

# ECONOMIC REGENERATION AND LEISURE COMMITTEE MEETING

Date: Tuesday 15 December 2020

Time: 6.30 pm

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 Bartlett, Cox, Fort, Mrs Gooch, Harper (Chairman), Hinder, Lewins, Round (Vice-Chairman) and Webb

*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

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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 12 November 2020 1 - 6
9. Presentation of Petitions
10. Question and Answer Session for Members of the Public
11. Committee Work Programme 7
12. Questions from Members to the Chairman (if any)
13. Reports of Outside Bodies
14. Medium Term Financial Strategy 2021/22 - 2025/26 8 - 68

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**Issued on Monday 7 December 2020**

**Continued Over/:**

*Alison Broom*

**Alison Broom, Chief Executive**

### **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 11 December 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 submit a written 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 11 December 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 December 2020**.

Please note that the decision from Minute 185 was referred to the Policy and Resources Committee meeting held on 25 November 2020.

## **MAIDSTONE BOROUGH COUNCIL**

### **ECONOMIC REGENERATION AND LEISURE COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON THURSDAY 12 NOVEMBER 2020**

**Present:** Councillors Cox, Fort, Mrs Gooch, Harper, Hinder, Lewins, Perry, Round and Webb

**Also Present:** Councillor Naghi

169. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Bartlett.

170. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Perry was present as Substitute Member for Councillor Bartlett.

171. URGENT ITEMS

The Chairman stated that, in his opinion Item 15a – Review of Maidstone Museum should be taken as an urgent item because it had allowed for a staff briefing to take prior to the report's publication. This item would be taken before Item 14 – Evidence Base for the Revised Economic Development Strategy.

172. NOTIFICATION OF VISITING MEMBERS

Councillor Naghi was present as a Visiting Member for Item 12 – Committee Work Programme and Item 15a – Review of Maidstone Museum.

173. DISCLOSURES BY MEMBERS AND OFFICERS

Councillor Harper informed the Committee that as Chairman of the Committee, he had been appointed to the Board of Trustees for Maidstone Museum Foundation. The Council's Monitoring Officer had granted Councillor Harper a dispensation and he would approach Item 15a – Review of Maidstone Museum with an open mind.

174. DISCLOSURES OF LOBBYING

Councillors Cox, Mrs Gooch and Harper had been lobbied on Item 15a – Review of Maidstone Museum.

Councillors Cox and Harper had been lobbied on Item 16 – Hazlitt Theatre Options.

175. EXEMPT ITEMS

**RESOLVED:** That Item 16 – Hazlitt Theatre Options be taken in closed session due to the possible disclosure of exempt information.

176. MINUTES OF THE MEETING HELD ON 20 OCTOBER 2020

**RESOLVED:** That the Minutes of the meeting held on 20 October 2020 be approved as a correct record and signed at a later date.

177. PRESENTATION OF PETITIONS

There were no petitions.

178. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

179. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

180. COMMITTEE WORK PROGRAMME

The Head of Regeneration and Economic Development informed the Committee that the Economic Development Team was focused on providing Business Grants to eligible businesses through the second lockdown period. As a result, the draft Economic Development Strategy (EDS) would be delayed until January 2021 and the EDS until April 2021.

It was requested that an update be given on the innovation centre in the near future.

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

181. REPORTS OF OUTSIDE BODIES

There were no reports of Outside Bodies.

182. MAIDSTONE MUSEUM REVIEW

Prior to the report's introduction, Mark Baker addressed the Committee as Chairman of the Board of Trustees of the Maidstone Museum Foundation (MMF).

The Head of Regeneration and Economic Development introduced the report which had been produced following the consideration of the Council's Strategic Priorities by the Policy and Resources Committee in September 2020. The work of the MMF was acknowledged. Of the

£609,150 museum's annual expenditure, approximately £500,000 was attributed to staffing costs, with the majority of income generated through the shop and room hire.

The options to deliver savings were highlighted, which included a reduction in opening hours to four days week and annualised hours. The latter would allow the museum to respond more easily to busier and quieter business periods. The introduction of admissions charges was referenced, with customer research to be conducted into the feasibility and likely payment options. The options presented were outlined in the appendices to the report. The museum's use of virtual tours and animations was referenced.

The Committee referenced the significance of the Museum to the Borough and the importance of assessing all available options and stakeholder consultation. The success of room hire was mentioned, with the Museum Director having confirmed that the full capacity was reached most weekends during the Summer of 2019. This facility had been advertised over the past few years with leaflets and online through social media.

It was confirmed that the Museum's staff had been made aware of the proposals in relation to opening hours.

**RESOLVED:** That

1. The objectives for securing the future service provision for Maidstone Museums in paragraph 1.2 be agreed, including a revenue savings target of a minimum of £152,000;
2. The savings proposals set out in Option 4 table 2 with respect to reduced opening hours and a saving of a minimum of £138,000 be agreed in principle, to take effect no later than April 2021 and the Committee be regularly updated to provide assurance that risks identified in designing and implementing changes in the operational model for the museums are mitigated appropriately;
3. A further report be presented to this Committee with respect to an additional savings package to achieve the minimum target of £152,000 to take effect no later than April 2022;
4. The Council engages with key and prospective stakeholders including the Maidstone Museum Foundation with respect to the service delivery outcomes to be achieved while working within these parameters;
5. A further report be presented to the committee setting out how the existing capital allocation to the Museum can be used to make the best use of our existing spaces, address accessibility to the collections and reduce the net revenue costs of the museum;
6. The following be added to the objectives in paragraph 1.2:

- a. The Museum's Accreditation Status is maintained; and
- b. Volunteers be at the heart of Maidstone Museum's in conjunction with professional officers, along the lines of the National Trust Model.

183. EVIDENCE BASE FOR THE REVISED ECONOMIC DEVELOPMENT STRATEGY

The Regeneration and Economic Development Manager introduced the report prepared by Lichfields, Planning and Development Consultancy. The evidence base would assist in the shaping and support provided from the revised Economic Development Strategy (EDS).

Ms Lucie Bailey, the Economic Director at Lichfields, gave a presentation to the Committee based on the information provided in Appendix 1 to the report. Specific reference was made to the Borough's performance in terms of workforce size and productivity, business start-up rate, socio-economic deprivation rates and commuting patterns.

The growth in job rates was slower than in other areas of the County and wider regions, with a focus on public sector and support services roles, rather than professional employment. The working age population had been declining which would pressurise the labour supply in its ability to garner employment opportunities.

Ms Bailey highlighted the continuing effects of the Covid-19 pandemic on the local economy, with a quarter of the working residents furloughed during the first lockdown period. The EDS would need to focus on short-term recovery whilst addressing long-term priorities.

In response to questions, Ms Bailey stated that diversification could be achieved through project initiatives to improve local workforce productivity. The Committee expressed support for the improvements necessary to increase the borough's economic performance.

The Economic Development and Communications Teams had been in discussion to create an economics data dashboard to provide up-to-date data to Members, when available, in response to a request for this information.

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

184. 2ND QUARTER FINANCIAL UPDATE & PERFORMANCE MONITORING REPORT 2020/21

The Head of Finance introduced the financial update and highlighted the £124k current projected overspend. This would likely increase due to the ongoing legal claim from Serco, with the £500k reported at the first quarter to remain as a provisional cost. The majority of the Committee's adverse variances arose from the closure of facilities due to the Covid-19 pandemic.

The Government had recently announced funding to support Councils as leisure providers, with an application to be submitted to attempt to offset the Council's overspend. The first instalment of funding from the Sales, Fees and Charges scheme would be received by the end of the November 2020.

In response to questions, the Head of Finance confirmed that there was an average of 252 stalls at the Market between mid-June to early November 2019. For the same period this year there had been 616, which would have been further increased if not for the essential goods sales requirement currently in force. The Head of Finance would provide information on the feedback received from stallholders to the Committee via email.

The Equalities and Corporate Policy Officer introduced the performance monitoring information for quarter two and noted that two of the five targeted indicators had met the target set, with the remaining three indicators achieving within 10% of their target. The Museum had re-opened with social distancing measures, with online learning resources created by the learning team for use across social media platforms. By September 2020, 5275 views were achieved across Facebook and Twitter. A correction was made to the number of visitors to the museum from quarter four, which was 15,417 instead of 35,702.

The Committee expressed thanks to the Officers involved for the work undertaken.

**RESOLVED:** That

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

185. HAZLITT THEATRE OPTIONS

The Leisure Manager introduced the report which had been produced following a consideration of the Council's Strategic Plan by the Policy and Resources Committee in September from which flowed several actions to inform the prioritisation required to enable the council to deliver services within budgetary constraints and respond to recovery from the COVID-19 pandemic. These included a review of the Hazlitt theatre.

The Theatre had been closed since the March 2020 lockdown period. It was hoped that the theatre would have reopened, with performances having been rescheduled to accommodate this. However, this had not been possible.

The Council and Parkwood Theatres, who hold the contract for the theatre, had entered into a 6-month interim arrangement, between April 2020 to September 2020, whereby the Council's monthly payments to Parkwood Theatres increased by £3.1k to allow the Theatre to re-open when feasible. Half of the additional funding had been used, with the remainder to be returned to the Council.

The company's funding bid to the Cultural Recovery Fund had been denied and was in the process of appeal. The Council would be obliged to make the originally agreed monthly payments irrespective of whether the appeal was successful.

The Leisure Manager highlighted the issues of staff and building management in considering the contract's suspension or termination. It would be more cost effective for the Council to manage the building itself and re-examine the service provision in the future. The Head of Regeneration and Economic Development confirmed that discussions had taken place with different organisations concerning continued use of the building.

The Committee recognised that opportunities to resume services from the Hazlitt Theatre Complex would be considered in the future, given its importance to the Borough.

**RESOLVED:** That

1. It be recognised that subsidy paid to Parkwood Theatres to operate the Hazlitt Theatre is not sustainable under the Council's new Medium-Term Financial Strategy;
2. The council should seek to reduce its monthly expenditure on the Hazlitt Theatre complex to a maximum of £8,630, that being the amount it would cost for the Council to mothball the building;
3. The Head of Regeneration and Economic Development enter into discussions with Parkwood Theatres and terminate the Hazlitt Theatre contract; and
4. Alternative uses, in the short and medium term, be looked into.

186. DURATION OF MEETING

6.30 p.m. to 9.07 p.m.



## 2020/21 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Draft Economic Development Strategy	ERL	19-Jan-21	Officer Update	Yes	John Foster	Chris Inwood
Medium Term Financial Strategy & Budget Proposals 2021/22	ERL	19-Jan-21	Governance	Yes	Mark Green	Ellie Dunnet
Hazlitt Theatre Options	ERL	19-Jan-21	Officer Update	Yes	John Foster	Mike Evans
Q3 Budget and Performance Monitoring 2020/21	ERL	16-Feb-21	Officer Update	No	Mark Green	Ellie Dunnet
Economic Development Strategy	ERL	20-Apr-21	Officer Update	Yes	John Foster	Chris Inwood
Making Maidstone More Active - Update	ERL	TBC	Officer Update	?	John Foster	Mike Evans
Tour of the Business Terrace	ERL	TBC	Briefing		John Foster	John Foster
Town Centre Opportunity Sites Delivery Strategies	ERL	TBC	Officer Update	Yes	William Cornall	John Foster

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# Agenda Item 14

## **ECONOMIC REGENERATION & LEISURE COMMITTEE**      **15 December 2020**

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

**No**

### **Medium Term Financial Strategy 2021/22-2025/26**

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

#### **Executive Summary**

This report sets out a draft new Medium Term Financial Strategy (MTFS) for the Council. The new MTFS updates the existing strategy to cover the five-year period 2021/22 to 2025/26 and to reflect changes in corporate priorities and the impact of the Covid-19 pandemic.

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

1. That it considers and comments on the Draft Medium Term Financial Strategy 2021/22 – 2025/26.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Economic Regeneration & Leisure Committee	15 December 2020
Policy & Resources Committee	10 February 2021
Council	24 February 2021

# Medium Term Financial Strategy 2021/22-2025/26

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The Medium Term Financial Strategy and the budget are a re-statement in financial terms of the priorities set out in the strategic plan. They reflect the Council's decisions on the allocation of resources to all objectives of the strategic plan.	Section 151 Officer & Finance Team
<b>Cross Cutting Objectives</b>	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
<b>Risk Management</b>	This has been addressed in section 5 of the report.	Section 151 Officer & Finance Team
<b>Financial</b>	The budget strategy and the MTFS impact upon all activities of the Council. The future availability of resources to address specific issues is planned through this process. It is important that the committee gives consideration to the strategic financial consequences of the recommendations in this report.	Section 151 Officer & Finance Team
<b>Staffing</b>	The process of developing the Strategic Plan and the associated budget strategy will identify the level of resources available for staffing over the medium term.	Section 151 Officer & Finance Team
<b>Legal</b>	The Council has a statutory obligation to set a balanced budget and development of the MTFS and the strategic revenue projection in the ways set out in this report supports achievement of a balanced budget.	Legal Services
<b>Privacy and Data Protection</b>	Privacy and Data Protection is considered as part of the development of new budget proposals. There are no specific implications arising from this report.	Policy and Information Team
<b>Equalities</b>	The MFTS report scopes the possible impact of the Council's future financial position on service delivery. When a policy, service or function is developed, changed or reviewed, an evidence based equalities impact assessment will be undertaken. Should an	Equalities and Corporate Policy Officer

	impact be identified appropriate mitigations will be identified.	
<b>Public Health</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Public Health Officer
<b>Crime and Disorder</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team
<b>Procurement</b>	The resources to achieve the Council's objectives are allocated through the development of the Medium Term Financial Strategy.	Section 151 Officer & Finance Team

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Council's Strategic Plan will be delivered over a rolling five-year period. The MTFS is reviewed annually and the Committee is invited to consider and comment on the draft MTFS for 2021 to 2026. The MTFS remains subject to finalisation of the Strategic Plan refresh and the government's announcement of the Local Government Finance Settlement 2021/22, which is expected in mid-December 2020.
- 2.2 The vision and priorities set out in the Council's existing Strategic Plan are clear and remain relevant. However, considering the Covid-19 pandemic and its significant impact, work has been carried out to review our outcomes for 2019/24 and to produce a refreshed set of outcomes for 2021/26. The first steps in the Strategic Plan review, including engagement with all councillors, were undertaken in August and reported to the Policy and Resources Committee at its September meeting. Decisions were made then about key areas of focus for cost reduction and approaches to leveraging resources to complement the council's spending and investment. It is intended to bring a refreshed Strategic Plan to the Policy and Resources Committee in January 2021 prior to approval by Council in February 2021.
- 2.3 The draft MTFS is attached as Appendix A. It sets out in financial terms how it is intended to deliver the Strategic Plan, given the Council's capacity and capability. It builds on the existing MTFS, but reflects the impact of Covid-19 by incorporating the re-prioritisation of Strategic Plan objectives described above, together with proposals for transformational budget savings to address the financial challenges that the Council now faces.
- 2.4 A key outcome of the process of updating the MTFS is to set a balanced budget and agree a level of council tax for 2021/22 at the Council meeting on 24 February 2021.

## **Revenue Projections**

- 2.5 The MTFS incorporates revenue projections for the five year planning period. Various potential scenarios were modelled, described as adverse, neutral and favourable. Key assumptions made in the projections are as follows.

Council Tax – It has been assumed that the government continues to set a limit of 2% to increases, above which a referendum would be required (as in 2020/21), and that the Council increases Council Tax to this limit. Policy and Resources Committee endorsed this principle at its meeting on 25<sup>th</sup> November 2020. It was also confirmed in the Chancellor’s Spending Review 2020, announced on 25 November 2020, that the referendum limit will be 2%.

Business Rates - The Business Rates baseline, which dictates the amount of business rates that local authorities may retain locally, will be increased in line with inflation in 2021/22, as part of the one year roll forward of the existing 2020/21 financial settlement that was announced in the Spending Review.

Covid-19 – In the neutral scenario, income from Council Tax, Business Rates and Sales, Fees and Charges will bounce back from the levels experienced in 2020/21 but full recovery will not be seen until 2022/23. It has been assumed for the purpose of these projections that there will be no further general government compensation for the effects of Covid-19 after the end of the current financial year, but this position will be reviewed in the light of the Chancellor’s Spending Review.

This would leave a budget gap of £2.4 million in 2021/22 in the neutral scenario, before taking account of any new savings.

- 2.6 The MTFS proposes that the budget gap is addressed through a combination of strategic plan re-prioritisation, transformation savings and increasing income. To date approximately £2 million of savings have been identified. These savings will be delivered over a period of 3-4 years, so in the meantime it will be necessary to deploy revenue resources hitherto earmarked for other purposes, such as New Homes Bonus and uncommitted Business Rates Growth proceeds to achieve a balanced budget. This is a departure from the Council's existing policy but is considered to be justified given the scale of the budget gap and uncertainties in financial forecasts that the Council faces.

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## **3. AVAILABLE OPTIONS**

- 3.1 The Committee is asked to consider and comment on the draft MTFS attached at Appendix A. Any changes and comments will be considered by Policy and Resources Committee at its meeting prior to recommending a final MTFS to Council for approval in February 2021.
- 3.2 The Committee could choose not to comment on the draft MTFS.

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

4.1 The Committee is asked to consider and comment on the draft MTFS. This will ensure that its views are taken into account as part of the development of the MTFS.

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**5. RISKc**

5.1 There are a number of risks and uncertainty surrounding the Council’s financial position, as described in the MTFS. 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.

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

6.1 Policy and Resources Committee reviewed the background to setting a new Medium Term Financial Strategy at their meeting on 21 July.

6.2 The three Service Committees – Economic Regeneration & Leisure, Strategic Planning & Infrastructure and Communities, Housing & Environment – are considering the draft MTFS in the current cycle of meetings. The outcomes will be reported back to Policy & Resources Committee when it is asked to consider the MTFS again for recommendation to Council.

6.3 A survey has recently concluded, in which residents were consulted on what they wish to see in the budget. This is attached as Appendix C.

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

7.1 An outline timetable for developing the Council’s Strategic Plan and the associated Medium Term Financial Strategy and budget for 2021/22 is set out below.

<i>Date</i>	<i>Meeting</i>	<i>Action</i>
December 2020	Service Committees	Consider draft MTFS
December 2020		Finalise detailed budget proposals for 2021/22

January 2021	Policy and Resources Committee, Service Committees	Consider the updated Strategic Plan and 21/22 budget proposals
10 February 2021	Policy and Resources Committee	Agree Strategic Plan, MTFS and 21/22 budget proposals for recommendation to Council
24 February 2021	Council	Approve Strategic Plan and 2021/22 budget

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## **8. REPORT APPENDICES**

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

- Appendix A: Draft Medium Term Financial Strategy 2021/22 – 2025/26
- Appendix B: Strategic Revenue Projection 2021/22 – 2025/26
- Appendix C: Budget Consultation Report

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## **9. BACKGROUND PAPERS**

None.

**MAIDSTONE BOROUGH COUNCIL  
MEDIUM TERM FINANCIAL STRATEGY  
2021/22 – 2025/26**

DRAFT



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# 1. OVERVIEW AND SUMMARY OF MEDIUM TERM FINANCIAL STRATEGY

- 1.1 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 agreed a new Strategic Plan in December 2018 covering the period 2019 to 2045. The priorities and outcomes in the Strategic Plan are currently being reviewed with a view to Council agreeing a refreshed Strategic Plan in February 2021. The vision remains relevant and it is expected that it will retain its four key objectives: embracing growth and enabling infrastructure; homes and communities; a thriving place; and safe, clean and green. Further details are set out in **Section 2**.
- 1.2 Delivering the Strategic Plan depends on the Council’s financial capacity and capability. Accordingly, the MTFS considers the economic environment and the Council’s own current financial position. The external environment (**Section 3**) is particularly challenging because of the economic impact of Covid-19. In assessing the Council’s current financial position (**Section 4**), attention therefore needs to be paid to its resilience, including the level of reserves that it holds.
- 1.3 Most key variables in local authority funding are determined by central government, such as the Council Tax referendum limit and the share of business rates that is retained locally. Because of economic uncertainty, central government is not prepared to give local authorities any certainty about these factors beyond 2021/22, thus making future planning even more difficult. A consideration of the funding likely to be available in the future is set out in **Section 5**.
- 1.4 In view of these multiple levels of uncertainty, it is imperative that the MTFS both ensures the local authority’s continuing financial resilience and is sufficiently flexible to accommodate a range of potential scenarios. The Council has prepared financial projections under different scenarios, following a practice that has been followed for a number of years. Details of the assumptions made in the different scenarios are set out in **Section 6**.
- 1.5 The MTFS sets out the financial projections in **Section 7**. Various potential scenarios were modelled, described as adverse, neutral and favourable. The table below shows projections under the neutral scenario.

