

NARRATIVE Report 2018





About Maidstone

Maidstone is the largest borough council district by population in Kent, with an estimated 165,700 residents in mid-2016. Around 70% live in the town of Maidstone, which is the county town of Kent. In the surrounding rural area there are local service centres such as Staplehurst, Marden, Headcorn, Lenham and Harrietsham and many smaller villages.

Maidstone is located in the heart of the county of Kent, between the North Downs and the Weald. The M20 from London to the Kent coast at Folkestone runs through the borough. The area has some spectacular landscapes and has a rich historical heritage, with over 2,000 listed buildings. The Medway, the longest river in Kent, flows northwards through Maidstone on its way from the Weald to the Thames Estuary at Rochester.

Maidstone has a diverse economy, with nearly 7,000 businesses across a broad range of sectors including construction, professional and business services, and engineering. The Kent Institute of Medicine and Surgery (KIMS) is the heart of the expanding Kent Medical Campus at junction 7 of the M20, which forms part of the North Kent Enterprise Zone. The diversity of the borough's economy, its good transport links, and access to skills provides great scope for further growth.

Maidstone's Strategic Plan

The Council has a five year Strategic Plan covering the period 2015 to 2020, which is updated on an annual basis. The Strategic Plan informs all the Council's other plans and strategies, including in particular the Local Plan, which sets out the vision and framework for future housing, infrastructure and commercial development in the area.

The current Strategic Plan identifies two overriding priorities – keeping Maidstone Borough an attractive place for all and securing a successful economy for the Borough. Within these overall priorities, three specific areas of focus were identified for 2017/18:

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

This report sets out key achievements in these areas and progress against key performance indicators.

Key achievements



A Home for everyone

• **Temporary accommodation**

In order to provide good quality, affordable temporary accommodation for homeless people, the Council has bought 15 further units, making a total of 50. This has meant that the majority of households in temporary accommodation are in Council-owned property, rather than night lets.

• **New housing developments**

The Council will start work in September 2018 on two new housing developments in Maidstone town centre. When complete in Summer 2020, the developments will provide 94 new homes, comprising a mix of affordable housing, housing for market rent and housing for sale, and will help to regenerate the town centre.

• **Adoption of Local Plan**

The Council adopted a new Local Plan in October 2017, covering the period 2011-2031. The plan sets out a clear framework for future development, including 17,660 new homes in the borough, and provides much greater certainty about the location and type of new development.

A clean, green and safe environment

• **Investment in Parks and Open Spaces**

Following a complete review of all play areas in the borough, 30 play areas have been replaced or improved. We are making major improvements at Mote Park, including the opening of an Adventure Zone and a new Visitor Centre.

• **Flood Resilience Measures**

The Council is part of the Medway Flood Partnership, which aims to reduce the risk of flooding in the Medway catchment. Amongst the Partnership's initiatives, it has started to install property flood resilience measures in homes at the greatest risk of flooding around the confluence of the Medway, Beult and Teise rivers.

• **Reducing flytipping**

The Council has made great progress in reducing flytipping. It has pursued enforcement action vigorously, with 52% of fly-tips where there is evidence available leading to legal action. 88% of flytips are cleared within two working days.

Regenerating the Town Centre

• **Public realm improvements**

Work has started on upgrading pavements and walkways in Week Street and Gabriels Hill. The changes complement a similar upgrade of the High Street and King Street, carried out in 2013. They will provide a level surface throughout, giving a more pedestrian feel, and will include features that reference Maidstone's history.

• **Lenworth House**

This building, a long-standing eyesore in a prominent position in the Town Centre, has been acquired by the Council and is being redeveloped to provide 14 new homes.

Securing a Successful Economy

• **Commercial Property Investment**

In order to generate a financial return and to support the local economy, the Council has acquired two groups of commercial / industrial units in the Borough, comprising 19 units in total.

