

POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday 22 November 2017
Time: 7.00 pm
Venue: Town Hall, High Street, Maidstone

Membership: Councillors

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

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3. Urgent Items	
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7. To consider whether any items should be taken in private because of the possible disclosure of exempt information.	
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Issued on Tuesday 14 November 2017

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

16. Call in of Decision of Heritage, Culture and Leisure Committee - Disposal of Land Adjacent to Gallagher Stadium 63 - 77

PART II

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

Head of Schedule 12 A and Brief Description

17. Payroll Services 3 – Information re finance and business affairs 78 - 89

PUBLIC SPEAKING

In order to book a slot to speak at this meeting of the Policy and Resources Committee, please contact Sam Bailey on 01622 602263 or by email on committeeservices@maidstone.gov.uk by 5 pm one clear working day before the meeting. If asking a question, you will need to provide the full text in writing. If making a statement, you will need to tell us which agenda item you wish to speak on. Please note that slots will be allocated on a first come, first served basis.

ALTERNATIVE FORMATS

The reports included in Part I of this agenda can be available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact Democratic Services on committeeservices@maidstone.gov.uk or 01622 60263**. To find out more about the work of the Committee, please visit www.maidstone.gov.uk

MAIDSTONE BOROUGH COUNCIL

Policy and Resources Committee

MINUTES OF THE MEETING HELD ON WEDNESDAY 20 SEPTEMBER 2017

Present: Councillors Barned, Mrs Blackmore, Boughton, Brice, Cox, Fermor, Harper, Harvey, Hastie, Joy, McLoughlin, Perry, Mrs Stockell and Mrs Wilson (Chairman)

53. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Garland, Gooch and Harwood.

54. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Joy was present as a substitute for Councillor Harwood.

Councillor Mrs Stockell was present as a substitute for Councillor Garland.

55. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

56. DISCLOSURES BY MEMBERS AND OFFICERS

It was noted that whilst Cllr Boughton's occupation brought him into contact with the Department for Environment and Rural Affairs regarding flooding in the Medway Confluence it did not constitute an interest.

57. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

58. URGENT ITEMS

There were no urgent items.

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

RESOLVED: That the items on Part II of the agenda should be taken in private, as proposed, due to the likely disclosure of exempt information.

60. MINUTES OF THE MEETING HELD ON 25 JULY 2017

RESOLVED: That, subject to checking the first resolution on Item 41 - Policy on Disposal of Property, the minutes of the meeting held on 25 July be signed as a correct record of the meeting.

61. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

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

There were no questions from members of the public.

63. COMMITTEE WORK PROGRAMME

The Director of Finance and Business Improvement updated the Committee on its Work Programme. It was noted that the report on Fees and Charges was to be brought forward from December to November to assist the other Committees when setting their Fees and Charges.

RESOLVED: That the Committee Work Programme be noted.

64. FLOOD RISK ALLEVIATION - UPDATE

The Director of Finance and Business Improvement presented an update to the Committee on Flood Risk Alleviation work in the borough.

The presentation outlined three main areas of work:

- Flood risk alleviation to residential properties in the borough, through joint working with Kent County Council, Maidstone Borough Council and the Environment Agency;
- Measures to reduce flooding in the Town Centre as part of the underspend in the Bridges Gyrotory Improvements; and
- Safety work on the Mote Park Lake Dam, in order to increase its resilience to flooding and protect nearby properties.

In terms of property level improvements against flooding in the Medway Confluence, the Committee noted that only 41 of the 401 properties eligible for property level flood resilience measures had received a full survey so far. Concerns were also raised that the £7500 grant offered by the Environment Agency would not be enough to cover the necessary flood protection measures for some properties, leaving the owners liable to fund the difference.

In response to a question from the Committee, the Director of Finance and Business Improvement confirmed that properties at very significant risk of flooding, such as those in Hart Street in the Town Centre, were also potentially eligible for a £7500 grant from the Environment Agency to improve flood resilience.

The Director of Finance and Business Improvement explained to the Committee that some of the expected works that were proposed as part of the Bridges Gyrotory Improvements had been found to be unfeasible. A meeting had been scheduled for 13 October for all parties involved in the scheme to explore options and work towards a scheme that was feasible.

The Committee requested that in future these work streams are brought to the Committee as separate items.