**Table 1: MTFS Revenue Projections 2021/22 – 2025/26**

	20/21	20/21	21/22	22/23	23/24	24/25	25/26
	Orig budget	Latest projn	Forecast				
	£m	£m	£m	£m	£m	£m	£m
Council Tax	16.8	16.1	17.1	17.7	18.3	19.0	19.6
Business Rates	4.5	3.7	3.9	3.3	3.5	3.8	4.1
Other Income	21.7	17.4	18.8	20.0	21.2	22.9	23.7
Total Funding	43.0	37.2	39.8	41.0	43.0	45.7	47.4

Available							
Predicted Expenditure <sup>1</sup>	43.0	43.2	43.1	41.6	43.0	45.0	47.1
Budget Gap	0.0	-6.0	-3.3	-0.6	0.0	0.7	0.3
Existing Planned Savings			0.9	0.6	0.2		
Contribution to Reserves					0.2	0.7	0.3
Residual Budget Gap			-2.4	-0.0	0.0	0.0	0.0

In accordance with legislative requirements the Council must set a balanced budget. The MTFS sets out a proposed approach that seeks to address the budget gap and therefore enable the Council to set a balanced budget.

- 1.6 The Council's strategic priorities are met not only through day-to-day revenue spending but also through capital investment. The Council has adopted a Capital Strategy, which sets out how investment will be carried out that delivers the strategic priorities, whilst remaining affordable and sustainable. As set out in **Section 8** below, funds have been set aside for capital investment and further funding is available, in principle, through prudential borrowing.
- 1.7 The MTFS concludes by describing the process of agreeing a budget for 2021/22, including consultation with all relevant stakeholders, in **Section 9**.

## 2. CORPORATE OBJECTIVES AND KEY PRIORITIES

2.1 The Council has a Strategic Plan which was approved by Council in December 2018. It sets out four key objectives, 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.

2.2 Since the adoption of the Strategic Plan in December 2018, the objective of 'Embracing growth and enabling infrastructure' has started to be realised, for example through our work on the Innovation Centre and a new Garden Community. Amongst initiatives to help make Maidstone a 'Thriving Place' include investment at Lockmeadow and on the Parkwood Industrial Estate. Our 'Homes and Communities' aspirations are being achieved by investment for example in temporary accommodation and new build housing schemes at Brunswick Street and Union Street. The objective of a 'Safe, Clean and Green' place has been emphasised by Council's decision to declare its recognition of global climate and biodiversity emergencies.

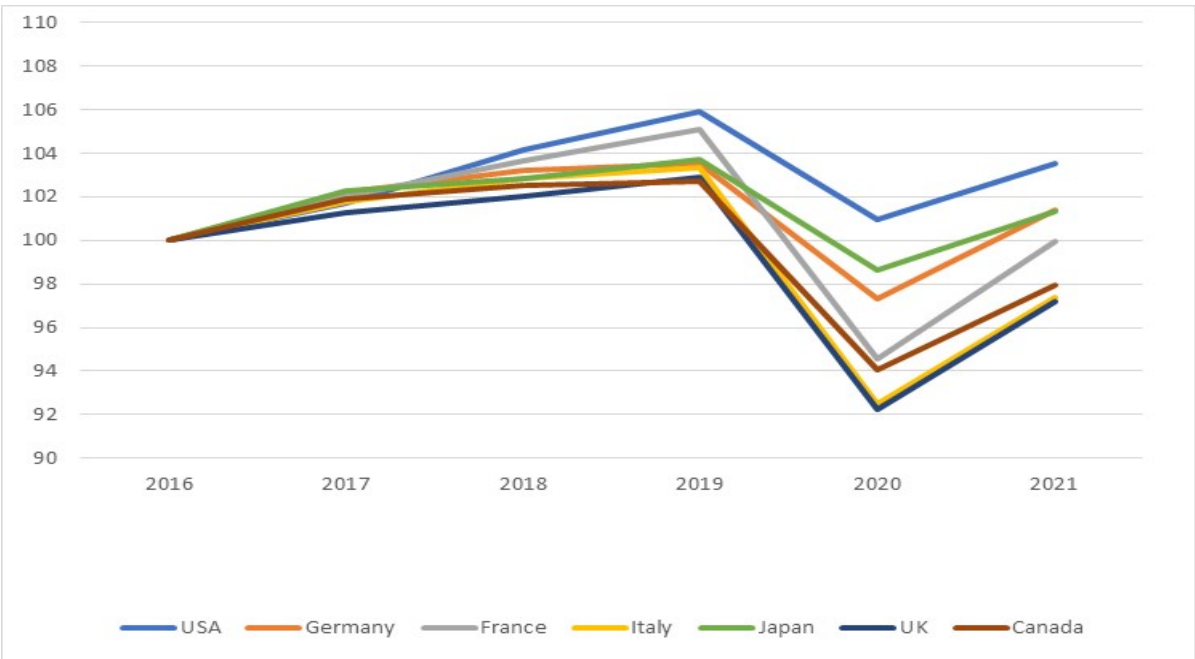
2.3 Covid-19 and the overall financial climate for local government have compelled the Council to re-prioritise its objectives. While the overall vision remains unchanged, the way in which it is achieved and the pace of delivery are likely to be affected. In some areas, it is recognised that funding pressures and the changed environment created by Covid-19 will lead to the Council's ambitions being modified in the short term. The pressures also demand that the Council takes a radical look at how it organises its work, leaving no stone unturned in the search for greater efficiency. Further details are set out in the proposed strategy that is described in section 7 below.

### 3. ECONOMIC ENVIRONMENT

#### Macro outlook

- 3.1 Before the onset of Covid-19 in early 2020, economists were starting to identify some signs of stabilisation after a period of slowing global growth. The IMF projected that global growth, estimated at 2.9 percent in 2019, would increase to 3.3 percent in 2020 and 3.4 percent in 2021. These projections were accompanied by caveats about the risks around a further escalation in the US-China trade tensions, a no-deal Brexit, the economic ramifications of social unrest and geopolitical tensions, and weather-related disasters<sup>1</sup>.
- 3.2 The UK's growth rate was projected to be slower, stabilising at 1.4 percent in 2020 and increasing to 1.5 percent in 2021. However, these forecasts assumed an orderly exit from the European Union followed by a gradual transition to a new economic relationship with the EU.
- 3.3 Covid-19 has changed the picture completely, with economic activity contracting dramatically during 2020. Although activity picked up in May and June as economies re-opened, as of November 2020 the pandemic is continuing to spread and the recovery has stalled. The UK, with its dominant service sector, has been hit particularly hard, with services that are reliant on face-to-face interactions, such as wholesale and retail trade, hospitality, and arts and entertainment seeing larger contractions than manufacturing. IMF projections are set out in the graph below.

**Figure 1: Real Per Capita Output** (Annual percent change in constant 2017 international dollars at purchasing power parity)



Source – IMF World Economic Outlook, October 2020

<sup>1</sup> IMF, World Economic Outlook, January 2020

The IMF projects a contraction in output in the UK of 10.4% in 2020, followed by growth of 5.4% in 2021. This is broadly consistent with the Bank of England's latest projections, which envisage a fall in GDP of 11% in Q4 of 2020.<sup>2</sup>

### **Public Finances**

- 3.4 The government's response to Covid-19 has been to borrow on an unprecedented scale both to support public services, businesses and individuals and to absorb the impact of the downturn on tax revenues. This is expected to lead to public borrowing of £420bn (21.7% of GDP) in 2020/21<sup>3</sup>, a level not seen outside the two world wars of the twentieth century.
- 3.5 In the short term, the government is able to fund this deficit without an increase in the cost of borrowing. This is because the Bank of England is likely to maintain the government's borrowing costs at historic lows, supported by quantitative easing. The second lockdown in November 2020 was accompanied by a £100 billion expansion in QE and there is likely to be more to come.
- 3.6 The low cost of borrowing and the need to promote economic recovery means that there is currently a strong justification for continued large scale public expenditure. However, this is not sustainable in the long term. Prior to the pandemic, public sector net debt was around 80% of national income, well above the 35% of national income seen in the years prior to the 2008 financial crisis. The Institute for Fiscal Studies forecasts that in 2024–25, public sector net debt will be just over 110% of national income in their central scenario, close to 100% of national income in their optimistic scenario and close to 130% in their pessimistic scenario.<sup>4</sup> When the economy eventually recovers, the IFS states that policy action will be needed to prevent debt from continuing to rise as a share of national income.

### **Local Government Funding**

- 3.7 Local government forms only a small part of the overall government expenditure related to Covid-19. The pie chart below sets out the estimated impact of the various elements that have contributed to the overall increase in public borrowing this financial year.

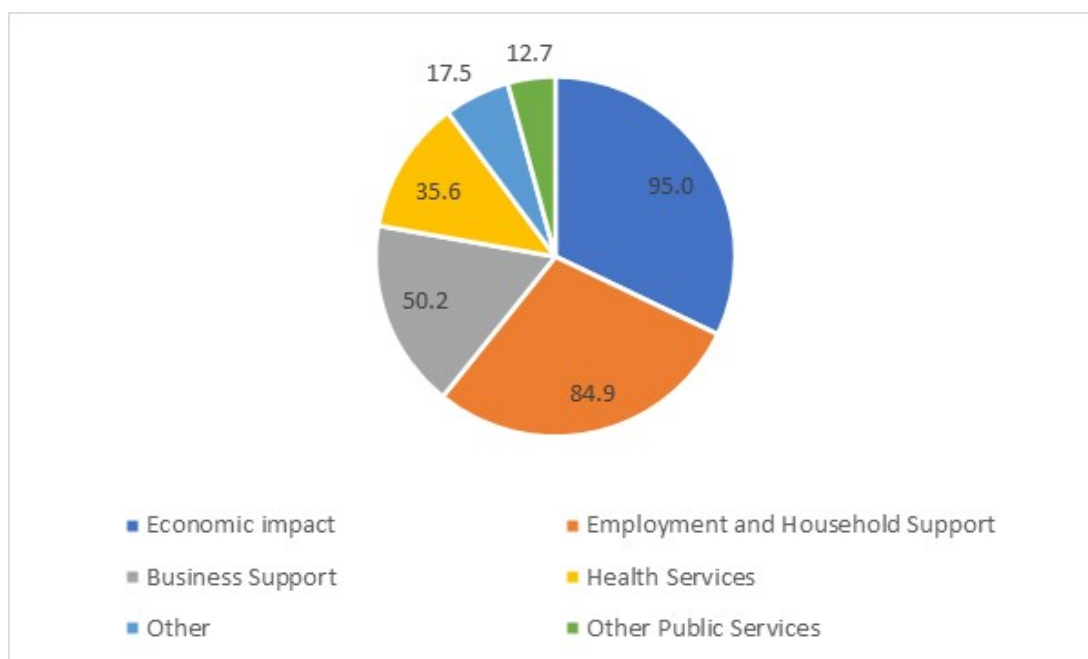
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<sup>2</sup> Bank of England, Monetary Policy Report, November 2020

<sup>3</sup> Capital Economics, UK Economic Update, November 2020

<sup>4</sup> Institute for Fiscal Studies, IFS Green Budget 2020, p 180

**Figure 2: Drivers of increase in government borrowing 2020/21 (£ billion)**



- 'Other public services' includes public transport, education and local government.
- 'Other' includes the devolved administrations, revenue measures, the Culture Recovery Fund, 'Eat Out to Help Out' and several other programmes.

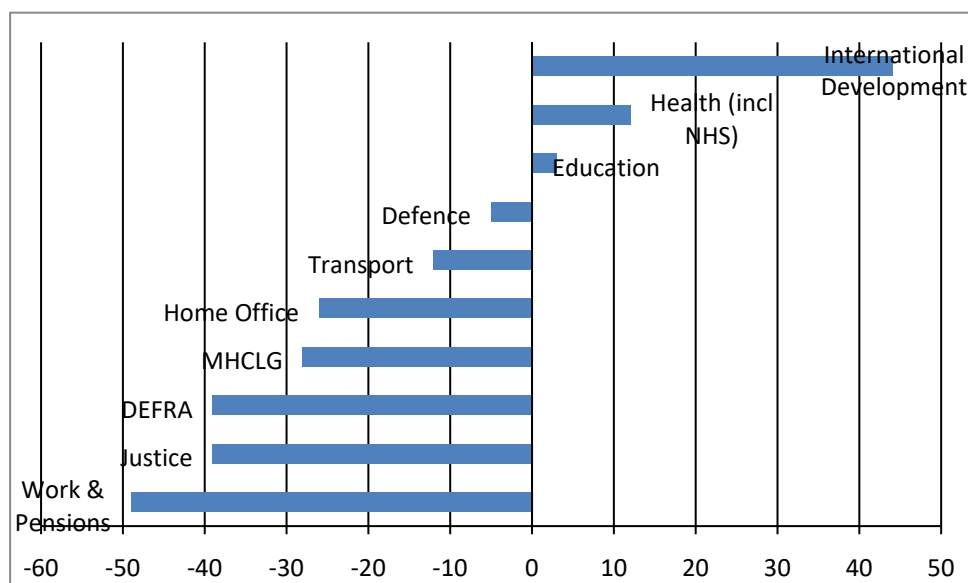
Source: IFS Green Budget 2020

- 3.8 By comparison with the amounts being spent on direct support for businesses and individuals and on the NHS, local government has received relatively little support. Direct unringfenced government grants have amounted to £4.6 billion, which has been paid out in a number of different tranches as the increasing scale of the pressure on local authorities has emerged. There has also been a plethora of other grants to local councils to cover specific initiatives, typically accompanied by detailed conditions about how the grant is to be spent.
- 3.9 The finances of some local authorities, mostly upper tier authorities, were already fragile before the onset of Covid-19. This has led to much discussion about whether the pressures of Covid-19, on top of any pre-existing issues, would lead to individual authorities failing to balance their budgets. A number of councils have been in discussions with the Ministry of Housing, Communities and Local Government (MHCLG) about this risk. For example, the London Borough of Croydon sought additional financial support, which prompted the government to commission a review of the council's governance, culture and management of risk. The implication is that financial support for Croydon, or any other council in a similar situation, will be accompanied by an increased degree of central government involvement.
- 3.10 Although the incremental cost of the local government response to the pandemic has been relatively small, it is generally considered that, where local authorities have been actively involved in the response, they have performed well, taking advantage of their local knowledge and the strong

professional culture of the sector. Many local authority political leaders have challenged central government over its apparent reluctance to make more use of local councils.

- 3.11 The relatively low value placed on local authorities' role is consistent with the way that public expenditure has been prioritised by central government in recent years. See graph below.

**Figure 3: Planned real change to Departmental Expenditure Limits 2010-11 – 2019-20 (per cent)**



- 3.12 MHCLG, which provides central government funding for local authorities, has seen some of the biggest cuts. Although the policy of austerity in the first part of the last decade has now been reversed, there has been no indication, either before or during the Covid-19 pandemic, that the current Conservative government envisages a bigger role for local authorities.
- 3.13 The effects of austerity in local government have not been spread evenly between authorities. The increasing costs of adult social care and children's social care – services delivered by the upper tier of local government – contribute by far the majority of the funding gap faced by the sector. In the short term, upper tier authorities such as Kent County Council currently face the greatest financial risks. In the medium term, when local government spending needs are eventually assessed against resources in the government's 'Fair Funding Review', it is likely that any rebalancing of public spending will benefit the upper tier authorities that deliver these services, rather than District Councils like Maidstone.

**Conclusion**

- 3.14 Covid-19 has had an enormous impact on the national economy and consequently on public finances. Whilst central government has spent unprecedented amounts of money to support the NHS, businesses and individuals, support for local authorities has been tailored quite strictly to their specific needs, and to specific initiatives that they have been asked to



undertake by central government. Where Covid-19 has led to unsustainable pressure on individual councils' finances, it appears that any additional financial support is likely to be contingent on accepting government intervention. Councils therefore need to look, first and foremost, to measures that are within their own control to ensure financial resilience.

## 4. CURRENT FINANCIAL POSITION

4.1 As a lower tier authority, Maidstone Borough Council is not subject to the extreme pressures currently faced by upper tier authorities. It is nevertheless appropriate to assess the Council’s financial resilience. There are a number of elements that contribute to financial resilience, according to CIPFA<sup>5</sup>:

- level of reserves
- quality of financial management, including use of performance information
- effective planning and implementation of capital investment
- ability to deliver budget savings if necessary
- risk management.

An assessment is set out below of how the Council performs on these measures.

### Level of Reserves

4.2 Maidstone Borough Council’s financial position, as shown by its most recent balance sheet, is as follows (unallocated General Fund balance highlighted, previous year shown for comparative purposes).

**Table 2: Maidstone Borough Council balance sheet**

	31.3.19 £ million	31.3.20 £ million
Long term assets	121.9	161.4
Current assets	32.9	28.0
Current liabilities	-29.1	-47.7
Long term liabilities	-75.0	-77.1
Net assets	50.7	64.6
Unusable reserves	-35.1	-47.4
	15.6	17.2
Represented by:		
Unallocated General Fund balance	9.2	8.8
Earmarked balances	5.8	7.8
Capital receipts reserve	0.6	0.6
Total usable reserves	15.6	17.2

4.3 The maintenance of the unallocated general fund balance is an essential part of the Council’s strategic financial planning, as this amount represents the funds available to address unforeseen financial pressures.

4.4 For local authorities there is no statutory minimum level of unallocated reserves. It is for each Council to take a view on the required level having

<sup>5</sup> CIPFA Financial Management Code, Guidance Notes, p 51

regard to matters relevant to its local circumstances. CIPFA guidance issued in 2014 states that to assess the adequacy of unallocated general reserves the Chief Financial Officer should take account of the strategic, operational and financial risks facing their authority. The assessment of risks should include external risks, such as natural disasters, as well as internal risks such as the achievement of savings.

- 4.5 Maidstone Council has historically set £2 million as a minimum level for unallocated reserves. In the light of the heightened risk environment now facing the Council, it is considered that this minimum should be increased to £4 million.

### **Current Position**

- 4.6 Since the balance sheet date of 31 March 2020, the position has changed completely as a result of the Covid-19 pandemic. The Council has:
- Incurred substantial additional expenditure, in particular as a result of accommodating homeless people and establishing a community hub;
  - Lost substantial income in areas such as parking;
  - Suffered a reduction in Council Tax and Business Rates receipts.

These additional pressures have only been partially mitigated by government support.

- 4.7 As at November 2020 the likely outturn for the financial year remains unclear, given the second wave of Covid-19 infections and resulting lockdown, and potential further outbreaks in future. However, it is likely that there will be a deficit which will reduce reserves below the current level of £8.8 million.

### **Financial management**

- 4.8 Financial management at Maidstone Borough Council contains a number of elements. Officers and members are fully engaged in the annual budget setting process, which means that there is a clear understanding of financial plans and the resulting detailed budgets
- 4.9 Detailed financial reports are prepared and used on a monthly basis by managers, and on a quarterly basis by elected members, to monitor performance against the budget. Reports to members are clear, reliable and timely, enabling a clear focus on any areas of variance from the plan.
- 4.10 Financial reports are complemented by performance indicators, which are reported both at the service level to the wider leadership team, and at a corporate level to members. Member reports on performance indicators are aligned with the financial reports, so that members see a comprehensive picture of how services are performing.
- 4.11 Financial management and reporting is constantly reviewed to ensure that it is fit for purposes and meets the organisation's requirements. Quarterly financial reports to members have been redesigned over the last two years to make them more user-friendly.

- 4.12 Where variances arise, prompt action is taken to address them. Action plans are put in place at an early stage if it appears that there is likely to be a budget overspend.

### **Capital investment**

- 4.13 Capital expenditure proposals are developed in response to the Council's strategic priorities as part of the annual budget cycle. Capital investment must fall within one of the four following categories: required for statutory reasons, eg to ensure that Council property meets health and safety requirements; schemes that are self-funding and meet Strategic Plan priority outcomes; other schemes that are clearly focused on Strategic Plan priority outcomes; and other priority schemes which will attract significant external funding. All schemes within the capital programme are subject to appropriate option appraisal. Any appraisal must comply with the requirements of the Prudential Code.
- 4.14 Member oversight is ensured, first by inclusion of schemes in the capital programme that is approved as part of the annual budget setting process. Subsequently, prior to any capital commitment being entered into, a report setting out details of the capital scheme is considered by the relevant service committee.
- 4.15 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 major projects to be reported to a Strategic Capital Investment Board.
- 4.16 Financial monitoring of capital projects is incorporated within the quarterly reports to Service Committees.

