 units in 2019/20, for which £3.2 million has been provided in the capital programme.

The Council also works with Kent County Council Social Services to deliver adaptations and facilities to enable disabled people to remain at home. This work forms part of the capital programme, although it is funded directly by central government grant. £4 million has been provided in the capital programme for Disabled Facilities Grants.

A Thriving Place

The Strategic Plan seeks to make Maidstone a borough that is open for business, attractive for visitors and is an enjoyable and prosperous place to live for our residents. This can be achieved through investment in the County town and rural service centres.

There are a number of ways in which the Council will take the lead, including working with partners and through direct investment ourselves. The Council has a successful track record of acquiring property as part of its Commercial Investment Strategy. These acquisitions both generate a financial return that supports the objective of making the Council financially resilient and self-sufficient, and contribute to making Maidstone a thriving place. We will continue to seek good quality investment opportunities.

Where appropriate, we will seek to achieve the necessary scale of investment by identifying joint venture partners. The amount available for direct investment by Maidstone Council is governed by the overall size of the capital programme, but we will adopt a flexible approach within this constraint in order to take advantage of investment opportunities that meet our criteria.

Specific projects that will contribute to a Thriving Place include Maidstone East, where the Council is working in partnership with Kent County Council to redevelop a key site next to the railway station, and the Kent Medical Campus, where the Council has secured external funding to match the Council's own funds to provide £10.5 million in total to create an Innovation Centre for growing businesses in the life science, healthcare and med-tech sectors.

The Council has already made a significant investment in improving the public realm in the Town Centre. The current capital programme includes a further investment of £1.5 million, including partner contributions, in the bus station to improve its efficiency and attractiveness to customers.

Safe, Clean and Green

The Council seeks to protect and where possible enhance our environment and to make sure our parks, green spaces, streets and public areas are of a high quality.

Recent investment has included a programme of developments in our flagship local park, Mote Park. An Adventure Zone opened in May 2019 and plans are under way for the construction of a new Visitor Centre. Mote Park Lake is effectively a reservoir, and we are required to reduce the risk of the lake overtopping the dam at its western end. The necessary work is due to take place in Summer 2020 and current estimates are that the total scheme cost will be around £2 million.

The floods of winter 2013/14 highlighted the risks faced by the borough generally. Maidstone Borough Council is part of the Medway Flood Partnership, which includes the Environment Agency and Kent County Council. The Partnership plans to spend at least £19 million over the next five years in the Medway catchment area, of which Maidstone is contributing £1 million.

Medium Term Financial Strategy

- 2.3 The overall context for the MTFS is one where the Council is increasingly dependent on locally-generated resources, whether from Council Tax or a range of other income streams, including parking income, planning fees and the Council's property portfolio. The MTFS supports the Council's need to become financially self-sufficient.
- 2.4 In drawing up the capital programme, there is therefore a focus on schemes that both meet strategic priorities and are self-funding. Specifically:
- the Commercial Investment Strategy builds on the Council's existing commercial investment property portfolio and assumes that we will continue to expand the portfolio, subject to opportunities arising that generate the required rate of return.
 - the Housing Development and Regeneration Investment Plan provides for the Council to develop housing ourselves, thereby addressing the need for new homes in the borough and generating long term revenue returns through developing homes for market rent.
- 2.5 In general, the capital programme is reviewed and developed so that investment is focused on strategic priorities. The capital programme, as set out in the current MTFS 2019/20 to 2023/24, with updates to reflect slippage from 2018/19 and recent investment decisions of Policy and Resources Committee, is shown below.

Table 1: Capital Programme 2019/20 to 2023/24

	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	Total £000
Brunswick Street - Net Cost	3,441	-100				3,341
Union Street - Net Cost	2,085	-1,843				242
Indicative Schemes	4,124	5,426	3,750	3,750		17,050
Housing Delivery Partnership			3,750	3,750	7,500	15,000
<i>Sub-total Housing Development and Regeneration</i>	<i>9,650</i>	<i>3,483</i>	<i>7,500</i>	<i>7,500</i>	<i>7,500</i>	<i>35,633</i>
Disabled Facilities Grants	1,570	800	800	800	800	4,770
Temporary Accommodation	3,236					3,236
Housing Incentives	1,040	175	175	175	175	1,740
Gypsy Site Improvement Works	42					42
CCTV Upgrade and Relocation	150					150
Commercial Waste	180					180
Street Scene Investment	147	25				172
Flood Action Plan	1,000	63				1,063
Communities, Housing & Environment Total	17,015	4,546	8,475	8,475	8,475	46,986
Improvements to Play Areas	422					422
Crematorium and Cemetery Projects	140	130				270
Mote Park Improvements	374					374
Mote Park Visitor Centre	2,122					2,122
Mote Park Lake - Dam Works	267	1,650	100			2,017
Other Parks Improvements	100					100
Museum Development Plan	11	125	200	64		401
Economic Regeneration & Leisure Total	3,437	1,905	300	64		5,706
High Street Regeneration	547					547
Asset Management / Corporate Property	1,417	467	175	175	175	2,409
Feasibility Studies	113	50	50	50	50	313
Infrastructure Delivery	1,200	600	600	600	600	3,600
Software / PC Replacement	124	287				411
Digital Projects	20	20	20	20	20	100
Acquisition of Commercial Assets	24,850	2,500	2,500	2,500	2,500	34,850
Kent Medical Campus-Innovation Centre	649	8,250	1,500			10,399
Maidstone East	520					520
Policy & Resources Total	29,440	12,174	4,845	3,345	3,345	53,149
Mall Bus Station Redevelopment	1,540					1,540
Bridges Gyratory Scheme	121					121
Strategic Planning & Infrastructure Total	1,661					1,661
Sub-Total	51,553	18,625	13,620	11,884	11,820	107,502
Section 106 Contributions / CIL	201	280	63	754	60	1,358
TOTAL	51,754	18,905	13,683	12,638	11,880	108,860

Treasury Management Strategy

- 2.6 The Treasury Management Strategy sets out how the Council manages its investments and cash flows, including banking, money market and capital market transactions, and how optimum performance is assured whilst managing the risks associated with these activities.
- 2.7 The specific aspects of the Treasury Management Strategy that are relevant here are how it addresses the Council's capital expenditure plans and how borrowing needs are met. Capital expenditure is funded from the New Homes Bonus, internal resources, borrowing and third party contributions such as Section 106 or CIL payments on new developments. To date, the Council has relied primarily on New Homes Bonus and internal resources, but it is envisaged that this will change owing to the reduction in New Homes Bonus payments and the scale of the capital programme.
- 2.8 The current local authority funding regime does not set cash limits for borrowing. However, borrowing must be sustainable in terms of the Council's ability to fund interest payments and ultimately repayment of capital.
- 2.9 Further details are set out in Section 4.

Asset Management Plan

- 2.10 The longer term maintenance of the Council's capital assets is addressed by the Council's Asset Management Plan. The Asset Management Plan ensures that the Council's assets, as a resource, support the delivery of the Council's objectives by:-
- Providing a suitable standard of accommodation for services including those shared with other authorities
 - Maintaining commercial investment assets and ensuring that they deliver the required rate of return
 - Providing an asset management service to the property holding company
 - Meeting the needs of the local community by maintaining assets in parks and open spaces and other community assets
 - Safeguarding local heritage through ownership and preservation of historic and scheduled ancient monuments.

The current capital programme includes a provision of £2.4 million for Corporate Property Improvements, based on the requirements of the Asset Management Plan.

- 2.11 The Asset Management Plan is currently under review. An updated Plan is due to be considered by Policy and Resources Committee in late 2019.

3. GOVERNANCE FRAMEWORK

Background

- 3.1 Capital expenditure proposals are developed in response to the Council's strategic priorities, as described in the previous section. Individual schemes are incorporated in the capital programme, which is included within the Council's Medium Term Financial Strategy.
- 3.2 The MTFS states that capital schemes will be reviewed and developed so that investment is focused on strategic priorities. The MTFS is updated on an annual basis, as part of the annual budget cycle.
- 3.3 Subsequent to preparation of the MTFS and its approval by Council each year, capital estimates form part of the annual budget that is submitted to Council for approval.

Developing capital expenditure proposals

- 3.4 The development of capital expenditure proposals follows certain core principles for the inclusion of schemes within the capital programme. Schemes may be included in the capital programme if they fall within one of the four following categories:
 - (i) Required for statutory reasons, eg to ensure that Council property meets health and safety requirements;
 - (ii) Self-funding schemes focused on Strategic Plan priority outcomes;
 - (iii) Other schemes focused on Strategic Plan priority outcomes; and
 - (iv) Other priority schemes which will attract significant external funding.
- 3.5 All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code and the following locally set principles:
 - (a) Where schemes fit within a specific strategy and resources are available within the capital programme for that strategy, such as the Asset Management Plan, the schemes would also be subject to appraisal and prioritisation against the objectives of that strategy. These schemes must be individually considered and approved by the relevant service committee.
 - b) Where schemes can be demonstrated to be commercial in nature and require the use of prudential borrowing, a business case must first be prepared.
- 3.6 Where schemes do not fit within the criteria above but an appropriate option appraisal has been completed, they may still be included within the programme if they fall within one of the four categories set out above.

- 3.7 If, following all considerations, there are a number of approved schemes that cannot be accommodated within the current programme, a prioritised list of schemes that can be added to the programme as future resources permit will be created and approved by Policy and Resources Committee, thus allowing officers to focus funding efforts on delivering schemes that are next in priority order.
- 3.8 The MTFs requires the Council to identify actual funding before commencement of schemes. Accordingly, while schemes may be prioritised for the programme, ultimately commencement of any individual scheme can only occur once all the necessary resources have been identified and secured.
- 3.9 The MTFs principles require that the Council will maximise the resources available to finance capital expenditure, in line with the requirements of the Prudential Code, through:
- a) The use of external grants and contributions, subject to maintaining a focus on the priority outcomes of its own strategies;
 - b) Opportunities to obtain receipts from asset sales as identified in the Asset Management Plan and approved for sale by Policy and Resources Committee;
 - c) The approval of prudential borrowing when the following criteria also apply to the schemes funded by this method:
 - i. they are commercial in nature;
 - ii. the outcome returns a financial benefit at least equal to the cost incurred by borrowing to fund the schemes;
 - iii. after covering the cost of funding, a further financial or non-financial benefit accrues to the Council that directly or indirectly supports the objectives of the strategic plan or the medium term financial strategy.
 - d) The use of New Homes Bonus for capital purposes in line with the Council's strategic plan priorities;
 - e) The implementation of a community infrastructure levy (CIL) and the management of its use, along with other developer contributions (S106), to deliver the objectives of the infrastructure delivery plan.
- 3.10 Service managers submit proposals to include projects in the Council's capital programme. Bids are collated by Corporate Finance who calculate the financing cost (which can be nil if the project is fully externally financed). Each Committee appraises the proposals based on a comparison with corporate priorities. Policy & Resources Committee recommends the capital programme which is then presented to Council in March each year.
- 3.11 Prior to any capital commitment being entered into, a detailed report setting out a full project appraisal and detailed financial projections is considered by the relevant service committee.

- 3.12 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). Further details are set out in section 4 of the Capital Strategy.

Performance Monitoring

- 3.13 The Council has a corporate project management framework that applies to most of the projects included within the capital programme. This provides for designation of a project manager and sponsor, and includes a mechanism for progress on corporate projects to be reported quarterly to a Corporate Projects Board.
- 3.14 Financial monitoring of capital projects is addressed by the Council's Financial Procedure Rules. Individual Member Service Committees receive quarterly reports on capital expenditure for the services for which they are responsible.

Capitalisation

- 3.15 Accounting principles govern what counts as capital expenditure. Broadly, it must yield benefits to the Council and the services it provides, for a period of more than one year. This excludes expenditure on routine repairs and maintenance of non-current assets which are charged directly to service revenue accounts.
- 3.16 The Council has adopted a minimum threshold of £10,000 for capitalisation.

