

# COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE MEETING

Date: Tuesday 6 October 2020

Time: 6.30 p.m.

Venue: Remote Meeting - The public proceedings of the meeting will be broadcast live and recorded for playback on the Maidstone Borough Council website.

Membership:

Councillors M Burton, Joy, Khadka, Mortimer (Chairman), Powell (Vice-Chairman), Mrs Robertson, D Rose, M Rose and Young

*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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## AGENDA

Page No.

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 25 August 2020 1 - 8
9. Presentation of Petitions (if any)
10. Questions and answer session for members of the public (if any)
11. Questions from Members to the Chairman (if any)
12. Committee Work Programme 9
13. Reports of Outside Bodies

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**Issued on Monday 28 September 2020**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

- |  |         |
|--|---------|
| 14. First Quarter Financial Update and Performance Monitoring Report 2020/21 | 10 - 34 |
| 15. Heather House and Pavilion Building                                      | 35 - 49 |

## 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

- |   |   |         |
|---|---|---------|
| 16. Exempt Appendix - Heather House and Pavilion Building - Financial Summaries | <b>3 -<br/>Financial/Business<br/>Affairs</b> | 50 - 51 |
|---|---|---------|

### INFORMATION FOR THE PUBLIC

In order to ask a question at this remote meeting, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 2 October 2020). You will need to provide the full text in writing.

If your question is accepted, you will be provided with instructions as to how you can access the meeting.

In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email [committee@maidstone.gov.uk](mailto:committee@maidstone.gov.uk) by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 2 October 2020). You will need to tell us which agenda item you wish to comment on.

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

To find out more about the work of the Committee, please visit [www.maidstone.gov.uk](http://www.maidstone.gov.uk).

Should you wish to refer any decisions contained in these minutes to the **Policy and Resources Committee**, please submit a Decision Referral Form, signed by **three** Councillors, to the **Head of Policy, Communications and Governance** by: **9 September 2020**

Please note the Chairman of the Policy and Resources Committee has confirmed that the decision from Minute 52 is urgent and any call-in will be rejected.

## **MAIDSTONE BOROUGH COUNCIL**

### **COMMUNITIES, HOUSING AND ENVIRONMENT COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON TUESDAY 25 AUGUST 2020**

**Present:** Councillors Garten, Joy, Khadka, Mortimer (Chairman), Powell, Purle, D Rose, M Rose and Young

**Also Present:** Councillors Kimmance, McKay, Munford and Springett

36. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Burton.

37. **NOTIFICATION OF SUBSTITUTE MEMBERS**

It was noted that Councillor Garten was present as Substitute for Councillor Burton.

38. **URGENT ITEMS**

The Committee agreed that two urgent items in the form of Outside Body Nominations, would be taken under Item 13 – Reports of Outside Bodies.

39. **NOTIFICATION OF VISITING MEMBERS**

Councillor Kimmance was present as a Visiting Member for Item 17 – Public Spaces Protection Order – Town Centre Renewal/Revision.

Councillor McKay was present as a Visiting Member for Item 14 – Resettlement from Temporary Accommodation with a Pet.

Councillor Munford was present as a Visiting Member for Item 18 – Reference from the Biodiversity and Climate Change Working Group – England Tree Strategy Consultation Response.

Councillor Springett was present as a Visiting Member for Item 14 – Resettlement from Temporary Accommodation with a Pet, Item 15 – Use of anti-Social Behaviour Powers and the Suppression of Nuisances and Item 16 – Tackling Anti-Social Behaviour relation to dogs: Updating our enforcement tools.

40. DISCLOSURES BY MEMBERS AND OFFICERS

Councillor Joy informed the Committee that she was a nominative trustee for The Cutbush and Corral Charity (Incorporating the Qusted Almshouse Charity) in relation to Item 19 – Request to Reduce the number of Nominative Trustee Positions from Cutbush and Corral Charity (Incorporating the Qusted Almshouse Charity).

41. DISCLOSURES OF LOBBYING

Councillors Joy and Mortimer were lobbied on Item 10 – Question and Answer Session from Members of the Public.

Councillor M Rose had been lobbied on Item 14 – Resettlement from Temporary Accommodation with a Pet.

42. EXEMPT ITEMS

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

43. MINUTES OF THE MEETING HELD ON 30 JUNE 2020

**RESOLVED:** That the minutes of the meeting held on 30 June 2020 be approved as a correct record and signed at a later date.

44. PRESENTATION OF PETITIONS

There were no petitions.

45. QUESTIONS AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were two questions from members of the public.

Question from Mr Peter Coulling to the Chairman of the Communities, Housing and Environment Committee

The Chairman read out the question on behalf of Mr Coulling.

*'The Gyratory layout traffic scheme was determined by KCC and MBC, approved, I believe, by the SPI Committee. It is located at a key and very prominent part of our County Town, encompassing the 1879 Bazelgette bridge and the 1977 St Peter's Bridge. The landscaping was apparently designed under the Green Go Wild campaign and it most certainly has achieved that! The area looks completely un-cared for and does not enhance this part of the urban centre of our County Town. Do you agree that landscaping around the Gyratory requires a complete re-think, dedication of necessary funding and the establishment of formal landscaping to enhance the visual appearance and to welcome visitors to our town?'*

The Chairman responded to the question.

Question from Ms Dee Bonett to the Chairman of the Communities, Housing and Environment Committee

*'Having read the recommended proposal made by Maidstone Borough Council, to Operate a 12month Pilot Scheme, for those residing in Temporary Accommodation with their Pets, I have taken further advise from Housing Experts, who are very excited this may be implemented for the next year. I would have been delighted if option 3.3 had been implemented, but I will accept option 3.2 as the preferred option.*

*However, there does still seem to be this "grey area". I am of the understanding, that those who may now be able to decline the 1st offer, due to a No Pet Policy offer of Accommodation or due to the Accommodation in question not being suitable for the Pet, it would then be expected to accept the 2nd offer given.*

*If the 2nd offer is declined, due to the same reasons as the 1st offer, can this Committee please outline what the "expected" implications of this may be and would this then be viewed as making oneself Intentionally Homeless or being placed in the position to give up their Pets to avoid becoming Intentionally Homeless?'*

The Chairman responded to the Question.

Ms Bonett asked the following supplementary question:

*'Is there a time period that you may envisage, where if the first offer is turned down a second one is made and in exceptional circumstances would Maidstone Borough Council consider some leniency to reach a successful outcome?'*

The Chairman responded to the supplementary question and stated that further written information would be provided to Ms Bonett.

The full responses were recorded on the webcast and were made available to view on the Maidstone Borough Council Website.

To access the webcast recording, please use the below link:  
<https://www.youtube.com/watch?v=zG-XICaAtZc>.

46. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

47. COMMITTEE WORK PROGRAMME

The Chairman informed the Committee that five Members from the Committee would sit on the task and finish panel for the Access to Services Review. These were Councillors M Burton, Joy, Mortimer (Chairman), Powell and M Rose.

A Member requested that an update be given on when the Committee would be presented with the GP Provision Briefing Note.

**RESOLVED:** That the Committee Work Programme be noted.

48. REPORTS OF OUTSIDE BODIES

Two nomination forms for Outside Body vacancies were considered under this item.

**RESOLVED:** That

1. Councillor English be appointed to the Collis Millennium Green Trust as the Council's representative; and
2. Councillor Brindle be appointed to the Vinters Valley Park Trust as the Council's representative.

49. RESETTLEMENT FROM TEMPORARY ACCOMMODATION WITH A PET

The Head of Housing and Community Services introduced the report and highlighted that whilst the Council operated a Pet Policy in temporary accommodation, the Council had less influence in whether an offer of permanent accommodation would allow pets. This was in part due to the numerous housing associations that the Council worked with, which each had their own approach to allowing pets.

The Committee was informed that there were no other Local Authorities that had implemented a policy similar to that proposed within the report, which was partly why the Committee were recommended to agree recommendation 3.2 of the report which would implement a 12 month pilot scheme. The Head of Housing and Community Services explained that recommendation 3.3 of the report would likely cause an increase in Nightly Paid Accommodation from a lack of free movement from Temporary to Permanent Accommodation. Following its completion, a report would be presented to the Committee that detailed the experiences of the pilot.

It was confirmed that there had been no refusals on accommodation based on pet ownership in the current financial year and that the Council has over 80 temporary accommodation units.