### **Ability to deliver budget savings**

- 4.17 The Council has a good track record of delivering budget savings, whilst sustaining and investing in services. Savings initiatives are planned so far as possible across the five year period of the MTFS, rather than the focus being simply on achieving whatever savings are necessary in order to balance the budget for the coming year.
- 4.18 A common criticism of local authority financial planning is that proposed savings are often over-optimistic and are not based on realistic evidence of what is achievable. The Council aims to mitigate this risk with a robust process for developing budget savings proposals:
- New and updated savings proposals are sought on a regular annual cycle, with Service Managers typically briefed on the savings remit in August/September
  - Savings proposals are then developed over a period of around two months

- Savings proposals have to be formally documented and signed off by the Service Head who will be responsible for delivering them.

4.19 Once savings have been built into the budget, their achievement is monitored as part of the regular financial management process described above.

### **Risk management**

4.20 The Council's MTFS is subject to a high degree of risk and certainty. In order to address this 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.

4.21 The major risk areas that have been identified as potentially threatening the Medium Term Financial Strategy are as follows.

- Financial impact from resurgence of Covid-19 virus
- Fees and Charges fail to deliver sufficient income
- Adverse impact from changes in local government funding
- Collection targets for Council Tax and Business Rates missed
- Adverse financial consequences from a disorderly Brexit
- Capital programme cannot be funded
- Planned savings are not delivered
- Failure to contain expenditure within agreed budgets
- Inflation rate predictions in MTFS are inaccurate
- Constraints on council tax increases
- Litigation costs exceed budgeted provisions
- Commercialisation fails to deliver additional income
- Business Rates pool fails to generate sufficient growth
- Shared services fail to meet budget
- Council holds insufficient balances
- Increased complexity of government regulation.

It is recognised that this is not an exhaustive list. By reviewing risks on a regular basis, it is expected that any major new risks will be identified and appropriate mitigations developed.

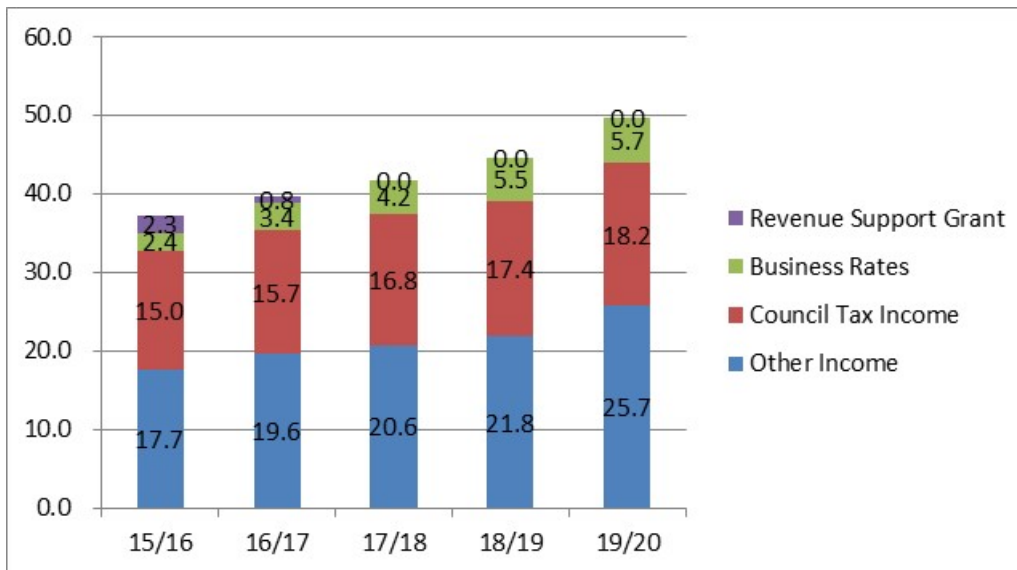
### **Conclusion**

4.22 When assessed against the CIPFA criteria for financial resilience, the Council can be seen to have adequate reserves in the short term and to be positioned well to manage the financial challenges it will face. The following section considers whether this position is sustainable.

## 5. AVAILABLE RESOURCES

- 5.1 The Council's main sources of income are Council Tax and self-generated income from a range of other sources, including parking, planning fees and property investments. It no longer receives direct government support in the form of Revenue Support Grant; although it collects around £60 million of business rates annually, it retains only a small proportion of this.

**Figure 4: Sources of Income (£ million)**



### Council Tax

- 5.2 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.
- 5.3 The tax base has increased steadily in recent years, reflecting the number of new housing developments in the borough. See table below.

**Table 3: Number of Dwellings in Maidstone**

	2016	2017	2018	2019	2020	
Number of dwellings	68,519	69,633	70,843	71,917	73,125	
% increase compared with previous year		1.18%	1.63%	1.74%	1.52%	1.68%

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

- 5.4 Whilst the effect of the increased number of dwellings is to increase the Council Tax base, this is offset by the cost of reliefs for council tax payers, in particular Council Tax support, and any change in the percentage of Council Tax collected. Covid-19 has led both to an increase in the number of Council Tax support claimants and a fall in the collection rate.

- 5.5 The level of council tax increase for 2021/22 is a decision that will be made by Council based on a recommendation made by the Policy and Resources Committee. The Council's ability to increase the level of council tax is limited by the requirement to hold a referendum for increases over a government set limit. The referendum limit for 2020/21 was the greater of 2% or £5.00 for Band D tax payers. Council Tax was increased by the maximum possible, ie £5.13 (2%).

### **Other income**

- 5.6 Other income is an increasingly important source of funding for the Council. It includes the following sources of income:

- Parking
- Shared services
- Commercial property
- Planning fees
- Cremations
- Garden waste collection
- Income generating activity in parks

Where fees and charges are not set by statute, we apply a policy that guides officers and councillors in setting the appropriate level based on demand, affordability and external factors. Charges should be maximised within the limits of the policy, but customer price sensitivity must be taken into account, given that in those areas where we have discretion to set fees and charges, customers are not necessarily obliged to use our services.

- 5.7 Other income, particularly parking, has been seriously affected by Covid-19. Whilst the government has committed to compensating local authorities for 70% of lost income above a 5% threshold in 2020/21, there has been no guarantee of ongoing support in the event that income fails to return to pre-Covid-19 levels.

### **Business Rates**

- 5.8 Under current funding arrangements, local government retains 50% of the business rates it collects. The aggregate amount collected by local government is redistributed between individual authorities on the basis of perceived need, so that in practice Maidstone Borough Council receives only around 7% of the business rates that it collects.
- 5.9 Prior to the 2017 General Election, the Government was preparing to move to 100% business rates retention with effect from 2020. The additional income would have been accompanied by devolution of further responsibilities to local government. However, the need to accommodate Brexit legislation meant that there was no time to legislate for this. The Government indicated that they would increase the level of business rates retention to the extent that it was able to do within existing legislation, and had originally planned to introduce 75% business rates retention with effect from 2021/22. However, these plans have been delayed for at least another 12 months owing to the Covid-19 pandemic.

- 5.10 In the meantime, the November Spending Review is expected to mean a 'roll-forward' settlement for local government in 2021/22, with the existing 50% scheme retained and the amounts retained by individual local authorities increased in line with inflation.
- 5.11 Any new business rates retention regime, coming into effect in 2022/23 or subsequently, would be linked to a mechanism for rates equalisation to reflect local authorities' needs. These will be assessed based on a 'Fair Funding Review'. The overall amounts to be allocated as part of the Fair Funding Review are yet to be determined. It is therefore difficult to predict with any degree of accuracy whether the proportion of business rates retained by Maidstone will remain the same, increase or decrease from 2021/22 onwards.
- 5.12 The current local government funding regime gives authorities the opportunity to pool their business rates income and retain a higher share of growth as compared with a notional baseline set in 2013/14. Maidstone has been a member of the Kent Business Rates pool since 2014/15. Its 30% share of the growth arising from membership of the pool has hitherto been 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.
- 5.13 It should be noted that in 2022, the business rates baseline will be reset, so all growth accumulated to that point will be reallocated between local authorities as described in paragraph 5.11 above.
- 5.14 Total projected business rates income for 2020/21, and the ways in which it was originally intended to deploy it, are summarised in the table below.

**Table 4: Projected Business Rates Income 2020/21**

	£000	
Business Rates baseline income	3,260	Included in base budget
Growth in excess of the baseline	1,210	Included in base budget
Pooling gain (MBC share)	542	Funds Economic Development projects
Pooling gain (Growth Fund)	542	Spent in consultation with KCC, eg on Maidstone East
Total	5,554	

- 5.15 These are budgeted amounts. The actual amounts received will be lower if Covid-19 continues to have an adverse impact on collection performance.

### **Revenue Support Grant**

- 5.16 Maidstone no longer benefits directly from central government support in the form of Revenue Support Grant, as it is considered to have a high level of resources and low needs. In fact, Councils in this situation were due to be penalised by the government under the previous four year funding



settlement, through a mechanism to levy a 'tariff / top-up adjustment' – effectively negative Revenue Support Grant. Maidstone was due to pay negative RSG of £1.589 million in 2019/20. However, the government faced considerable pressure to waive negative RSG and removed it in the 2019/20 and 2020/21 Local Government Finance Settlements. The government has also stated that it is minded not to levy negative RSG in 2021/22.

- 5.17 From 2022/23 there will be a new local government funding regime. However, it should be noted that a needs-based distribution of funding will continue to create anomalies like negative RSG, so it cannot be assumed that the threat of losing funding in this way (even if the mechanism is different) has gone away.

### **Conclusion**

- 5.18 It can be seen that ongoing revenue resources are likely to be adversely affected by the Covid-19 pandemic in the short term, at a time when services pressures will increase. The previous section indicated that the Council's reserves, while adequate, do not leave it with a large amount of flexibility. This puts a premium on accurate forecasting and strong financial management.

## 6. SCENARIO PLANNING

6.1 Owing to uncertainty arising from the economic environment, and from the lack of clarity about what the government's plans for local government funding will mean for the Council, financial projections have been prepared for three different scenarios, as follows.

### 1. Favourable

The economy recovers rapidly from the impact of the Covid-19 pandemic. The effect is that its previous growth trajectory resumes from 2022/23 onwards and this feeds through to income from Council Tax, Business Rates and other sources. Inflation remains under control and within the government's 2% target.

### 2. Neutral

Covid-19 has a more longer-lasting impact, with some permanent scarring of the economy. The result is that Council income starts growing again, but does not resume its previous pattern until the end of the five year planning period. Inflation remains within the government's 2% target.

### 3. Adverse

There continue to be outbreaks of Covid-19, and future international trading arrangements fail to replicate the economic benefits of EU membership. As a result, the economy is slower to recover and sterling falls in value against other currencies, leading to a resurgence of inflation. This both reduces Council income and leads to increased service pressures in areas like homelessness.

Details of key assumptions underlying each of these scenarios are set out below.

### Council Tax

6.2 It is assumed that the Council will take advantage of any flexibility offered by central government and will increase Council Tax up to the referendum limit, which is assumed to be 2% in 2021/22. It is not known at this stage what the referendum limit will be for subsequent years, but it is assumed to be 2%, to align with the government's inflation target.

6.3 The other key assumption regarding Council Tax is the change in the Council Tax base. The number of properties in Maidstone has grown by over 1.5% for the past four years. However, if there is a downturn in the economy, this rate of increase could fall. Moreover, Covid-19 is likely to reduce the amount of Council Tax collectible from each household. Assumptions are as follows:

	21/22	22/23 onwards
Favourable	1.0%	2.0%
Neutral	-0.5%	1.5%

Adverse	-2.0%	1.0%
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### Business Rates

- 6.4 It is likely that for 2021/22, the government will roll forward the existing arrangements, with an increase in the business rates baseline to reflect inflation.
- 6.5 After 2022, the proportion of business rates retained by the authority will be adjusted to reflect the findings of the Fair Funding Review and the Spending Review. It is very difficult to predict what this will mean in practice. However, for the purposes of revenue projections, a number of assumptions have been made.
- 6.6 The starting point in the government's calculations will be Maidstone's perceived level of need, which in the previous four year funding settlement led to the Council being faced with a negative revenue support grant payment of £1.589 million in 2019/20. In the event, this was not levied on the Council, following concerted lobbying by Maidstone and other authorities that faced negative RSG. The amount of negative RSV thus avoided is being held in reserve to address likely future funding pressures.
- 6.7 The starting point for future business rates income is therefore assumed to be the current baseline share of business rates income, as adjusted for inflation in 2021/22, less £1.589 million. It is not accepted that this would be a fair allocation of business rates income but it is nevertheless prudent to make this assumption for forecasting purposes.
- 6.8 A further factor to be considered is the resetting of the government's business rates baseline. This represents the level above which the Council benefits from a share in business rates growth. It is likely that the government will reset the baseline in order to redistribute resources from those areas that have benefitted most from business rates growth in the years since the current system was introduced in 2013, to those areas that have had lower business rates growth. Accordingly, cumulative business rates growth has been removed from the projections for 2022/23, then is gradually reinstated from 2023/24.
- 6.9 Given these assumptions, the specific assumptions for business rates growth in each scenario are as follows:

	2021/22		2022/23 onwards	
	Baseline growth	Local growth	Baseline growth	Local growth
Favourable	5.0%	0.0%	3.0%	3.0%
Neutral	0.0%	-5.0%	2.0%	2.0%
Adverse	-5.0%	-10.0%	0.0%	0.0%

### Inflation

- 6.10 For the purpose of forecasting, it is assumed that the government's target rate of inflation is 2% is achieved in the favourable and neutral scenarios.

A higher rate of 3% is assumed in the adverse scenario, reflecting the risk of increases in input prices pushing up inflation rates.

#### Pay inflation

- 6.11 Pay is the Council’s single biggest item of expenditure, accounting for around 50% of total costs. Although the Council sets pay rates independently of any national agreements, in practice it has to pay attention to overall public sector and local authority pay settlements, as these affect the labour market in which the Council operates. It is assumed for the first three years of the MTFS planning period that the annual increase will be 1%. An additional amount has to be allowed for in pay inflation assumptions arising from the annual cost of performance related incremental increases for staff.

#### Fees and charges

- 6.12 Fees and charges are affected by changes both in price levels and in volume. The projections imply that the level of fees and charges will increase in line with overall inflation assumptions, to the extent that the Council is able to increase them. In practice, it is not possible to increase all fees and charges by this amount as they are set by statute. Accordingly, the actual increase in income shown in the projections is 50% of the general inflation assumption in each scenario.
- 6.13 The sensitivity of fees and charges income to overall economic factors varies across different income streams. Parking income is highly sensitive, and has been very severely affected by the Covid-19 pandemic. Other sources of income, such as income from industrial property holdings, are more stable.

#### Contract costs

Costs are generally assumed to rise in line with inflation, but a composite rate is applied to take account of higher increases on contracts like waste collection where the growth in the number of households leads to a volume increase as well as an inflation increase.

- 6.14 Inflation assumptions are summarised as follows.

**Table 5: Inflation Assumptions**

	Favourable	Neutral	Adverse	Comments
General	2.00%	2.00%	3.00%	2% is the government’s target inflation rate but in reality it is likely to be lower in the next few years.
Employee Costs	1.00%	1.00%	2.00%	Neutral assumption is in line with the most recent pay settlement and government inflation targets
	0.50%	0.50%	0.50%	The annual cost of performance related

	Favourable	Neutral	Adverse	Comments
				incremental increases for staff
Contract costs	2.00% - 5.00%	2.00% - 5.00%	2.00% - 8.00%	A composite rate is applied, reflecting different pressures on individual contracts
Fees and charges - price	2.00%	2.00%	3.00%	In line with general inflation assumptions
Fees and charges - volume	2.00%	0.00%	-2.00%	Reflects overall economic conditions

### **Service Spend**

- 6.15 Strategic Revenue Projections under all scenarios assume that service spend will remain as set out in the previous MTFs, so savings previously agreed by Council will be delivered and no further growth arising from the new Strategic Plan is incorporated. In practice, it is likely that service spending would need to be reduced if the adverse scenario were likely to arise.
- 6.16 The projections include provision for the revenue cost of the capital programme, comprising interest costs (2.5%) and provision for repayment of borrowing (2%).

### **Summary of Projections**

- 6.17 A summary of the financial projections under the neutral scenario is set out in section 7.

## 7. REVENUE PROJECTIONS

- 7.1 Strategic revenue projections, based on the assumptions set out above, are summarised in table 7 below for the 'neutral' scenario. More detailed projections are included in Appendix B.
- 7.2 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. These projections will be updated as more information becomes available, prior to a final version of the projections being included in the Medium Term Financial Strategy to be presented to Council in February 2021.

**Table 6: Strategic Revenue Projections 2021/22-2025/26**

	20/21	20/21	21/22	22/23	23/24	24/25	25/26
	Orig budget	Latest projn	Forecast				
	£m	£m	£m	£m	£m	£m	£m
Council Tax	16.8	16.1	17.1	17.7	18.3	19.0	19.6
Business Rates	4.5	3.7	3.9	3.3	3.5	3.8	4.1
Other Income	21.7	17.4	18.8	20.0	21.2	22.9	23.7
Total Funding Available	43.0	37.2	39.8	41.0	43.0	45.7	47.4
Predicted Expenditure <sup>1</sup>	43.0	43.2	43.1	41.6	43.0	45.0	47.1
Budget Gap	0.0	-6.0	-3.3	-0.6	0.0	0.7	0.3
Existing Planned Savings			0.9	0.6	0.2		
Contribution to Reserves					0.2	0.7	0.3
Residual Budget Gap			-2.4	-0.0	0.0	0.0	0.0

<sup>1</sup> Predicted Expenditure assumes that Existing Planned Savings and Savings Required arising in the preceding year have been delivered and are built into the budget.

- 7.3 The above table shows that, based on the 'neutral' scenario, income will recover from the levels projected in 2020/21, and one-off additional expenditure will reduce. However, there will not be a full recovery, with income remaining below the levels previously projected. In the absence of any mitigating action, this would lead to a deficit, smaller than the £6.0 million projected in the current year, but still very significant.
- 7.4 The MTFs must balance the very tight financial constraints set out in previous sections with the requirement to deliver the Strategic Plan. Members considered at Policy and Resources Committee on 16<sup>th</sup> September 2020 a number of ways in which the objectives in the Strategic Plan could be re-prioritised, including:
- A more modest direction of travel in developing the museum
  - Reconsidering the sustainability of the Hazlitt Theatre

- Reviewing the scope of our community safety work.

7.5 At the same time, as agreed by the Committee at its meeting on 21<sup>st</sup> July 2020, a radical and ambitious approach is required to transforming the way the Council does business. This includes:

- Review of office accommodation
- Better use of technology
- Better use of external grant funding
- Identifying further opportunities for income generation
- Absorb overhead costs of delivering the capital programme within the cost of individual schemes
- Better service commissioning
- Review of shared service arrangements
- Review of staff reward packages
- Review of the structure of democratic representation
- Exploit synergies between service areas.

A further area for exploration that was identified in the report to Policy and Resources Committee on 21<sup>st</sup> July, absorbing the overhead costs of project delivery within the savings from individual projects, will be reflected when examining project feasibility, in particular in the area of better use of technology.

7.6 The overall approach will be that nothing is excluded from consideration, including proposals made in the past but rejected at the time.

7.7 It is recognised that savings proposals emerging from this work will not be capable of being implemented over the next twelve months. In the meantime it will therefore be necessary to deploy earmarked reserves, including resources hitherto earmarked for other purposes, such as New Homes Bonus and uncommitted Business Rates Growth proceeds. This is a departure from the Council's existing policy, but is considered to be justified given the scale of the budget gap that the Council faces.

7.8 The following table plots the projected savings trajectory against the SRP projections and shows the impact on reserves. It assumes that one-off funding from New Homes Bonus and the Business Rates Pool can be deployed to meet the budget shortfall. Both of these resources are time-limited. New Homes Bonus is expected to be phased out over the next few years. The Business Rates Pool gives the Council a share of growth in excess of the business rates baseline, but the baseline is expected to be reset in 2022/23.