Asset Disposals

- 3.17 The Council's policy for asset disposals is set out in a policy adopted by Policy and Resources Committee at its meeting on 25th July 2017.
- 3.18 The policy distinguishes between the following categories.
- Operational Property held and used by the Council for the direct delivery of services for which it has either a statutory or discretionary responsibility. Assets may be disposed of if they have reached the end of their economic or useful life.
 - Investment Property held by the Council for revenue generation purposes, which should be assessed by its potential for improved rates of return by either better asset management, or disposal and re-investment of the receipt.
 - Community assets such as open space. The Council will not usually dispose of areas of parks or other areas which are classed as public open space.
- 3.19 Certain schemes within the capital programme are partially funded through sale of some of the completed asset(s) to partner organisations. In this case, the capital scheme value is shown net of these receipts in the capital programme, as the receipt is ringfenced for this purpose.

4. FINANCING THE CAPITAL PROGRAMME

- 4.1 Typically, local authorities fund capital expenditure by borrowing from the Public Works Loan Board, which offers rates that are usually more competitive than those available in the commercial sector. 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. Borrowing is however likely to be required in future.

Financing Requirement

All capital expenditure must be financed, either from external sources (government grants, including New Homes Bonus, and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and other long term liabilities). The planned financing of the expenditure set out in Table 1 is as follows:

Table 2: Capital Financing

	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	Total £000
External sources	6,901	9,179	3,253	2,782	860	22,975
Own resources	15,185	1,082	1,277	1,485	1,682	20,712
Debt	29,667	8,644	9,153	8,371	9,338	65,173
TOTAL	51,754	18,905	13,683	12,638	11,880	108,860

- 4.2 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue, which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance, although currently no capital receipts are assumed.

Table 3: Replacement of debt finance

	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	Total £000
MRP	185	1,082	1,277	1,485	1,682	5,712
Capital receipts	0	0	0	0	0	0
TOTAL	185	1,082	1,277	1,485	1,682	5,712

- 4.3 The Council's minimum revenue provision statement is included within the Treasury Management Strategy.
- 4.4 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £44.146m during 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000
Brought forward	12,031	56,177	64,291	72,928	80,761
Capital Expenditure	51,754	18,905	13,683	12,638	11,880
External funding	-6,901	-9,179	-3,253	-2,782	-860
Own resources	-521	-530	-517	-537	-568
MRP	-185	-1,082	-1,277	-1,485	-1,682
TOTAL CFR	56,177	64,291	72,928	80,761	89,531

Borrowing Strategy

- 4.5 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, so the Council will seek to strike a balance between cheap short-term loans (currently available at around 1%) and long-term fixed rate loans where the future cost is known but higher (currently 2% - 3%).
- 4.6 Projected levels of the Council's total outstanding debt (which comprises borrowing and other long-term liabilities) are shown below, compared with the capital financing requirement.

Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.3.19 actual £000	31.3.20 forecast £000	31.3.21 budget £000	31.3.22 budget £000	31.3.23 budget £000	31.3.24 budget £000
Debt (excl. PFI & leases)	0	29,667	38,312	47,465	55,836	65,173
Capital Financing Requirement	12,031	56,177	64,291	72,928	80,761	89,531

- 4.7 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 5, the Council expects to comply with this in the medium term.
- 4.8 Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances will be fully utilised to fund the capital programme. The Liability Benchmark is currently £4m above the net borrowing requirement, representing the balance of working capital used for short term purposes and the use of investment income.

Table 6: Borrowing and the Liability Benchmark

	31.3.19 actual £000	31.3.20 forecast £000	31.3.21 budget £000	31.3.22 budget £000	31.3.23 budget £000	31.3.24 budget £000
Outstanding borrowing	0	25,667	34,312	43,465	51,836	61,173
Liability benchmark	4,000	29,667	38,312	47,465	55,836	65,173

- 4.9 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt

	2019/20 limit £000	2020/21 limit £000	2021/22 limit £000	2022/23 limit £000	2023/24 limit £000
Authorised limit – borrowing	43,853	53,579	64,009	73,865	84,885
Authorised limit – PFI and leases	3,057	2,527	2,010	1,473	905
Authorised limit – total external debt	46,910	56,106	66,019	75,338	85,790
Operational boundary – borrowing	33,853	43,579	54,009	63,865	74,885
Operational boundary – PFI and leases	3,057	2,527	2,010	1,473	905
Operational boundary – total external debt	36,910	46,106	56,019	65,338	75,790

- 4.10 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 4.11 The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the short term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares

and property, to balance the risk of loss against the risk of receiving returns below inflation. Both short-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments

	31.3.2019 actual £000	31.3.2020 forecast £000	31.3.2021 budget £000	31.3.2022 budget £000	31.3.2023 budget £000
Short-term investments	15,014	4,000	4,000	4,000	4,000
Longer-term investments	0	2,000	2,000	2,000	2,000
TOTAL	15,014	6,000	6,000	6,000	6,000

- 4.12 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and Business Improvement and staff, who must act in line with the treasury management strategy approved by council. Quarterly reports on treasury management activity are included within the budget monitoring reports which are presented to the council Policy & Resources Committee with the half yearly and annual reviews which are scrutinised by Audit, Governance and Standards Committee then recommending to Full council. The Audit, Governance and Standards Committee is responsible for scrutinising treasury management decisions.

Revenue Budget Implications

- 4.13 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Financing costs (£000)	-220	243	868	1,120	1,373
Proportion of net revenue stream	-1.1%	1.2%	4.7%	6.2%	7.2%

- 4.14 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend beyond 5 years into the future. The Director of Finance and Business Improvement is satisfied that the proposed capital programme is prudent, affordable and sustainable.

5. OTHER LONG TERM LIABILITIES

- 5.1 This section deals with other long term liabilities to which the Council has committed itself in order to secure capital investment. The Council has no Private Finance Initiative Schemes, but the following scheme is a similar contract as it is defined as a service concession arrangement.
- 5.2 The Council entered into an agreement during 2009/10 with Serco, the managing contractor of Maidstone Leisure Centre, to undertake a major refurbishment of the centre. Under the terms of the agreement Serco have initially funded the cost of the works through a loan, and the Council are then repaying this loan over a 15 year term, by equal monthly instalments. The principal element of this loan is reflected on the Council's Balance Sheet, and will be written down annually by the amount of principal repaid. Interest paid on the loan is charged to revenue.

Investments for Service Purposes

- 5.3 The Council can make investments to assist local public services, including making loans to local service providers, local small businesses to promote economic growth, Charities and the Council's subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to provide value for money to the tax payer.
- 5.4 Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and Business Improvement and relevant committee (where appropriate), and must meet the criteria and limits laid down in the investment strategy. Most loans are capital expenditure and purchases will therefore also be approved as part of the capital programme.

6. COMMERCIAL ACTIVITIES

- 6.1 The Council originally developed a Commercialisation Strategy in 2014, in response to the withdrawal of Revenue Support Grant and the freedoms and flexibilities offered to local authorities through the Localism Act. A review of the Strategy in November 2016 indicated that it had been successful in promoting a more business-like approach to the Council's revenue generating activities, but new initiatives had met with varying degrees of success.
- 6.2 It was decided by Policy and Resources Committee, on the basis of this review, to refocus the strategy on housing and regeneration, which provided the opportunity both to generate a financial return for the Council and to support its strategic priorities. As a result, a Housing Development and Regeneration Plan, to which reference has already been made here, was developed and adopted in July 2017. Similarly, the Council's Commercial Property Investment Strategy is intended to support the local economy and regeneration objectives, as well as to generate a financial return.
- 6.3 Accordingly, none of the Council's capital investment is undertaken for purely commercial purposes.

7. KNOWLEDGE AND SKILLS

- 7.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Director of Finance and Business improvement is a qualified accountant with over 15 years' experience in local government, the Corporate Property Manager and the team are experienced in Property Management and the Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury), and ACCA.
- 7.2 The Council currently employs Link Asset Services as treasury management advisers and a number of property consultants including Harrisons Property Surveyors Limited and Sibley Pares Limited. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 7.3 The Council carries out consultation as part of the development of the MTFS in order to establish the wider community's priorities for budget spending. In addition, consultation is carried out each year on the detailed budget proposals with individual Service Committees about budget proposals relating to the services within their areas of responsibility.

8. RISK MANAGEMENT

- 8.1 The capital programme forms an increasingly important part of the Council's strategy for delivering its overall priorities. Accordingly, it is of fundamental importance that the associated risks are managed actively. The Council has a comprehensive risk management framework, through which risk in relation to capital investment is managed at all levels.

Corporate

- 8.2 Corporate risks are identified and reported on a quarterly basis to the Corporate Leadership Team and twice a year to the Policy and Resources Committee. Risks are owned by named Directors and controls developed to mitigate risk. Risks at this level may be generic, relating to a number of capital projects, although it is possible that a single capital project could pose a corporate risk.

Financial

- 8.3 A Budget risk register 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.
- 8.4 Typically, risks in this area would relate to funding of the capital programme and over/underspending on individual capital projects.
- 8.5 For all risks shown on the Budget Risk Register, appropriate controls have been identified and their effectiveness is monitored on a regular basis.

Service

- 8.6 Individual service areas maintain risk registers, with identified risk owners and details of controls to mitigate risk.

Project

- 8.7 The Council's project management framework requires managers to maintain risk registers at a project level.

Document History

Date	Description	Details of changes
28.06.19	First draft to Corporate Leadership Team	
23.07.19	Draft submitted to Policy and Resources Committee	Incorporates references to Maidstone Property Holdings, CIL and financial self-sufficiency as requested by CLT.

**Policy and Resources
Committee**

23 July 2019

Business Rates Retention (Pilot) – Update

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Chris Hartgrove, Interim Head of Finance
Classification	Public
Wards affected	All

Executive Summary

Income generated from Business Rates growth and retained locally as part of the Business Rates Retention (BRR) pilot in 2018/19 has exceeded initial projections, with total funding of £1,130,000 accumulating in the “Financial Sustainability Fund” (FSF) compared to the £640,000 initially anticipated, which has been used to fund a number of projects aimed at furthering the Council’s corporate objectives.

The enhanced FSF allocation for MBC has provided an opportunity to fund additional (one-off) projects in further support of the Council’s strategic priorities, including potentially new priorities contained within the updated Strategic Plan (2019-2045).

Net additional resources of £509,000 are available from the FSF to fund additional projects. Policy & Resources Committee considered proposals to fund 13 new projects at its meeting on 26th June 2019, along with three further projects proposed at the meeting. Total additional investment has been agreed of £676,700, of which £509,000 can be funded from the FSF. Authority was delegated to the Director of Finance and Business Improvement, in consultation with the Chairman of the Policy and Resources Committee, to identify funds to cover the shortfall.

This report makes the following recommendations to this Committee:

That:

1. The progress with the 2018/19 BRR pilot projects (Paragraph 2.5, including Appendix 1) be noted.
2. The application of the funding sources identified by the Director of Finance & Business Improvement for financing the 2019/20 (additional) BRR pilot projects (Paragraph 2.13) be noted.

Timetable

<i>Meeting</i>	<i>Date</i>
Policy & Resources Committee	24 January 2018
Policy & Resources Committee	28 March 2018 (approval of 2018/19 projects)
Policy & Resources Committee	24 July 2018 (update)
Policy & Resources Committee	23 January 2019 (update)
Policy & Resources Committee	24 April 2019 (update)
Member Briefing	13 June 2019
Policy & Resources Committee	26 June 2019 (approval of 2019/20 additional projects)
Policy & Resources Committee	23 July 2019

Business Rates Retention (Pilot) - Update

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Accepting the recommendations will continue to improve the Council's ability to achieve its corporate priorities (with each individual project tailored and focussed on a minimum of at least one of the Strategic Plan's four objectives).	Director of Finance & Business Improvement
Cross Cutting Objectives	The projects in the report support the achievement of the Council's cross-cutting objectives (e.g. the "Go Green, Go Wild" project will help to ensure that "Biodiversity and Environmental Sustainability is respected").	Director of Finance & Business Improvement
Risk Management	See Section 5 below.	Director of Finance & Business Improvement
Financial	The subject of the report.	Director of Finance & Business Improvement
Staffing	None.	Director of Finance & Business Improvement
Legal	The Council has a statutory obligation to set a balanced budget. Allocation of resources in the way set out in this report supports achievement of a balanced budget.	Director of Finance & Business Improvement
Privacy and Data Protection	None.	Director of Finance & Business Improvement

Equalities	Where appropriate, Equalities Impact Assessments (EqIAs) have been carried out for existing projects and will be carried out for additional projects.	Director of Finance & Business Improvement
Public Health	A number of Business Rates Retention Pilot projects are having a positive impact on the population's health or that of individuals. Further benefits can be expected from the additional projects.	Director of Finance & Business Improvement
Crime and Disorder	None.	Director of Finance & Business Improvement
Procurement	The procurement of services in the course of delivering the projects will continue to be undertaken in accordance with the Council's Procurement Procedure Rules.	Director of Finance & Business Improvement

2. BACKGROUND AND INTRODUCTION

- 2.1 Members of the Committee will recall that the Kent Business Rates Pool (joined by Medway, Dover and Sevenoaks) was successful in a bid to become a 100% Business Rate Retention (BRR) pilot for 2018/19, meaning that 100% of Business Rates growth could be retained in the area, with the Government Levy requirement removed completely.
- 2.2 Locally it was decided that additional income generated from Business Rates growth was to be split 70:30 between a "Financial Sustainability Fund" (FSF) and a "Housing and Commercial Growth Fund" (HCGF). This report covers the FSF.