Councillors McKay and Springett addressed the Committee as Visiting Members in support of the item.

The Committee welcomed the report and proposed pilot scheme within but felt that the wording of recommendation 3.2 of the report should be strengthened.

**RESOLVED:** That recommendation 3.2 of the report be agreed, subject to the replacement of wording to read:

'Staff would be mindful of the pet situation and have discretionary powers to ensure that an appropriate offer is made'.

50. USE OF ANTI-SOCIAL BEHAVIOUR POWERS AND THE SUPPRESSION OF NUISANCES

The Head of Housing and Community Services introduced the report which had been written in response to the Member Agenda Item Request that was presented to the Committee in June 2020. A typographical correction to the recommendation of the report was made whereby points 3.1-3.3 should have stated points 2.1-2.3 inclusive.

Reference was made to the Committees involvement in the Strategic Plan and the overarching objectives set for the Community Protection Team as a result, through its function as the Crime and Disorder Committee. However, to encourage greater member involvement the report recommendations included a series of Briefing Sessions, an increase in Member dialogue through the creation of "Ward Clusters" that would include up to four wards in any one Cluster, and an improved communication strategy.

The Head of Housing and Community Services confirmed that during the Coronavirus lockdown period, there had been a 56% increase in demand for the services provided by the Community Protection Team. In one particular week this had amounted to a 270% increase in calls to the team. Particular attention was drawn to the confidential nature of much of the work undertaken by the Community Protection Team, but that Members would be informed of the team's successes.

Councillor Springett addressed the Committee as a Visiting Member and referenced the need for greater officer presence in many areas.

The Committee welcomed the report and the proposed increase in Member Engagement, with particular reference made to the "Ward Clusters".

**RESOLVED:** That

1. A series of Member Briefing Sessions to raise Members' Awareness be agreed, that would include:
  - a. Noise and Nuisance Investigations, including event noise;
  - b. Tackling Anti-Social Behaviour and the role of the District Contextual Safeguarding Meeting in protecting young people; and
  - c. Domestic Abuse Services and the role of Domestic Abuse Champions.
2. An Increase in Member Dialogue to occur through the opportunity to conduct frequent engagement sessions with Kent Police and Key

Partners on Anti-Social Behaviour, Nuisance and Concerns, be agreed. This would include:

- a. The creation of "Ward Clusters" that contained up to four wards based on geography, urban or rural setting, demographics and concerns;
  - b. Twice annual meetings with Ward Members and Parish Chairs as appropriate for each Cluster; and
  - c. The creation and agreement of collaborative plans to address local concerns, through the utilisation of an evidence-based approach, that would be collated and reported to the Committee annually.
3. An Increase in Member's awareness of successes through an improved Communication Strategy between Officers and Members, with the possible creation of an online newsletter, be agreed; and
  4. The relevant Officers consider that the vacant Safer Communities Officer post be filled as soon as practically possible.

51. TACKLING ANTI-SOCIAL BEHAVIOUR RELATING TO DOGS: UPDATING OUR ENFORCEMENT TOOLS

The Community Protection Manager introduced the report, having highlighted to the Committee the changes in legislation in recent years that had led to the introduction of Public Space Protection Orders (PSPOs) through the Anti-Social Behaviour Crime and Policing Act 2014.

The Community Protection Manager confirmed that the Community Protection Team had received the concerns of members of the public, the Council's partners and Ward Members and had engaged in a public consultation process with regard to the proposed recommendations.

**RESOLVED:** That the Head of Housing and Community service be given the authority to make the new Public Space Protection Order, as shown in Appendix 4 to the report.

52. PUBLIC SPACES PROTECTION ORDER – TOWN CENTRE RENEWAL/REVISION

The Community Protection Manager introduce the report, with the results of the Public Consultation shown in Appendix 1 to the report. Reference was made to the previous item on the Committee's agenda, whereby it was hoped that the "Ward Clusters" agreed would capture the concerns of Ward Members that had the largest footing in the PSPO boundary. It was noted that if necessary, the PSPO could be expanded further within the next three years.

Councillor Kimmance addressed the Committee as a Visiting Member and expressed concerns regarding the PSPOs success. The Head of Housing

and Community Services responded that positive feedback had been received from local businesses and the night-time economy on the effectiveness of the PSPO. It was noted that the Council worked with and have funded positions within Change Grow Live (CGL) to assist in providing help to individuals, rather than enforcement, when appropriate.

In response to questions, the Community Protection Manager confirmed that the Business Improvement District (BID) Ambassadors had been trained in the completion of warning forms and intelligence sharing as part of the PSPO. There were some minor amendments necessary to the Memorandum before it would be implemented.

**RESOLVED**: That

1. The Head of Housing and Community Services be given delegated authority to extend the existing Public Space Protection Order for a further three years; and
2. The Chairman of the Policy and Resources Committee be recommended to waive the call-in period arising from the publication of the Meeting's Minutes in order that the PSPO can be extended by 1 September 2020.

53. **REFERENCE FROM THE BIODIVERSITY AND CLIMATE CHANGE WORKING GROUP - ENGLAND TREE STRATEGY CONSULTATION RESPONSE**

The Democratic and Electoral Services Manager introduced the Reference that had been created by the Council's Biodiversity and Climate Change Working Group in response to the ongoing consultation on the England Tree Strategy. The response was likely to carry more weight upon submission if supported by the Committee and was shown in Appendix 1 to the report.

Councillor Munford addressed the Committee as a Visiting Member in his capacity as Vice-Chair of the Biodiversity and Climate Change Working Group. Specific reference was made to the consultation process and the various strategies, policies and grants that would be produced after its conclusion.

During the debate, the Committee referenced the importance and loss of ancient woodland within the borough. The references made to Planning Policy within Appendix 1 to the report were noted.

**RESOLVED**: That the Consultation response to the England Tree Strategy Consultation as shown at Appendix 1 to the report be agreed, with delegated authority to be given to officers to summarise and include wording to the effect of:

'Local Planning Authorities be given better enforcement powers to protect exiting woodland and that legal loopholes be closed'.

54. REQUEST TO REDUCE THE NUMBER OF NOMINATIVE TRUSTEE POSITIONS FROM CUTBUSH AND CORRALL CHARITY (INCORPORATING THE QUESTED ALMSHOUSE CHARITY)

The Democratic and Electoral Services Manager introduced the report and highlighted that whilst the Committee had the authority to appoint Members to the Outside Body, all other functions were the responsibility of Full Council. The Committee were informed that there was no likely legal basis for the request to be refused, but that Cutbush and Corral Charity (Incorporating the Quested Almshouse Charity), had resolved to obtain permission from the Council before the reduction in positions was made.

**RESOLVED**: That Council be recommended to approve the request received to reduce the number Nominative Trustee positions appointed by the Council from four to two.

55. DURATION OF MEETING

6.30 p.m. to 8.18 p.m.

## 2020/21 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Q1 Budget and Performance Monitoring 2020/21	CHE	06-Oct-20	Officer Update	No	Mark Green	Ellie Dunnet
Heather House Update Report	CHE	06-Oct-20	Officer update		William Cornall	William Cornall
Biodiversity Strategy	CHE	03-Nov-20	Officer Update	No	Jennifer Shepherd	Andrew Williams
Draft Medium Term Financial Strategy 2021/22-2025/26	CHE	03-Nov-20	Governance	No	Mark Green	Ellie Dunnet
Q2 Budget and Performance Monitoring 2020/21	CHE	03-Nov-20	Officer Update	No	Mark Green	Ellie Dunnet
GP Provision - Briefing Note	CHE	03-Nov-20	Cllr Request	No	Alison Broom	Alison Broom
MBC Provided Gypsy and Traveller Sites	CHE	01-Dec-20	Cllr Request	No	William Cornall	John Littlemore
Medium Term Financial Strategy & Budget Proposals 2021/22	CHE	05-Jan-21	Governance	No	Mark Green	Ellie Dunnet
Q3 Budget and Performance Monitoring 2020/21	CHE	02-Feb-21	Officer Update	No	Mark Green	Ellie Dunnet

### 1st Quarter Financial Update & Performance Monitoring Report 2020/21

<b>Final Decision-Maker</b>	Communities, Housing & Environment Committee
<b>Lead Head of Service</b>	Mark Green, Director of Business Improvement
<b>Lead Officer and Report Authors</b>	Ellie Dunnet, Head of Finance Paul Holland, Senior Finance Manager (Client) Carly Benville, Senior Business Analyst
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### Executive Summary

This report sets out the 2020/21 financial and performance position for the services reporting into the Communities, Housing & Environment Committee (CHE) as at 30<sup>th</sup> June 2020 (Quarter 1). The primary focus is on:

- The 2020/21 Revenue and Capital budgets; and
- The 2020/21 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked. The report for this quarter has a particular focus on the impact the Covid-19 pandemic has had on the Council's financial position and performance.