RESOLVED: That

- 1) The appropriate Officers from the Environment Agency are invited to speak to the Committee at a future meeting on the progress on the flood alleviation work in the borough.
- 2) The appropriate Officers are invited to speak to the Committee at a future meeting to give technical advice on the problems faced with flood alleviation works as part of the Bridges Gyrotory Improvements.
- 3) Information is circulated to the Committee on how many of the properties identified as part of the property level flood alleviation can be protected within the £7500 limit of the Environment Agency grants.
- 4) The progress with flood alleviation schemes to be delivered by the Medway Flood Partnership is noted.

Voting: Unanimous

65. **DISCRETIONARY BUSINESS RATE RELIEF SCHEME**

The Interim Head of Revenues and Benefits introduced a report on the Discretionary Business Rate Relief Scheme. The Committee noted that the scheme had been introduced to provide relief to those businesses that had been adversely affected by the 2017 Business Rate Revaluation. In order to minimise paperwork, avoid any further delays and to ensure as many businesses benefited as possible, the relief would be automatically applied. It was noted that there would be contingencies held for successful appeals and to provide relief to businesses with special circumstances who may not have qualified otherwise.

RESOLVED: That

- 1) The Business Rates Discretionary Rate Relief scheme described in the report, with the criteria for eligibility set out as Option 2 in section 3, is adopted.
- 2) Authority is delegated to the Head of Revenues and Benefits to finalise and implement the scheme.

Voting: Unanimous

66. FIRST QUARTER BUDGET MONITORING 2017/18

The Director of Finance and Business Improvement presented the First Quarter Budget Monitoring Report 2017/18 to the Committee.

The Committee noted overspends in the following areas:

- Planning Appeals – due to the likely costs of upcoming appeals that the Council must defend.
- Temporary Accommodation – due to Council owned Temporary Accommodation taking longer to come on stream than originally planned.
- Street Cleansing – overspends due to staff sickness and associated agency staffing costs to cover sickness.
- Treasury Management – due to investment performance being lower than expected.

As well as overspends, the Council had also performed better than expected in some areas. An example of this was that income due to investments in commercial property had provided a greater return than originally expected.

The Committee had concerns about two particular areas and requested that the relevant Committees paid attention to these areas – Cost of Planning Appeals and slippage in Essential Works to Mote Park and other Parks.

In response to a question, the Director of Finance and Business Improvement clarified that the Business Rates write offs in the report were for failed businesses where all routes of recovery had been exhausted.

RESOLVED: That

- 1) In view of the financial constraints for this council, SPST and Planning Committee are requested to pay particular attention to how they can manage planning appeal costs.

Voting: For – 8 Against – 5 Abstentions - 1

- 2) The Heritage Culture and Leisure Committee pay close attention to the Capital Slippage for Parks and Open Spaces in relation to Mote Park and Other Parks.

Voting: Unanimous

- 3) That the revenue position at the end of the first quarter and the actions being taken or proposed to improve the position where significant variances have been identified, as set out in table 1, paragraph 2.8 are noted.
- 4) That the proposed slippage in the capital programme of £5,295,397 into 2018/19 as detailed in paragraph 2.11 is approved.

Voting: For – 13 Against – 0 Abstentions – 1

- 5) That the performance of the collection fund and the estimated level of balances at the year-end is noted.
- 6) That the write-off of unpaid business rates as set out in Appendix III is approved;

Voting: For – 13 Against – 0 Abstentions – 1

- 7) That the performance in relation to the treasury management strategy for the first quarter of 2017/18 is noted.

Note: Cllr Fermor was not present for the vote for resolution 2.

67. KEY PERFORMANCE INDICATOR UPDATE Q1

The Head of Policy, Communications and Governance presented the key Performance Indicator update report for quarter 1, summarising performance for the top three priority action areas. It was noted that only three of the indicators had a red status, and these were all due to be considered by the Communities, Housing and Environment Committee at their next meeting.

The Committee requested further information on fly tipping data. The Committee was concerned that the data was not accurate due to problems with reporting fly tipping online for some areas. The Head of Policy, Communications and Governance explained that the digital team was aware of these issues and an update on a resolution would be provided in the next Members' bulletin.

The Committee requested further information be circulated to the Committee on those indicators that were not red but the direction of travel showed a decrease in performance.

RESOLVED: That the summary of performance for Quarter 1 of 2017/18 for Key Performance Indicators be noted.

68. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That the press and the public be excluded from the meeting due to the possible disclosure of exempt information.

69. MINUTES (PART II) OF THE MEETING HELD ON 25 JULY 2017

RESOLVED: That the minutes be approved as a correct record of the meeting and signed.

Note: Councillor Perry left the meeting at 9.19 p.m., during the consideration of this item.