Financial Sustainability Fund (FSF): Original Allocation

- 2.3 The overall FSF is shared between Pool/Pilot members (to spend as they wish) comprising a basic allocation, enhanced by relative population and historic Business Rates growth.
- 2.4 The original Maidstone Borough Council (MBC) share of the FSF assumed for 2018/19 was £640,000. Consequently – in March 2018 – the Policy and Resources Committee agreed to fund 13 (one-off) projects aimed at enhancing the Council's strategic objectives.
- 2.5 The projects were divided into tranches and funding for each tranche was released as soon as it was considered prudent to do so (as the level of Business Rates retained met or exceeded original forecasts) with regular updates provided to this Committee throughout 2018/19. The table below summarises the latest (financial) position (as at 30th June 2019) on those original projects (further detail is provided at Appendix 1).

MBC Business Rates Retention/FSF Projects 2018/19 (@ 30 June 2019)						
Ref.	Project	Budget	Spend	Forecast	Variance	
		£000's	£000's	£000's	£000's	
1	Housing First and Rough Sleepers	80	10	80	0	
2	Regeneration Opportunity Areas	80	55	80	0	
3	Property Asset Review	55	43	55	0	
4	Members' Community Grant	60	46	46	14	
5	Predictive Analytics and Preventing Homelessness	80	80	80	0	
6	Housing Delivery Partnership	40	20	40	0	
7	Go Green, Go Wild	90	20	90	0	
8	Maidstone Business Capital of Kent – marketing strategy	35	35	35	0	
9	Staplehurst Village Centre Masterplan	15	0	15	0	
10	Maidstone Housing Design Guide	40	16	40	0	
11	Electric Vehicle Charging Points	20	0	20	0	
12	Bus Station Improvement – feasibility study	10	10	10	0	
13	Data analytics for Inclusive Growth	35	4	30	5	
Totals		640	339	621	19	

2.6 The table shows continued progress in delivering the initial (2018/19) projects, with a projected saving of £19,000 against the original budget of £640,000.

Financial Sustainability Fund (FSF): Additional Projects

2.7 As previously reported to this Committee, the level of Business Rates retained in 2018/19 consistently exceeded expectations throughout the year, with the MBC share of the FSF eventually reaching £1,130,000 by year end, rather than the original assumption of £640,000. The FSF shares for all Pool members was bolstered by the savings realised as a consequence of the 'nil Levy' requirement for 100% Pilot schemes.

2.8 The enhanced FSF allocation for MBC provided an opportunity to fund additional (one-off) projects in further support of the Council's strategic priorities, including potentially new priorities contained within the updated Strategic Plan (2019-2045) adopted in February 2019.

- 2.9 Based on April 2019 projections, net additional resources of £509,000 were available from the FSF to fund additional projects and senior officers considered up to 30 different projects, with a shortlist of 15 projects (total value of circa £700,000) eventually drawn up by the Corporate Leadership Team (CLT) and considered by councillors at a Briefing held on 13 June 2019.
- 2.10 A positive consensus emerged from the Briefing with all projects receiving at least some support from councillors. Consequently it was agreed that officers would further develop and prioritise the short-listed proposals, including giving consideration as to how the potential funding gap (due to a resource requirement in excess of £509,000) might be bridged.
- 2.11 The project list was reviewed and re-prioritised as requested by councillors with 'inward facing' projects removed from the FSF proposals and funded from other sources.
- 2.12 The Policy and Resources Committee – at its meeting on 26th June 2019 – subsequently considered proposals to fund up to 13 projects (total value £667,950), including the option to draw on additional funds to meet any potential shortfall in resources in the FSF (e.g. from the anticipated budget surplus for 2018/19). The Committee approved funding for all 13 projects (subject to reduced funding for one project – “Arterial Route Improvements/A20”), along with three further projects, that were proposed and debated during the meeting. The table below summarises 16 approved additional (2019/20) projects.

3. AVAILABLE OPTIONS

3.1 This report is for noting only.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 This report is for noting only.

5. RISK

5.1 As with any projects, those described in this report could fail to be delivered, or could be delivered but exceed their budget allocations. This risk is mitigated in several ways:

- There is a strong project management culture in the Council
 - Monitoring arrangements will be put in place for all the projects, to ensure that they deliver within budget and to the agreed timetable; and
 - Post project reviews will be carried out to evaluate the outcomes and to derive any lessons learned from the projects.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 Following the conclusion of a member-consultation exercise – on 28th March 2018 – the Policy and Resources Committee approved the original funding of 13 (one-off) BRR projects with a total value of £640,000 from the Financial Sustainability Fund.

6.2 The Policy and Resources Committee received an update report on progress on the BRR initiative on 24th April 2019, which indicated that Business Rates growth had exceeded expectations and that additional resources would be available to fund additional projects in 2019/20.

6.3 All councillors were invited to attend a Briefing on 13th June 2019 to consider a short-list of project bids for additional resources of £509,000. Feedback from that Briefing was used to inform the content of a further report to the Policy and Resources Committee on 26th June 2019.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The projects described in this report will be delivered during 2019/20 with regular reports back to the Committee on progress.

8. REPORT APPENDICES

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

- **Appendix 1:** *Business Rates Retention (BRR) Pilot Projects 2018/19: Progress Commentary (@ 30th June 2019)*
 - **Appendix 2:** *Business Rates Retention (BRR) Pilot Projects 2019/20: Projects Proposed and Approved 26th June 2019 (Background and Objectives)*
-

9. BACKGROUND PAPERS

9.1 There are no background papers.

**Business Rates Retention (BRR) Pilot Projects 2018/19
Progress Commentary (@ 30th June 2019)**

Ref.	Project	Commentary
1	Housing First and Rough Sleepers	<p>An operational working group and a partnership has been established with Golding Homes, Porchlight and (the newly joined) MHS.</p> <p>Six individuals have so far been placed in Housing First properties with Golding Homes, with a further three in MHS properties.</p> <p>To date, there have been no major issues or incidents.</p>
2	Regeneration Opportunity Areas	<p>Draft planning briefs been drawn up for the five opportunity area sites identified as having potential for regeneration. These briefs have informed the Council's own submissions to the Local Plan Review call for sites. The briefs are due to be considered by the Strategic Planning and Infrastructure Committee at its meeting in September 2019.</p> <p>There remains £25,000 of funding available to take this project forward.</p>
3	Property Asset Review	<p>The information provided by the review has already been used to inform discussions and decisions on the future of some assets. It will now be used to prepare an Asset Management Strategy to guide the management of the Council's asset portfolio. It will also be used to support the development of a new Property Management system.</p>
4	Members' Community Grant	<p>2018/19 initiative concluded. Underspend (£14,000) utilised to fund additional FSF projects.</p> <p>2019/20 allocation (£60,000) funded from base budget.</p>
5	Predictive Analytics and Preventing Homelessness	<p>Project now entering operational phase, with the toolkit having been built with data available at the time.</p> <p>Some issues remain with receiving data from KCC's Troubled Families programme. Despite this setback, the project was due to go live on</p>

Ref.	Project	Commentary
		<p>15th July 2019 and begin to be used by the Housing Options Team.</p> <p>A new post has been created with funds from the Flexible Homelessness Grant and the post-holder will spearhead the new way of working. Once the learning has been collated and evaluated from this role, the predictive model will be rolled out across the service to help prevent future homelessness.</p>
6	Housing Delivery Partnership	<p>The proposal to fund a Housing Delivery Partnership was approved by Policy & Resources Committee at its meeting on 12 February 2019. It was recognised that provision of affordable housing would be improved with the introduction of Affordable Housing Supplementary Planning Guidance. Accordingly, £20,000 has been spent from this budget allocation on developing draft guidance, which is now due to go to the Strategic Planning and Infrastructure Committee in September 2019.</p> <p>There remains £20,000 of funding available to take this project forward.</p>
7	Go Green, Go Wild	<p>A wide range of activity has already taken place across the borough at sites including Mangravet Recreation Ground, Senacre Wood and Weaving Heath in partnership with a number of community groups.</p> <p>The proactive work of the Community Partnership Officer is set to continue in 2019/20, in particular making links between groups and understanding the potential for developing partnerships with regional partners in the voluntary and third sector.</p> <p>Notably, opportunities with Kent Reptile and Amphibian Group, Kent Wildlife Trust, Wild About Gardens & Medway Valley Countryside Partnership are being promoted.</p>
8	Maidstone Business Capital of Kent – marketing strategy	<p>A range of initiatives have been delivered to date including a Presentation and Exhibition at Business Vision, live Press Releases re the Innovation Centre, Maidstone East Railway improvements and Aylesford Business Park (with regional coverage of all three), a Marketing Campaign Plan for MIPIM Expo.</p>

Ref.	Project	Commentary
		<p>A series of initiatives are scheduled for later in 2019, including the production of an Inward Investment video by September, presentations and exhibitions to be delivered at Construction Expo and MIPIM (both October) and hosting a Business Forum (November).</p>
9	Staplehurst Village Centre Masterplan	<p>Project scope defined with Parish and Ward Members, which focuses on development proposals around the Railway Station and Industrial Estate.</p> <p>Dialogue continues with Cllr Brice.</p> <p>A report on landownership of the employment area has been produced.</p> <p>Employment land in multiple ownership. Landowners to be contacted to identify why site has not come forward for development.</p> <p>Parallel discussions with Sainsbury's ongoing but lack in interest in building out their planning permission becoming a source of local frustration that has been picked up in the media (letter to Chairman of Sainsbury's has been sent expressing the concern).</p> <p>Until land ownership and development interest has been explored, it is not possible to commission urban design work.</p>
10	Maidstone Housing Design Guide	<p>The Maidstone Design Guide is a collection of documents. The first ("Maidstone Building for Life 12") was completed and adopted in 2018/19. Work is now set to commence on the other design documents.</p>
11	Electric Vehicle Charging Points	<p>Survey work by UK Power Networks now complete following procurement where PodPoint were identified as the preferred supplier.</p> <p>Electric Vehicle (EV) unit installations scheduled to commence in July 2019, with all EV units expected to be live by end of August 2019.</p>
12	Bus Station Improvement – feasibility study	<p>RIBA Stage 1 report (Project Brief) prepared for stakeholder sign-off. Due to move into concept design stage during August and detailed design during Q3 2019.</p>

Ref.	Project	Commentary
		<p>Topographic, site and drainage surveys completed. Asbestos, M&E and Structural surveys due July 2019. Submit Planning application at end November 2019. Estimated on site June 2020.</p>
13	Data analytics for Inclusive Growth	<p>This project is part of the "Borough that works for Everyone" initiative which has a Project Plan and Project Board in place.</p> <p>A Data Analytics Officer (DAO) has been appointed and they has so far created a Central Data Repository. The DAO is now compiling detailed reports and case studies to identify particular themes/problems to be addressed in the borough relating to inclusive growth.</p>