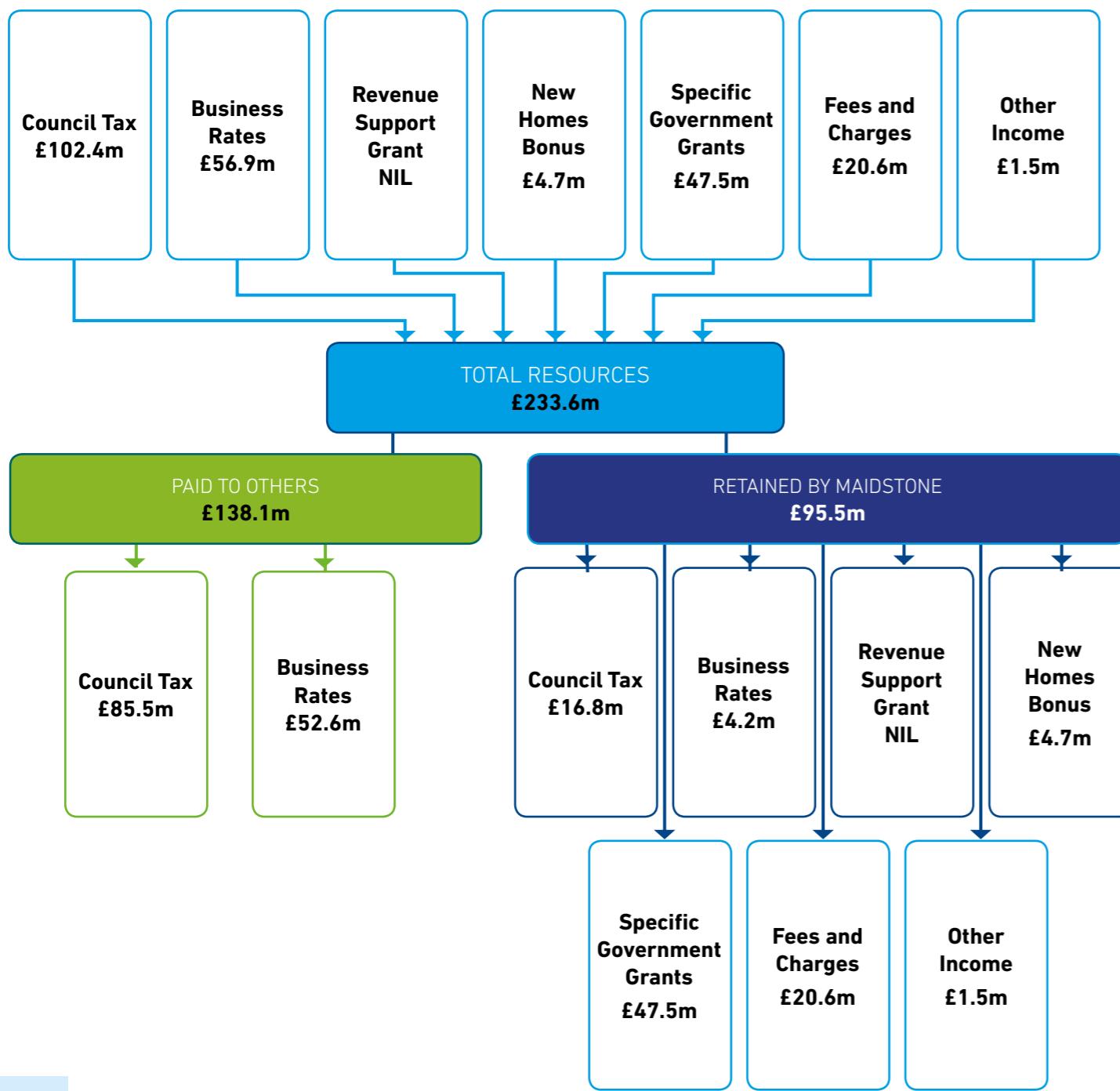
• **100% Business Rates Retention Pilot**

Along with the 14 other principal local authorities in Kent and Medway, the Council bid successfully to the government to pilot 100% Business Rates Retention in 2018/19, and is acting as Lead Authority for the Pilot. The Pilot will help the government design a new local government finance system and provides participating authorities with additional business rates income to help achieve financial sustainability and to promote housing and commercial growth.