#### Budget Monitoring

Overall net expenditure at the end Quarter 1 for the services reporting to CHE is £0.963m, compared to the approved budget of £1.078m, representing an underspend of £0.114m.

Capital expenditure for the services reporting to CHE of £0.540m has been incurred against the approved budget of £23.947m. Forecast spend for the year is £11.077m.

#### Performance Monitoring

73.3% (11) of (15) targetable quarterly key performance indicators (KPIs) reportable to the Housing, Communities and Environment Committee achieved the Quarter 1 (Q1) target.

### **Purpose of Report**

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 30<sup>th</sup> June 2020.

### **This report makes the following Recommendations to the Committee:**

1. That the Revenue position as at the end of Quarter 1 for 2020/21, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. That the Capital position at the end of Quarter 1 be noted; and
3. That the Performance position as at Quarter 1 for 2020/21, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.

### **Timetable**

<b><i>Meeting</i></b>	<b><i>Date</i></b>
Communities, Housing & Environment Committee	6 October 2020

# 1st Quarter Financial Update & Performance Monitoring Report 2020/21

## CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The Key Performance Indicators and strategic actions are part of the Council's overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	Director of Finance and Business Improvement (Section 151 Officer)
<b>Cross Cutting Objectives</b>	This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Risk Management</b>	This is addressed in Section 5 of this report.	Director of Finance and Business Improvement (Section 151 Officer)

Issue	Implications	Sign-off
<b>Financial</b>	<p>Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p> <p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium-Term Financial Strategy and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p>	Senior Finance Manager (Client)
<b>Staffing</b>	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>	Director of Finance and Business Improvement (Section 151 Officer)
<b>Legal</b>	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p>	Principal lawyer (Corporate Governance), MKLS

Issue	Implications	Sign-off
<b>Privacy and Data Protection</b>	The performance data is held and processed in accordance with the data protection principles contained in the Data Protection Act 2018 and in line with the Data Quality Policy, which sets out the requirement for ensuring data quality. There is a program for undertaking data quality audits of performance indicators.	Policy and Information Team
<b>Equalities</b>	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Equalities and Corporate Policy Officer
<b>Public Health</b>	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
<b>Crime and Disorder</b>	There are no specific issues arising.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Procurement</b>	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance and Business Improvement (Section 151 Officer)

## 1. BACKGROUND AND INTRODUCTION

- 1.1 The Medium Term Financial Strategy for 2020/21 to 2024/25 - including the budget for 2020/21 - was approved by full Council on 26th February 2020. This report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 1.2 The report particularly focuses on the impact of the Covid-19 pandemic on the financial position and performance of the service areas that fall under this committee, and provide some further detail around particular areas of concern.
- 1.3 This report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs).
- 1.4 Attached at **Appendix 1**, is a report setting out the revenue and capital spending position at the Quarter 4 stage. Attached at **Appendix 2**, is a report setting out the position for the KPIs for the corresponding period.

## **2. AVAILABLE OPTIONS**

- 2.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.
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## **3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 3.1 In considering the current position on the Revenue budget, the Capital Programme and KPIs at the end of June 2020, the Committee can choose to note this information or could choose to take further action.
- 3.2 The Committee is requested to note the content of the report and agree on any necessary action to be taken in relation to the budget position and/or the KPIs position.
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## **4. RISK**

- 4.1 This report is presented for information only and has no direct risk management implications.
- 4.2 The Council has produced a balanced budget for both revenue and capital income and expenditure for 2020/21. The budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Committee the best opportunity to take actions to mitigate such risks.
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## **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 The KPIs update ("Performance Monitoring") is reported to service committees quarterly: Communities, Housing & Environment Committee; Economic Regeneration & Leisure Committee; and the Strategic Planning & Infrastructure Committee. Each committee will receive a report on the relevant priority action areas. The report is also presented to the Policy & Resources Committee, reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".
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## **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 The Quarter 1 Budget & Performance Monitoring reports are being considered by the relevant Service Committees during September and October 2020, including a full report to the Policy & Resources Committee on 16<sup>th</sup> September 2020.

- 6.2 Details of the discussions which take place at Service Committees regarding financial and performance management will be reported to Policy and Resources Committee where appropriate.
- 6.3 The Council could choose not to monitor its budget and/or the Strategic Plan and/or make alternative performance management arrangements, such as the frequency of reporting. This is not recommended as it could lead to action not being taken against financial and/or other performance during the year, and the Council failing to deliver its priorities.
- 6.4 There is significant uncertainty regarding the Council's financial position beyond 2020/21, arising from the impacts of the Covid-19 crisis and the Council's role in responding to this. Future finance reports to this committee will ensure that members are kept up to date with this situation as it develops.
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## **7. REPORT APPENDICES**

- Appendix 1: First Quarter Budget Monitoring 2020/21
  - Appendix 2: First Quarter Performance Monitoring 2020/21
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## **8. BACKGROUND PAPERS**

None.

# First Quarter Financial Update 2020/21

Communities, Housing & Environment  
Committee

6<sup>th</sup> October 2020

Lead Officer: Mark Green

# Contents

<b>Part A: Executive Summary &amp; Overview</b>	Page 2
<b>Part B: Revenue Budget Q1 2020/21</b>	
B1) Revenue Budget	Page 5
<b>Part C: Capital Budget Q1 2020/21</b>	
C1) Capital Budget	Page 10

# Part A

## Executive Summary & Overview



This report provides members with a financial update for the first quarter of 2020/21, covering activity within this committee's revenue and capital accounts for this period, and a projected outturn for the year.

Members will be aware that since the budget was agreed in February, the position for 2020/21 and future years has changed significantly as a result of the Covid-19 pandemic. Specific impacts include:

- Redirection of existing resources to support vulnerable people
- Administering government support schemes, notably business rate reliefs and grants
- Temporary closure of many Council facilities
- Reduction in levels of activity in many other Council services
- Income generating activities severely impacted by overall contraction in economic activity
- Change in working patterns, with almost all office-based staff now working from home
- Reduced levels of Council Tax and Business Rates collection.

This has resulted in many service areas reporting or projecting adverse variances against the budget for 2020/21, particularly in relation to income. The overall projection for the council is summarised in table 1 below, and shows that the potential impact of Covid-19 on the council's financial position is £8.547m. These projections are based on information submitted to central government as part of the monthly financial monitoring return which councils have been asked to complete to enable a comprehensive picture of the financial impact of Covid-19 on local authorities to be compiled by the Ministry of Housing, Communities and Local Government. The projections are based on the information available to finance officers at the time of submitting the return and are being regularly updated as the situation unfolds and further information becomes available.

	£000
Additional Spending	1,377
Income Reductions:	
Business Rates (MBC share)	1,901
Council Tax (MBC share)	950
Other Income	4,319
<b>Total</b>	<b>8,547</b>

*Table 1, Covid-19 financial impact*

Income reductions related to business rates and council tax were based on estimates made earlier in the financial year. Collection rates have actually proved better than anticipated so this will mitigate the financial impact, although there will still be a significant loss overall.

It should be noted that the projections detailed within table 1 will not necessarily align to the in year budget outturn projections. This is partly due to the statutory accounting arrangements for council tax and business rates which impact on the timing these losses reaching the general fund balance. In addition to this, the variances above reflect an estimate of the financial impact of Covid-19 and do not take into account other factors which may impact on the budget outturn.

To date, support totalling £2.2m has been received from the government. A further support package to compensate for fees and charges losses has been announced recently and will be confirmed later this month. Any residual in year deficit will need to be met from reserves. Given the all-encompassing impact of Covid-19 across many of the council's services, mitigation for losses will be treated as a corporate exercise, and we will therefore not necessarily seek to apportion all unringfenced support received across service committees. The impacts which arise from areas within this committee's remit are detailed within section B of this report.