Business Rates Retention (BRR) Pilot Projects 2019/20

Projects Proposed and Approved 26th June 2019

Project Ref.	Description	Value (£'s)
14	St Philips Community Centre	17,000
Background		
<p>Part of St Philips Church in Waterloo Street, Maidstone, was divided off in 1967 to provide a Community Centre for local use. The Centre is a valuable facility for the town centre area, providing rooms for hire at a modest cost for a wide range of groups, regardless of faith. The rooms are used, amongst other things, for dance classes, a drama group, parties and community group meetings. The Community Centre operates as a separate entity from the Church.</p>		
Project Objectives		
<p>In order to maintain and enhance the Centre's service to the local community, the Friends of the Community Centre have identified a requirement for (a) repairs to the west wall of the Centre and (b) provision of disabled toilet facilities. The total cost is in the region of £50,000. Approximately £25,000 has been raised to date. A contribution of £17,000 has been sought from the Council, with the remainder of the funding coming from a range of other sources.</p>		

Project Ref.	Description	Value (£'s)
15	Conservation Area Plans	24,000
Background		
<p>Of Maidstone's 41 conservation areas, 12 have an adopted appraisal and 9 have a management plan.</p> <p>The most recent work programme was agreed by Members in October 2009 but was effectively put on ice due to reduced officer resources. Subsequent funding has identified for two specific projects since 2010 – the Boughton Monchelsea Conservation Areas Management Plan and Linton Conservation Area Boundary Review – which were undertaken by a consultant.</p>		
Project Objectives		
<p>The primary objective of the project is to re-establish the conservation areas works programme, and to undertake appraisals and management plans for those areas not yet covered and any high priority actions arising from the associated action plans, such as boundary revisions. Priority will be given to conservation areas subject to the highest development pressure and areas included on the Historic England Heritage at Risk Register, balanced against those with particular political interest.</p> <p>The work will be resourced from existing permanent and temporary council officer posts, funding from the Business Rates Retention Pilot, and local voluntary assistance. It is anticipated that four further conservation area appraisal and management plans may be able to be completed over a two year period, depending on the size of the Conservation areas in question and whether any appraisal work has already been undertaken.</p>		

Project Ref.	Description	Value (£'s)
16	'A Sense of Place'	22,000
Background		
<p>Maidstone Borough Council has adopted a number of cross cutting strategic priorities. These are intended to ensure that pride in our communities, heritage, biodiversity and environmental sustainability are respected.</p> <p>However, it is arguable that the council does not have a clear concept of what Maidstone is, and this hinders this committee and the wider council in working on strategies and interventions to engender pride and respect for heritage and the built and green environment.</p> <p>This quandary is not unique to Maidstone. It's likely that within the Borough there are multiple sense of places, between rural and urban, but between west and east of Maidstone town.</p> <p>For the communities across Maidstone Council identifying a sense of place will help people to celebrate their communities and shared heritage and will enable the Council to work services in conjunction with this shared approach.</p>		
Project Objectives		
<p>This funding would be used to commission work on developing a 'Sense of Place'. We would seek to identify partners with a successful track record who have worked with communities to identify a sense of place, working with councils, community groups and local businesses to involve the whole community.</p> <p>It is likely that in Maidstone there are a number of 'places' including Maidstone Town and the rural areas. This approach would help establish an identity for the borough, Maidstone Town and other communities within the borough.</p>		

**POLICY AND RESOURCES
COMMITTEE**

23 July 2019

Property Asset Review Update

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Deborah Turner, Interim Strategic Property Consultant
Classification	Public
Wards affected	All

Executive Summary

This report provides a further update on the progress of the 'Next Steps' work stream of the Property Asset Review that was resolved to be progressed at Policy and Resources Committee on 23 January 2019.

This report makes the following recommendations to this Committee:

1. That the progress made on the effective use of the Council's property assets since the Property Asset Review report was submitted in January 2019 be noted.

Timetable

Meeting	Date
Policy and Resources Committee	23 July 2019

Report title here

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Property Asset Review will help the Council deliver its corporate priorities by giving a clearer understanding of its existing property assets.	Section 151 Officer & Finance Team
Cross Cutting Objectives	The Property Asset Review supports the achievement of the four cross-cutting objectives by ensuring that they are taken into account in any initiatives relating to the Council's own property portfolio.	Section 151 Officer & Finance Team
Risk Management	This has been addressed in the report.	Section 151 Officer & Finance Team
Financial	The availability of resources to address specific projects arising from the Property Asset Review will be addressed as part of the budget process.	Section 151 Officer & Finance Team
Staffing	Strategic property management is handled by the existing in-house team. Staffing requirements arising from any recommendations of the Property Asset Review will be identified on a project by project basis.	Section 151 Officer & Finance Team
Legal	<p>Section 151 of the Local Government Act 1972 requires councils to put in place proper processes for the management of their finances, including their assets. The Property Asset Review demonstrates the Council's commitment to fulfilling its duties under the Act.</p> <p>The Local Government Act 1972, section 111(1) empowers a local authority to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. This enables the Council as part of its asset management strategy to acquire and/or dispose of assets in compliance with the statutory requirements.</p> <p>In particular, section 120(1)(2) of the 1972 Act enables the Council to acquire land to be used for the benefit, improvement or development of</p>	Team Leader (Corporate Governance), MKLS

	<p>their area; or for the purpose of discharging the Council's functions.</p> <p>Section 123(2) of the 1972 of the 1972 Act enables the Council to dispose of land or property for the best consideration reasonably obtainable, otherwise the consent of the Secretary of State will be required subject to certain conditions.</p> <p>Acting on the recommendations is within the Council's powers as set out in the above statutory provisions.</p> <p>Specific legal implications arising from any recommendations of the Property Asset Review will be identified on a project by project basis.</p>	
Privacy and Data Protection	Individual property projects may have privacy and data protection implications, which are considered as part of the project planning process.	Section 151 Officer & Finance Team
Equalities	Dependant on the recommendations agreed, the equalities impact will be considered in relation to specific projects.	Equalities and Corporate Policy Officer
Public Health	We recognise dependant on the recommendations agreed, each project will have varying impacts on the health of the population or individuals within Maidstone.	Public Health Officer
Crime and Disorder	Not applicable	Section 151 Officer & Finance Team
Procurement	Procurement implications arising from any recommendations of the Property Asset Review will be identified on a project by project basis.	Section 151 Officer & Finance Team

2. INTRODUCTION AND BACKGROUND

2.1 The Property Asset Review was completed by external consultants Gen2 in January 2019. The Asset Review examined all significant property holdings across the Council's portfolio and Gen2 made recommendations about each property under the following broad headings:

- Hold
- More estates work needed to maximise value
- Management intervention required
- Dispose
- Develop

- 2.2 The Gen2 Report recommendations were summarised in a report to this Committee on 23 January 2019. It was resolved that officers would consider the recommendations in the light of the Council's own corporate priorities and assess whether to adopt any of the recommendations
- 2.3 The Report identified some short medium and long term opportunities in the portfolio and this update focuses mainly on the shorter term recommendations. An extensive programme of work by the Corporate Property team to address the recommendations about more estates work and management intervention was initiated as a result.
- 2.4 Alongside the specific Property Asset Review recommendations, several property transactions have completed in fulfilment of other Council corporate strategies. These transactions include:
- disposal of the land adjoining Gallagher Stadium to Maidstone United
 - lease to Staplehurst Parish Council of Surrenden Playing Field
 - lease to Headcorn Parish Council of the village public conveniences
 - the lease to Trustees of Hayle Park Nature Reserve of Land at Farleigh Hill is due to complete imminently.

The above is not an exhaustive list and is simply intended to give an indication of how property transactions support the Council's work.

- 2.5 Progress to date on the Property Asset Review recommendations is set out below.

More estates work needed to maximise value

- 2.6 Heather House and Parkwood Pavilion – Heather House is now managed by the Property Team and essential works are being planned to support the continued use of the facility. Parkwood Pavilion was vacated by long term tenant the Royal British Legion, so a new short term lease has been offered to Weaving Warriors Rugby Club as they are already using the changing rooms and the recreation ground for their matches. As reported to the Communities, Housing and Environment Committee at their meeting on 18th June, a full redevelopment of Heather House is linked to the potential redevelopment of the Pavilion Building site for residential housing.
- 2.7 High Street Properties – The retail properties on the High Street are being considered as part of a viability assessment funded by the Business Rates Retention pilot but also the leases on the individual properties are being reviewed and terms renegotiated where possible.
- 2.8 Boxmend Industrial Estate – The rents on the Estate have been reviewed and new or renewed leases have been increased to reflect market rents generating more income.

Management Intervention required

2.9 Asset Management Plan

The Asset Management Plan is in progress and will look at how property assets support the delivery of the Council's priorities and objectives and to set out policies, principles, priorities and actions to ensure the assets are used and managed as efficiently and effectively as possible.

The Asset Management Plan will be brought to this Committee for consideration later in 2019.

2.10 Business Rates Pilot Project Proposals

Successful bids were made to use the Business Rates surplus for viability assessments of the lower High Street and the Archbishop's Palace area, as well as external improvements at the Phoenix Park Industrial Estate. The projects were chosen because all the assets concerned have the potential to perform better and be put to better use.

2.11 Parkwood Estate

Work continues to progress rent reviews on the Estate and to explore the possibility to review and update rent review provisions within the leases. It is expected that additional income could be received from outstanding rent reviews and capital receipts received from revised lease terms.

2.12 Property Management Systems

The database of property assets provided as part of the Gen2 Review has proved a useful tool to verify existing data but has identified the need for a system that can manage all areas of estate management. Work is underway to identify possible systems that could be used for property management, repairs management and reporting, Health and Safety compliance and rent collection.

2.13 Third Party Use of Council Land

The Council receive regular requests for temporary access to Council land as a means of facilitating third party works. These can come from statutory undertakers, other Government agencies and private developers/individuals.

The procedure for grant of permission for temporary access to Council land is under review following some issues with previous consents. More robust procedures are being put in place with MidKent Legal Services to include provisions for damages and rectification works as necessary.

Dispose/Develop

2.14 Land at Redhill Stables – Pre-application advice has been sought with regard to using the site as a natural burial ground to ease the pressure on the Parish churchyard. Expressions of interest will be sought before considering a disposal of the site.

- 2.15 Mid Kent Shopping Centre Public Conveniences – Work is underway to explore the possibility of transferring the toilets to the owner of the shopping centre. Terms of a transfer are being negotiated.
- 2.16 As advised in the previous update report, as a major landowner in the Borough, it was appropriate for the Council to respond to the Local Plan Review Call for Sites. Officers put forward a short list of existing Council sites that they considered may be appropriate for future development. The list of sites was included in Part 2 of the papers for the P & R Meeting 22 May 2019.

Conclusion

- 2.17 The focus of the asset management work continues to be specific measures to improve the return from individual properties and general improvements in the area of property management. Positive outcomes have been achieved in particular with improved management and increased income.

With the work to create an Asset Management Plan, the work on individual assets will be underpinned by a strategy that ensures we continue to improve property management practices and maximise revenue from existing assets where appropriate.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 It is recommended that Committee note the progress made on delivering the recommendations of the Property Asset Review, as well as other actions being taken to ensure the effective use of the Council's property portfolio. In the interests of good stewardship, it is appropriate for the Council to obtain the best possible financial and community value from its property portfolio.

4. RISK

- 4.1 There are a range of risks associated with adopting some or all of the recommendations in the Property Asset Review – including political, financial and operational risks. These need to be balanced against the risks (opportunity costs) of doing nothing.
- 4.2 Risk assessments will be carried out in relation to all specific projects arising from the review, in keeping with the Council's usual policy.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Property Asset Review report was submitted to Policy and Resources Committee on 23 January 2019. Members resolved that officers should proceed with the recommended next steps and provide regular updates. However, any sites that had been identified as having potential for

redevelopment or disposal would require further engagement with members before decisions were taken.

- 5.2 Consultation with all relevant stakeholders will take place in relation to any specific recommendations that are taken forward, in addition to the public engagement that would take place in any case with respect to any site identified for change of use, in accordance with the Council's normal practice.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The next steps are described in paragraph 2.20 above. It is envisaged that a further report will be brought to the Committee later in 2019.

7. REPORT APPENDICES

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

None.

8. BACKGROUND PAPERS

None.

POLICY AND RESOURCES COMMITTEE

23 July 2019

Biodiversity and Climate Change Review

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

Executive Summary

On 10 April 2019 Council approved a motion requesting that Policy and Resources committee undertake a review considering progress taken to address the twin threats to biodiversity and climate change. Council also requested that this review consider a target date of 2030 for the Borough to be carbon neutral and strengthen work on the protection and enhancement of habitats, species and ecosystems. The report recommends an approach to undertaking the review to achieve the request from Council.