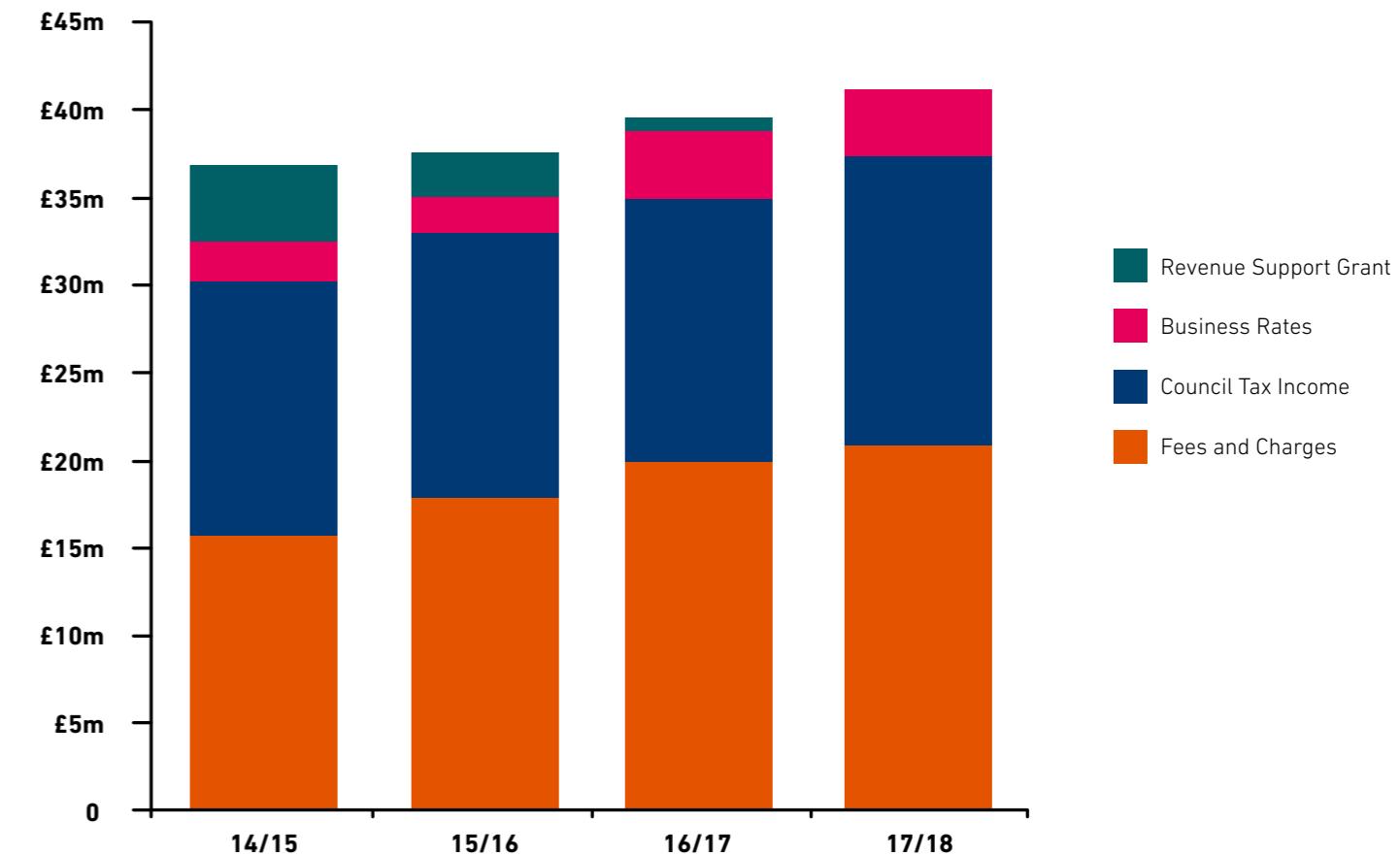
Financial Performance

Maidstone Council's financial turnover, including Council Tax and Business Rates collected on behalf of other local authorities and government, amounted to £234 million in 2017/18 (£233 million in 2016/17). The table below shows the flows of income and expenditure.