**Table 7: Use of Reserves**

	21/22	22/23	23/24	24/25	25/26
	£m	£m	£m	£m	£m
Savings Required (from Table 7)	-2.4	0.0	0.0	0.0	0.0
Proposed savings	1.0	0.4	0.4	0.2	0.0

Savings shortfall b/f		-1.4	-1.0	-0.6	-0.4
Savings shortfall c/f	-1.4	-1.0	-0.6	-0.4	-0.4
New Homes Bonus	2.3	1.2			
Additional borrowing costs/MRP arising from use of NHB for revenue	-0.1	-0.2	-0.2	-0.2	-0.2
Business Rates Pool surplus (est)	0.3				
Contribution to reserves			0.2	0.7	0.3
General Fund reserves b/f	6.8	7.9	8.0	7.4	7.6
<b>General Fund reserves c/f</b>	<b>7.9</b>	<b>8.0</b>	<b>7.4</b>	<b>7.6</b>	<b>7.3</b>

7.9 The above table shows that by using New Homes Bonus, the Council can sustain reserves at broadly the same level as at present.

7.10 Note that there are a number of risks inherent in this approach. It assumes that the budget gap will not widen further over the next three years, and therefore that the level of savings currently projected will be adequate. It also requires a sustained effort to deliver savings over a long period of time. However, these risks need to be weighed against the feasibility of making large scale savings in a short period of time and the disruptive effect that this might have.



## **8. CAPITAL STRATEGY**

- 8.1 The capital programme plays a vital part in delivering the Council's strategic plan, since long term investment plays an essential role in realising our ambitions for the borough. The cost of the capital programme is spread over the lifetime of investments, so does not have such an immediate impact on the revenue budget position. However, there are revenue consequences to the capital programme. Maidstone Borough Council borrowed to fund its capital programme for the first time in 2019/20. The cost of borrowing is factored into the 2020/21 budget, along with a Minimum Revenue Provision which spreads the cost of loan repayments over the lifetime of an asset. The budgeted total revenue costs of the capital programme in 2020/21 amounted to £1.870 million.
- 8.2 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. Prior to 2019/20, Maidstone Borough Council had not borrowed to fund its capital programme, instead relying primarily on New Homes Bonus to fund the capital programme. Borrowing has not been required so far in 2020/21, but is likely to be in subsequent years. The cost of any borrowing is factored into the MTFS financial projections.
- 8.3 Public Works Loan Board funding has for several years offered local authorities a cheap source of finance, which has been used more and more extensively. The government is expected to revise the terms of PWLB borrowing to ensure that local authorities use it only to invest in housing, infrastructure and public services. Given the Council's capital strategy, this should not prevent us accessing PWLB borrowing. In any case, given that borrowing costs in the market generally remain very low, it is considered likely that local authorities will be able to continue to borrow cheaply from other lenders, if not from the PWLB.
- 8.4 There has been a reduction of the period for which New Homes Bonus would be paid from six years to five in 2017/18 and then to four in 2019/20 and 2020/21. The government is likely to pay New Homes Bonus on a one-year only basis in 2021/22, but under the new Local Government funding regime to be implemented from 2022/23 a new, unspecified mechanism for incentivising housebuilding is envisaged.
- 8.5 External funding is sought wherever possible and the Council has been successful in obtaining Government Land Release Funding for its housing developments and ERDF funding for the Kent Medical Campus Innovation Centre.
- 8.6 Funding is also available through developer contributions (S 106) and the Community Infrastructure Levy (CIL). The Community Infrastructure Levy was introduced in Maidstone in October 2018.

8.7 The current funding assumptions used in the programme are set out in the table below.

**Table 8: Capital Programme Funding**

	20/21	21/22	22/23	23/24	24/25	Total
	£000	£000	£000	£000	£000	£000
External sources	4,738	10,175	3,881	2,232	2,242	23,268
Own resources	530	517	537	568	580	2,732
Debt	32,997	11,604	13,262	12,284	12,272	82,418
<b>TOTAL</b>	<b>38,265</b>	<b>22,296</b>	<b>17,680</b>	<b>15,084</b>	<b>15,094</b>	<b>108,418</b>

8.8 Under CIPFA’s updated Prudential Code, the Council is now required to produce a Capital Strategy, which is intended to give an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability. The Capital Strategy was approved by Council at its meeting on 26<sup>th</sup> February 2020 and will be updated in February 2021.

8.9 The existing capital programme was approved by Council at its budget meeting on 26<sup>th</sup> February 2020. Major schemes include the following:

- Completion of Brunswick Street and Union Street developments
- Granada House extension
- Further mixed housing and regeneration schemes
- Purchase of housing for temporary accommodation
- Flood Action Plan
- Mote Park Improvements
- Further investment at Lockmeadow Leisure Complex
- Commercial Property Investments
- Kent Medical Campus Innovation Centre
- Mall Bus Station Improvements
- Biodiversity and Climate Change.

8.10 The capital programme for 2020/21 has been reviewed in the light of the Covid-19 pandemic. The majority of projects in the current programme are either already under way, are required for health and safety reasons, or must be carried out to meet contractual commitments. However, it is proposed that a number of projects are deferred to 2021/22, which will have the effect of reducing the in-year revenue costs of capital expenditure.

8.11 The capital programme is reviewed every year. In carrying out the annual review, prior to presentation of revenue and capital budget proposals to Council in February 2021, consideration will be given as to how the capital programme can support the process of recovery from Covid-19, eg by investing in projects that have a positive effect on employment and economic regeneration.

8.12 A review of the schemes in the capital programme is currently under way. Proposals will be considered for new schemes to be added to the capital programme, whilst ensuring that the overall capital programme is sustainable and affordable in terms of its revenue costs. An updated capital programme will be considered by Policy and Resources Committee in January 2021 and recommended to Council for approval.

## 9. CONSULTATION AND NEXT STEPS

- 9.1 Each year the Council carries out consultation as part of the development of the MTFs. A budget survey has been carried out and is attached as Appendix C.
- 9.2 Consultation will be undertaken with the business community, including a presentation to the Maidstone Economic Business Partnership.
- 9.3 Consultation will also take place in January 2021 on the detailed budget proposals. Individual Service Committees considered the budget proposals relating to the services within their areas of responsibility. Full details of the proposals were published and residents' and businesses' views welcomed.
- 9.4 The process of member consultation on the MTFs is as follows:

<b><i>Meeting</i></b>	<b><i>Date</i></b>
Policy and Resources Committee	25 November 2020
Communities Housing & Environment Committee	1 December 2020
Strategic Planning & Transportation Committee	8 December 2020
Economic Regeneration & Leisure Committee	15 December 2020
Council	24 February 2021

Document History

Date	Description	Details of changes
25.11.20	Draft to Policy & Resources Committee	
01.12.20	Draft to Service Committees	Minor typographical changes

**REVENUE ESTIMATE 2021/22 to 2025/26**  
**STRATEGIC REVENUE PROJECTION - NEUTRAL**

2020/21 £000		2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
16,817	COUNCIL TAX	17,068	17,670	18,294	18,940	19,608
3,260	RETAINED BUSINESS RATES	3,260	3,325	3,392	3,459	3,529
1,210	BUSINESS RATES GROWTH	605	0	180	362	546
	COLLECTION FUND ADJUSTMENT					
<b>21,287</b>	<b>PROJECTED NET BUDGET</b>	<b>20,932</b>	<b>20,995</b>	<b>21,866</b>	<b>22,761</b>	<b>23,683</b>
21,709	OTHER INCOME	21,924	18,244	20,859	22,046	22,940
	FORECAST CHANGE IN INCOME	-3,090	1,767	384	893	781
<b>42,996</b>	<b>TOTAL RESOURCES AVAILABLE</b>	<b>39,766</b>	<b>41,006</b>	<b>43,109</b>	<b>45,701</b>	<b>47,403</b>
41,314	<b>CURRENT SPEND</b>	42,996	39,766	41,006	43,109	45,701
	<b>INFLATION &amp; CONTRACT INCREASES</b>					
1,013	PAY, NI & INFLATION INCREASES	765	1,002	1,033	1,064	1,096
	<b>EXTERNAL BUDGET PRESSURES</b>					
150	PENSION DEFICIT FUNDING	40	40	150	150	150
	<b>LOCAL PRIORITIES</b>					
24	GROWTH TO MEET STRATEGIC PRIORITIES					
10	ADDITIONAL GROWTH AGREED BY P&R	-10				
	REPROFILE LOCAL PLAN REVIEW		100	-280	60	120
	<b>OTHER SERVICE PRESSURES</b>					
	PROVISION FOR MAJOR CONTRACTS			500		
1,870	REVENUE COSTS OF CAPITAL PROGRAMME	893	646	562	583	
	CONTINGENCY FOR FUTURE PRESSURES	-1,589				
50	GENERAL GROWTH PROVISION	50	50	50	50	50
<b>44,431</b>	<b>TOTAL PREDICTED REQUIREMENT</b>	<b>43,145</b>	<b>41,605</b>	<b>43,021</b>	<b>45,015</b>	<b>47,117</b>
<b>-1,435</b>	<b>SAVINGS REQUIRED</b>	<b>-3,379</b>	<b>-598</b>	<b>88</b>	<b>686</b>	<b>286</b>
<b>1,611</b>	<b>EXISTING SAVINGS</b>	<b>890</b>	<b>603</b>	<b>200</b>	<b>0</b>	<b>0</b>
<b>-89</b>	<b>NEW AND AMENDED SAVINGS / (GROWTH)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>87</b>	<b>SURPLUS / (DEFICIT)</b>	<b>-2,489</b>	<b>5</b>	<b>288</b>	<b>686</b>	<b>286</b>

# Budget 2021/22

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CONSULTATION REPORT



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POLICY & INFORMATION TEAM

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## Key Findings

- 29.3% ( $\pm 2.8\%$ ) of respondents agreed that Maidstone Borough Council provides value for money.
- The proportion disagreeing that the Council provides good value for money has increased for the first time in four years. In 2019, 26.9% of respondents disagreed while for 2020, 31.8% of survey respondents disagreed that the Council provides good value for money.
- 28.4% ( $\pm 2.8\%$ ) said Council Tax should increase to help close the budget gap. While six in ten respondents said there should be no increase in Council Tax.
- Just over one in five respondents said that the Council should increase fees and charges. The top three areas for fee increases chosen by these respondents were building control, planning advice and festivals and events.
- Prioritisation of investment programmes remains the same from 2019, with Infrastructure including flood preventions and street scene scoring highly and new homes the lowest scoring priorities.
- More than half of all respondents said that charges should not be introduced in new areas/ for services.
- The top two most important services provided by the Council to residents were waste collection and parks and open spaces.
- The proportion of residents dissatisfied with their local area as a place to live has dropped from just over a quarter in 2019 to just under a fifth for 2020.
- 51.1% ( $\pm 3.1\%$ ) said they were either 'Very proud' or 'Fairly proud' of Maidstone Borough. This is an increase of 11.4 percentage points compared to the result for 2019.

## Methodology

The survey was open between 7 October and 5 November 2020. It was promoted online through the Council's website and social media channels. Residents who have signed up for consultation reminders were notified and sent an invitation to participate in the consultation.

The data has been weighted by age and gender based on the population in the ONS mid-year population estimates 2019 to ensure that the results more accurately match the known profile of Maidstone Borough's population. While this approach assists in achieving a more representative sample for analysis, some groups remain under-represented.

There were 1007 weighted responses (1039 unweighted responses) to the survey. Based on Maidstone's population aged 18 years the overall results are accurate to approximately  $\pm 3.1\%$  at a 95% confidence level. This means that if the same survey was repeated 100 times, 95 times out of 100 the results would be between  $\pm 3.1\%$  of the calculated response, so the 'true' response could be 3.1% above or below the figures reported (i.e. a 50% agreement rate could in reality lie within the range of 46.9% to 53.1%). Confidence intervals for individual questions are shown as plus/minus percentages in brackets.

When the sample size is smaller, as is the case for certain groups, the confidence intervals are wider as it is less certain that the individuals in the sample are representative of the population. This means that it is more difficult to draw inferences from the results.

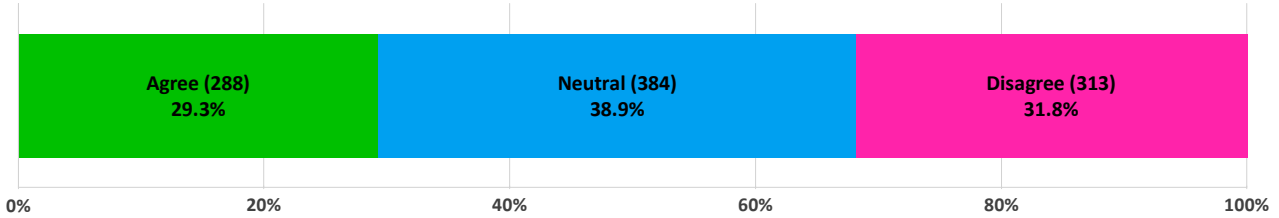
Under-representation of 18 to 34-year olds means that high weights have been applied to responses in this group, therefore results for this group should be treated with caution. Respondents from BAME backgrounds are also under-represented at 5.0% compared to 5.9% in the local area. Due to a small sample size after weighting the BAME respondent group has greater confidence intervals. This means what appear to be a large gap between BAME respondents and white respondents could be up to  $\pm 14\%$  the reported figure, depending on the number of responses to each question.

Where reference has been made in the report to a 'significant difference' in response between groups, the proportional data has been z-tested and means have been t-tested. These tests determine if the difference between subgroups is large enough, taking into account the population size, to be statistically significant (meaning that if we were to run the same survey 100 times, at least 95 times out of 100 the same result would be seen) or whether the difference is likely to have occurred by chance. Where references have been made to a relationship between variables, chi-squared tests have been undertaken. This test compares observed (actual) and expected (theoretical) values in order to establish whether there is a significant relationship between two variables being compared.

Please note that not every respondent answered every question, therefore the total number of respondents refers to the number of respondents for the question being discussed, not to the survey overall.

## Value for money

Survey respondents were asked to ‘what extent do you agree or disagree that Maidstone Borough Council provides value for money’. There was a total of 985 responses.

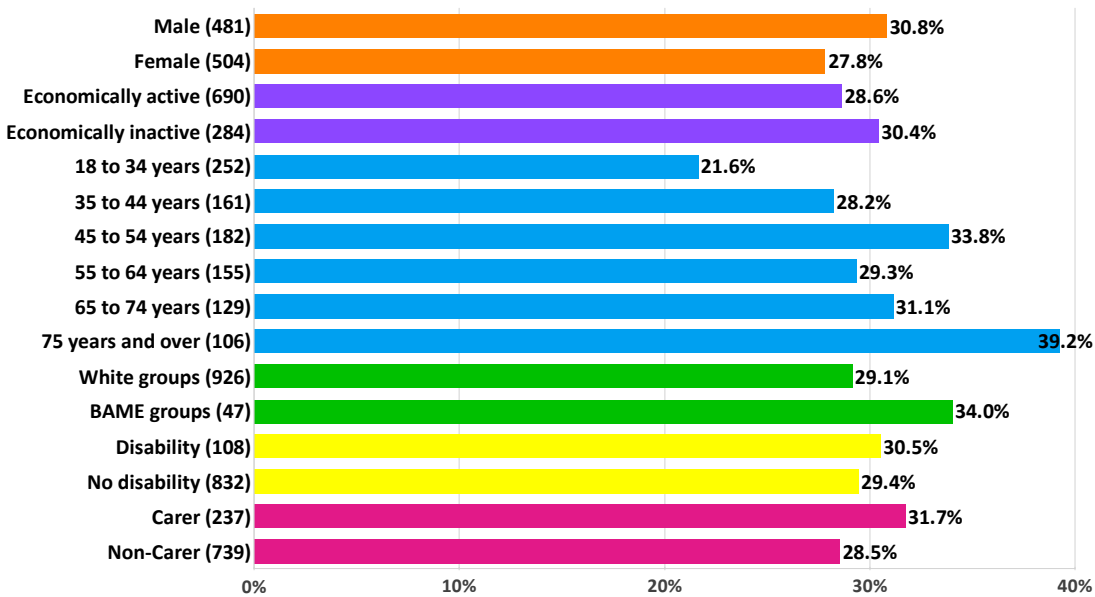


The most common response was ‘Neither agree nor disagree’ with 384 responding this way. 29.3% ( $\pm 2.8\%$ ) of respondents agreed that Maidstone Borough Council provides value for money.





This question was previously asked in the 2019/20 Budget Survey and 33.2% of residents agreed with this question. In the 2018 Budget Survey 33.4% agreed and in the 2017 resident survey 30.2% of respondents agreed.

Since 2017 the proportion of people responding negatively to this question had declined from 28.6% in 2017 to 26.9% in 2019. The 2020 Budget Consultation is the first time in four years that the proportion responding negatively to this question has increased.

The chart below shows the proportions responding positively (Strongly agree and Agree combined).



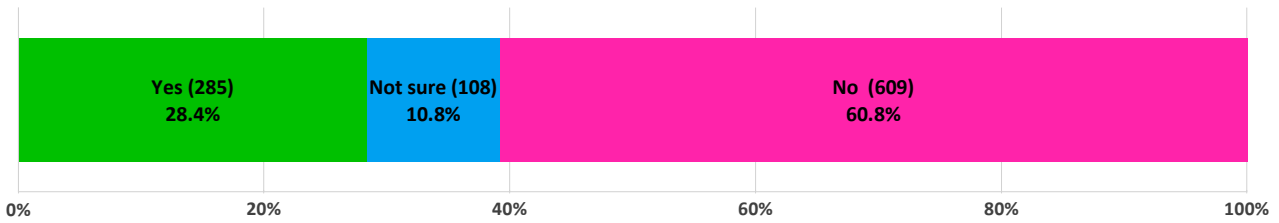
	<p>There were no significant differences in the proportions responding positively or negatively in terms of gender.</p>
	<p>Economically active respondents were more likely than economically inactive respondents to answer negatively with 34.4% (<math>\pm 3.5\%</math>) answering this way compared to 25.2% (<math>\pm 5.0\%</math>) of economically inactive respondents.</p>

	<p>While the proportions from these groups responding positively is comparable, economically inactive respondents had a significantly greater proportion responding neutrally.</p>
	<p>18 to 34 year olds had the greatest proportion responding negatively at 43.0% (<math>\pm 6.1\%</math>). This was significantly higher than the proportions responding this way for the age groups 44 years and over.</p> <p>The 75 years and over group had the greatest proportion responding positively at 39.2% (<math>\pm 9.3\%</math>). Almost half of this group responded negatively, the greatest proportion responding this way across all age groups.</p>
	<p>There were no significant differences in the response to this question in terms of ethnicity.</p>
	<p>There were no significant differences in the response to this question between respondents with a disability and those without a disability.</p>
	<p>A significantly greater proportion of non-carers answered this question neutrally with 40.8% (<math>\pm 3.5\%</math>) responding this way compared to 31.9% (<math>\pm 5.9\%</math>) of carers.</p>

## Council Tax

### Appetite for increase

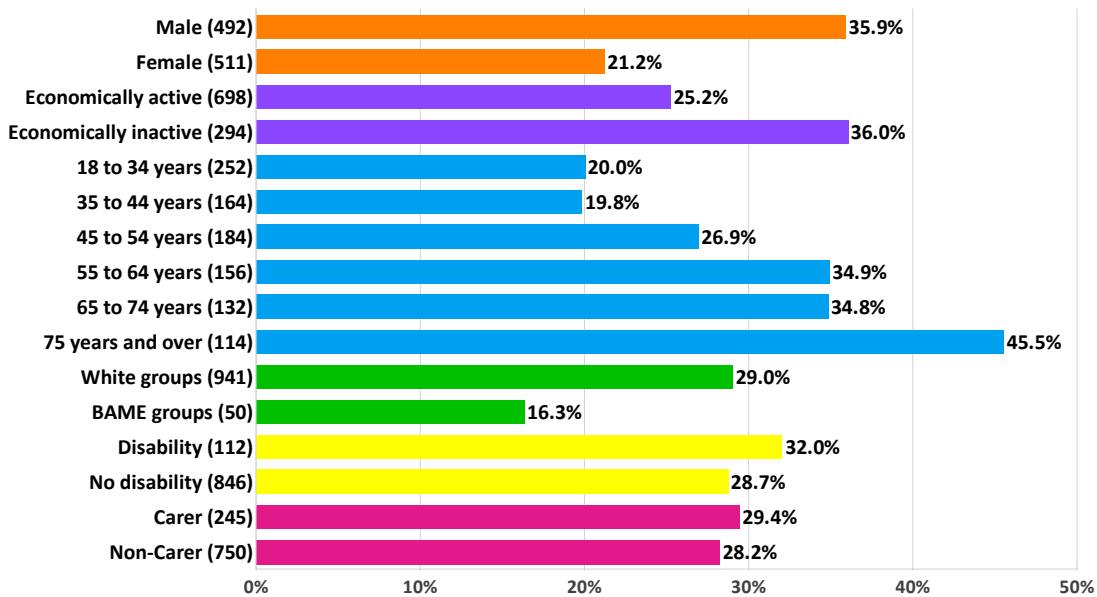
The survey asked respondents if they thought that Council Tax for 2021/22 should be increased to help close the budget gap. There were 1003 responses to this question.