This report was previously presented to the Policy and Resources Committee in June. At that meeting more work was requested on work that was going on elsewhere to tackle climate change and options for how to progress the review.

Purpose of Report

To decide how to progress the motion regarding biodiversity and climate change approved at full council on 10 April 2019.

This report makes the following recommendation to this Committee:

That:

1. A Climate Change Inquiry led by a working group as set out in section 4 of this report be agreed, with the aim to produce a report and action plan for approval by the meeting of Policy and Resources on 22 April 2020.

Timetable

Meeting	Date
Policy and Resources Committee	26 June 2019
Policy and Resources Committee	23 July 2019

Biodiversity and Climate Change Review

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The Council's priority of Safe, Clean and Green sets an outcome by 2045 to have a Borough that is recognised as clean and well cared for by everyone. This includes an action to improve air quality under this priority.	Head of Policy, Communications and Governance
Cross Cutting Objectives	A review would support the achievement of the cross-cutting objective of Biodiversity and Environmental Sustainability is respected.	Head of Policy, Communications and Governance
Risk Management	Refer to section 5	Head of Policy, Communications and Governance
Financial	<p>Policy and Resources Committee allocated funding of £40,000 at its meeting on 26 June 2019 for a project entitled 'Climate Change Commission' with the following objectives:</p> <ul style="list-style-type: none"> - To produce a meaningful action plan, which will enable the cultural change required to address the long term and ambitious objectives of the project; - To support the Policy and Resources Committee/member working group to review and understand the issues and choices to be made on the subject; - To deliver the necessary project start-up documents to support the Council's actions on biodiversity and climate change; - To support the Head of Policy, Communications and Governance in bringing together multiple services across the authority who have the relevant expertise and will be responsible for contributing to and delivering the action plan. <p>The proposals set out in this report are within the scope of this budget allocation. The proposed working group will need to monitor</p>	Director of Finance and Business Improvement

	expenditure against the budget carefully to ensure that it meets the specified objectives and achieves value for money.	
Staffing	We will need access to extra expertise to deliver a review as requested by Council.	Head of Policy, Communications and Governance
Legal	Acting on the recommendations is within the Council's powers as set out in the constitution.	Head of Policy, Communications and Governance
Privacy and Data Protection	If the review requires additional collection of personal data this will be managed in accordance with the data protection act and any recommendations that require a change to systems or procedures in relation to the processing of personal data will require a data privacy impact assessment to be completed prior to approval.	Policy and Information Team
Equalities	The recommendations of the review could have varying impacts on different communities within Maidstone if approved. A separate equalities impact assessment will need to be completed alongside any recommendations.	Policy & Information Manager
Public Health	The recommendations of the review could have an impact on the health of the population or individuals within Maidstone. A separate health impact assessment would need to be completed for consideration alongside any recommendations.	Head of Policy, Communications and Governance
Crime and Disorder	Crime and disorder is not within the scope of the review	Head of Policy, Communications and Governance
Procurement	No implications at this point in the process. Any procurement carried out as part of this project will be in accordance with the Council's Contract Procedure Rules.	Head of Policy, Communications and Governance / Director of Finance and Business Improvement

2. INTRODUCTION AND BACKGROUND

2.1 At Council on 10 April the following motion was agreed:

RESOLVED: *That this Council notes with concern the recent Intergovernmental Panel on Climate Change (IPCC) report on global climate change impacts and the recent Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) reports on global species and habitat loss.*

Further to this, Council:

(1) Declares its recognition of global climate and biodiversity emergencies;

(2) Requests the Policy & Resources Committee to:

- undertake a short review of MBC governance policies and progress aimed at addressing locally these twin threats and to report on findings. This would include, inter alia, a review of the current provision of electric charging points throughout the Borough and bring forward an ambitious plan to make Maidstone Borough the friendliest place in the country for driving electric or hybrid vehicles.*
- consider a target date of 2030 for the whole of the Borough of Maidstone to be carbon neutral;*
- consider how the Council can strengthen local protection and enhancement of species, habitats and ecosystems services under available powers;*

(3) Requests the Chief Executive to (a) write to the Chancellor of the Exchequer stating the concern of the Council with respect to the above, the likely national impact on the economy and on the wellbeing of citizens, and requesting government funding be made available to implement swift appropriate actions in response and (b) include at the beginning of the proposed letter to the Chancellor of the Exchequer the following additional sentence:

"This Council welcomes the Chancellor's recent announcement that a "future homes standard" will mandate the end of fossil-fuel heating systems so as to "lower carbon and lower fuel bills too."

- 2.2 The Chief Executive wrote to the Chancellor of the Exchequer as agreed and the response is included at Appendix A for information. The letter sets out the actions that have been taken and are proposed to tackle climate change including a commitment to reduce greenhouse gas emissions by at least 80% by 2050 relative to 1990 levels.
- 2.3 Kent County Council on 23 May agreed a commitment of net zero emissions by 2050 and Canterbury City Council has agreed to reduce carbon emissions and become carbon neutral by 2050.
- 2.4 The Council has recently adopted a new Strategic Plan which sets an outcome to have an environmentally attractive and sustainable Borough, with a cross cutting objective that biodiversity and environmental

sustainability is respected. It does not go as far as setting a target that the Borough will be carbon neutral by 2030.

- 2.5 This report sets out a proposed approach to part 2 of the motion above.
- 2.6 At the June meeting of Policy and Resources Committee, the committee requested additional information on the actions being taken by others to tackle climate change. As there has been a short period between reports a summary of work is provided below rather than an extensive desk top study, which would be undertaken as part of any review agreed by the Committee.
- 2.7 Actions undertaken by Local Authorities range from those aspects they have direct control over such as fleet vehicles, energy use in council owned buildings, plastic use in offices, reviewing approaches to contracts and commissioning through the lens of climate change, to seeking behaviour change through waste and recycling campaigns, food waste schemes and installing electric vehicle charging points. Some of the more interesting or relevant actions have been highlighted.
- 2.8 Kent County Council in partnership with Medway currently has out to consultation the "Kent and Medway Energy and Low Emissions Strategy" to support the delivery of the Kent Environment Strategy. This strategy sets out a vision that "by 2050 the county of Kent has reduced emissions to Net-Zero and is benefiting from a competitive, innovative and resilient low carbon economy, where no deaths are associated with poor air quality". This is an ambitious vision which will require change from everyone in Kent.
- 2.9 Bristol was the first UK city to agree a climate emergency declaration with a pledge to make the city of Bristol carbon neutral by 2030. They have committed to a whole council approach. The Mayor brought his response to climate change to Council in July 2019. A summary from the report to council is provided below:

"The Mayor's Climate Emergency Action Plan:

- Provides an initial high level assessment of the city's emissions, highlighting the main sources, such as energy, road transport, aviation, food and other goods and services we buy which may be made anywhere in the world.
- Describes the recent trend in direct emissions from energy and transport, showing the good progress made since 2005 with the city on track to have achieved its target of a 40% reduction in emissions by 2020. It also notes some of the challenges such as rising emissions from road transport in the city in recent years.
- Explores likely future emission scenarios for the next decade. It concludes that committed plans of the UK and Bristol could deliver a 28% reduction in emissions by 2030, and that the more ambitious plans set out in local and national strategies could deliver 46% reduction in emissions by 2030. This provides a basis for developing a new strategy to accelerate action and close the gap to achieve carbon neutrality.

- Demonstrates how the Mayor and Council are leading by example in reducing the council's emissions and sets a clear target for the City Council to be Carbon Neutral for its emissions by 2025 and to develop a plan to quantify and minimise its indirect emissions.
- Sets out the city leadership that the Mayor has demonstrated by creating and chairing the new Environment Sustainability Board as part of the City Office, bringing together key partners from around the to create a shared One City Climate Strategy for Bristol.
- Sets out how the city will benefit from the expertise in the Universities and other organisations by the creation of an Advisory Committee on Climate Change to advise on how we make the city carbon neutral and climate resilient.
- Describes the Mayor's recognition of the level of concern across the whole city about climate change and a commitment to engaging the whole community in the response to the climate emergency. This includes allocation of funding for a new community engagement programme, to engage and empower citizens, understanding the barriers and enabling everyone to contribute.

Sets out the existing and new action that the Mayor will take to:

- Create low carbon jobs and businesses
- Build and retrofit homes to make them energy efficient and affordable
- Provide for clean and sustainable travel, including mass transit.
- Generate clean, renewable energy in the city
- Reducing the carbon footprint of our consumption
- Describes how the Mayor will work with other cities and partners to share learning, knowledge and to create a clear and compelling call on Government to respond to the Climate Emergency and enable us to create a carbon neutral and climate resilient city."

2.10 The Association of Public Service Excellence (APSE) have just produced a report "Local Authority Climate Emergency Declarations". Our own motion is included in the report as well as several others. The report summarises pledges made by other local authorities which range from a citizens assembly and a commitment to the council and the area being carbon neutral by 2030 in Carlisle to Leeds Council pledging to work with the Leeds Climate Commission set up in 2017.

2.11 The Leeds Climate Commission brings together key organisations from across Leeds to make a positive choice on issues relating to energy, carbon, weather and climate.

2.12 Manchester Council has published a paper "Playing Our Full Part on Climate Change", committing to developing a full action plan by 2020, committing to working with residents, businesses and other stakeholders to take action on climate change.

2.13 Nottingham has made a commitment to be a zero carbon city in 2028. This is driven by a low carbon strategy that covers areas including public transport, community owned solar schemes to housing with energy

efficiency technologies. Their report goes on to consider what tools are available to a council to tackle climate change:

Direct Action

Considering our own operations, landholdings and other activities, this could include energy efficient improvements in council buildings, introduction of electric and/or hybrid vehicles, reducing energy use and pushing behaviour change.

The Regulatory Role

Using our powers under current planning laws for example adopting housing standards above level 4 of the Code for Sustainable Homes.

Partnerships

Where an area wide target is agreed it will be important to work closely with businesses, residents and public sector partners to achieve change. We will need to consider how we work with Kent County Council in particular.

Government and EU funding

Funding is available for green initiatives from both the government and the EU. Several councils in the UK have benefited from EU funding to increase energy efficiency, deploy new renewable energy, sustainable transport and heat networks.

- 2.14 Maidstone Council in 2003 commissioned an extensive scrutiny review with several recommended actions to tackle climate change and a link to this is provided in the background documents to this report. The recommendations made by the Environment and Transportation Overview and Scrutiny Committee are attached at **Appendix B**. The recommendations cover: Cultural Change, Sustainable Urban Drainage Systems, Green Corridors, Planning, Resilient Design, Water Saving, Carbon Neutrality, and Energy Saving. This should be the first stage of any desktop project.
-

3. AVAILABLE OPTIONS

- 3.1 The Policy and Resources Committee has a number of options open to it to address the three points made in part two of the above motion, all of which would incur resource implications unless no further action was agreed. Options for consideration are set out below. The scope of any work is as set out in the motion agreed by Council.

Committee Inquiry via a Working Group

- 3.2 As set out in the constitution all Committees may hold inquiries and investigate the available options for future direction in policy development. The Committee has the power to set up working groups to conduct scrutiny type reviews. The actions above could be considered by a working group and findings reported to the Committee. A Working Group would not in itself be a decision-making body: findings would be referred to Policy and Resources for decisions to be made (subject if appropriate to input from other committees).

- 3.3 The nature of the subject and its ambition are such that extra resource and expertise would be required in order to deliver a meaningful review, with realistic scope, objectives, timescales, risks and action plan.
- 3.4 As part of this option key stakeholders could be asked to participate in the working group either as part of the group itself, as independent expert advisors or as expert witnesses giving evidence to the committee.
- 3.5 The inquiry could be politically balanced or be represented by members of each political group – for example one or two members from each group.
- 3.6 Policy and Resources Committee could appoint a Chairperson or Spokesperson from the membership. Alternatively, the Working Group could itself nominate a Chairperson/Spokesperson.