70. 100% BUSINESS RATES RETENTION PILOT

The Director of Finance and Business Improvement made a presentation to the Committee about the Government's pilot scheme for 100% Business Rates Retention. The presentation outlined the following key points:

- The Government had announced a pilot for 100% Business Rates retention, which included two tier areas, for 2018/19.
- Kent local authorities collectively met the criteria for participating in the pilot.
- If Kent was chosen as a pilot, there was a potential financial benefit to authorities in the county for 2018/19.
- Maidstone Borough Council were already part of a Business Rates Pool across Kent, however the pool excluded Sevenoaks and Dover District Councils and Medway Council.
- The Business Rates retention would be retention of 100% of the growth in Business Rates, not 100% of the Business Rates collected in the area.
- The main financial risk to the Council of being part of the pilot was that it would have to share the cost of negative growth in any authority forming part of the pilot.

In response to a question from a member of the Committee, the Director of Finance and Business Improvement explained that it was possible for a growth fund to be set up as part of the rates retention pilot. Such a fund would enable spending on projects and infrastructure that would enable greater business rates growth or lessen costs to member authorities due to growth in the area.

RESOLVED: That

- 1) The Department of Communities and Local Government invitation to take part in a 100% Business Rates Retention pilot for the financial year 2018/19 is noted.
- 2) The benefits and risks associated with a joint proposal from Kent authorities to take part in the pilot are noted.

- 3) Delegated authority is granted to the Director of Finance and Business Improvement, in consultation with the Chairman of the Policy and Resources Committee, to sign off a joint Kent proposal for a 100% Business Rates Pool, together with the associated governance arrangements, on behalf of Maidstone Borough Council.

Voting: Unanimous

71. DURATION OF MEETING

7.20 p.m. to 9.41 p.m.

2017/18 WORK PROGRAMME SORTED BY COMMITTEE

Report Title	Work Stream	Committee	Month	Lead	Report Author
Collection Fund Adjustment	Corporate Finance and Budgets	P&R	Dec-17	Mark Green	Ellie Dunnet
North Thames Gateway	Updates, Monitoring Reports and Reviews	P&R	Dec-17	Alison Broom	
Office Accommodation Strategy	New/Updates to Strategies & Policies	P&R	Dec-17	Mark Green	Georgia Hawkes
Medium Term Financial Strategy & Budget Proposals 2018/19	Corporate Finance and Budgets	P&R	Dec-17	Mark Green	Ellie Dunnet
Tax Base 2018/19 (Council Tax)	Corporate Finance and Budgets	P&R	Dec-17	Mark Green	Ellie Dunnet
Resident Survey Summary Results and Action Plan (please note that workshops will be held with all members Oct/Nov)	Corporate Planning	P&R	Dec-17	Angela Woodhouse	Anna Collier
Strategic Plan Refresh 2018/19	Corporate Planning	P&R	Dec-17	Angela Woodhouse	Angela Woodhouse
Property Strategy	New/Updates to Strategies & Policies	P&R	Dec-17	David Tibbit	David Tibbit
New Ways of Working - Maidstone House Office Accommodation	New/Updates to Strategies & Policies	P&R	Dec-17	Mark Green	Georgia Hawkes
Council Tax Penalty Policy	New/Updates to Strategies & Policies	P&R	Jan-18	Steve McGinnes	Sheila Coburn
Debt Recovery Policy	New/Updates to Strategies & Policies	P&R	Jan-18	Sheila Coburn	Sheila Coburn
Phase 3 Public Realm - Funding	Regeneration and Commercialisation	P&R	Jan-18	Dawn Hudd	Fran Wallis
Digital Strategy	New/Updates to Strategies & Policies	P&R	Jan-18	Georgia Hawkes	Georgia Hawkes
Fees & Charges	Corporate Finance and Budgets	P&R	Jan-18	Mark Green	Ellie Dunnet
Medium Term Financial Strategy & Budget Proposals 2018/19	Corporate Finance and Budgets	P&R	Jan-18	Mark Green	Ellie Dunnet
Medium Term Financial Strategy 2018/19 Onwards - Capital Programme	Corporate Finance and Budgets	P&R	Jan-18	Mark Green	Ellie Dunnet
Strategic Plan Action Plan 2018/19	Corporate Planning	P&R	Jan-18	Angela Woodhouse	Angela Woodhouse
Union Street Housing Development	Regeneration and Commercialisation	P&R	Jan-18		
Brunswick Street Housing Development	Regeneration and Commercialisation	P&R	Jan-18		
Kent Medical Campus Innovation Centre	Changes to Services & Commissioning	P&R	Feb-18	Dawn Hudd	Abi Lewis
Medium Term Financial Strategy 2018/19 Onwards	Corporate Finance and Budgets	P&R	Feb-18		
Setting new Key Performance Indicators (please note that there will be workshops with each committee prior to the report in January/February)	Corporate Planning	P&R	Feb-18	Angela Woodhouse	Anna Collier
Commissioning & Procurement Strategy	New/Updates to Strategies & Policies	P&R	Feb-18	Mark Green	Steve Trigg/Georgia Hawkes
Q3 Performance Report 2017/18	Updates, Monitoring Reports and Reviews	P&R	Feb-18	Angela Woodhouse	Anna Collier
King Street	Regeneration and Commercialisation	P&R	TBC	William Cornall	Alison Elliott
Mote Park Lake Dam	Capital projects	P&R	TBC	Mark Green	David Tibbit