Income

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



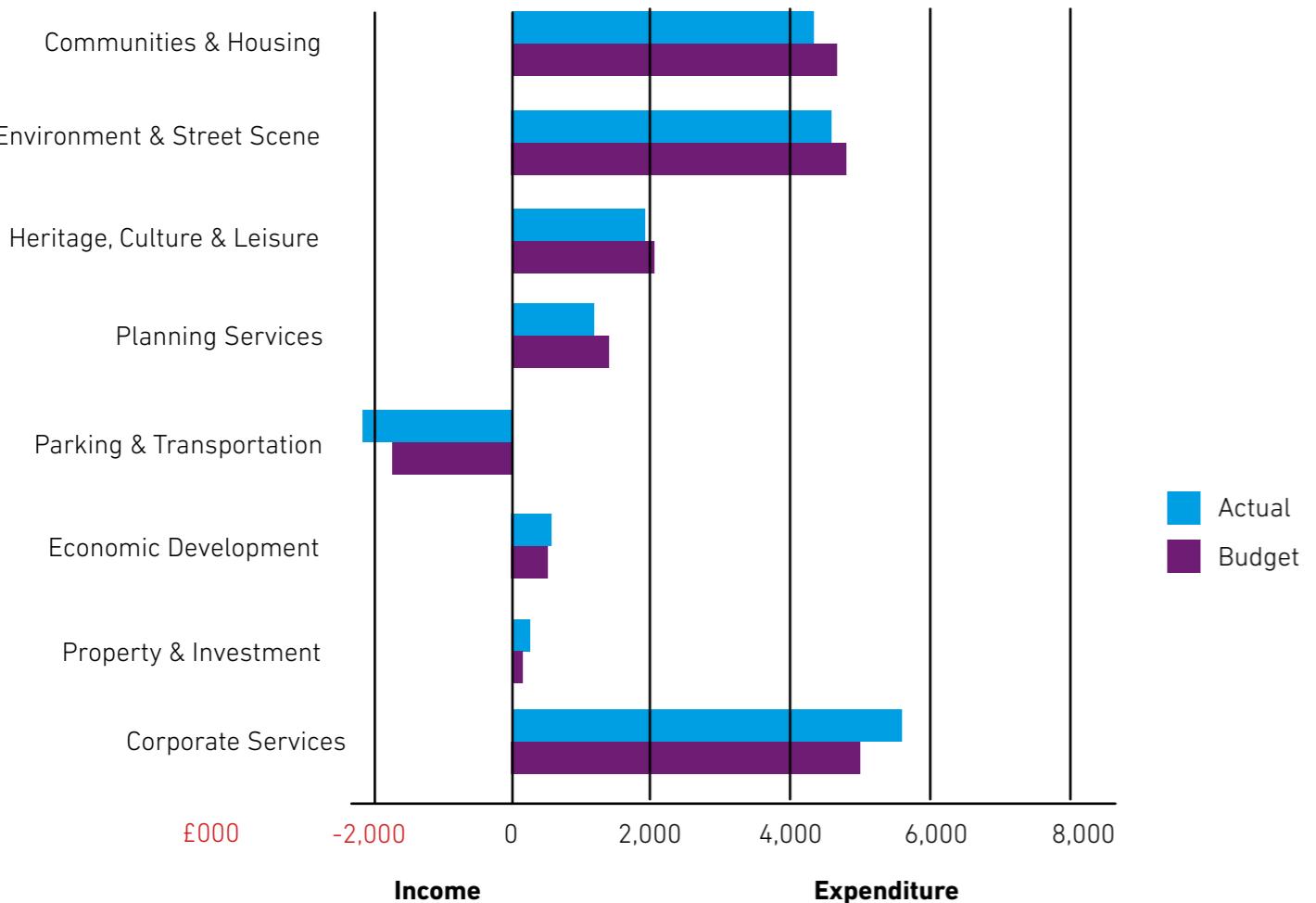
These sources of income are shown in note 11 to the Statement of Accounts, **Taxation & Non-Specific Grant Income**, and in the income totals for the relevant Committee in the **Comprehensive Income and Expenditure Statement**.