Desktop research and report

- 3.7 The Committee could request officers to carry out research and report back to a future committee meeting with proposals in relation to the three areas identified in the motion. Currently there is no staffing capacity to carry out this work, so if this option were agreed resource would need to be identified, probably of a similar level to that set out in 3.2.

Include item as part of committee business

- 3.8 Another option would be for the Committee to undertake an inquiry and review as part of its usual meetings and business with activities planned throughout the year to complete the review. As this is a complex subject it would be difficult to undertake a review in an in-depth fashion alongside the usual business of the committee. This approach is not therefore recommended.

Commission

- 3.9 The Committee could request that a climate change and biodiversity commission be set up to tackle the issues. This could be along similar lines to that in Leeds, where interested stakeholders across the city from public, private and third sectors come together to take action. The Leeds Commission is chaired by Professor Andy Gouldson (University of Leeds) the Commission is guided by a Strategy Group which is supported by working groups on low carbon development, climate resilience and public engagement and communications. The Leeds Climate Commission terms of reference is attached at **Appendix C** for information.
 - 3.10 The Committee could agree to take no further action although this would go against the request agreed at full Council to undertake a review.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is proposed that a working group is formed to undertake the review. The Committee will need to determine whether the group is politically balanced and/or represents all political groups on the council. The proposal is for a working group consisting of 9 Councillors subject to the rules of political balance, with group leaders being requested to nominate members on to the group.
- 4.2 As the subject matter is complex and cross-cutting it is recommended that the review group report back with conclusions by the last meeting of the municipal year 22 April 2020. Policy and Resources Committee could agree a different deadline and may also want to include on its agenda updates from the review group as the review progresses. A different number of councillors on the review group could also be considered by the Committee as well.
- 4.3 The review group, with officer support would set a scope for the review, to include the proposals put forward by Council on 10 April 2019, objectives and milestones. The review, on reaching conclusion, should propose actions to be agreed by Policy and Resources Committee. The constitution sets out that committees may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations. The review has been allocated a budget of £40,000 which would provide officer support and potentially a small budget for site visits and witness expenses. Any additional expenditure would require approval from the Policy and Resources Committee.
- 4.4 The benefits of a Councillor review will be the ability to call expert witnesses to give evidence, a clear dedicated resource to support it, and that fact that it will ensure member led policy development on this complex and cross-cutting topic.
-

5. RISK

- 5.1 The project risks are to be determined and the requested resource is required to determine them. However, the risk on the investment is that an appointment is made to support the delivery of the project and it is then abandoned. Given this is based on a motion agreed by full Council this is deemed to be unlikely.
- 5.2 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 As part of the review it is likely that some consultation will be undertaken and this will need to be determined in the scope for the project. Previous consultations relating to the subject matter will also need to be taken into account as well. It is likely that as part of the review expert witnesses will be called upon to give evidence. The review report and recommended actions will be submitted to Policy and Resources Committee.
-

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 If a scrutiny type review is agreed a member working group will be appointed, meetings will be publicised and regular reports on progress can be given to this Committee.
-

8. REPORT APPENDICES

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

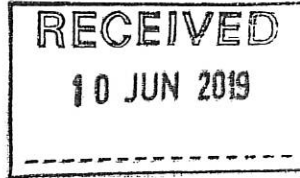
- Appendix A: Response from the Minister of State for Universities, Science, Research and Innovation.
- Appendix B: Key recommendations from the 2003 Climate Change Scrutiny Review
- Appendix C: Leeds Climate Commission Terms of Reference

9. BACKGROUND DOCUMENTS

Environment and Transportation Overview and Scrutiny Committee:
Addressing Climate Change – 2003-



Department
for Education



Department for
Business, Energy
& Industrial Strategy

Alison Broom
Chief Executive
Maidstone Borough Council
Maidstone House
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Maidstone
ME15 6JQ

Chris Skidmore MP
Minister of State for Universities, Science,
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enquiries@beis.gov.uk

www.gov.uk

Our ref: MCSL2019/10428

6 June 2019

Dear Alison,

Thank you for your letter dated 21 May to the Rt Hon Philip Hammond MP, regarding the recent motion passed by Maidstone Borough Council in relation to climate change. Your letter has been passed to my Department, and I am replying as this matter falls within my Ministerial portfolio.

I welcome the Council's commitment to tackling climate change as there is no doubt that it is one of the most profound global challenges we face. The decisions we make today will affect the future of our planet for generations to come, and the Government fully recognises that action is urgently needed in our own country and across the world. However, we must look to the challenge ahead with hope rather than fear. We should be proud of the UK's leadership in tackling climate change and the real progress we have made in reducing our emissions whilst driving cleaner economic growth. Our achievements should be celebrated – not to imply that we are complacent, but to demonstrate that with ambitious domestic policy and concerted international action, solving the challenge of climate change is possible.

Our Climate Change Act 2008 was the first of its kind in the world and set a legally binding target to reduce greenhouse gas emissions by at least 80% by 2050 relative to 1990 levels. We are already making strong progress towards that target - between 1990 and 2017, the UK reduced its emissions by over 40% while growing the economy by more than two thirds – on latest available data across countries to 2016, the best performance in the G7 on a per person basis.

We recognise the need to go further and the Clean Growth Strategy sets out our plans to build on our progress in decarbonising the power sector, while looking further across the whole of the economy and the country, through to 2032. It includes ambitious proposals on housing, business, transport, the natural environment and green finance. More details about the Clean Growth Strategy can be found at: www.gov.uk/government/publications/clean-growth-strategy.

We are convinced of the need for urgent action on climate change, which is why we asked our independent advisors - the Committee on Climate Change (CCC) - for advice last October on the implications of the Paris Agreement for the UK's long-term emissions reduction targets, including on setting a net zero target. The CCC published their advice to the Government on 2 May 2019. It sets out a path for the UK to become the first major economy to legislate to end our contribution to global warming entirely. We are now considering this comprehensive, ground-breaking report, and have committed to responding in a timeframe which reflects the urgency of this crucial issue.

Achieving clean growth and tackling climate change has to be a shared endeavour between the Government, devolved nations, Local Authorities, business, civil society and the British people – as well as the rest of the world. That is why we held the first Green GB Week last year - an incredible example of us coming together to raise awareness of clean growth and the pressing challenges we face in addressing climate change, while demonstrating the opportunities that action on these issues would bring. Green GB Week this year will be taking place between 4 and 8 November, as part of the Government's Year of Green Action, and I would be delighted if Maidstone Borough Council could participate. Further information will be available on our website (greengb.campaign.gov.uk/) shortly.

As a Local Authority, you may be interested to note that we continue to enable greenhouse gas emission reductions through the Public Sector Energy Efficiency Loan Scheme. The capital pot for England is currently £262 million and is planned to increase each year to a total of £385 million by 2020/21. This funding, managed by Salix Finance, has delivered over 17,000 projects, significantly improving energy performance in the public sector. It has generated estimated bill savings in the wider public sector of around £55 million in 2017/18, with projected bill savings of £72 million in 2018/19.

More broadly at the local level, there is almost £20 million allocated to the Local Energy Programme which is designed to maximise the local contribution to clean growth. The programme works with Local Enterprise Partnerships, Local Authorities and communities in England to drive the development of clean growth as a core plank of local industrial strategies and, critically, to support local clean growth investment. The key focus is the mobilisation of green finance to support projects at the local level that would not otherwise happen. The Local Energy Programme aims to start to address local barriers to clean growth activity, and to equip local areas to drive private sector investment into clean growth across a pipeline of local projects. If you would like any further information, I would encourage you to contact my officials in the Local Energy Team here at: localenergy@beis.gov.uk.

Thank you again for taking the time to write. In addition to this letter, I have also enclosed a summary of 'Ten Climate Actions to Celebrate' that may be of interest. I hope you find this information and letter useful.



CHRIS SKIDMORE MP

TEN CLIMATE ACTIONS TO CELEBRATE

1. The UK passed the world's first Climate Change Act over a decade ago with cross-party support. This gave us both a framework to set statutory carbon budgets and set up the independent Committee on Climate Change.
2. Since 2000, independent analysis shows that no other major industrialised country has done more than the UK to cut CO₂ intensity (the measure of carbon for each pound of GDP). We have seen reductions of an average of 3.7 per cent a year, compared to the EU average of 2.3 per cent and a G7 average of 2.2 per cent. The last time emissions in the UK were this low was in 1888 when Queen Victoria was on the throne, and our progress is accelerating; between 2010 and 2018, we reduced UK greenhouse gas emissions by approximately a quarter overall.
3. Ending coal use in our electricity generation through a huge shift to renewables and gas driven by decisive policy action: a UK carbon floor price (in addition to the European ETS). We have seen coal use on the grid tumble from almost 40 per cent in 2012 to our first "coal free" generation day last April and our first coal-free week since the Industrial Revolution in May 2019. By 2025 the UK will have no coal powered electricity generation.
4. We've used this achievement to establish the global Powering Past Coal Alliance with Canada – a coalition of 80 national and sub-national governments, businesses and organizations committed to phasing out unabated coal generation by no later than 2030.
5. Renewable electricity generation has quadrupled since 2010 and clean electricity now gives us over 50 per cent of our total.
6. Our renewables mix is diverse but we are rapidly developing the incredible potential for offshore wind around our coastlines, with the world's largest offshore wind capacity (8GW) and a launch last month of new £250 million sector deal to provide at least 30 per cent of our electricity from offshore wind by 2030 (and a requirement that at least 60 per cent of the supply chain is UK sourced by 2030).
7. The low carbon sector and its supply chain is now providing almost 400,000 green collar jobs in the UK (more than aerospace) and is growing much faster than the main economy – with estimated potential exports of more than £60 billion by 2030.
8. The Government is investing more than £2.5 billion in low carbon technology over this parliament – the largest ever public R&D investment in clean growth.
9. We want to go further and faster and the UK was the first major industrial economy to ask for independent advice (from the Committee on Climate Change) on how to reach a Net Zero economy after the publication of the IPCC report last year.
10. We have consistently been in the vanguard of international action, helping to lead the Paris 2015 Climate conference, delivering £6 billion in International Climate Finance over this Parliament and bidding to host the crucial 2020 UN climate negotiations here in the UK.

Scrutiny Review 2003
Recommendations

Cultural Change

- a) Maidstone Borough Council must corporately accept that climate change is already happening and will only escalate over the coming years. We must begin to recognise the threats and opportunities posed by climate change and start to address them. We must take the action that we have publicly pledged to strive towards and begin to develop new policies to prepare for the changes to our climate that are already beginning to be felt. We welcome the inclusion of reference to addressing climate change in our community strategy but action must now follow both by the Council alone and in conjunction with our partners if we are to be adequately prepared to cope with climate change.

Sustainable Urban Drainage Systems

- f) We strongly recommend that Maidstone Local Development Plan should seek to encourage the utilisation of sustainable drainage technology in all suitable new developments and infrastructure projects. In doing this Maidstone Borough Council staff should engage in training on the latest thinking and best practice in this field and co-operate closely with partner agencies such as Southern Water and the Environment Agency.

Green Corridors

- h) We recommend that the Maidstone Local Development Plan should afford a high priority to drafting a robust 'green corridor policy' crucially incorporating, not just hospitable natural green spaces within the urban area, but also through our rural and farmed landscape.

Planning

- n) We recommend that a closer working relationship is established between the Council's Planning Officers and the Environment Agency through the establishment of a flood appraisal group similar to those which have been so successful in Scotland.

Resilient Design

- s) We recommend that tighter building control measures be developed for new builds in order to defend them against the extremes of flood, heat and storm.
- t) We accept that development pressure is such that retreat from floodplains is unrealistic, however, all evidence received pointed to the need for greater resistance to the introduction of new build development into the floodplains of our rivers.

Water Saving

- x) We recommend that the amount of water used in Maidstone Council's own buildings is reduced and that this message is promoted to the wider population. We recommend that a publicity campaign be undertaken in conjunction with Mid Kent Water and the Environment Agency, to encourage residents to become more water efficient. We also recommend that links are established between Digital Maidstone

and the relevant parts of Mid Kent Water's website. We also recommend that Maidstone Borough Council learns from the ongoing work between Ashford Borough Council and the ODPM on incorporating water saving measures into new developments.