Headline messages arising from other sections of this report are summarised below:

#### Part B: Revenue budget – Q1 2020/21

- Overall expenditure at the end Q1 for the services reporting to CHE is £0.963m, compared to the profiled approved budget of £1.078m, representing an underspend of £0.114m. The forecast year end outturn for CHE is a shortfall of £0.136m.
- We are anticipating funding to mitigate the impact of losses from fees and charges income, however, the value of support to be received will not be confirmed until October. Initial calculations indicate that this funding could be in the region of £1.7m for the council as a whole.

#### Part C: Capital budget – Q1 2020/21

- Capital expenditure for the services reporting to CHE of £0.540m has been incurred against the approved budget of £23.947m. Forecast spend for the year is £11.077m.

# Part B

# First Quarter Revenue Budget 2020/21

## B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for CHE services at the end of Quarter 1. The financial figures are presented on an 'accruals' basis (e.g. expenditure for goods and services received, but not yet paid for, is included).

### CHE Revenue Budget & Outturn

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2020 £000	Actual £000	Variance £000	Forecast 31 March 2020 £000	Forecast Variance 31 March 2020 £000
Parks & Open Spaces	1,003	258	217	41	960	43
Playground Maintenance & Improvements	149	36	32	5	149	0
Parks Pavilions	40	10	6	4	40	0
Mote Park	265	67	73	-6	265	0
Parks & Open Spaces Leisure Activities	-5	-1	0	-1	-5	0
Mote Park Leisure Activities	-38	-9	1	-10	-38	0
Allotments	13	3	3	0	13	0
Cemetery	54	40	29	11	54	0
National Assistance Act	-0	-0	-2	1	-0	0
Crematorium	-853	-174	-273	99	-1,011	158
Community Safety	28	-7	-9	2	28	0
PCC Grant - Building Safer Communities	0	-16	-17	1	0	0
C C T V	75	19	5	14	75	0
Drainage	32	8	0	8	32	0
Licences	-6	-1	1	-2	3	-9
Licensing Statutory	-64	-16	-1	-15	-14	-50
Licensing Non Chargeable	8	2	2	-0	8	0
Dog Control	29	5	5	-1	29	0
Health Improvement Programme	9	9	0	9	9	0
Pollution Control - General	2	2	9	-7	2	0
Contaminated Land	0	0	0	0	0	0
Waste Crime	28	5	5	1	28	0
Food Hygiene	9	1	-0	2	9	0
Sampling	4	1	0	1	4	0
Occupational Health & Safety	-5	-1	0	-1	-5	0
Infectious Disease Control	1	0	0	-0	1	0
Noise Control	1	0	0	0	1	0
Pest Control	-12	-3	-1	-2	-12	0
Public Conveniences	207	51	74	-23	207	0
Licensing - Hackney & Private Hire	-63	-18	-20	2	-21	-42
Street Cleansing	1,154	273	257	16	1,154	0
Household Waste Collection	1,241	315	316	-1	1,241	0
Commercial Waste Services	-61	-17	-8	-9	-28	-33
Recycling Collection	818	295	252	43	758	60
Community Environmental Engagement	0	0	0	-0	0	0
Community Hub	0	0	97	-97	0	0
Public Health - Obesity	0	0	0	-0	0	0
Public Health - Misc Services	0	-2	0	-3	0	0
Grants	177	88	87	1	177	0
Delegated Grants	2	2	0	2	2	0

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 30 June 2020 £000	Actual £000	Variance £000	Forecast 31 March 2020 £000	Forecast Variance 31 March 2020 £000
Parish Services	130	65	65	0	130	0
Member's Community Grant	0	0	1	-1	0	0
General Fund Residential Properties	-95	-24	-10	-14	-95	0
Strategic Housing Role	14	3	6	-2	14	0
Housing Register & Allocations	11	9	2	8	11	0
Private Sector Renewal	-47	1	0	1	-47	0
HMO Licensing	-20	-5	-1	-4	-20	0
Homeless Temporary Accommodation	509	127	133	-6	615	-106
Homelessness Prevention	267	-488	-519	31	267	0
Predictive Analysis and Preventing Homelessness	57	56	56	0	57	0
Aylesbury House	6	3	-2	4	6	0
Magnolia House	6	2	-3	5	6	0
St Martins House	0	-0	-0	0	0	0
Marsham Street	45	12	13	-2	45	0
Sundry Temporary Accommodation (TA) Properties	-21	-3	-7	5	-21	0
Pelican Court (Leased TA Property)	0	-18	-15	-2	0	0
2 Bed Property - Temporary Accommodation	-76	-19	-22	3	-76	0
3 Bed Property - Temporary Accommodation	-54	-13	-14	2	-54	0
4 bed Property - Temporary Accommodation	-5	0	-2	2	-5	0
1 Bed Property- Temporary Accommodation	-2	-0	-0	-0	-2	0
Melville Road Supported Accommodation	-24	-7	-15	8	-24	0
Marden Caravan Site (Stilebridge Lane)	19	5	-1	6	19	0
Ulcombe Caravan Site (Water Lane)	7	-1	0	-1	7	0
Head of Environment and Public Realm	107	27	25	2	107	0
Bereavement Services Section	251	63	64	-1	251	0
Community Partnerships & Resilience Section	450	112	99	13	450	0
Licensing Section	113	28	26	2	113	0
Environmental Protection Section	267	67	67	-0	267	0
Food and Safety Section	262	65	66	-0	262	0
Depot Services Section	791	197	185	12	791	0
Head of Housing & Community Services	112	28	27	1	112	0
Homechoice Section	214	16	12	4	214	0
Housing & Inclusion Section	588	-62	-67	5	588	0
Housing & Health Section	266	-104	-105	1	266	0
Housing Management	262	3	6	-3	262	0
Homelessness Outreach	4	-267	-268	1	4	0
Salary Slippage	-150	-38	0	-38	-150	0
Fleet Workshop & Management	241	60	38	23	241	0
MBS Support Crew	-63	-16	5	-21	22	-85
Grounds Maintenance - Commercial	-135	-34	-19	-14	-63	-72
<b>Totals</b>	<b>8,549</b>	<b>1,078</b>	<b>963</b>	<b>114</b>	<b>8,685</b>	<b>-136</b>

B1.2 The table shows that at the end of the first quarter overall net expenditure for the services reporting to CHE is £0.963m, compared to the approved budget of £1.078m, representing an underspend of £0.114m. It should be noted that this forecast does not take into account further government support for income losses announced recently. The planned scheme will see councils absorbing losses of up to 5% of planned sales, fees and charges income, with the government compensating for 75p in every pound of 'relevant losses' thereafter. We are therefore confident that the position will improve from the forecasts set out in tables 2 and 3 above.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the first quarter of the year. The reasons for the more significant variances are explored in section B2 below.

## B2) Variances

B2.1 The impact of Covid-19 and lockdown can be seen most significantly in those areas where income is a significant element of the budget. For this committee the areas that are most impacted are licencing and depot operations, with a lack of demand for both services. A further issue is an anticipated increase in the demand for temporary accommodation should the current restrictions on landlords evicting tenants cease. The year end forecast is for a shortfall of £0.136m, but that does not include the potential recovery of fees and charges from the government outlined earlier in this Appendix or measures taken to mitigate the overspend such as deferring recruitment plans and cancelling non-essential expenditure.

B2.2 The forecasts are based on the circumstances as they stand at present, and assume a gradual return to normal levels of activity, but the timescale of that is less clear, and of course the possibility of a second wave of the virus remains a risk that needs to be considered.

	Positive Variance Q1	Adverse Variance Q1	Year End Forecast Variance
<b>Communities, Housing &amp; Environment Committee</b>	<b>£000</b>		
<b>Parks &amp; Open Spaces</b> – This variance has arisen due to vacant posts and less overtime payments due to the parks being closed during the lockdown period.	41		43
<b>Crematorium</b> – The service has seen significant additional demand due to the higher number of mortalities that have occurred from Covid-19. This trend is expected to reverse in the second half of the year.	99		158
<b>Licencing</b> – Due to the impact of Covid-19 a shortfall in income is now forecast for the end of the year.		-15	-101
<b>Recycling Collection</b> – Demand for green bins and wheeled bins continues to high and is forecast to continue to increase for the remainder of the year.	44		60
<b>Community Hub</b> – The hub was set up to help vulnerable people in the community during the early stages of the Covid-19 outbreak. All the costs are expected to be funded by the end of the year.		-97	0
<b>Homelessness Temporary Accommodation</b> - The forecast overspend arises from additional costs to accommodate rough sleepers during lockdown. 84 rough sleepers were brought into temporary accommodation during this period. Additionally, under the emergency Covid19 measures, landlords were prevented from evicting tenants during lockdown. This presents a possible risk of increased demand for temporary accommodation as the restrictions are eased.		-6	-106

<b>Depot Operations</b> – This covers the MBS Support Crew and Commercial Grounds Maintenance, and due to the impact of Covid-19 there will be a shortfall in income expected.		-35	-157
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# Part C

# First Quarter Capital Budget 2020/21



## B1) Capital Budget: Communities, Housing & Environment (CHE)

B1.1 The position of the 2020/21 CHE element of the Capital Programme at the Quarter 1 stage is presented in Table 3 below. The budget for 2020/21 includes resources brought forward from 2019/20.