Expenditure

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

Delivering expenditure in line with budget is an important performance indicator. This objective was achieved in 2017/18. The outturn for the year was an overall underspend compared with the budget of £0.2 million.



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



Balance Sheet

The Balance Sheet shows the value of the Council's assets less its liabilities at the end of the year. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. The Council's net assets increased from £18.7 million to £27.3 million, mainly because of property revaluations and revised assumptions by our actuaries about the amount we need to set aside to pay current and former employees' pensions.

	2016/17 £'000	2017/18 £'000
64,222	Property, Plant & Equipment	67,145
10,384	Heritage Assets	10,393
16,346	Investment Properties	19,976
463	Other Long Term Assets	517
31,502	Money owed to the Council	31,645
(15,823)	Money owed by the Council	(20,089)
(88,346)	Long Term Liabilities	(82,207)
18,748	Net Assets	27,380
17,846	Usable Reserves	12,446
902	Unusable Reserves	14,934
18,748	Total Reserves	27,380

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

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



Balance Sheet (continued)

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

Usable reserves include money set aside for specific purposes and sufficient contingency to cover unforeseen events. In particular, the Council has decided that the New Homes Bonus that it receives will be set aside for capital investment to improve and enhance the borough. £9.8 million of New Homes Bonus has been used in this way during the year (16/17 - £9.2 million).

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

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

Capital Expenditure

During the year, £11.9 million was spent on delivering the projects identified within the Council's capital programme.

These projects included:

- Purchase of 15 houses and apartments for use as temporary accommodation for homeless people
- Preparatory expenditure on new housing developments at Brunswick Street and Union Street
- Replacement and improvement of play areas across the borough
- First phase of a project to create an Adventure Zone at Mote Park
- Acquisition of 19 commercial / industrial units in the borough to hold as investment property

The Council has an ambitious capital programme for the coming five years, totalling £77 million. The two largest elements in the capital programme are the Council's housing and regeneration strategy and its commercial property investment strategy. The programme will be funded both through New Homes Bonus receipts and other internal resources, and through external borrowing, in line with the regulatory requirement that such borrowing be affordable, prudent and sustainable.