Carbon Neutrality

- hh) The Committee recommend that as well as reducing our CO₂ emissions, Maidstone Borough Council should seek to achieve 'carbon neutral' status. Maidstone Borough Council should calculate its own business CO₂ production and plant self sustaining woodland rather than individual trees to offset our contribution to greenhouse gas levels.

Energy Saving

- ll) We recommend that Maidstone Borough Council should reduce the amount of energy it uses in its own buildings and should also use its role as a community leader to work with its partners to promote energy efficiency and encourage the use of sustainable energy sources to the wider community. We recommend that Planning officers should work to encourage the use of energy efficiency and renewable energy sources in domestic, commercial and industrial properties. We also recommend that the possibility of working with Kent County Council to ensure that any new street lights and electronic display signs store solar energy during the day should be explored

Leeds Climate Commission Terms of Reference

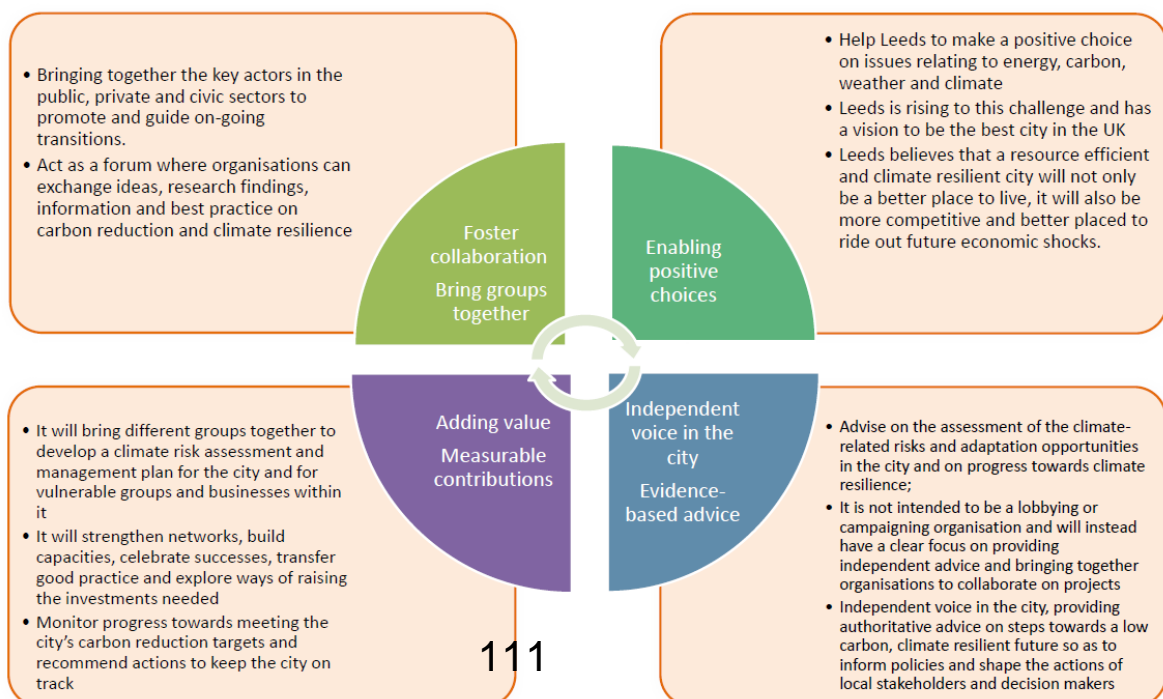
1. Background and Context

- 1.1. Leeds believes that a resource efficient and climate resilient city will not only be a better place to live, it will also be more competitive and better placed to ride out future economic shocks. Leading research by the Centre for Low Carbon Futures / University of Leeds ([A Mini-Stern Review for the City of Leeds 2017](#)) has set out the strategic business case for investment and commercialisation of low carbon projects.
- 1.2. Leeds is rising to this challenge and has a vision to be the best city in the UK. A top priority is tackling climate change and creating a prosperous, sustainable economy. While significant progress has been made towards achieving city-wide carbon reduction targets, with Leeds City Council taking a leading role, many of the economically advantageous carbon reduction opportunities identified in the Mini-Stern review remain unrealised at a city-wide level. Opportunities to reduce vulnerability to climate-related risks such as flooding also remain under exploited.
- 1.3. In the face of a challenging national policy context and the limitations on what Leeds City Council can achieve on its own, the value in bringing together key city partners to form a Commission to mirror the national Committee on Climate Change was recognised and Leeds Climate Commission launched in September 2017.

2. Vision

Leeds
Climate
Commission

VISIONING MATRIX



3. Scope

3.1. Leeds Climate Commission was formally established in January 2017 and its first phase runs until December 2018. Progress will then be reviewed and the second phase will run January 2019 to December 2019.

3.2. Leeds Climate Commission:

- Promotes leadership in the city on climate change, encouraging stakeholders to take effective action now, while maintaining a long term perspective;
- Provides authoritative independent advice on the most effective steps required to meet the city's carbon reduction target so as to inform policies and actions of local stakeholders and decision makers;
- Monitors and reports on progress towards meeting the city's carbon targets and recommends actions to keep on track;
- Advises on the assessment of climate-related risks and adaptation opportunities in the city and on progress towards climate resilience;
- Brings together major organisations and key groups in Leeds to collaborate on projects that result in measurable contributions towards meeting the city's climate reduction target;
- Makes the economic case for project development, implementation and investment in low carbon and climate resilient projects in the city;.
- Promotes best practice in public engagement on climate change and its impacts in order to support robust decision-making;
- Acts as a forum where organisations can exchange ideas, research findings, information and best practice on carbon reduction and climate resilience.

3.3. It is also important to be clear about what Leeds Climate Commission does not cover. Although it engages with and has representation from the private sector and civil society, it is not intended to be a lobbying or campaigning organisation and instead has a clear focus on providing independent advice and bringing together organisations to collaborate on projects. It may, however, act as an advocate for further devolved powers which would enable the city to achieve more.

3.4. Leeds Climate Commission covers the geographic area of the unitary authority of Leeds City Council.

4. Deliverables

4.1. Leeds Climate Commission aims to achieve the following deliverables:-

- The collation of existing carbon reduction targets and measures for organisations across the city using an agreed methodology;
- Agreed strategic and shared priorities and opportunities for carbon reduction and climate resilience across the city;
- To support Leeds based organisations' understanding of the importance of energy and low carbon initiatives to the success of their business and helping overcome barriers to successful implementation. The aim is to

facilitate the start of a pipeline of investable low-carbon projects within the city which will be supported by work to address perceived barriers to the availability of cost effective finance.

- Collaborations with other organisations to identify effective carbon reduction and climate resilience measures, research and develop projects, and attract funding for project development and/or delivery;
- An annual report monitoring project delivery and evaluating progress across the city towards the city's climate reduction target and advising on future measures and updating data on emissions in line with the city's commitments under the European Covenant of Mayors.

5. Membership

5.1. Membership of Leeds Climate Commission is open to individuals representing key organisations from the public, private and civic sectors across the city who can contribute to the development and delivery of a low carbon and/or climate resilient economy/society in Leeds. The balance of membership of the Commission reflects the need for cross-city representation and for it to address both climate mitigation and resilience. Prior to appointment, members must have ensured that their participation in the Commission has been authorised at a senior level within their organisation.

5.2. The Commission is exploring mechanisms for wider participation with its work.

5.3. Members of Leeds Climate Commission are recruited periodically via an open process. Members are appointed on the basis :-

- That they are representative of a significant organisation or sector;
- That they will engage with their organisation and sector to promote the work of Leeds Climate Commission;
- That although some members will represent large organisations which can make a specific commitment, others may be able to represent their sector (e.g. housing / small businesses) but cannot make commitments on behalf of their sector;
- That they can deliver useful, accurate and timely data to Leeds Climate Commission;
- That they can demonstrate expertise, knowledge, leadership and skills to contribute usefully to the expert work of Leeds Climate Commission;
- That they can commit the required amount of time to Leeds Climate Commission;
- That they have access to good networks and connections that will add value to Leeds Climate Commission;
- That they are available to attend Leeds Climate Commission Strategy Group or Working Group meetings. Alternate representatives would not usually be allowed to attend. If a member is absent for three meetings in succession, membership will be reviewed and may be revoked.

6. Governance

6.1. Leeds Climate Commission is an independent advisory body, chaired currently by the University of Leeds which also provides a secretariat. Leeds City Council acts as Vice-Chair.

6.2. In order to ensure accountability and scrutiny of the work of the Commission and an opportunity to report the progress that is being made by all sectors and partners towards the city's carbon reduction target, Leeds Climate Commission reports progress on an annual basis to Leeds City Council and other city wide fora as appropriate.

6.3. Leeds Climate Commission comprises:-

The Strategy Group:

Comprising a Chair (currently from the University of Leeds), Vice-Chair (currently from Leeds City Council) and representatives from key organisations or sectors, including at least one person from each Working Group. The Strategy group meets four times per year:

- To oversee the programme of deliverables;
- To take an overview of initiatives, projects and activities to ensure co-ordination, reduce duplication and foster synergy between projects;
- To act as a problem-solving forum;
- To agree, communicate and publish advice on meeting carbon reduction targets;
- To agree, communicate and publish advice on risk / opportunity assessment of climate change.

Low Carbon Working Group:

The group meets four times per year and focuses on:

- Information gathering by monitoring the performance of actual and proposed projects in the city, capturing carbon reduction data in an agreed format and preparing reports;
- Extending the Mini-Stern methodology to include consumption based emissions to give a more complete picture of the contribution of the city to carbon emissions;
- Overseeing effective mechanisms to bring projects from different stakeholders together where appropriate in order to achieve economies of scale or greater strategic synergy between projects;
- Project portfolio delivery, funding and finance by taking a city-wide view of the carbon reduction and resilience projects and how they could be financed, including securing funding for the work of the Leeds Climate Commission.

Climate resilience Working Group:

The group meets four times per year and focuses on:

- Reviewing the range of climate adaptation initiatives in the city;
- Overseeing the assembly of information about climate resilience projects across the city paying particular attention to where Leeds Climate Commission can add value to existing initiatives.

Engagement & Communication Working Group:

The group meets four times per year and focuses on:

- Providing guidance on what constitutes best practice for climate change related communications;
- Identifying opportunities in the City to communicate issues relating to climate change and opportunities for involvement;
- Providing guidance on how Leeds Climate Commission best communicates its work and adding value and expertise to relevant projects.

6.4. At each Strategy Group or Working Group meeting, the Chair, or in his / her absence, the Vice Chair, shall preside. A Strategy Group meeting will be quorate if either the Chair or Vice Chair as well as seven members are present. A Working Group meeting will be quorate if either the Chair or Vice Chair as well as two members are present.

6.5. Decisions within Leeds Climate Commission are made jointly with a preference for a consensus-based approach to decision-making. If a vote is taken, each member of Leeds Climate Commission is entitled to one vote, with a two-thirds majority being required.

7. Principles

7.1. The following principles are proposed within which Leeds Climate Commission is expected to operate:-

- No party has a monopoly on best practice, initiative or solution
- All information is shared openly where possible
- Problems are solved jointly
- Innovative proposals are positively received and reviewed
- Working relationships are friendly
- Wherever possible risks are shared
- Work is delivered to the highest standards of quality

7.2. Working Group Participation Principles:-

- Membership of the Commission and its Working Groups does imply a degree of shared ownership to help to ensure that priorities are delivered;
- Membership of the Commission and its Working Groups is not remunerated, but is mutually beneficial to the work of the Commission members;

- Each priority for the Commission needs to be led by a member of the Commission or its Working Groups who will update progress regularly;
- A priority leader can draw on the resources and skills of other members of the Commission or its Working Groups in order to progress the priority;
- The Commission Secretariat is there to help facilitate the achievement of priorities through acting as a central resource for the administration, organisation and associated activities, but not leading priorities.

Leeds Climate Commission, September 2018

Policy and Resources Committee	23 July 2019
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Report title here

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Angela Woodhouse – Head of Policy, Communications and Governance
Lead Officer and Report Author	Ryan O’Connell – Democratic and Electoral Services Manager
Classification	Public
Wards affected	<i>All</i>

Executive Summary

In the event that the Policy and Resources Committee is required to meet as the Planning Referrals Body, the Committee members must be trained in relevant policies, legislation and procedures. This is a mandatory constitutional requirement. In order to do this, the Committee must have an agreed planning training programme. This report recommends that the training programme should be the same as for the Planning Committee.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

That the planning training programme for members of Policy and Resources Committee replicates the training programme agreed annually by the Planning Committee.