The most common response was ‘No’ with 609 responding this way. 28.4% (±2.8%) of respondents said that Council Tax should increase to help close the budget gap.

This question was asked in the 2019 Budget Consultation (without the wording to ‘help close the budget gap’). Since then the proportion responding ‘Yes’ has increased (2019 Budget Survey 24.1%). While the proportion responding ‘No’ has remained consistent, the proportion responding ‘Not sure’ has declined from 16.1% in 2019 to 10.8% for 2020.

The chart below shows the proportion responding ‘Yes’ across the different demographic groups.

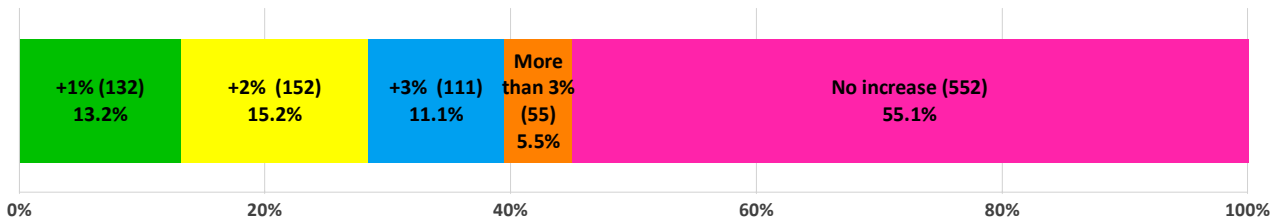


	<p>Male respondents had a significantly greater proportion answering ‘Yes’ at 35.9% (±4.2%) compared to female respondents where 21.2% (3.5% answered this way).</p> <p>Female respondents had a significantly greater proportion responding ‘Not sure’ with 15.1% (±3.1%) answering this way compared to 6.3% (±2.1%) of male respondents.</p>
	<p>There were significant differences between the proportions of economically active and economically inactive respondents answering both positively and negatively. 65.0% (±3.5%) of economically active respondents answered ‘No’ compared to 50.6% (±5.7%) of economically inactive respondents.</p>

	<p>Analysis shows that there is a significant liner relationship between this question and age. The proportions responding ‘No’ decreases with age and the proportion responding ‘Yes’ increases with age.</p>
	<p>There were no significant differences in how those from white groups and those from BAME groups responded to this question.</p>
	<p>There were no significant differences in how those with a disability and those without a disability responded to this question.</p>
	<p>There were no significant differences in how those who provide care (Carers) and those who do not provide care responded to this question.</p>

### Acceptable levels for increase

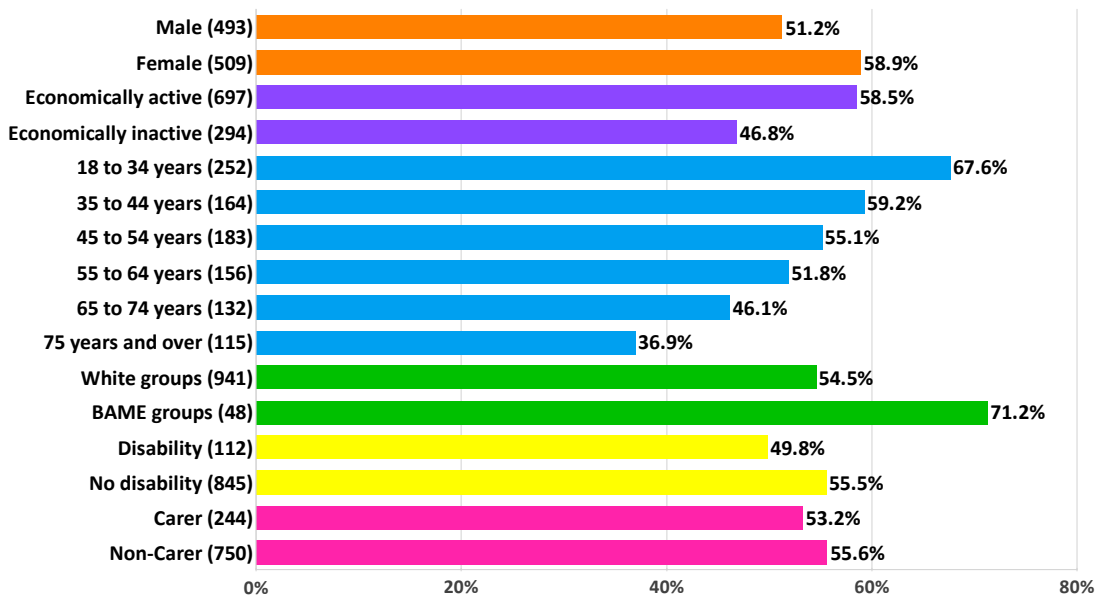
Survey respondents were asked to indicate how much more, if any, Council Tax they would be willing to pay to help close the budget gap. There were 1002 responses to this question.









The most common response was ‘No increase’ with 55.1% ( $\pm 3.1\%$ ) answering this way. Overall, 44.9% ( $\pm 3.1\%$ ) indicated that Council Tax should be raised to help the budget gap by selecting a percentage increase. This is significantly greater than the proportion responding ‘Yes’ to the previous more general question. In the survey this question was presented with the average increase per household, providing more details about how a proportion increase translates into money terms. This allowed for a more informed decision to be made and therefore accounts for the greater proportion of respondents amenable to an increase.

The proportion responding ‘No increase’ has increased by 7.6 percentage points since 2019 when this question was last asked as part of the 2019/20 Budget Survey, increasing from 47.5% to 55.1%.

The chart below shows the proportion responding ‘No increase’ across the different demographic groups.

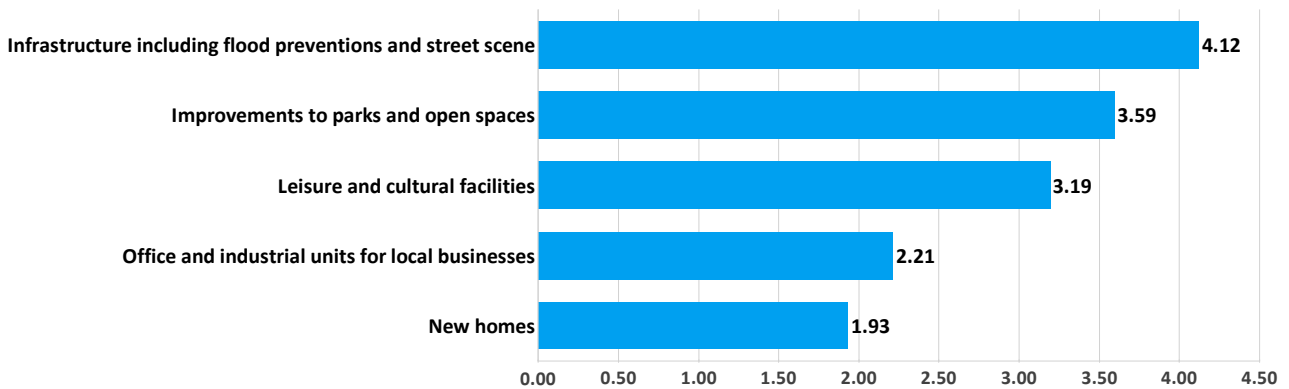


	<p>Female responders had a significantly lower proportion selecting an increase amount compared to male respondents.</p> <p>Where an increase was selected female respondents favoured a 1% increase with 81 answering this way. Male respondents favoured a 2% increase with 87 answering this way.</p>
	<p>Economically active respondents had a significantly greater proportion responding ‘No increase’ compared to economically inactive respondents.</p> <p>Where an increase was selected, both groups favoured a 2% increase with 96 economically active respondents and 55 economically inactive respondents answering this way.</p>
	<p>Analysis shows that there is a significant liner relationship between this question and age. The proportions responding ‘No increase’ decreases with age and the proportion selecting an increase amount, increases with age.</p>
	<p>Respondents from BAME groups had a significantly greater proportion responding ‘No increase’ than white group respondents.</p> <p>Where an increase was selected BAME respondents favoured a 3%+ increase with 6 answering this way and white group respondents favoured a 2% increase with 147 answering this way.</p>
	<p>There were no significant differences in how those with a disability and those without a disability responded to this question.</p>
	<p>There were no significant differences in how those who provide care (Carers) and those who do not provide care responded to this question.</p>

## Investment Programme Priorities

Survey respondents were asked to place a list of investment programme priorities into their preferred order of importance. A total of 879 respondents ranked the investment priorities.

To assess this data, a weighted average has been used. The programmes placed first received five points and the programmes ranked last were given 1 point. These were then added together and divided by the number of respondents to give a weighted average.

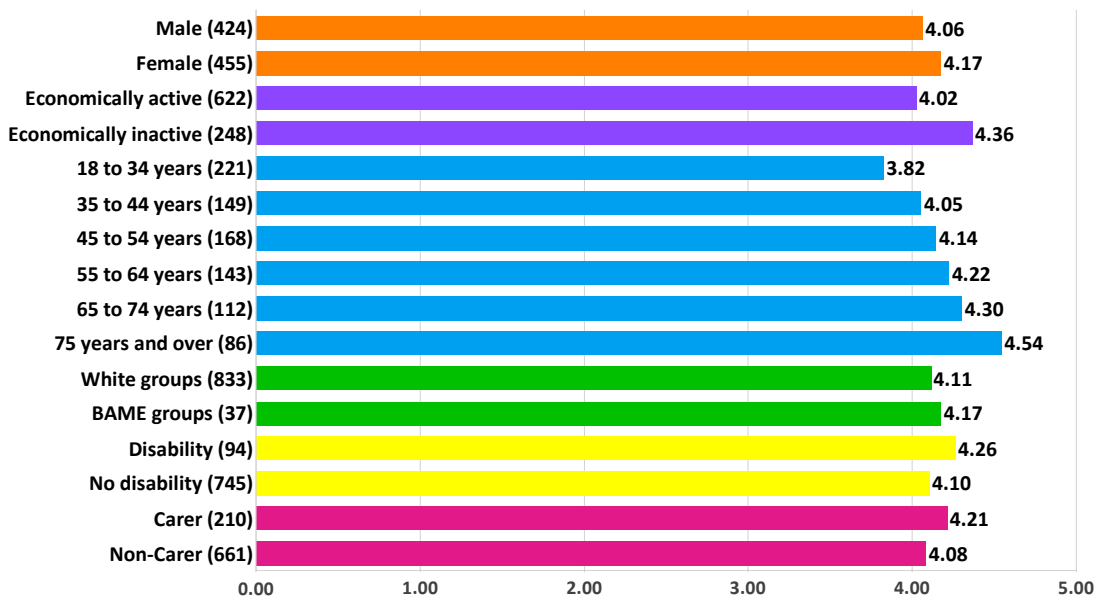


This question was asked in the 2019/20 Budget Survey, undertaken in Autumn 2019. The priorities were placed in the same order as above.







### Infrastructure including flood preventions and street scene

Overall, 467 (53.2%) respondents placed ‘Infrastructure including flood preventions and street scene’ as their top investment priority. This is comparable to the 2019 Budget survey where 52.2% placed this priority as first.

The following chart shows the mean score across the demographic groups for the priority ‘Infrastructure including flood prevention and street scene’.



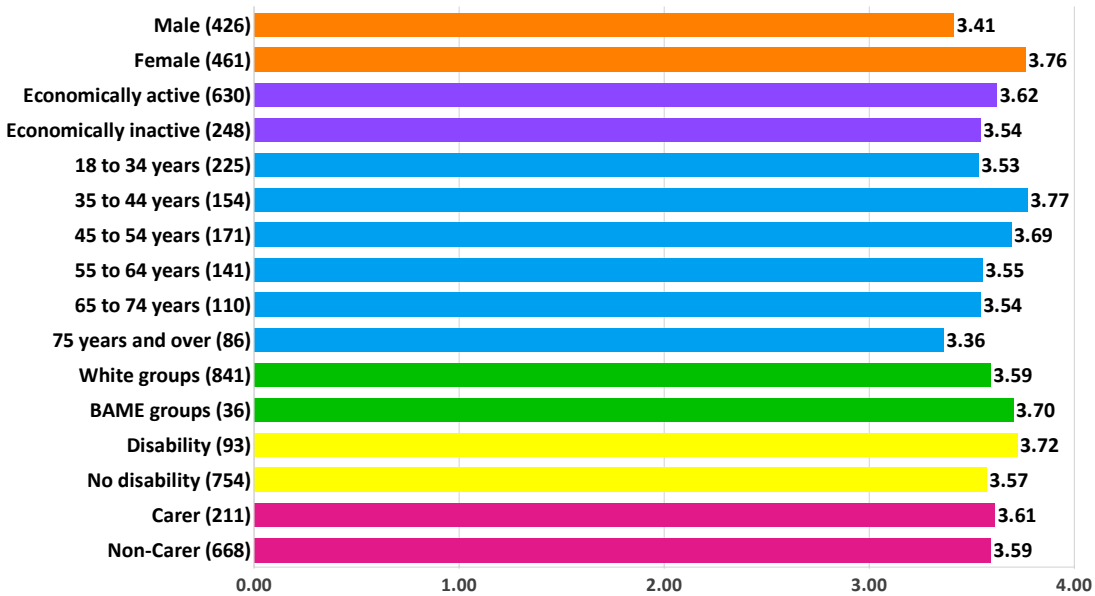








	<p>No significant difference in score between male and female respondents has been identified.</p>
	<p>The difference in score between economically active and economically inactive respondents is significant. 81.7% (<math>\pm 4.8</math>) of economically inactive respondents placed this priority as first or second compared to 67.0% (<math>\pm 3.7</math>) of economically active respondents answering the same.</p>
	<p>Analysis suggests a significant relationship between age and ranking of this priority with the proportion placing this priority first and second increasing with age. There were no respondents aged 75 years and over that ranked this priority last (fifth).</p>
	<p>No significant difference has been identified in score between respondents from BAME groups and respondents from white groups.</p>
	<p>No significant difference in score between respondents with a disability and respondents without a disability was identified.</p>
	<p>No significant difference in score between respondents that said they were carers and those who do not provide any care were identified.</p>

### Improvements to parks & open spaces

Overall, 203 (22.9%) respondents placed ‘Improvements to parks and open spaces’ as their top investment priority.

The following chart shows the mean score across the demographic groups for the priority ‘improvements to parks and open spaces’.

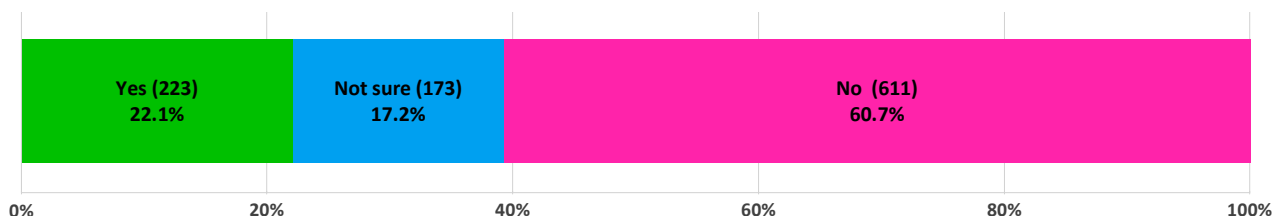


	The difference in score between male and female respondents was significant. 65.9% ( $\pm 4.3\%$ ) of female respondents placed this priority as first or second compared to 53.8% ( $\pm 4.7\%$ ) of male respondents answering the same.
	No significant difference in score between economically active and economically inactive respondents has been identified.
	The score for respondents aged 35 to 44 years is significantly greater than the score for respondents 75 years and over, showing this is a greater priority for respondents aged 35 to 44 years.
	No significant difference has been identified in score between respondents from BAME groups and respondents from white groups.
	No significant difference in score between respondents with a disability and respondents without a disability was identified.
	No significant difference in score between respondents that said they were carers and those who do not provide any care were identified.

## Fee and Charges

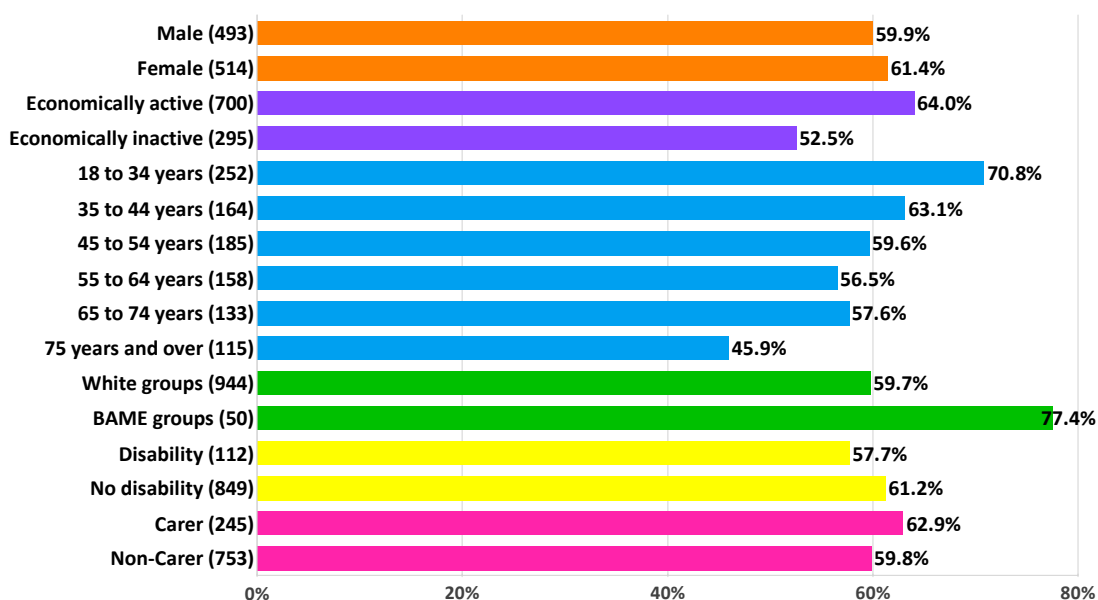
### Increase Fees?

Survey respondents were asked if they thought that the Council should increase fees and charges. A total of 1006 answered this question.






Overall, 60.7% ( $\pm 3.0\%$ ) responded 'No', this was the most common response.

The chart below shows the proportions responding 'No' across the different demographic groups.