Table 4: CHE Capital Programme 2020/21 (@ Quarter 1)

Capital Programme Heading	Estimate 2020/21 £000	Actual to June 2020 £000	Budget Remaining £000	Q2 Profile £000	Q3 Profile £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2021/22 £000
<b>Communities, Housing &amp; Environment</b>								
Housing - Disabled Facilities Grants Funding	1,577	100	1,477	150	150	200	600	977
Housing Investments	2,343	-0	2,344	700	700		1,400	944
Brunswick Street - Costs of Scheme	4,233	461	3,772	1,234	1,269	1,269	4,233	-0
Brunswick Street - Receipts	-1,502	-260	-1,242	-407	-769	-67	-1,502	0
Union Street - Costs of Scheme	5,201	432	4,769	1,431	2,503	835	5,201	0
Union Street - Receipts	-2,100	-278	-1,822	-370	-744	-708	-2,100	-0
Springfield Mill	1,807	7	1,800		900	900	1,807	0
Granada House Extension	1,664	11	1,653		114		125	1,539
Indicative Schemes	8,042	2	8,040	98	274	199	573	7,469
Affordable Housing Programme	1,315		1,315					1,315
Acquisitions Officer - Social Housing Delivery Partnership	80	18	62	20	19	23	80	
Street Scene Investment	96	35	60	20	20	20	95	0
Flood Action Plan	400		400		25	25	50	350
Electric Operational Vehicles	100		100	100			100	
Rent & Housing Management IT System	50		50					50
Installation of Public Water Fountains	15		15	15			15	
Commercial Projects - Cemetery Chapel Repairs	230		230		30	200	230	
Continued Improvements to Play Areas	297	11	286	20	20	20	71	226
Other Parks Improvements	99		99	33	33	33	99	-0
<b>Total</b>	<b>23,947</b>	<b>540</b>	<b>23,408</b>	<b>3,044</b>	<b>4,544</b>	<b>2,949</b>	<b>11,077</b>	<b>12,870</b>

B1.2 Comments on the variances in the table above are as follows:

- *Housing Investments* – Phase 4 of the purchase and repair scheme to acquire properties for temporary accommodation is now underway. In addition there is a proposal being considered for the purchase of a larger property also for temporary accommodation.
- *Brunswick Street and Union Street* – Construction at both sites was delayed due to Covid-19, and both schemes are now around 4 months behind schedule, but they are both due to be completed by the end of the financial year.
- *Indicative Schemes* – A number of schemes are being considered and are at various stages of development. Where a decision is taken to proceed a more detailed report will be brought forward for consideration as with two schemes which were considered at the last meeting of Policy & Resources Committee.

**First Quarter Performance Monitoring  
2020/21**

## Key to performance ratings

RAG Rating		Performance Summary	Direction	
	Target not achieved			Performance has improved
	Target slightly missed (within 10%)			Performance has been sustained
	Target met			Performance has declined
	Data Only		N/A	No previous data to compare

RAG Rating	Green	Amber	Red	N/A <sup>1</sup>	Total
KPIs	9	5	1	3	18
Direction	Up	No Change	Down	N/A	Total
Last Quarter	5	1	5	7	18
Last Year	9	1	3	5	18

- 60% 9 of 15 targetable quarterly key performance indicators (KPIs) reportable to the Housing, Communities and Environment Committee achieved the Quarter 1 (Q1) target<sup>1</sup>.
- Compared to last quarter (Q4 2019/20), performance for 45.5% 5 of 11 KPIs has improved, 9.1% 1 of 11 KPIs has been sustained, and for 45.5% 5 of 11 KPIs has declined<sup>1</sup>.
- Compared to last year (Q1 2019/20), performance for 81.8% 9 of 11 KPIs has improved, 9.1% 1 of 11 KPIs has been sustained, and for 27.3% 3 of 11 KPIs has declined<sup>1</sup>.

## Safe, Clean & Green

Performance Indicator	Q1 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage of unauthorised encampments on Council owned land removed within 5 working days	100%	100%			
The percentage of relevant land and highways that is assessed as having acceptable levels of detritus	94.87%	95.00%		N/A	
Percentage of fly tips with evidential value resulting in enforcement action	93.1%	87.0%			

<sup>1</sup> PIs rated N/A are not included in the summary calculations

\* Indicates data that has not been authorised

Performance Indicator	Q1 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage of fly tips assessed within 2 working days	97.38%	94.00%		N/A	N/A
The average weight of fly tipped material collected	36.62kg				
Percentage of household waste sent for reuse, recycling and composting	53.73%	52.00%			
The percentage of relevant land and highways that is assessed as having acceptable levels of litter	98.18%	98.00%		N/A	
Contamination: Tonnage per month rejected	314.46	287.50		N/A	N/A
Actual Spend of Section 106 money	Annual KPI				
Maintenance per Hectare Spent on Parks and open Spaces	Annual KPI				
Percentage of People using Parks and Open spaces at least once a week	Annual KPI				
Number of Green Flag Parks	Annual KPI				

Under 'Safe, Clean & Green', only two KPIs missed their targets in Q1 2020/21 and these were within 10%. One KPI is an information-only KPI. Two KPIs are new for 2020/21 and hence it is not possible to compare performance against previous quarters.

Of the eight KPIs, compared to last quarter (Q4 2019/20), two saw an improvement, one declined and one saw its performance sustained. Compared to last year (Q1 2019/20), four improved, one declined and one sustained its performance. Please note, there is no data inputted for Q4 2019/20 for the KPIs about land and highways with acceptable levels of detritus and litter as these are only reported three times a year, therefore it is not possible to provide a quarterly comparison.

**'The percentage of relevant land and highways that is assessed as having acceptable levels of detritus'** KPI achieved a figure of 94.87% in Q1 2020/21 (against a target of 95.00%), compared to 97.92% in Q1 2019/20. The team responsible for this KPI have highlighted that the target was challenging to meet, and have put this down to the additional residential parking in urbanised areas during lockdown. With more residents working from home, there were more cars parked on the roads, which made access to street cleansing more

difficult. Last year, a number of mechanical sweeping fleets were updated with larger and more effective sweepers.

The '**Contamination: Tonnage per month rejected**' KPI missed its target by 26.96 tonnes in Q1 2020/21. This is a new KPI, so data for previous quarters is unavailable. The monthly target of 95.83 tonnes was missed consistently within the quarter. However, the contaminated tonnage (rejected) as a percentage of tonnage of household waste (sent for reuse, recycling or composting) was 4.90%, which is lower than the quarterly target of 8.00% as agreed to in the Waste Strategy.

## Homes & Communities

Performance Indicator	Q1 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Percentage spend and allocation of Disabled Facilities Grant Budget (YTD)	67.8%	12.5%			
Number of households living in temporary accommodation last night of the month (NI 156 & SDL 009-00)	91				
Number of households living in nightly paid temporary accommodation last night of the month	34				
Number of households housed through the housing register	86	112.5			
Number of households prevented or relieved from becoming homeless	120	112.5			
Percentage of successful Prevention Duty outcomes	68.35%	60%			
Percentage of successful Relief Duty outcomes	51.97%	60%			
Percentage of gas safety certificates in place on all residential properties*	97.94%	100.00 %		N/A	N/A
Percentage of all electrical safety certificates on all residential properties*	98.02%	100.00 %		N/A	N/A
Percentage of high priority fire safety certificates on all residential properties*	100.00 %	100.00 %		N/A	N/A

Performance Indicator	Q1 2020/21				
	Value	Target	Status	Short Trend (Last Quarter)	Long Trend (Last Year)
Number of houses of multiple occupation brought to compliance by private rented sector licensing	Bi-annual KPI				
Number of completed housing assistances	Annual KPI				

Under 'Homes & Communities', of the eight KPIs with quarterly targets, four met their targets, three missed their targets within 10% and one missed its target by more than 10%. Two KPIs are for information-only purposes. Three KPIs are new KPIs for 2020/21, and so previous performance data is unavailable.