Timetable	
Meeting	Date
Policy and Resources Committee	23 July 2019

Planning Training for Policy and Resources Committee Members

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Not agreeing the recommendations on page one could affect the Council's ability to achieve its corporate priorities if it contributed to a protracted legal challenge over the technicalities of a Planning Application.	Democratic and Electoral Services Manager
Cross Cutting Objectives	None specifically but see impact on Corporate Priorities above	Democratic and Electoral Services Manager
Risk Management	See paragraph 5	Democratic and Electoral Services Manager
Financial	The recommendations have no financial impact to the Council. Choosing the do nothing option could have a financial impact to the Council but it is not clear how much this would be yet.	Democratic and Electoral Services Manager
Staffing	No implications.	Democratic and Electoral Services Manager
Legal	Accepting the recommendations ensures that the Policy and Resources Committee is compliant with the requirements in the Constitution, should it need to be convened to consider a Planning Referral.	Russell Fitzpatrick (MKLS (Planning))
Privacy and Data Protection	No implications.	Democratic and Electoral Services Manager
Equalities	No impact identified, however the accessibility needs of all members will be considered in terms of training needs.	Equalities and Corporate Policy Officer.
Public Health	No implications	Democratic and Electoral Services Manager
Crime and	No implications	Democratic and Electoral

Disorder		Services Manager
Procurement	No implications	Democratic and Electoral Services Manager

2. INTRODUCTION AND BACKGROUND

2.1 At its meeting of 6 December 2017, the Council agreed to abolish the Planning Referrals Committee and instead refer any Planning Applications with potentially significant cost implications to the Policy and Resources Committee.

2.2 In order for the Policy and Resources Committee to carry out its role as the Planning Referrals Body, the Constitution states that the Committee must agree a programme of training. The constitution states in part 3.1 that:

"No Councillor will be able to serve on the Planning Committee, Policy & Resources Committee acting as the Planning Referral body and Licensing Committee without having agreed to undertake a minimum period of training on the policies, procedures, legislation and guidance relevant to the Committee as specified by the Committee. This training should be completed to an agreed level according to an agreed programme within an agreed time period set by the Committee and must be refreshed annually."

2.3 A programme of training is established annually for members of the Council's Planning Committee by resolution of that Committee. The training programme for 2019/20 was agreed at a meeting of the Planning Committee on 27 June 2019.

2.4 In order to fulfil the mandatory Constitutional requirement in 2.2 above, and to ensure consistency with the training programme already established by and delivered to Planning Committee, it is recommended that the training programme for members of both the Planning Committee and Policy and Resources Committee be the same and, subject to the comments made at 7.2 below, that members of Policy and Resources Committee be required to undergo the training programme established annually by resolution of the Planning Committee.

3. AVAILABLE OPTIONS

3.1 The Committee could agree the same training programme as Planning Committee. This is the preferred option as it is important that the training provided to the two Committees is consistent. However Members on Policy and Resources Committee must carry out the mandatory training before the Committee first meets as the Planning Referral body.

- 3.2 The Committee could agree its own training requirements, programme and time period for it to be completed in. This would not be recommended as it may mean that those members of Policy and Resources Committee who also sit on Planning Committee have had different training to those members that only sit on Policy and Resources Committee. This scenario would mean there is a risk of inconsistent decision making between the two Committees if applications are referred to Policy and Resources Committee.
- 3.3 The Committee could choose to do nothing. This is not recommended as it would mean that if a planning application is referred to Policy and Resources Committee, the Committee would not have an agreed training plan in place to action and therefore a number of members would not be able to sit on the Committee if an application is referred to it.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

The preferred option is outlined in 3.1. This option provides consistency with the training requirements for Planning Committee, without creating additional training responsibilities for Officers. More importantly, it also ensures that members are able to give any planning application referred to it a balanced and fair consideration based on planning merits and also avoids the pitfalls identified in 3.2 and 3.3 above.

5. RISK

A failure to agree to the training programme set out in the recommendation would present a risk of challenge to the Council's decision making process. A failure to agree a training programme would constitute a breach of the Council's Constitutional procedures. It is possible that any (perceived) irregularities in the decision making process could leave the Council open to challenge by the planning applicant or a third party. In order to minimise this risk it is important that the Committee agrees the recommended training programme.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

No previous consultation or Committee feedback.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 No further action is required after the training programme is agreed, unless the Committee is required to meet as the Planning Referral body.
- 7.2 If the Committee is required to meet as the Planning Referral body, those members that are not compliant with the mandatory planning training programme will be contacted and offered the appropriate training. Those that do not complete the training to the level required will not be able to sit on the Policy and Resources Committee when it meets to discharge its

function as the Planning Referral body.

8. REPORT APPENDICES

None

9. BACKGROUND PAPERS

Report to Planning Committee – 27 June 2019 – Planning Committee
Member and Substitute Member Training.

Agenda Item 19

POLICY AND RESOURCES COMMITTEE

23 JULY 2019

Outside Body Report 2019/20

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Angela Woodhouse, Head of Policy, Communications and Governance
Lead Officer and Report Author	Caroline Matthews, Principal Democratic Services Officer Mike Nash, Democratic Services Officer
Classification	Public
Wards affected	All

Executive Summary

This report outlines the arrangements for Outside Bodies relevant to this committee for the 2019/20 municipal year. The report summarises:

1. The positions that are currently filled.
2. The automatic appointments that have been made.
3. The nominations that have been received for vacant positions.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

That:

1. The current Council Representatives be noted.
2. The Committee consider the nomination received for the position on One Maidstone and makes an appointment if appropriate.

Timetable

Meeting	Date
Policy and Resources Committee	23 July 2019

Outside Body Report 2019/20

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities.	Democratic Services Officer
Cross Cutting Objectives	Each organisation performs different functions and will contribute to the cross-cutting objectives in various ways.	Democratic Services Officer
Risk Management	There are no significant risks associated with the appointment of Council Representatives.	Democratic Services Officer
Financial	The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation.	Senior Finance Manager (Client)
Staffing	We will deliver the recommendations with our current staffing.	Democratic Services Officer
Legal	There are no legal implications as the recommendations in this report are in accordance with the procedure set out in the Constitution.	Estelle Culligan, Principal Solicitor
Privacy and Data Protection	No implications.	Democratic Services Officer
Equalities	The recommendations do not propose a change in service and therefore will not require an equalities impact assessment.	Equalities and Corporate Policy Officer
Public Health	No implications.	Democratic Services Officer
Crime and Disorder	No implications.	Democratic Services Officer
Procurement	No implications.	Democratic Services Officer

INTRODUCTION AND BACKGROUND

- 2.1 At its meeting on 28 February 2018, Council recommended that some of the Council's Outside Bodies be appointed by an appropriate Committee. The Outside Bodies attributable to this Committee are:
- Kent and Medway Civilian-Military Partnership Board
 - Local Government Association General Assembly
 - One Maidstone
 - Rochester Bridge Trust
 - Upper Medway Internal Drainage Board
 - West Kent Health and Wellbeing Elected Members Forum
- 2.2 Some Councillors have previously been appointed as Council Representatives and have time remaining on their term of office, while others have been automatically appointed for the 2019/20 municipal year.
- 2.3 Despite the previous appointments and the automatic appointments for 2019/20, some positions remained vacant. These vacancies were advertised to all Councillors, who were invited to nominate themselves as a Council Representative.
- 2.4 There was one vacancy in total for Outside Bodies attributable to this Committee, which has received a nomination. Therefore, no outstanding vacancies remain.
- 2.5 The current Council Representatives, automatic appointments and nominations received are summarised in Appendix 1.

REVIEWING OUTSIDE BODIES

- 2.6 At its meeting on 3 July 2019, the Democracy and General Purposes Committee agreed the following principles for reviewing Outside Bodies where there has been a prolonged vacancy:
- a) Democratic Services advertise all Outside Body vacancies to all MBC Councillors at least once per municipal year.
 - b) If a position remains vacant for two full municipal years, this is to be submitted to the relevant Committee for consideration.
 - c) The Committee must then make a recommendation to Full Council. Unless the Committee recommends that Council retain the Outside Body position and identifies an appropriate course of action to fill the vacancy, Council will be recommended to remove the position.
- 2.7 It is likely that there will be instances where an Outside Body has more than one position. If, for example, an Outside Body has multiple Council Representative positions and only some of these are consistently filled, the recommendation to Council would be to reduce the number of positions rather than to remove the Outside Body entirely from the Constitution.

3. AVAILABLE OPTIONS

- 3.1 The Committee could do nothing. This is not recommended as it would mean that no additional Council Representatives are appointed to Outside Bodies. This could damage the relationships that the Council fosters with these organisations.
- 3.2 The Committee could appoint to the various Outside Bodies as appropriate and note the positions that are currently filled by Council Representatives.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 3.2 is recommended as there is a need to ensure that these vacancies are filled as soon as possible.

5. RISK

- 5.1 There are no significant risks associated with the appointment of Council Representatives.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 In response to feedback from Councillors, Democratic Services are currently reviewing the information that is held for all Outside Bodies. Throughout the course of this work, each Outside Body will be engaged to request updated contact information and Job Descriptions. This will ensure that there is greater clarity regarding the role of both the Outside Body and Council Representative, and the expectations of the relationship between the two parties. It will also benefit Councillors who are considering nominating themselves to a position in the future, as they will have a fuller understanding of the role that they are applying to. This work is expected to be complete by the end of July 2019.
- 6.2 All Councillors have been emailed to advertise the vacancies on Outside Bodies.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Relevant Outside Bodies will be contacted to inform them of any automatic appointments or appointments made by the committee.

8. REPORT APPENDICES

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

- Appendix 1: P&R Outside Bodies Summary Table
 - Appendix 2: Nomination Form - Cllr English - One Maidstone BID
-

9. BACKGROUND PAPERS

None.

Appendix 1: Outside Body Summary Table – Policy and Resources Committee 2019/20

Outside Body	Representative/ Vacancy	Nominations Received	Term of Office	Outstanding Vacancies
Kent and Medway Civilian-Military Partnership Board	Councillor Martin Cox <i>(P&R Chairman automatically appointed, or can delegate to another Member)</i>	N/A	21 May 2019 to 20 May 2020	0
Local Government Association General Assembly	Councillor Martin Cox <i>(P&R Chairman automatically appointed as a Voting Member)</i>	N/A	21 May 2019 to 20 May 2020	0
	Councillor John Perry <i>(P&R Vice-Chairman automatically appointed as a Non- Voting Member)</i>	N/A	21 May 2019 to 20 May 2020	
One Maidstone	VACANCY	Councillor Clive English	24 July 2019 to 23 July 2020	0
Rochester Bridge Trust	Mr Derek Butler	N/A	1 June 2019 to 31 May 2023	0

Appendix 1: Outside Body Summary Table – Policy and Resources Committee 2019/20

Upper Medway Internal Drainage Board	Councillor Martin Round	N/A	10 January 2018 to 9 January 2020	0
	Councillor Paul Harper	N/A	10 January 2018 to 9 January 2020	
West Kent Health and Wellbeing Elected Members Forum	Councillor Fay Gooch <i>(P&R Chairman automatically appointed, or can delegate to another Member)</i>	N/A	21 May 2019 to 20 May 2020	0

NOMINATION FORM TO OUTSIDE BODY

Date 12th June 2017

NAME:	Clive English
ADDRESS:	107 Sutton Road Maidstone Kent.
TELEPHONE NO:	07922616858
NAME OF ORGANISATION APPLYING FOR:	One Maidstone BID Advisory Board
ROLE APPLYING FOR:	Member
REASON FOR APPLYING:	I previously served on the former One Maidstone Board and was involved in its work in a number of ways.
WHAT SKILLS AND EXPERIENCE COULD YOU BRING TO THE ORGANISATION?:	I am familiar both with the BID itself and as a Ward Member for High Street Ward know many of the problems and issues affecting both Local Residents and Businesses as well as having a good knowledge of the Council's objectives. I feel that I could contribute to keeping the relevant parties in touch with each other

Agenda Item 20

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