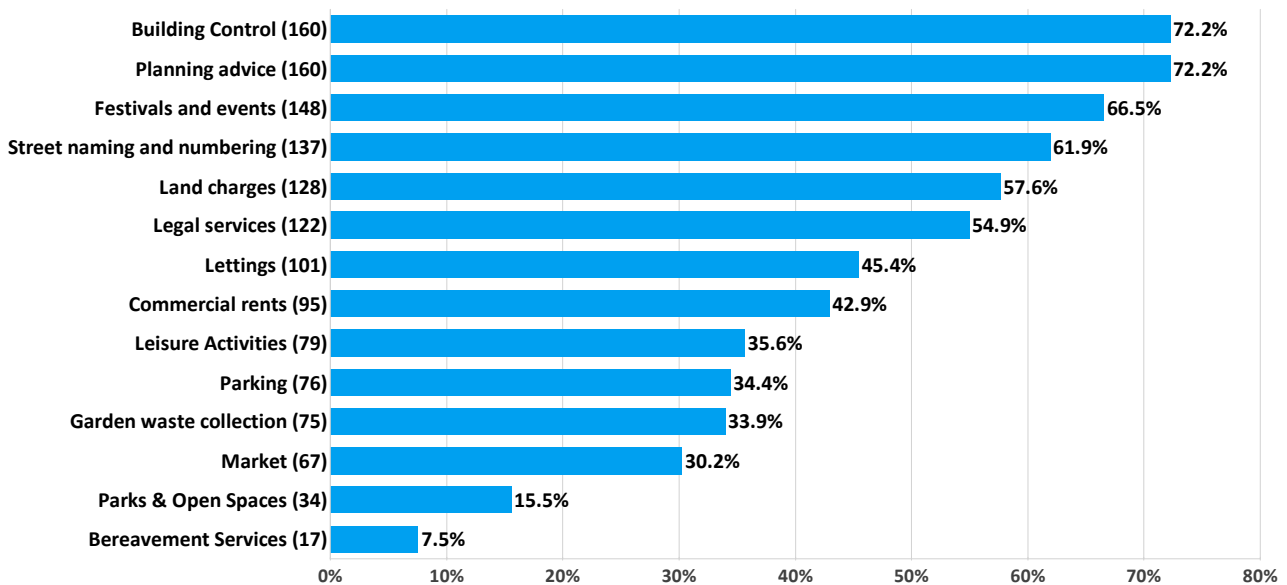
	<p>Although comparable levels of male and female respondents answered 'No', Male respondents had a significantly greater proportion responding 'Yes' with 26.6% (<math>\pm 3.9\%</math>) answering this way compared 17.9% (<math>\pm 3.3\%</math>) of female respondents answering the same.</p>
	<p>Economically active and economically inactive respondents had significant differences across all of the answer options. One in five economically active respondents answered 'Yes' compared to one in four economically inactive respondents.</p>
	<p>There were no significant differences across the age groups in the proportion of people responding, 'Not sure'. The proportions who responded 'Yes' follows the same profile as the proportion responding 'No' but reversed with the 18 to 34 years group having the lowest proportion answering this way and the 75 years and over group having the greatest proportion responding this way.</p>

	<p>There were no significant differences in terms of ethnicity in the proportion of people responding, 'Not sure'. The proportions from BAME groups and white groups responding 'yes' and 'No' are significantly different from each other. Respondents from white groups were more in favour of increasing fees and charges than respondents from BAME groups.</p>
	<p>There were no significant differences in terms of disability in the proportion of people responding, 'No' and 'Not sure'. 30.5% (±8.5%) of respondents with a disability answered 'Yes' compared to 21.2% (±2.8%) of respondents without a disability – these differences are significant.</p>
	<p>There were no significant differences in the response to this question between respondents that are carers and those who were not carers.</p>

### Areas for increased fees

Survey respondents that had answered 'Yes' when asked if the Council should increase fees and charges to help close the budget gap were asked to pick from a list of services that the Council currently charge for and which they think the Council should increase (respondents could tick as many or as few as they wished).

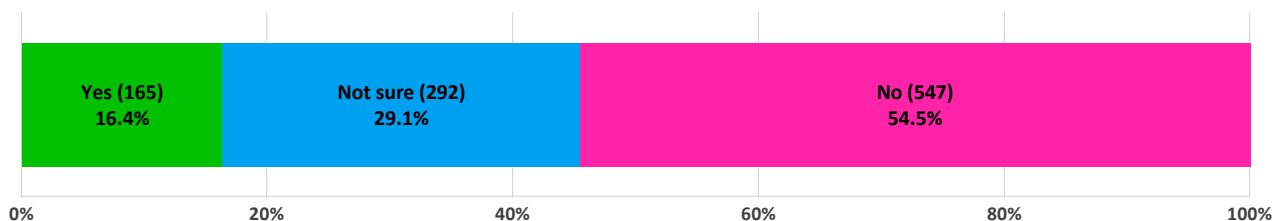
222 respondents answered this question (asked of 223 respondents) and gave a total of 1401 responses (an average of 6.3 options selected per respondent).



**Please note** - Demographics cannot be assessed for significant differences due to small sample sizes.

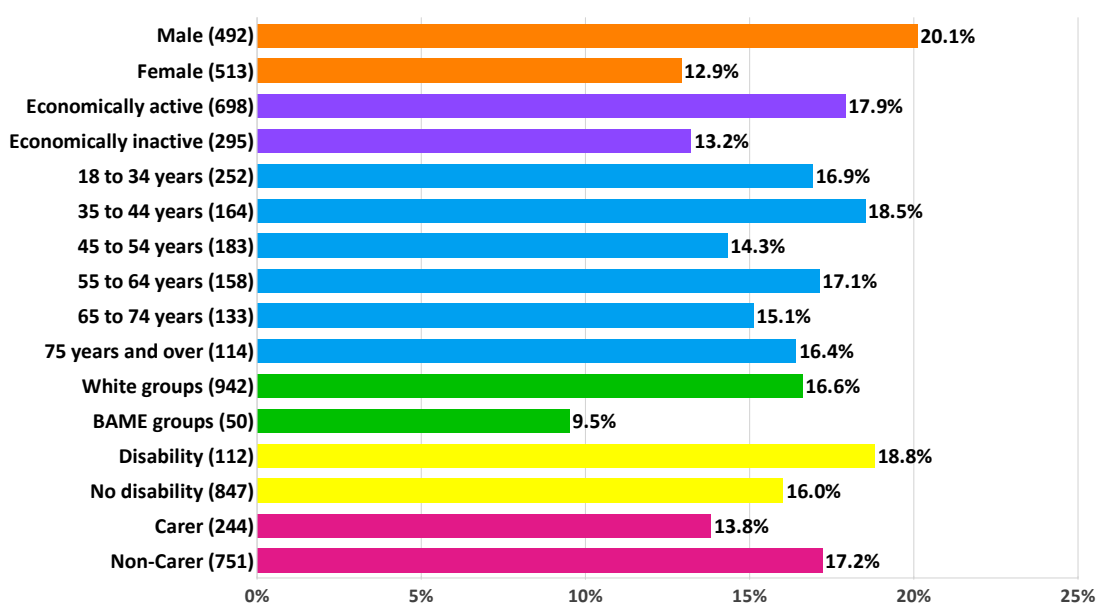
### Introduction of new charges

Survey respondents were asked if they thought that the Council should introduce charges for services that it did not currently charge for. There were 1004 responses to this question.





The most common response was ‘No’ with 547 answering this way. Overall, just over half of all respondents were against the introduction of a fee or charges for services not currently charged for.

The chart below shows the proportion responding ‘yes’ across the different demographic groups.



	<p>The proportions responding ‘yes’ for male and female respondents were significantly different. With a greater proportion of male respondents open to idea of introducing charges/fees for services that do not currently incur a charge or fee.</p>
	<p>There were no significant differences in the response to this question between economically active and economically inactive respondents.</p>
	<p>There were no significant differences in the response to this question across the age groups.</p>
	<p>Respondents from BAME groups had a significantly greater proportion responding ‘No’ with 68.3% (±13.0%) compared to 53.7% (±3.2%) of respondents answering the same from white groups.</p>

	There were no significant differences in the response to this question between respondents with a disability and those without a disability.
	There were no significant differences in the response to this question between carer and non-carer respondents.

## Important Services

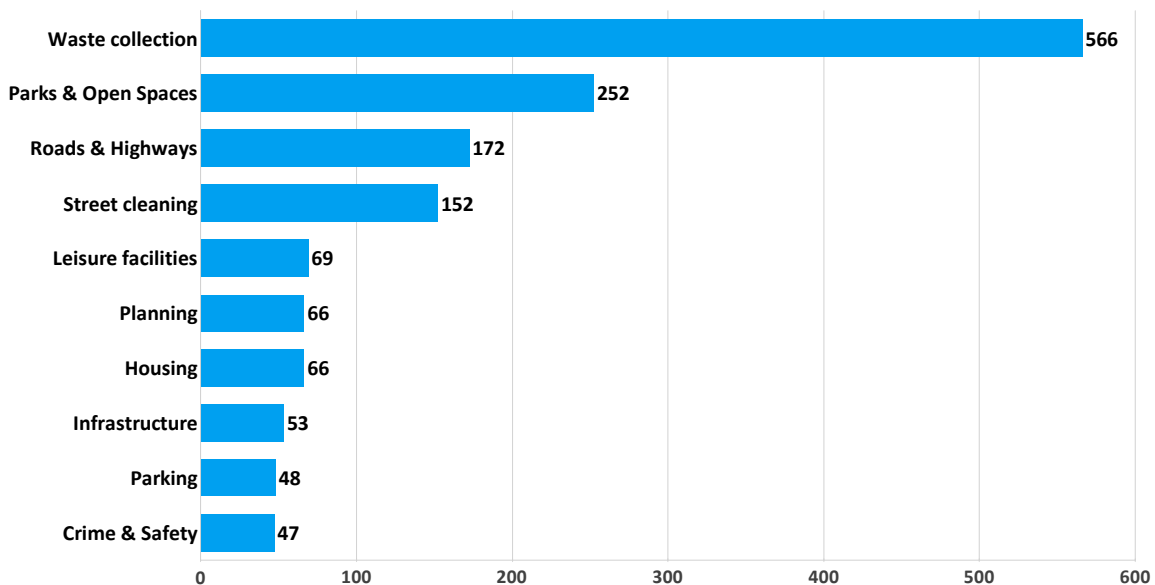
Survey respondents were asked what three services were most important to them and provided with three open text boxes to provide a response. The answers have been cleansed so that counts can be obtained (e.g. refuse to waste collection, leisure, and leisure centre to leisure facilities).

A total of 851 respondents answered this question. Please note that not all respondents that answered this question gave three services.

The word cloud below shows the top 71 responses where two or more respondents have said the same thing.



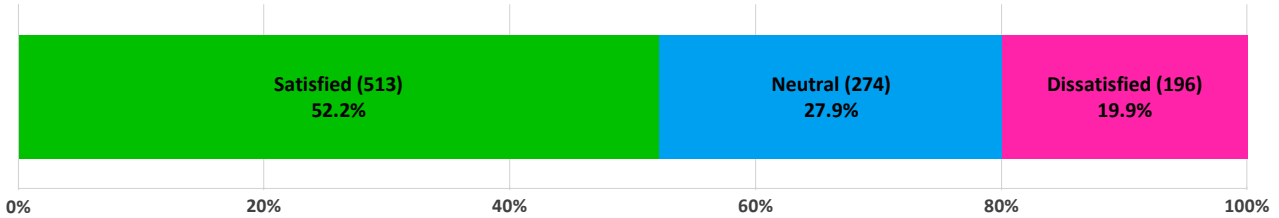
The top ten services mentioned are shown in the chart below.



## Living in Maidstone

### Satisfaction with local area as a place to live

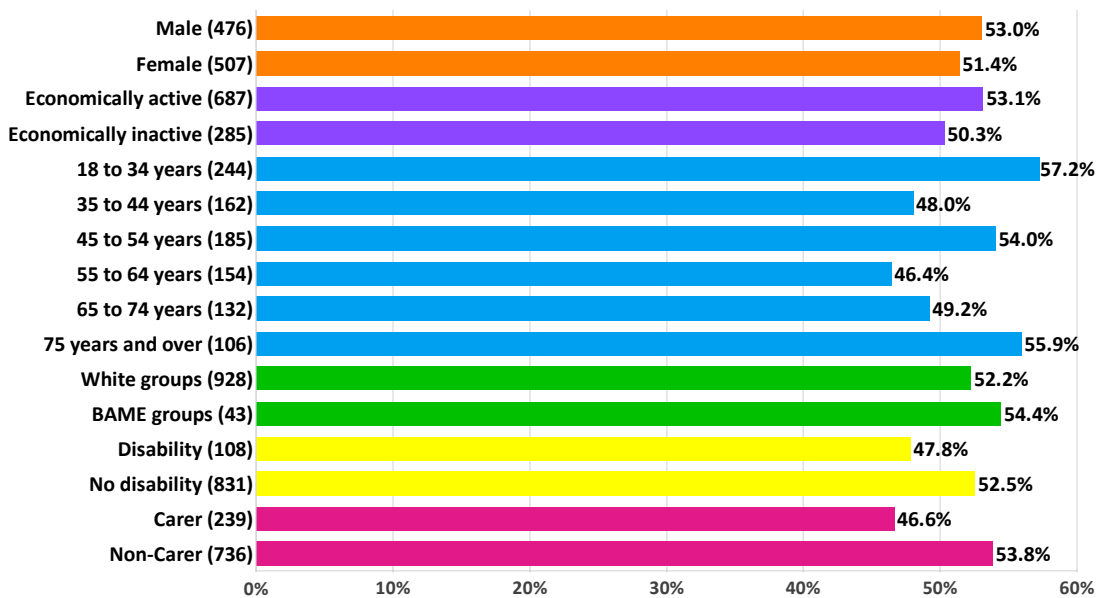
Survey respondents were asked ‘How satisfied or dissatisfied are you with your local area as a place to live?’ and given a five-point scale from Very satisfied to Very dissatisfied. There was a total of 983 respondents.





The most common response was ‘fairly satisfied’ with 428 answering this way. Overall, just over half of respondents said they ‘satisfied’ with their local area as a place to live.





This question was last asked in the 2019 Budget survey. Compared to the 2019 survey the proportion ‘Satisfied’ has remained consistent with 53.1% responding satisfied in 2019. However, the proportion responding ‘Dissatisfied’ has reduced from 28.9% in 2019 to 19.9% for 2020.

The chart below shows the proportion responding ‘Satisfied’ across the demographic groups.



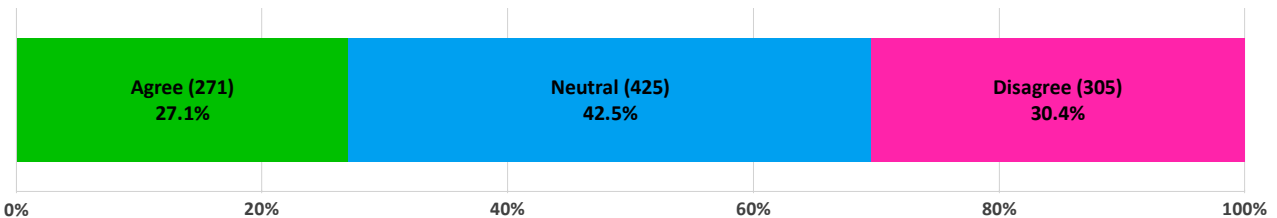
	<p>There were no significant differences in the response to this question between male and female respondents.</p>
	<p>There were no significant differences in the response to this question between economically active and economically inactive respondents.</p>



	<p>The proportions responding positively from the 18 to 34 years group and the 55 to 64 years group are significantly different from each other. The 55 to 64 years group had the greatest proportion responding negatively at 25.2% (<math>\pm 6.9\%</math>) – this is significantly greater than the proportion responding the same from the 75 years and over group where 14.7% (<math>\pm 6.7\%</math>) responded negatively.</p>
	<p>There were no significant differences in the proportions responding in terms of ethnicity.</p>
	<p>There were no significant differences in the proportions responding between respondents with a disability and those without a disability.</p>
	<p>Respondents that are carers had a significantly greater proportion responding negatively with 26.9% (<math>\pm 5.6\%</math>) answering this way compared to 17.9% (<math>\pm 2.8\%</math>) of non-carers answering the same.</p>

### Potential realised

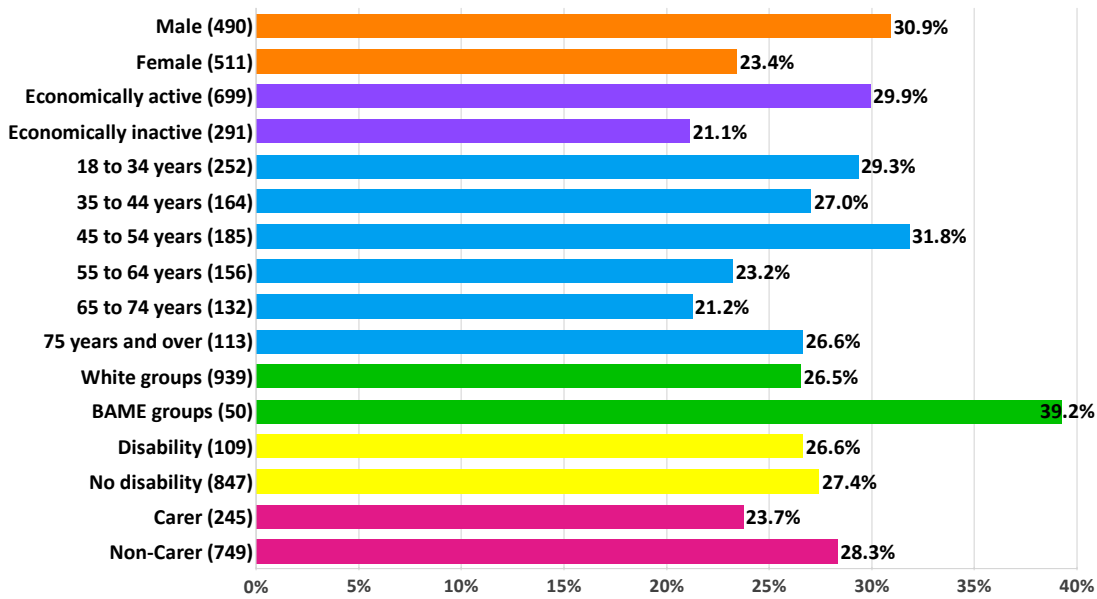
The survey asked respondents 'To what extent do you agree or disagree that Maidstone is a place where everyone can realise their potential?'. A total of 1001 people responded to this question.



Overall, 27.1% ( $\pm 2.8\%$ ) of respondents said they agreed that Maidstone was a place where everyone can realise their potential. The most common response was 'Neither agree nor disagree' with 42.5% ( $\pm 3.1\%$ ) responding this way.

The proportion responding 'Agree' has improved since 2019 when this question was asked for the first time in the 2019 Budget survey. In 2019, 21.9% of respondents agreed and 35.5% disagreed that Maidstone was a place where everyone can realise their potential.

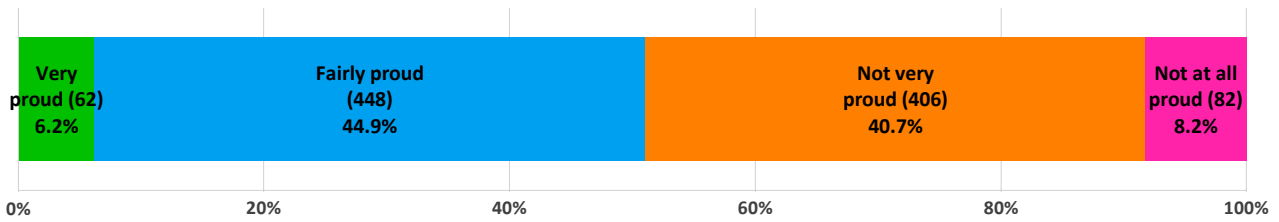
The following chart shows the proportion responding 'Agree' across the different demographic groups.



	<p>While comparable proportion of male and female respondents responded neutrally to this question, the difference in the proportion responding both negatively and positively are significant. Female respondents were more likely to disagree with this statement compared to male respondents.</p>
	<p>More than half of economically inactive respondents responded neutrally, significantly greater than the proportion responding the same, who are economically active. Economically active respondents had significantly greater proportions answering both positively and negatively (more than three quarters of the respondents in the economically inactive group told us they were currently 'wholly retired from work').</p>
	<p>The 18 to 34 years and the 35 to 44 years had the greatest proportions responding negatively at 38.4% (±6.0%) and 38.8% (±7.5%) respectively and the lowest proportions responding neutrally. The 75 years and over had the lowest proportion responding negatively and the greatest proportion responding neutrally.</p>
	<p>The difference in the proportion answering positively between BAME groups and white groups is significant. 31.1% (±3.0%) of white group respondents answered negatively compared to 16.4% (±10.4%) of BAME respondents answering the same.</p>
	<p>There were no significant differences in the response to this question between respondents with a disability and those without a disability.</p>
	<p>Although there were no significant differences in the proportion responding positively and neutrally between carers and non-carers, carers had a significantly greater proportion responding negatively with 36.9% (±6.0%) answering this way compared to 28.7% (3.2%) of non-carers.</p>

### Pride in Maidstone Borough

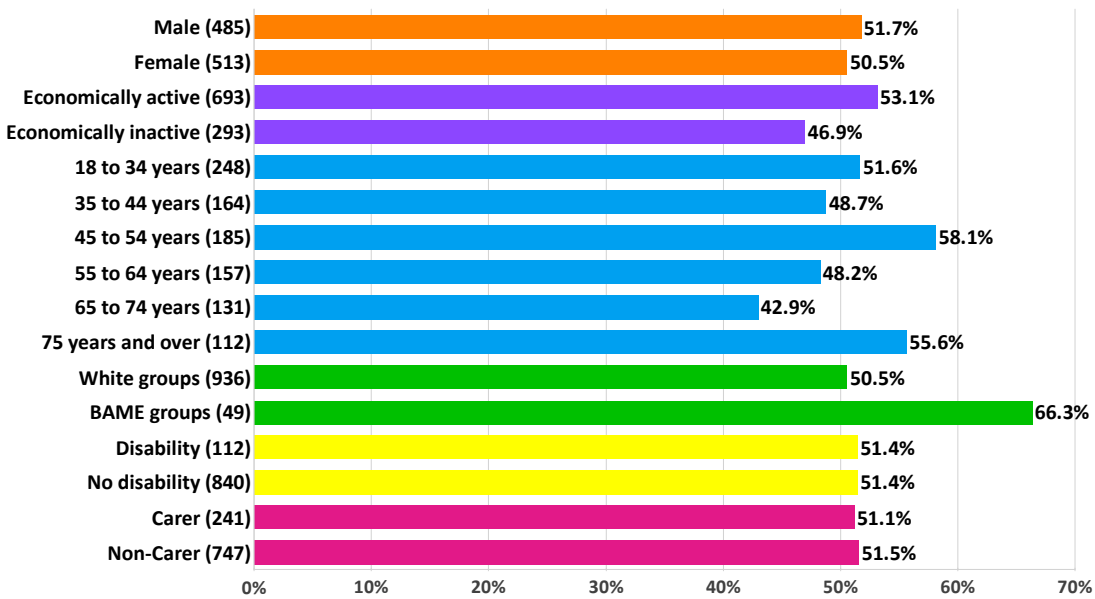
The survey asked respondents 'How proud are you of Maidstone Borough?', a total of 997 responded to this question.