The '**Number of households housed through the housing register**' KPI missed its target by 26.5 households, only achieving 86 for the quarter. This compares to 137 households in the same quarter last year and 147 households in Q4 2019/20. This quarter (Q1 2020/21) saw the lowest number of households housed through the housing register since records for this KPI began. The reason for the missed target is twofold; throughout lockdown, the completion of new affordable housing slowed down; and vacant properties were not being advertised or let by Housing Association partners due to the government restrictions.

The '**Percentage of successful Relief Duty outcomes**' KPI achieved a figure of 51.97% this quarter against a target of 60%. This compares to 47.18% for the same quarter last year and 55.77% in Q4 2019/20. In this quarter, 66 applications had relief duty ended because the applicant had suitable accommodation for at least 6 months. The total number of applicants where relief duty had ended was 127. The team responsible for this KPI have stressed that the quarterly target is ambitious, and by comparison the latest published homelessness statistics (January 2020 to March 2020), demonstrate that the percentage of successful relief duty outcomes nationally, were 39.7%. However, Maidstone's allocation scheme was amended in April 2020 to assist in reducing homelessness. The new scheme focusses on the prevention of homelessness rather than tackling homelessness at crisis point, by trying to prevent the number of households being placed into temporary accommodation.

Two of the three new KPIs for 2020/21 missed their quarterly targets (of 100.00%) within 10%. The '**Percentage of gas safety certificates in place on all residential properties**' and '**Percentage of all electrical safety certificates on all residential properties**' KPIs achieved 97.94% and 98.02% in Q1 2020/21, respectively. 95 out of 97 residential properties which were targeted to have a gas safety certificate, and 99 out of 101 residential properties which were targeted to have an electrical safety certificate, achieved these, in Q1 2020/21.

\* There will be a verbal update at the meeting to explain why these KPIs have missed their target.

Please note, an error was made in the list of finalised KPIs which were shared with the CHE committee previously. The list highlighted that there would be two new KPIs in 2020/21, however this is untrue. These were:

- Percentage of successful housing prevention and relief cases
- Number of households in temporary accommodation

Instead, the following KPIs were to be retained from the previous year (2019/20) into 2020/21:

- Number of households living in temporary accommodation last night of the month (NI 156 & SDL 009-00)
- Percentage of successful Relief Duty outcomes

## Communities Housing and Environment Committee

**Tuesday 6<sup>th</sup>  
October 2020**

### Heather House and Pavilion Building

<b>Final Decision-Maker</b>	Communities Housing and Environment Committee
<b>Lead Head of Service</b>	<i>John Foster – Head of Regeneration and Economic Development</i>
<b>Lead Officer and Report Author</b>	Andrew Connors – Housing Delivery Manager
<b>Classification</b>	<p>Public - with Exempt Appendix B</p> <p>Exempt - The information contained within the Appendix has been considered exempt under the following paragraph of part 1 of schedule 12A to the Local Government Act 1972:-</p> <p>3 = Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> <p>Public Interest Test</p> <p>It is in the public interest that this report be taken in private because it relates to commercially sensitive information.</p>
<b>Wards affected</b>	Parkwood

#### **Executive Summary**

Officers have been working with the Council’s appointed Employers Agent (FFT) and Architects (Calfordseaden) on design options and cost plans for the redevelopment of the Heather House and Pavilion Building sites. The initial brief was to refurbish Heather House as it was initially considered too costly to provide a new community centre facility and redevelop the Pavilion Building site to provide a block of approximately 36 residential flats for market rent.

It was considered that the Council’s approach to the redevelopment of both the Heather House and the Pavilion Building sites should be reviewed, to determine whether a better, more cost effective, viable and long term sustainable solution could be found. Various alternative design options have been explored which has resulted

in what is considered to be an improved scheme design and approach for both sites. The report sets out further details on this.

### **Purpose of Report**

To update Committee on the evolution of the scheme design proposals for the redevelopment of the Heather House and Pavilion Building sites and to endorse taking the recommended scheme options forward for approval at Policy and Resources Committee.

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

1. That the Committee note the change to the original brief for the redevelopment of both the Heather House and Pavilion Building sites and the new scheme design options being recommended to pursue along with the indicative financial returns shown at Exempt Appendix B.
2. That the Committee endorses that a follow up report is presented to Policy and Resources Committee to approve the submission of detailed planning applications for both sites, going out to tender for the works contract and procurement of the management provider.

### **Timetable**

<b><i>Meeting</i></b>	<b><i>Date</i></b>
Communities Housing and Environment Committee	6 <sup>th</sup> October 2020
Policy and Resources Committee	25 <sup>th</sup> November 2020

# Heather House and Pavilion Building

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	Accepting the recommendations will materially improve the Council's ability to achieve <ul style="list-style-type: none"> <li>• Embracing Growth and Enabling Infrastructure;</li> <li>• Homes and Communities;</li> </ul>	Head of Regeneration and Economic Development
<b>Risk Management</b>	Already covered in the risk section	Head of Regeneration and Economic Development
<b>Financial</b>	There is provision for this project within the approved capital programme. It should however be noted that, as set out in paragraph 1.23, there is a funding shortfall in relation to the Council's criteria for investment in capital projects. This will need to be addressed before seeking approval for release of capital funding from Policy & Resources Committee.	Section 151 Officer & Finance Team
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Head of Regeneration and Economic Development
<b>Legal</b>	No implications	Team Leader, Contracts and Commissioning

<b>Privacy and Data Protection</b>	No implications	Team Leader, Contracts and Commissioning
<b>Equalities</b>	We recognise the recommendations may have varying impacts on different communities within Maidstone. Therefore we will complete a separate equalities impact assessment.	Policy & Information Manager
<b>Public Health</b>	We recognise that whilst developing a new community centre facility will likely have a positive impact on the health of residents in an area of Maidstone where health inequalities are most stark there may be some negative impacts particularly on existing users due to the smaller size of the new facility and lack of provision during the build process.	Public Health Officer
<b>Crime and Disorder</b>	No implications.	Head of Regeneration and Economic Development.
<b>Procurement</b>	On accepting the recommendation, the Council will then follow procurement exercises to appoint the necessary contractor and management provider to facilitate the delivery of the project. We will complete those exercises in line with financial procedure rules and applicable public contracts regulations and principles if applicable.	Head of Regeneration and Economic Development & Section 151 Officer
<b>Cross Cutting Objectives</b>	The project will support the cross-cutting objectives: <ul style="list-style-type: none"> <li>• Health Inequalities are Addressed and Reduced</li> </ul>	Head of Regeneration and Economic Development.

	<ul style="list-style-type: none"> <li>• Deprivation and Social Mobility is Improved</li> <li>• Biodiversity and Environmental Sustainability is respected</li> </ul>	
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## 2. INTRODUCTION AND BACKGROUND

- 1.1 Officers have been working with the Council’s appointed Employers Agent (FFT) and Architects (Calfordseaden) on design options and cost plans for the redevelopment of the Heather House and Pavilion Building sites. The initial brief was to refurbish Heather House as it was initially considered too costly to provide a new community centre facility and redevelop the Pavilion Building site to provide a block of approximately 36 residential flats for market rent.
- 1.2 The estimated total scheme cost of the refurbishment works of £1.1m took into account the reported cost via the condition survey that was carried out to assess the building and planned maintenance costs of keeping the building open for the next 15 years. There was also the cost of incorporating an extension to the current building to cater for changing room facilities, upgrade to the fire alarm and project “on costs”.
- 1.3 It was envisaged that if a residential scheme of 36 dwellings for market rent was delivered via Maidstone Property Holdings or indeed another developer, a land receipt/income of £500,000 could be generated for the residential land. This could be put towards the total scheme cost of the refurbishment works reducing the subsidy gap and reliance on Council funding for the work on Heather House to £600,000.
- 1.4 Upon visiting the sites and inspecting the condition of the Heather House building and existing layout, the architects and employers agent reviewed the initial brief and discussed in some detail the merits of pursuing the initial brief and whether alternative approaches should be considered to achieve a better more cost effective and sustainable long term outcome. The condition survey and report carried out for Heather House has given indicative costs for purely maintenance over the next 15 years. The condition survey and report did not consider the benefits of a new build, condition of services in detail or the overall community benefit of having a new modern regulatory compliant structure.
- 1.5 It was generally felt that upon inspecting Heather House further, refurbishment was not the most cost effective long-term option that would allow for long-term future sustainability. As previously reported, the buildings layout and internal structure remains dated and therefore limits its use and ability to attract new users. The current building is considered to be under-used and is unable to generate sufficient bookings to meet its financial target. The addition of an extension to the existing building to incorporate changing room facilities was also considered problematic to

achieve.