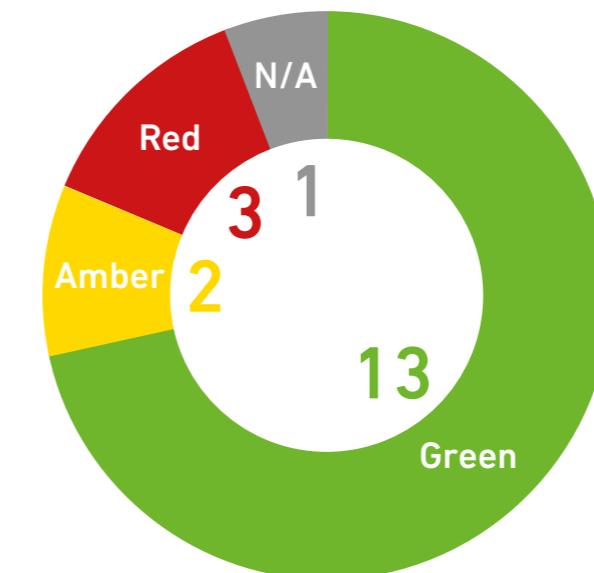
	Actual £000	Five year plan						Total £000
		17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	
Housing Development and Regeneration	1,443	9,301	14,631	3,786	3,350	3,350	34,418	
Temporary Accommodation	3,732	4,683	600	600	600	600	7,083	
Disabled Facilities Grants	536	1,348	800	800	800	800	4,548	
Flood Action Plan	5	500	500	63	0	0	1,063	
Mote Park Dam works	0	1,300	600	0	0	0	1,900	
Mote Park Visitor Centre	53	583	1,073	0	0	0	1,656	
Mote Park Adventure Zone	483	1,098	375	0	0	0	1,473	
Improvements to Play Areas	651	589	0	0	0	0	589	
Property Investment Strategy	3,646	2,354	2,500	2,500	2,500	2,500	12,354	
Infrastructure delivery	0	600	600	600	600	600	3,000	
Town Centre Regeneration	154	2,830	0	0	0	0	2,830	
Corporate Property improvements	83	874	175	175	175	175	1,574	
Section 106 contributions	20	160	209	238	103	782	1,492	
Other	1,080	2,492	329	362	0	0	3,183	
	11,886	28,712	22,392	9,124	8,128	8,807	77,163	



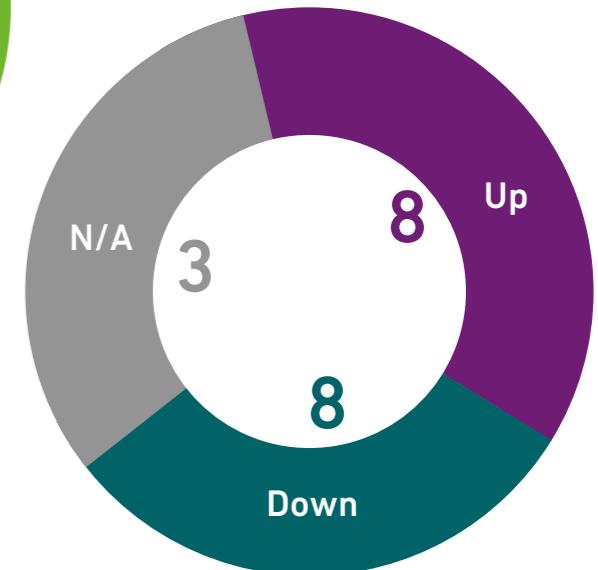
Key Performance Indicators

Key Performance Indicators are set for each Council priority in consultation with the relevant Service Committee. Performance against the indicator is judged in two ways: firstly on whether an indicator has achieved the target set; and secondly on whether performance has improved, been sustained or declined, compared to the same period in the previous year.

KPI STATUS



DIRECTION



PRIORITY 1: Keeping Maidstone Borough an attractive place for all

1 Providing a clean and safe environment

Performance Indicator	Service	Value	Target	Status	Last Year
Number of litter reports attended to	Waste & Recycling	522			N/A
The percentage of land and highways with acceptable levels of litter	Street Cleansing	99.16%	93.50%		
The percentage of land and highways with acceptable levels of detritus	Street Cleansing	95.50%	84.00%		
Percentage of fly tips resulting in enforcement action	Depot Services	52.3%	20.0%		N/A
Percentage of fly-tips cleared or assessed within 2 working days	Depot Services	88.08%	88%		
Percentage of household waste sent for reuse, recycling and composting (NI 192)	Waste & Recycling	52.28%	52.5%		



2 Encouraging good health and wellbeing

Performance Indicator	Service	Value	Target	Status	Last Year
Percentage spend and allocation of Disabled Facilities Grant Budget (YTD)	Housing & Health	100%	100%		
Number of completed home hazard grants	Housing & Health	2			N/A
Number of completed housing assistances	Housing & Health	62			N/A