Overall, 51.1% (±3.1%) said they were either 'Very proud' or 'Fairly proud' of Maidstone Borough. The most common response was 'Fairly proud' with 448 answering this way.

The proportion responding positively (very proud and fairly proud combined) has improved since 2019 when this question was asked for the first time in the 2019 Budget survey. In 2019, 39.7% of respondents were positive when answering this question and 60.3% responded negatively. In 2019 'Not very proud' was the most common response.

The chart below shows the proportion responding positively across the different demographic groups.



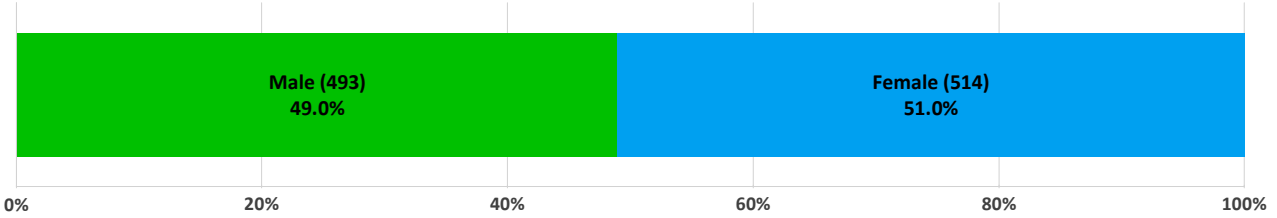
	<p>There were no significant differences in the response to this question between male and female respondents.</p>
	<p>There were no significant differences in the response to this question between economically active and economically inactive respondents.</p>
	<p>Respondents in the 65 to 74 years group had the lowest proportion responding negatively. This result is significant when compared to the proportions responding the same from the 35 to 44 years group and the 75 years and over group.</p>

	<p>The difference in the proportion answering positively between BAME groups and white groups is significant. 49.5% (<math>\pm 3.2\%</math>) of white group respondents answered negatively compared to 33.7% (<math>\pm 12.2\%</math>) of BAME respondents answering the same.</p>
	<p>There were no significant differences in the response to this question between respondents with a disability and those without a disability.</p>
	<p>There were no significant differences in the response to this question between carer respondents and non-carer respondents.</p>

## Demographics

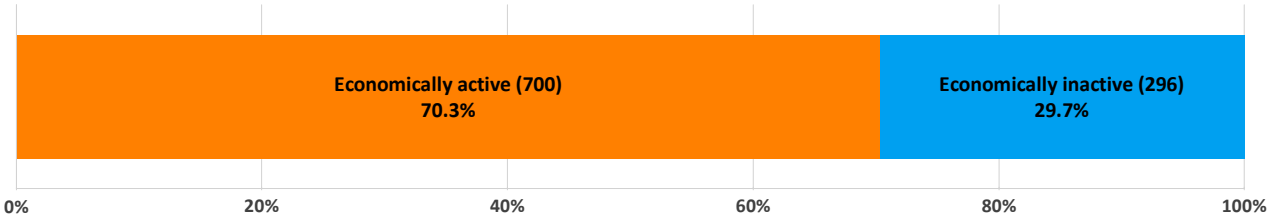
### Gender

The proportions for male and female respondents aligns with that in the local population<sup>1</sup> (survey weighting is based on this variable).



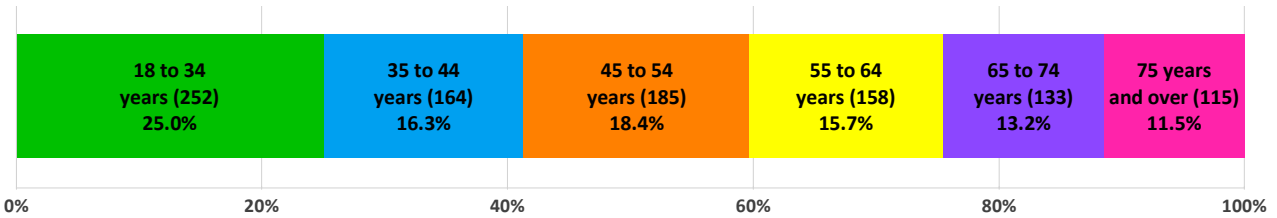
### Economic Activity

The economically active were slightly under-represented in the respondent profile accounting for 72.9%. The economically inactive are slightly over-represented with 27.1% in the local population<sup>2</sup>.



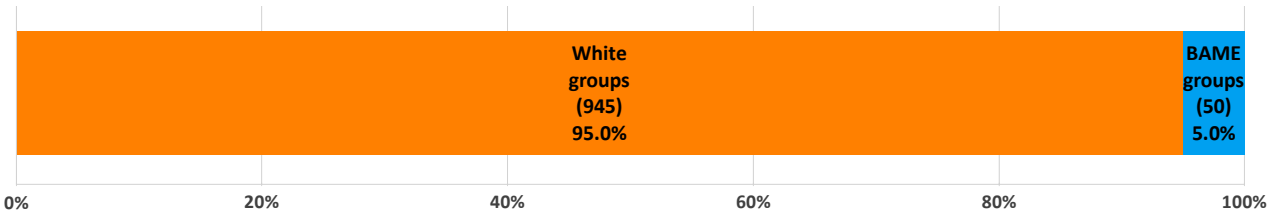
### Age

The proportions of respondents in each age group aligns with that in the local population<sup>3</sup> (survey weighting is based on this variable).



### Ethnicity

BAME respondents were marginally underrepresented in the respondent profile accounting for 5.9% in the local population<sup>4</sup>.



<sup>1</sup> ONS Mid- year population estimates 2019

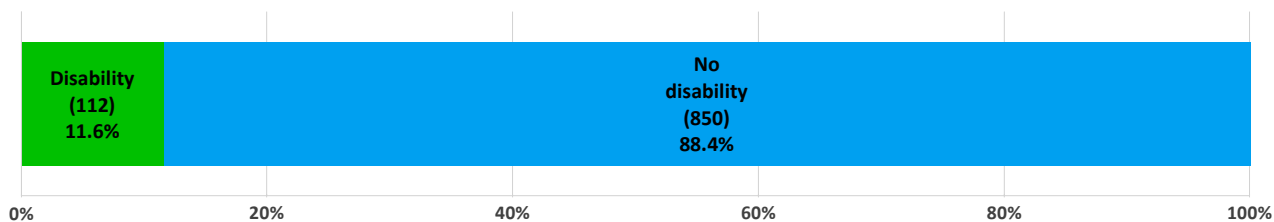
<sup>2</sup> 2011 UK Census

<sup>3</sup> ONS Mid- year population estimates 2019

<sup>4</sup> 2011 UK Census

Disability

Respondents with a disability were slightly under-represented in the respondent profile accounting for 15.2% of the local population<sup>5</sup>.



Carers

There are no national statistic on the numbers of carers (both paid and unpaid) however, 10.2% of all residents provide unpaid care<sup>6</sup>, with a further 2,842 claiming carers allowance, therefore it is likely that carers are over-represented in the respondent profile.



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<sup>5</sup> UK Census 2011

<sup>6</sup> Census 2011

## Economic Regeneration & Leisure Committee

**15 December 2020**

### Fees & Charges 2021-22

<b>Final Decision-Maker</b>	Economic Regeneration & Leisure Committee
<b>Lead Head of Service</b>	Mark Green, Director of Finance & Business Improvement
<b>Lead Officer and Report Author</b>	Ellie Dunnet, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	All

#### **Executive Summary**

This report sets out the proposed fees and charges for 2021/22 for the services within the remit of this committee. Fees and charges determined by the council are reviewed annually, and this forms part of the budget setting process. Changes to fees and charges agreed by this committee will come into effect on 1 April 2021 unless otherwise stated in the report.

#### **Purpose of Report**

The committee is requested to agree the proposed charges for 2021-22, for the areas in which these can be set at the council's discretion (discretionary fees and charges).

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

1. That the proposed discretionary fees and charges set out in Appendix 1 to this report are agreed.

#### **Timetable**

<b>Meeting</b>	<b>Date</b>
Economic Regeneration and Leisure Committee	15 December 2020
Policy & Resources Committee	16 December 2021

# Fees & Charges 2021-22

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<ul style="list-style-type: none"> <li>We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, the Council's policy on charging has been developed to support corporate priorities as set out in the strategic plan and the proposals within the report have been made with reference to this.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Cross Cutting Objectives</b>	<ul style="list-style-type: none"> <li>The report recommendations support the achievement of the cross cutting objectives by ensuring that costs of service delivery are recovered where possible, which enables services which support these objectives to be sustained.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>This is covered within section 5 of the report.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Financial</b>	<ul style="list-style-type: none"> <li>Financial implications are set out in the body of the report. If agreed, this income will be incorporated into the Council's medium term financial strategy for 2020-21 onwards.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Staffing</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any staffing implications.</li> </ul>	Ellie Dunnet, Head of Finance
<b>Legal</b>	<ul style="list-style-type: none"> <li>Acting on the recommendations is within the Council's powers as set out within the Local Government Act 2003 and the Localism Act 2011.</li> </ul> <p>Section 93 of the Local Government Act 2003 permits best value authorities to charge for discretionary services provided the authority has the power to provide that service and the recipient agrees to take it up on those terms.</p>	Principal Solicitor (Corporate Governance)



	<p>The authority has a duty to ensure that taking one financial year with another, income does not exceed the costs of providing the service. A number of fees and charges for Council services are set on a cost recovery basis only, with trading accounts used to ensure that the cost of service is clearly related to the charge made. In other cases, the fee is set by statute and the Council must charge the statutory fee. In both cases the proposals in this report meet the Council's legal obligations. Where a customer defaults on the fee or charge for a service, the fee or charge must be defensible, in order to recover it through legal action. Adherence to the MBC Charging Policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting such fees and charges.</p>	
<b>Privacy and Data Protection</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any privacy or data protection implications.</li> </ul>	Policy and Information Team
<b>Equalities</b>	<ul style="list-style-type: none"> <li>The recommendations do not propose a change in service therefore will not require an equalities impact assessment.</li> </ul>	Policy & Information Manager
<b>Public Health</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any public health implications.</li> </ul>	Public Health Officer
<b>Crime and Disorder</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any crime &amp; disorder implications.</li> </ul>	Head of Finance
<b>Procurement</b>	<ul style="list-style-type: none"> <li>The recommendations do not have any procurement implications.</li> </ul>	Head of Finance

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The council is able to recover the costs of providing certain services through making a charge to service users. For some services, this is a requirement and charges are set out in statute, and in other areas the council has discretion to determine whether charging is appropriate, and the level at which charges are set. All charges for services which fall within the remit of this committee are set at the council's discretion.
- 2.2 In recent years, the use of charging has become an increasingly important feature of the council's medium term financial strategy, as pressures on the revenue budget limit the extent to which subsidisation of discretionary services is feasible. Recovering the costs of these services from users

where possible helps to ensure sustainability of the council's offer to residents and businesses, beyond the statutory minimum.

2.3 A charging policy (attached at Appendix 2 for reference) is in place for charges which are set at the council's discretion and this seeks to ensure that:

- a) Fees and charges are reviewed regularly, and that this review covers existing charges as well services for which there is potential to charge in the future.
- b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
- c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
- d) Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.

2.4 The policy covers fees and charges that are set at the discretion of the council and does not apply to services where the council is prohibited from charging, e.g. the collection of household waste. Charges currently determined by central government, e.g. planning application fees, are also outside the scope of the policy.

2.5 Managers are asked to consider the following factors when reviewing fees and charges:

- a) The council's strategic plan and values, and how charge supports these;
- b) The use of subsidies and concessions targeted at certain user groups or to facilitate access to a service;
- c) The actual or potential impact of competition in terms of price or quality;
- d) Trends in user demand including an estimate of the effect of price changes on customers;
- e) Customer survey results;
- f) Impact on users, both directly and on delivering the council's objectives;
- g) Financial constraints including inflationary pressure and service budgets;
- h) The implications of developments such as investment made in a service;
- i) The corporate impact on other service areas of council wide pressures to increase fees and charges;

- j) Alternative charging structures that could be more effective;
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

### **Proposed Fees & Charges for 2021-22**

- 2.6 It is important that charges are reviewed on a regular basis to ensure that they remain appropriate and keep pace with the costs associated with service delivery as they increase over time.
- 2.7 Charges for services which fall within the remit of this committee have been reviewed by budget managers in line with the policy, as part of the development of the medium term financial strategy for 2021/22 onwards. The detailed results of the review carried out this year are set out in Appendix 1 and the approval of the committee is sought to the amended discretionary fees and charges for 2021/22 as set out in that appendix. It can be seen that only minor changes are recommended given the impact of Covid-19 on most sources of income.
- 2.8 Table 1 below summarises the 2019/20 outturn and 2020/21 estimate for income from the fees and charges which fall within the remit of this committee.
- 2.9 The overall change in income if these changes are agreed and implemented as planned is expected to be -£28,557 which amounts to a 5.93% decrease on the overall budgeted fees and charges income figure for this committee for the current financial year. Note that this change arises primarily from a change in the volume of activity rather than price changes. The budgeted income levels have been provided for context to assist with consideration of fees and charges. They should be treated as indicative at this stage, and may be subject to change as the medium term financial strategy develops.

### **Fees and Charges**

<b>Service Area</b>	<b>2019-20 Outturn</b>	<b>2020-21 Estimate</b>	<b>Proposed change in income</b>	<b>2021-22 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Museum	58,676	64,600	-1,600	63,000
Business Terrace	68,523	84,980	-8,498	76,482
Business Terrace Expansion	183,467	184,590	-18,459	166,131
Jubilee Square	4,593	3,500	0	3,500
Market	113,373	143,840	0	143,840
<b>Total income from fees set by the Council</b>	<b>428,632</b>	<b>481,510</b>	<b>-28,557</b>	<b>452,953</b>

Table 1: Fees & Charges Summary (ERL)

- 2.10 Detailed proposals are set out within Appendix 1 to this report, and considerations relating to these proposals have been summarised below.
- 2.11 Business Terrace & Business Terrace Expansion – No changes are proposed to the fees and charges in this area at this time, given the instability which the Covid 19 pandemic has caused within this sector of the market. This approach is intended to support business start-ups (including new tenants) into Covid 19 economic recovery. Furthermore, since demand for workspace has reduced significantly since lockdown in March it is important to ensure that charges in this area remain competitive. Reductions in income are anticipated for 2021/22 due to the decline in demand for office space, limits on lettable areas brought about by social distancing measures and the increased risk of irrecoverable debts.
- 2.12 Museum – No changes are proposed to the existing charges at the museum. Changes to the approach to delivering this service, including options for charging were considered at a previous meeting of this committee. Work in this area is ongoing and the impact of these changes has not been reflected in the budget figures shown for next year.
- 2.13 Market & Jubilee Square – Minor changes are proposed to charges in this area, with a view to rationalising the pricing structure. At this stage it is proposed that the majority of charges remain at their current level in order to support the future viability of the market.

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### **3. AVAILABLE OPTIONS**

#### **3.1 Option 1**

The committee could approve the recommendations as set out in the report, adopting the fees and charges as proposed in Appendix 1. As these proposals have been developed in line with the council's policy on fees and charges, they will create a manageable impact on service delivery whilst maximising income levels.

#### **3.2 Option 2**

The committee could propose alternative charges to those set out within Appendix 1. Any alternative increases may not be fully compliant with the policy, would require further consideration before implementation and may not deliver the necessary levels of income to ensure a balanced budget for 2021-22. The impact on demand for a service should also be taken into account when considering increases to charges beyond the proposed level.

#### **3.3 Option 3**

The committee could choose to do nothing and retain charges at their current levels. However, this might limit the Council's ability to recover the cost of delivering discretionary services and could result in the Council being unable to set a balanced budget for 2021-22.

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

- 4.1 Option 1 as set out above is recommended as the proposed fees and charges shown within Appendix 1 have been developed by budget managers in line with the Council's Charging Policy. The proposed charges are considered appropriate and are expected to create a manageable impact on service delivery whilst maximising cost recovery. Changes to fees and charges agreed by this committee will come into effect on 1 April 2021 unless otherwise stated.
- 

#### **5. RISK**

- 5.1 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. REPORT APPENDICES**

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

- Appendix 1: Current and Proposed Fees & Charges – ERL Committee
  - Appendix 2: Charging Policy
- 

#### **7. BACKGROUND PAPERS**

None

Fees and Charges	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020 Actuals	2020-2021 Current Estimate	Current Charges 2020-2021	Proposed Charges 2021-2022	% Change	2020-2021 + / - Income	2021-2022 Estimate	Comments
			£	£	£	£		£	£	
<b>Museum</b>										
<b>School visits</b>		x	23,532	24,300					24,300	15% discount for schools in MBC area.
First Hour		x			85.00	85.00	0.00%			
Each Subsequent Hour		x			40.00	40.00	0.00%			Per additional class
Craft Sessions		x			85.00	85.00	0.00%			
Object Inspired		x			30.00	30.00	0.00%			Self-led package
Lunch room hire					15.00	15.00	0.00%			School charged to use lunch room if on an unpaid for visit
<b>Outreach to schools</b>										
Children's holiday activities		x								
<b>Out with 1 staff member</b>										
1 workshop		x			175.00	175.00	0.00%			
2 workshops		x			250.00	250.00	0.00%			
3 workshops		x			325.00	325.00	0.00%			
3 workshops + Giant craft		x			475.00	475.00	0.00%			
4 workshops		x			400.00	400.00	0.00%			
<b>Out with 2 CLA</b>										
Loan boxes to schools per half term		x			50.00	50.00	0.00%			
<b>Room hire</b>										
Glass Room - Per day	*	x	14,632	14,000					14,000	Covid distancing makes our rooms undesirable at the moment
Library - Per day	*	x			220.00	220.00	0.00%			
Museum out of hours (based on 4 hours))	*	x			600.00	600.00	0.00%			
<b>Events</b>										
Per Child minimum charge depending on activity		x	11,084	9,200					9,200	
					3.00	3.00	0.00%			Or 2 for £5
<b>Children's Parties</b>										
Per Child minimum charge depending on activity	*	x	7,513	15,000					15,000	Covid distancing makes parties unlikely
					12.50	12.50	0.00%			
<b>Carriage Museum Admission</b>										
Adult		x	1,512	1,600				-1,600	0	CM closed
Senior Citizen		x			2.50	2.50	0.00%			
Child over 5		x			1.00	1.00	0.00%			
Family Ticket		x			1.00	1.00	0.00%			
					5.00	5.00	0.00%			
<b>Collections enquiries</b>										
QORWK - enquiries		x	403	500					500	QORWK enquiry £15 per family history enquiry. The fee is waived for collections based enquiries or where the museum gains research/information
<b>Museum Total</b>			<b>58,676</b>	<b>64,600</b>				<b>-1,600</b>	<b>63,000</b>	