1.6 After discussion with the wider project team it was generally felt that the benefits of a new build would outweigh those of a refurbishment project. The main reasons were generally that:

- A new, building regs compliant structure would be realised meaning access to more suitable modern facilities which would significantly improve the visual appearance and public perception of the building and overall site.
- Long term running costs would be much lower due to the building being more thermally and energy efficient. Carbon neutral development and energy efficiency and renewable energy technology would all be investigated and addressed in the design and planning application of the new centre.
- Less risk associated with unknown defects that may exist in the current structure. A design and build approach to refurbishing a building such as Heather House would involve a great deal of unknowns / risk.
- The ability to dovetail the project with the Pavilion housing scheme under the same design and build contract umbrella, meaning potential savings in prelims and overheads could be realised.
- Allows for repositioning of a new community centre to move it further away from the area of ancient woodland on the southern/western boundary. Establishing the required buffer zone of 15m.

1.7 It was therefore considered prudent to review the Council's approach to the redevelopment of both the Heather House and the Pavilion Building sites, to determine whether a better, more cost effective, viable and long term sustainable solution could be found. Calfordseaden undertook a feasibility study and various design layout options were considered and explored further.

1.8 This has led to a new scheme design proposal for a new community centre at 435m<sup>2</sup> on the Heather House site and a new-build residential scheme of 12 three bed 5 person houses (7 for market sale and 5 for market rent) on the Pavilion Building site. The preliminary sketch design layout options which are a work in progress are shown at Appendix A. The proposal will not involve the loss of any existing open space amenity land or the alteration of the existing play areas within the middle of the site.

1.9 The option of putting the new Heather House Community Centre onto the Pavilion Building site has been considered as an option to remove the need for a period without a community centre, whilst a replacement is built. This option would require the contractor to focus on just building the new Community Centre first, rather than simultaneously with the new residential housing. This would increase costs with respect to the works contract with the contractor, as they would be much longer on site.

1.10 There would be significant savings in having a single Contractor doing both sites simultaneously in terms of prelims and overhead costs. There would also be the impact of income from the new housing being delayed in order to help finance and provide the surplus cross subsidy for the new community centre. There is also the relationship of the existing residential

Golding Homes site which adjoins the Pavilion Building site to consider. This comprises of low-rise bungalows for older persons so the residential theme would continue to flow and also avoid potential noise disturbance from community centre events.

1.11 The design option and intended proposal to keep the new community centre on the Heather House site and the new residential housing on the Pavilion site is therefore seen as the most viable, cost effective and efficient solution going forward. The new houses and community centre will probably have their own dedicated completion dates once the programme is agreed and put in place and the Council would work with the contractor to ensure that the completion of the new community centre is done as quickly as possible. Also that work is carried out simultaneously on both sites. It is estimated the overall project will be completed in around 18 months following start on site.

1.12 The new community centre proposed is smaller than the existing Heather House, but retains the key areas considered essential for a new centre going forward. The design of the community centre and schedule of accommodation proposed takes into account the feedback from the residents and existing stakeholders survey carried out last year. The proposed schedule of accommodation for room areas is set out below compared to what is existing.

<b>Area</b>	<b>Existing Size</b>	<b>Proposed Size</b>
Main Hall	257m <sup>2</sup>	180m <sup>2</sup>
Small Hall	103m <sup>2</sup>	nil
Small Room (Boxing Club)	56m <sup>2</sup>	nil
Storage	102m <sup>2</sup>	30m <sup>2</sup>
Kitchen	21m <sup>2</sup>	24m <sup>2</sup>
Manager's Office	16m <sup>2</sup>	15m <sup>2</sup>
Home/Away Changing Facility	nil	60m <sup>2</sup>
Referee Changing Facility	nil	10m <sup>2</sup>
WC/Toilets	55m <sup>2</sup>	30m <sup>2</sup>
Plant Room / Services	11m <sup>2</sup>	10m <sup>2</sup>
Meeting Room	47m <sup>2</sup>	nil
Communal	44m <sup>2</sup>	76m <sup>2</sup>
<b>Total</b>	<b>712m<sup>2</sup></b>	<b>435m<sup>2</sup></b>

1.13 The new changing room facilities would provide for the lost facilities within the Pavilion Building and enable the Rugby Football Club and other sports clubs to continue to utilise the sports pitches and recreational ground from Heather House. Temporary cabins might be needed for the Rugby Club at some stage during the development process to enable them to continue to operate and use the sports pitches. In preparing the size of the individual areas for the new community centre, Calfordseaden have followed Sports England's Village and Community Halls Guidance Note. To ensure there is the recommended sufficient space to cater for the individual requirements of each area. It should be noted that there is scope to increase the size of the new Community Centre on land available on the eastern boundary of

the proposed new location, should further funding be available to fund this.

- 1.14 Positive initial planning feedback regarding the scheme design proposals for both sites has been received via a pre-application advice meeting. No concerns were raised with the principle of redevelopment which has already been established. Policy SP1 of the Local Plan encourages the redevelopment of appropriate urban sites in a way that contributes positively to the locality's distinctive character subject to retaining the town's green spaces and ensuring that development positively contributes to the setting, accessibility, and biodiversity and amenity value of these areas. Parkwood is a locality that would benefit from development that improves its social and environmental well-being.
- 1.15 There will be a requirement to provide a clear outline of the qualitative benefits that will arise from the scheme having regard to the policies particularly relating to community facilities and open space.
- 1.16 The proposal for the Pavilion Building site is a mixed tenure scheme of 12 houses (7 for market sale and 5 for market rent). Alternative tenure scenarios have been tested and this is considered to be the best option in order to generate significant cross subsidy to fund the new community centre, as well as reducing sales risk and providing a rental revenue income for the Council. Rentals have been estimated at £1,250 per calendar month for the market rent, resulting in a gross market rent per annum of £75,001.
- 1.17 As the number of units proposed is over 10, there would be a requirement for 30% affordable housing, equating to 4 dwellings. The scheme would unfortunately not be able to provide affordable housing as well as a new community centre due to the loss of surplus cross subsidy to help fund the new community centre. An open book economic viability report will need to be generated that demonstrates that the affordable housing targets cannot be achieved in this case with the iterations of tenure and mix as mentioned in the Local Plan Policy.
- 1.18 The possibility of reinstating the provision of affordable housing will be fully explored if there are any s106 off-site affordable housing contribution sums available to provide further cross subsidy nearer the time.

### **Financial Commitments**

- 1.19 The stand alone financial summaries for both sites are shown at Exempt Appendix B. FFT have reviewed and revised the cost plans for both sites.
- 1.20 There is an existing approved capital resource allocation of £8,155m set aside for the redevelopment of the Heather House and Pavilion Building sites. This new scheme proposal requires significantly less funding than the previous commitment and would leave a variance which can be used on substitute schemes.
- 1.21 The market sale value assumptions have been confirmed with a local registered RICS valuer as a realistic price to achieve for the 7 x 3 bed 5

person dwellings in this locality. This would leave £686,115 as surplus sales receipts cross subsidy for the new community centre, once the total scheme cost for the building of these units has been deducted.