3 Ensuring there are good leisure and cultural attractions

Performance Indicator	Service	Value	Target	Status	Last Year
Percentage of all available tickets sold at the Hazlitt	Maidstone Culture & Leisure	67.72%	50%		
Number of students benefiting from the Museum's educational service	Museum	8,214	8,340		
Footfall at the Museum and Visitor Information Centre	Museum	52,613	68,000		
Contacts to the Visitor Information Centre	Museum	3067	6000		N/A

4. Regenerating the Town centre

Performance Indicator	Service	Value	Target	Status	Last Year
Percentage of vacant retail units in town centre	Regeneration & Economic Development	N/A*	11%	N/A	N/A
Footfall on High Street	Regeneration & Economic Development	12,378,195	10,600,000		
Business Rates income from the Town Centre	Regeneration & Economic Development	24,820,696			N/A

*Data for 2017/18 was not available at the time of publication

5. A home for everyone

Performance Indicator	Service	Value	Target	Status	Last Year
Processing of planning applications: Major applications (NI 157a)	Development Management	87.96%	85%		
Processing of planning applications: Minor applications (NI 157b)	Development Management	75.97%	85%		
Processing of planning applications: Other applications (NI 157c)	Development Management	91.20%	85%		
Number of affordable homes delivered (gross)	Housing & Enabling	226	200		
Number of households prevented from becoming homeless through the intervention of housing advice	Housing & Inclusion	474	300		
Number of households living in temporary accommodation last night of the month (NI 156 & SDL 009-00)	Housing & Inclusion	99			
Number of households housed through housing register	Housing & Enabling	619	600		
Net additional homes provided (NI 154)	Planning Policy	1,286	880		

Data only indicator - reported for information but no target set

FUTURE PLANS

Given the importance of developing an appropriate vision for the future, work has started on development of a new Strategic Plan to replace the existing 2015-20 Plan. The Council is accordingly engaging with elected members, parish councils, residents, businesses and the voluntary sector to ensure that the Plan realises the aspirations of the whole community.

The Medium Term Financial Strategy (MTFS) sets out in financial terms how the Strategic Plan will be delivered. The current MTFS, which covers the years 2018/19 to 2022/23, will be updated in line with the new Strategic Plan.

The MTFS shows that the Council can deliver its plans within budget over the next two years. A key assumption is the relative certainty provided by the government's four year financial settlement for local authorities covering the period to 2019/20.

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

Given the uncertainty, the Council has planned for a range of feasible scenarios, characterised as favourable, neutral and adverse. In all scenarios, the Council will seek to continue making efficiency savings and generating additional income in order to optimise its financial position. Key elements in the MTFS include the Capital Programme, which is seen both as a means of delivering the Council's priorities, and as an opportunity to generate additional income locally within the framework of the prudential borrowing regime.

The Council is also part of Mid Kent Services (MKS), which provides shared services including Internal Audit, Revenues & Benefits, ICT Services, Human Resources & Payroll, Debt Collection and Legal Services. This offers greater service capacity and resilience and a broader base for overhead recovery.



RISK MANAGEMENT

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

The following table sets out what we have assessed as being the key corporate risks together with how the risk has changed between October 2017 and April 2018.

Risk Title & Movement		
a	Breakdown of Governance Controls	■
b	Legal / Compliance Breaches	▼
c	Workforce Capacity & Skills	■
d	Project Failure	▼
e	ICT Systems Failure / Security	■
f	Poor Partner Relationships	■
g	Housing Pressures Continue to Increase	■
h	Delivery of the Local Plan Review by April 2022	▼
i	Financial Restrictions	■
j	General Data Protection Regulations (GDPR)	+
k	Major Contraction in Retail & Leisure Sectors	+

Key

■ No change in risk score

▼ Reduction in risk score

+ Risk added