Fees and Charges	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020	2020-2021	Current	Proposed	%	2020-2021	2021-2022	Comments
			Actuals	Current Estimate	Charges 2020-2021	Charges 2021-2022	Change	+ / - Income	Estimate	
			£	£	£	£		£	£	
<b>Market</b>										
<b>Office Rent C250</b>										
Mon/Tue/Fri charge per month 1st April - 31st March	x		5,720	4,360	460.00	460.00	0.00%	0	4,360	
<b>Tuesday &amp; Saturday Market Pitches C223/C226</b>			35,836	66,040				0	66,040	All pitch fees includes £1 towards the Market Traders Fund
<b>Open Market</b>										
Regular Rate Market Square										
Market Manager has discretion to vary these fees										
Up to 10 feet - 1 April - 31 Dec	x				25.00	25.00	0.00%			
Up to 10 feet - 1 Jan - 31 Mar	x				18.00	18.00	0.00%			
Undercroft Rate - 1 April - 31 Dec	x				26.00	25.00	-3.85%			Reduce in line with normal fees
Undercroft Rate - 1 Jan - 31 Mar	x				19.00	18.00	-5.26%			Reduce in line with normal fees
<b>Saturday Rate for 2 day Traders</b>										
Market Manager has discretion to vary these fees										
Up to 10 feet (2 day Trader) - 1 April - 31 Dec	x				24.00	24.00	0.00%			
Up to 10 feet (2 day Trader) - 1 Jan - 31 Mar	x				17.00	17.00	0.00%			
<b>Lettings-General C251/D358/C227</b>			69,558	69,940				0	69,940	
<b>Hire of Agricultural Hall</b>										
Standard Hire - per day - regular hire	x				400.00	400.00	0.00%			Regular hire - twice per month
Standard Hire - per day - casual hire	x				495.00	495.00	0.00%			Casual hire - once per month
Standard Hire - minimum 3 hours	x				35.00	35.00	0.00%			£35.00 per hour / £105 per session to C251
Auctioneers - per hour					30.00	30.00	0.00%			Fee to be removed
<b>Local Community &amp; U16 Events</b>										
Per Day	x				150.00	150.00	0.00%			Fee to be removed
Per hour - minimum 3 hours	x				35.00	35.00	0.00%			Fee to be removed
<b>Boot Fair -When in undercroft</b>										
10' - pitch (£10 per each additional 10' pitch)	x				15.00	15.00	0.00%			Market Manager has discretion to vary these fees
<b>Commercial Hire</b>										
Per half day ( maximum 8 hours )	x				545.00	550.00	0.92%			Market Manager to consider the commercial viability when confirming these
Per day ( over 8 hours )	x				1,030.00	1,050.00	1.94%			charges to secure the booking
Hire of chairs for events - per 100	x				47.00	50.00	6.38%			Charged pro rata
<b>Farmers Market C253</b>			2,259	3,500	25.00	25.00	0.00%	0	3,500	
Every other Friday - daily rate										
April - March										
<b>Market Total</b>			<b>113,373</b>	<b>143,840</b>				<b>0</b>	<b>143,840</b>	

Fees and Charges	* Includes VAT	Discretionary Fee	Statutory Fee	2019-2020 Actuals	2020-2021 Current Estimate	Current Charges 2020-2021	Proposed Charges 2021-2022	% Change	2020-2021 + / - Income	2021-2022 Estimate	Comments
				£	£	£	£		£	£	
<b>Business Terrace</b>											
<b>Offices (month)</b>				47,693	57,140				-5,714	51,426	Given the coronavirus pandemic and continuing instability fee increases are not suggested for FY21/22.
Office 1		x				600.00	600.00	0.00%			Continuing tenant
Office 2		x				250.00	250.00	0.00%			New tenant
Office 3		x				250.00	250.00	0.00%			Vacant
Office 4		x				250.00	200.00	-20.00%			Previously agreed that rent for office 4 would be reduced to £200 p.m. £200 is the current and continuing rent for this office.
Office 5		x				360.00	360.00	0.00%			New tenant
Office 6		x				360.00	360.00	0.00%			New tenant
Office 7		x				525.00	525.00	0.00%			New tenant
Office 8		x				375.00	375.00	0.00%			New tenant
Office 9		x				500.00	500.00	0.00%			New tenant
Office 10		x				375.00	375.00	0.00%			Continuing tenant
Office 11		x				250.00	250.00	0.00%			New tenant
Office 12		x				250.00	250.00	0.00%			Vacant
<b>Hot desks and meeting space</b>				20,830	27,840				-2,784	25,056	Pricing currently competitive against local market
Hot desk day pass		x				12.00	12.00	0.00%			
Hot desk package 30 (month)		x				48.00	48.00	0.00%			
Hot desk package 50 (month)		x				75.00	75.00	0.00%			
Hot desk package 100 (month)		x				144.00	144.00	0.00%			
Hot desk unlimited (month)		x				195.00	195.00	0.00%			
Meeting room (hour)		x				6.00	6.00	0.00%			
Seminar Room (half day)		x				70.00	70.00	0.00%			
Seminar Room (full day)		x				150.00	150.00	0.00%			
<b>Business Terrace Total</b>				<b>68,523</b>	<b>84,980</b>				<b>-8,498</b>	<b>76,482</b>	



Fees and Charges	* Includes VAT	Statutory Fee Discretionary Fee	2019-2020	2020-2021	Current	Proposed	%	2020-2021	2021-2022	Comments
			Actuals	Current Estimate	Charges 2020-2021	Charges 2021-2022	Change	+ / - Income	Estimate	
			£	£	£	£		£	£	
<b>Business Terrace Expansion</b>										
<b>Offices (month)</b>			183,467	184,590				-18,459	166,131	No increases proposed at this stage in order to encourage takeup.
Office 13		x			861.90	861.90	0.00%			Vacant
Office 14		x			505.92	505.92	0.00%			Continuing tenant
Office 15		x			1,486.14	1,486.14	0.00%			Vacant
Office 16		x			1,165.00	1,165.00	0.00%			Vacant
Office 17		x			1,078.00	1,078.00	0.00%			Vacant
Office 18		x			1,665.00	1,665.00	0.00%			Vacant
Office 19		x			3,177.00	3,177.00	0.00%			Continuing tenant
Office 20		x			849.00	849.00	0.00%			Vacant
Office 21		x			848.00	848.00	0.00%			Vacant
Office 22		x			1,978.00	1,978.00	0.00%			Vacant
Office 23					1,856.40	1,856.40	0.00%			New tenant
<b>79 Business Terrace Expansion Total</b>			<b>183,467</b>	<b>184,590</b>				<b>-18,459</b>	<b>166,131</b>	

Fees and Charges	* Includes VAT	Discretionary Fee	Statutory Fee	2019-2020 Actuals	2020-2021 Current Estimate	Current Charges 2020-2021	Proposed Charges 2021-2022	% Change	2020-2021 + / - Income	2021-2022 Estimate	Comments
				£	£	£	£		£	£	
<b>Economic Development-Jubilee Square</b>											
<b>Jubilee Square (EN40 B724)</b>				4,593	3,500					3,500	
Use of premises licence	x					70.00	70.00	0.00%			
Use of electricity - 3 phase (incl Openreach call out)	x					80.00	80.00	0.00%			No changes to rates - the market for this is non-existent at the moment.
Use of Electricity (Without Openreach call out)	x					20.00	20.00	0.00%			
Promotional/Comercial use inc admin fee	x					250.00	250.00	0.00%			
Events/Educational Promotion (min) charity / public sector admin fee	x					50.00	50.00	0.00%			
<b>Economic Development Total</b>				<b>4,593</b>	<b>3,500</b>				<b>0</b>	<b>3,500</b>	
<b>GRAND TOTAL</b>				<b>428,632</b>	<b>481,510</b>				<b>-28,557</b>	<b>452,953</b>	

# Maidstone Borough Council Charging Policy

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# Maidstone Borough Council

## Charging Policy

### 1 Introduction and Context

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- 1.1 At Maidstone Borough Council, fees and charges represent an important source of income which is used to support the delivery of the Council's objectives. Currently income from fees and charges constitutes just under a third of the council's funding.
- 1.2 The Council needs to ensure that its charges are reviewed regularly, and that they contribute towards the achievement of its priorities. It is also important to ensure that fees and charges do not discriminate against individuals or groups by excluding them from accessing council services.
- 1.3 Pressure on the Council's budgets has increased the incentive to make best use of charging opportunities and to recognise the importance of using this as a means of recovering the costs of delivering services.
- 1.4 Under the Council's constitution, responsibility for setting discretionary fees and charges is delegated to service committees and directors. Each committee will review the fees and charges for the services within its remit at least annually as part of the budget setting process to ensure that they remain relevant and appropriate.
- 1.5 Where the Council has the discretion to set the charge for a service, it is important that the implications of this decision are fully understood, and that decision makers are equipped with sufficient information to enable rational decisions to be made.

### 2 Policy Aims and Objectives

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- 2.1 The aim of this policy is to establish a framework within which fees and charges levied by the Council are agreed and reviewed.
- 2.2 The Council must ensure that charges are set at an appropriate level which maximises cost recovery. Unless it would conflict with the Council's strategic priorities, other policies, contracts or the law then the Council should aim to maximise net income from fees and charges.
- 2.3 The policy aims to ensure that:-
  - a) Fees and charges are reviewed regularly, and that this review covers existing charges as well as services for which there is potential to charge in the future.

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## Charging Policy

- b) Budget managers are equipped with guidance on the factors which should be considered when reviewing charges.
- c) Charges are fair, transparent and understandable, and a consistent and sensible approach is taken to setting the criteria for applying concessions or discounted charges.
- d) Decisions regarding fees and charges are based on relevant and accurate information regarding the service and the impact of any proposed changes to the charge is fully understood.

### 3 Scope

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- 3.1 This policy relates to fees and charges currently being levied by the Council and those which are permissible under the wider general powers to provide and charge for "Discretionary Services" included within the Local Government Act 2003 and Localism Act 2011. It does not cover services for which the council is prohibited from charging.
- 3.2 Fees for statutory services delivered by the council, but for which charges are set by central government, rents, leases, council tax, and business rates are outside the scope of this policy.
- 3.3 In general, charges should ensure that service users make a direct contribution to the cost of providing a service. However, there may be certain circumstances where this would not be appropriate. For example:
  - Where the council is prohibited from charging for the service (e.g. collection of household waste)
  - Where the introduction of a charge would impede delivery of corporate priorities;
  - Where administrative costs of charging outweigh the potential income;
  - Where the service is seen to be funded from Council Tax (i.e. services which are provided and delivered equally to all residents)
  - Where the government sets the fee structure (e.g. pollution permits and private water fees)

### 4 Principles

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- 4.1 The following overarching principles apply for the consideration and review of all current and future fees and charges levied by the council:

# Maidstone Borough Council

## Charging Policy

- Fees and charges should maximise cost recovery and where appropriate, income generation, to the extent that the Council's legal powers permit, providing that this would not present any conflict with the Council's strategic objectives;
- Fees and charges should support the improvement of services, and the delivery of the Council's corporate priorities, as set out in the strategic plan;
- Where a subsidy or concession is provided for a service, this must be targeted towards the delivery of strategic priorities, for example, by facilitating access to services;
- The process for setting and updating fees and charges should be administratively simple, transparent and fair, and for budgeting purposes, income projections must be robust and rational.

### 5 Process and Frequency for Reviewing Charges

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- 5.1 The following arrangements for reviewing charges will be applied throughout the Council, for existing charges as well as those which in principle could be introduced.
- 5.2 In accordance with the Council's constitution, *'Discretionary fees and charges will be reviewed and fixed each year by the Committee responsible for the function or the Service Director as appropriate having considered a report from the Director or duly authorised Officer in conjunction with the Chief Finance Officer, as part of the estimate cycle.'*
- 5.3 This annual review will ensure consistency with the Council's priorities, policy framework, service aims, market sensitivity, customer preferences, income generation needs and that any subsidy made by the Council is justifiable.
- 5.4 Heads of Service and budget managers will be asked to complete a schedule setting out all proposed fees and charges for the services in their area (including those which are not set by the council). This will usually take place in autumn for the following financial year and review the current year. By this means, any growth or savings resulting from fees and charges can be built into the budget strategy. The schedule will indicate:
- The service or supply to which the charge relates;
  - Who determines the charges;
  - The basis for the charge (e.g. units or hourly rates);
  - The existing charge;
  - The total income budget for the current year;
  - The proposed charge;
  - Percentage increase/decrease;
  - Effective date for increase/decrease; and

# Maidstone Borough Council

## Charging Policy

- Estimated income for the next financial year after introducing the change.

An example schedule is provided at Appendix B.

- 5.5 Following this, the proposals will be collated by the Finance section into a report for each committee to consider the appropriateness of proposed fees and charges for the services within their remit. The report will clearly identify the charges for which the committee can apply discretion, and distinguish these from the charges which are set externally and included for information only. Policy and Resources Committee will then receive a final report which brings together the proposals from each of the three service committees, in order to assess the overall impact of the proposed changes, and consider the potential impact on customers and service users.
- 5.6 The timing of the annual review will ensure that changes can be incorporated into the council's budget for the forthcoming financial year, although changes to fees and charges may be made outside of this process if required through a report to the relevant director or service committee.
- 5.7 It is possible that the review may lead to a conclusion that charges should remain at the existing level. If this is the case, then the outcomes of the review, including the justification for not increasing the charge need to be documented and reported to the relevant service committee.
- 5.8 For the avoidance of doubt, periodic reviews of the rents and leases are not covered by the above. Individual reviews will be implemented by the relevant officer as long as market levels at least are achieved.

## 6 Guidance

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- 6.1 A checklist of issues for budget managers and Heads of Service to consider when determining the level at which to set fees and charges is provided at Appendix A to this policy.
- 6.2 Below is a list of guiding principles intended to assist decision makers in determining the appropriate level at which to set fees and charges:
- a) Any subsidy from the Council tax payer to service users should be transparent and justifiable.

# Maidstone Borough Council

## Charging Policy

- b) Fees and charges may be used to manage demand for a service, and price elasticity of demand should be considered when determining the level at which charges should be set.
  - c) Fees and charges should not be used to provide subsidies to commercial operators.
  - d) Concessions for services should follow a logical pattern and a fair and consistent approach should be taken to ensuring the ensure recovery of all fees and charges.
  - e) Fees and charges should reflect key commitments and corporate priorities.
  - f) Prices could be based on added and perceived value, which takes account of wider economic and social considerations, as well as cost.
  - g) There should be some rational scale in the charge for different levels of the same service and there should be consistency between charges for similar services.
  - h) Policies for fees and charges should fit with the Council's Medium Term Financial Strategy and, where appropriate, should be used to generate income to help develop capacity, to deliver efficiency and sustain continuous improvement.
  - i) In certain areas, charging may be used to generate surpluses which can be used to finance other services.
- 6.3 Wherever possible, charges should be recovered in advance or at the point of service delivery. If this is not possible, then invoices should be issued promptly and appropriate recovery procedures will be followed as required. Use of direct debit should be encouraged for periodic payments where this would improve cost effectiveness and enable efficient and timely collection of income.

## 7 Cost Recovery Limitation

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- 7.1 Generally speaking, charges should be set at a level which enables all the costs of delivering a service to be recovered, although there are some exceptions to this identified earlier in this document. This includes direct costs such as the purchase of goods for resale, as well as indirect costs such as management and accommodation costs.
- 7.2 For certain services, legislation prohibits the Council from generating surpluses through charging. The general principle is that, taking one financial year with another, the income from



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## Charging Policy

charges must not exceed the costs of provision. Examples where this applies include building control and local land charges.

- 7.3 Any over or under recovery that resulted in a surplus or deficit of income in relation to costs in one period should be addressed when setting its charges for future periods so that, over time, income equates to costs.
- 7.4 Councils are free to decide what methodology to adopt to assess costs. Maidstone Borough Council follows the Service Reporting Code of Practice definition of total cost, including an allocation of all related support costs, plus an appropriate share of corporate and democratic core and non-distributed costs. Further guidance and support on calculating the full cost of service provision can be obtained from the Finance section.

## 8 Concessions & Subsidies

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- 8.1 The normal level of fees and charges may be amended to allow for concessions targeted at certain user groups to encourage or facilitate access to the service.
- 8.2 Where concessions are proposed or already in place they must be justified in terms of overall business reasons, or implementation of key strategic considerations e.g. community safety, healthy living.
- 8.3 Examples of concessions and the reasons why they are awarded are:-
- Reductions for older people or children to encourage different age groups to participate in the sport which is linked to the promotion of public health;
  - Free spaces for disabled drivers in Council car parks to support social inclusion;
  - Concessions for new casual traders at the market to stimulate new usage;
- 8.4 In some cases, it may also be justifiable to subsidise a service for all users, where it would support delivery of strategic priorities.
- 8.5 In some circumstances, it may also be suitable to implement a system of means testing for managing access to concessions and subsidies, in order to ensure that subsidy can be targeted appropriately.

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- 8.6 A fair and consistent approach should be taken to the application of concessionary schemes, and decisions should recognise the Council's broader agenda on promoting equality, as set out in the Equality Policy. When considering new charges, or significant changes to an existing charge, the budget manager should complete an Equalities Impact Assessment (EQIA).
- 8.7 All decisions regarding concessions and subsidies should include consideration of the impact the Council's ability to generate income and the Medium Term Financial Strategy.

## 9 Introducing a new charge

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- 9.1 Proposals to introduce new charges should be considered as part of the service planning process and income projections should be factored into the Council's medium term financial plan.
- 9.2 Reasonable notice should be given to customers and service users prior to the introduction of a new charge, along with advice on concessions and discounts available.
- 9.3 Proposals should be based on robust evidence, and will incorporate the anticipated financial impact of introducing the charge, as well as the potential impact on demand for the service.
- 9.4 Performance should be monitored closely following implementation to enable amendments to the charge to be made if required, and the charge will subsequently be picked up as part of the annual review process.

## 10 Monitoring

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- 10.1 Income levels will be monitored throughout the year and reported to committees through the quarterly reporting process. Significant variances may be addressed through an amended to charges, which will require approval from the appropriate Director or Service Committee.
- 10.2 The impact of changes in demand for services will be monitored through quarterly performance monitoring reports, where this is identified as a key performance indicator.

# Appendices

## Appendix A - Discretionary Fees & Charges Review Checklist

The below checklist may be used as a guide for managers when reviewing existing charges or implementing a new fee structure:

Have you considered the following?	Y/N/NA	Comments
1. How does the charge link to the Council's corporate priorities?		
2. Does the charge enable the council to recover all costs of providing the service?		
3. If the answer to question 2 is 'No', have you considered increasing the charge to enable full cost recovery?		
4. Has the impact of inflation on the cost of service delivery been reflected in the proposed charge?		
5. Do the administrative costs of charging or increasing the charge outweigh the potential income to be generated?		
6. Is the charge being used to deter or incentivise certain behaviours?		
7. Has there been any investment in the service to effect an increase in charges?		
8. If there is a market for the service or supply, has the impact of market conditions and competition be considered in setting the charge?		
9. How sensitive is the price to demand for the service? Is there a risk that an increase in charge could deter potential customers?		

## Appendix A - Discretionary Fees & Charges Review Checklist

10. If applicable, have consultation results been taken into account?		
11. Could the charges or income budget be increased to support the delivery of a savings target?		
12. What would the impact of the change be on customers, and how does this affect the delivery of corporate priorities?		
13. Have any alternative charging structures been considered?		
14. How will the service be promoted? How successful have previous promotions been in generating demand?		
15. New charges only - are there any legal factors which impact on the scope for charging (e.g. an obligation to limit charges to cost recovery only)?		
16. New charges only - has an Equalities Impact Assessment been completed?		
17. If applicable, have concessionary charges been considered on a fair and consistent basis?		

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Chargeable Service/Supply:** \_\_\_\_\_

**Job Title:** \_\_\_\_\_

**Department:** \_\_\_\_\_

## Appendix B – Example Schedule of Fees & Charges

Fees and Charges April 2017 - March 2018		Includes VAT	Discretionary Fee	Statutory Fee	2016-2017 Actuals	2017 -2018 Current Estimate	Current Charges 2017-2018	Proposed Charges 2018-2019	% Change	2017-2018 + / - Income	2018 -2019 Estimate	Comments
EA31	<b>Street Naming &amp; Numbering</b>				66,995	49,000				0	49,000	
	Name change						25.00	0.00	-100.00%			
	Addition of Name to numbered Property						25.00	0.00	-100.00%			
	Amendment to Postal Address						25.00	0.00	-100.00%			
	New Build - Individual Property						75.00	0.00	-100.00%			
	Official Registration of Postal Address previously not Registered						50.00	0.00	-100.00%			
	New Development - Fee per unit/flat						40.00	0.00	-100.00%			
	Creation of New Street						100.00	0.00	-100.00%			
	Renumbering of Development or Block of Flats - Fee per unit/flat						20.00	0.00	-100.00%			
	<b>Street Naming &amp; Numbering Total</b>				<b>66,995</b>	<b>49,000</b>				<b>0</b>	<b>49,000</b>	