- 1.22 It is envisaged that if a residential scheme of 5 dwellings for market rent was delivered via Maidstone Property Holdings or indeed another developer, a land receipt/income of £420,000 could be generated for the residential land. This could be put towards the total scheme cost estimated for the new community centre, reducing the subsidy gap and reliance on Council funding to £234,476. This is significantly better than the £600,000 shortfall previously reported and this option would also be delivering a new community centre as opposed to a refurbishment of an old and outdated existing facility.
- 1.23 It is envisaged that the shortfall could potentially be made up by CIL Community Contributions; Grants from external bodies; MBC or a combination of the above. The Policy and Resources Committee will need to consider this in the context of the qualifying criteria for the fund and any other suitable projects that the Council may opt to prioritise.
- 1.24 To help substantiate the build cost estimates for the works, FFT approached four Kent based Contractors with an expression of interest which included an outline of the project, current scheme designs and available due diligence investigations. FFT asked for both an expression of interest and an indicative budget figure based on the available information for comparison against the cost plan already prepared.
- 1.25 All four Contractors expressed an interest to tender for the works and returned costs which were between 1-7% of the cost plan, suggesting our budgets are exactly where they need to be. All the Contractors factored in risk at this stage (as have we in our cost plan) pending further detailed design development.

### **Proposed method of delivery**

- 1.26 It is envisaged that we will procure a single contractor to build both projects, to enable maximum efficiency to be gained from running both schemes concurrently. The tender for the works contract will be managed by the Council's appointed Employers Agent (FFT) who will oversee the whole process, in consultation with the project team. It is felt that smaller locally based contractors with a good track record of delivering similar schemes would be the best fit for this project who would put their heart and soul into delivering a quality scheme as well as efficiencies in terms of cost.
- 1.27 As we have four contractors who have already expressed an interest via the soft market testing exercise undertaken, a single stage open tender could be established via the Kent Business Portal, with those contractors invited to bid. The tender could be tailored to be split on a cost / quality percentage basis including interviews, with quality criteria to be agreed in due course. FFT ran an open tender via the Kent Business Portal for a similar scheme in Medway recently which was very successful, with good quality competitive bids.

- 1.28 The market rent is to be retained by the Council, within Maidstone Property Holdings. The 7 market rental dwellings will provide a source of long term revenue income generation that could be used to support core services in the medium to long term.
- 1.29 It is proposed to triple track the submission of the planning application, and tender for the management provider and works contract, following the periods of further consultation required with the local community and existing stakeholders.

### **Proposed schedule of events**

- 1.30 The proposed schedule of events is given in the table below. The dates should be regarded as indicative at this stage as the Council may need to extend and /or amend the timetable as necessary. Any major changes will be discussed with the relevant consultants.

<b>Activity</b>	<b>Finish Date</b>
Policy and Resources Committee approval	25 <sup>th</sup> November 2020
Planning submission	January 2021
Issue Tender Package (Works and Management Contract)	February 2021
Planning Approval	April 2021
Tender Returns and Evaluation (Works and Management Contract)	April 2021
Start on site	September 2021
Practical completion	March 2023

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### **3. AVAILABLE OPTIONS**

- 3.1 The first option is to decide to close Heather House and not carry out any work to provide a new replacement facility with the future of the site to be determined at some point later in time, which might involve disposing of the asset and land to another party. This is not recommended as there would continue to be uncertainty as to the future of the building and site. The potential loss of a community centre could impose a significant and negative impact on the existing users and surrounding neighbourhood and lose the opportunity to bring about social change and improve the quality of life in the local area. The building would also still need to be insured, secured and looked after. Previous committee feedback has also been that they would

like Heather House to remain open and a replacement/upgraded facility provided.

- 3.2 The second option is to decide to carry on with the initial brief and would involve the refurbishment of Heather House, and a residential scheme of 36 dwellings for market rent on the Pavilion Building site. However, upon review, it is considered that this would not be the most cost effective, viable and sustainable long term solution to take forward for the reasons set out in this report.
- 3.3 The third and preferred option is to decide to pursue the new scheme design options of a new community centre of 435m<sup>2</sup> and 12 houses (7 for market sale and 5 for market rent) on the Pavilion Building site. Pursuing this option would generate significant cross subsidy of £1,106,115 to fund the new community centre, leaving a shortfall of just £234,476. This is significantly better than the £600,000 shortfall previously reported for just a refurbishment of Heather House.

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

- 4.1 The preferred option is Option 3 as outlined in Paragraph 3.3 above. This option permits the assembly of land in the general locality to help provide a new community centre facility. This option rationalises the two dated buildings situated on Bicknor Road to create a better resource that could provide a wider range of activity and potential outreach work to serve the local community. It will also provide more modern up to date facilities at Heather House and improve access for the mobility impaired.
- 4.2 This option would enable the land on which the Pavilion Building is currently located to be used for residential purposes in harmony with the existing residential accommodation on Bicknor Road. The replacement of both Heather House and The Pavilion would also enhance an area of deprivation that has recently benefitted from major regeneration programmes by Golding Homes and new developments in the surrounding areas.
- 4.3 The subsidy of £1,106,115 that could be generated from the left over sales proceeds for the market sale houses and land receipt for the market rent could go towards the total scheme cost for a new community centre. This would reduce the subsidy gap and reliance on Council funding for this element to £234,476. Which is significantly less than the £600,000 previously estimated. It is envisaged that this shortfall could potentially be made up by CIL Community Contributions; Grants from external bodies; MBC or a combination of the above.

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#### **5. RISK**

- 5.1 Maidstone Boxing Club currently operates from Reed Hall (the existing smaller hall within Heather House). The lease to the Boxing Club is three years from 18 July 2018, so ends on 17 July 2021. There is no break clause and no obligation to offer them a new lease or a space for them in a new building. The loss of this existing community provision could be viewed

negatively should they wish to extend their lease beyond July 2021 and it proves that the new facility cannot cater for their future space needs.

- 5.2 In terms of timescales (which are indicative at this stage), the earliest we would be on site (subject to the necessary committee/planning approvals and contractor appointment) would be around September 2021. The lease will have run its course by then so will not be interrupted. If the Boxing Club is still intent on operating after their lease expires then the Council would try to help and support them (taking into account resources available at the time) in relocating to a suitable and appropriate alternative venue.
- 5.3 The Council could struggle to gain interest or support from the local community, given some sections might not like change and wish the existing facilities to remain as they are. Appropriate and effective engagement with the community will need to promote and encourage a strong community led brief in order to help inform detailed design proposals and future sense of ownership of the new community facility. This will ensure trust and support the ongoing future sustainability of the project.
- 5.4 A redevelopment of the site would result in no replacement community facility being available from the point of closure until potentially 18 months later. The local community commitment and demand for a redevelopment would need to be strong enough to support a potential 18 month closure and the need for existing users to relocate during the build programme. This could be mitigated by ensuring that the local community and existing user groups are fully engaged and consulted during the developed design and planning stage process, with assistance given in finding alternative premises in the interim.
- 5.5 Planning consent is a further risk, but positive initial planning feedback has been received for the scheme proposal and the architect can respond to changes to the scheme design and layout as a result of any further advice received.

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

- 6.1 Previous feedback from Committee was that they wished Heather House to remain open and that a replacement/upgraded facility be provided. It was approved that a further report will then be presented to Policy and Resources Committee in due course to consider the business case to develop the Pavilion Building site.

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

- 7.1 The approval of the recommendation will enable the project team to complete the detailed design work and consultation with a view to submitting a planning application for approval planning and tendering for the works and management contract. Making the most of existing community networks and partnerships particularly via the Ward Councillors will prove vital in developing design proposals further.

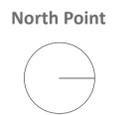
- 7.2 As the original brief has changed, discussions and consultation regarding the development proposals for the site with Ward Councillors has already taken place following positive initial planning advice being received and the soft market testing exercise with contractors completed.
- 7.3 A further follow up report will need to be presented to Policy and Resources Committee to approve the final scheme costs and necessary financial commitments associated with the development and management of the schemes, once the tenders and planning consent has been received.
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## **8. REPORT APPENDICES**

- *Appendix A: Preliminary Scheme Design Layout*
  - *Exempt Appendix B: Financial Summaries*
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## **9. BACKGROUND PAPERS**

None



**Notes**  
 Do not scale drawing from calfordseaden LLP unless by prior agreement. Use figured dimensions only. Check drawn dimensions with due regards to site parameters prior to commencing works. Drawings to be read with relevant project design information.

**Scale**  
 1 : 300@A1

**Status**  
 PLANNING

**Drawing Title**  
 Proposed Site Plan

**Client**  
 Maidstone Borough Council

**Date**  
 SEPT 2020

**Project No**  
 K190434

**Drawing No - Revision**  
 107 Rev.A

Heather House, Maidstone ME15 9ZS





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# Agenda Item 16

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

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