Policy & Resources Committee 22 November 2017

Key Performance Indicator Update Quarter 2 17/18

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	Angela Woodhouse, Head of Policy, Communications, and Governance
Lead Officer and Report Author	Alex Munden, Information & Corporate Policy Officer
Classification	Public
Wards affected	All

Executive Summary

Policy & Resources Committee is asked to review the progress of Key Performance Indicators that relate to the delivery of the Strategic Plan 2015-2020. The Committee is also asked to consider the comments and actions against performance to ensure they are robust.

This report makes the following recommendations to Policy & Resources Committee:

1. That the summary of performance for Quarter 2 of 2017/18 for Key Performance Indicators (KPIs) be noted.

Timetable

Meeting	Date
Policy & Resources Committee	22 November 2017

Key Performance Indicator Update Quarter 2 17/18

1. INTRODUCTION AND BACKGROUND

- 1.1 Having a comprehensive set of actions and performance indicators ensures that the Council delivers against the priorities and actions set out in the Strategic Plan.
- 1.2 Following the refresh of the Strategic Plan for 2017/18 the Committees agreed 28 Key Performance Indicators in April 2017.
- 1.3 Performance indicators are judged in two ways. Firstly on whether performance has improved, sustained or declined, compared to the same period in the previous year. This is known as direction. Where there is no previous data, no assessment of direction can be made.
- 1.4 The second way is to look at whether an indicator has achieved the target set and is known as PI status. If an indicator has achieved or exceeded the annual target they are rated green. If the target has been missed but is within 10% of the target it will be rated amber, and if the target has been missed by more than 10% it will be rated red.
- 1.5 Some indicators will show an asterisk (*) after the figure. These are provisional values that are awaiting confirmation. Data for some of the indicators were not available at the time of reporting. In these cases a date has been provided for when the information is expected.
- 1.6 Contextual indicators are not targeted but are given a direction. Indicators that are not due for reporting or where there is delay in data collection are not rated against targets or given a direction.

2. Quarter 2 Performance Summary

- 2.1 There are 28 key performance indicators (KPIs) which were developed with Heads of Service and unit managers, and agreed by the four Service Committees for 2017/18. 14 are reported to the Committee for this quarter.
- 2.2 Overall, 75% (9) of targeted KPIs reported this quarter achieved their target for quarter 2. For 50% of indicators, performance improved compared to the same quarter last year, where previous data is available for comparison.

RAG Rating	Green	Amber	Red	N/A	Total
KPIs	9	2	1	2	14
Direction	Up	No Change	Down	N/A	Total
Long trend	5	0	5	4	14
Short Trend	8	0	4	2	14

3. Performance by Priority

Priority 1: Keeping Maidstone Borough an attractive place for all

- 3.1 For the period of April – July, 95% of land and highways had acceptable levels of litter. The target of 93.5% has been exceeded. These surveys are carried out 3 times a year, and so this indicator is reported 2 months in arrears.
- 3.2 For the same period, 91.5% of land and highways had acceptable levels of detritus, against a target of 84%.
- 3.3 We attended to 133 reports of litter in the borough during quarter 2. This is an increase of 2 in comparison to quarter 1. We do not currently have data for the previous year to compare against.
- 3.4 We cleared 77.5% of fly-tips within 2 working days during quarter 2 against a target of 88%. There have been 245 fly tips in the past quarter, meaning the target was missed by 25 fly tips. The performance has been below target due to three key reasons: cleansing of high speed roads, staff sickness, and technical issues. During the quarter, we carried out overnight cleansing of high speed roads which limited daytime resources. We are exploring alternative ways of carrying this out, which will have a lower impact on the frontline service. There have also been a number of technical issues which have affected how quickly information is passed from frontline operatives to close the reports. Updates to the software have been carried out to resolve these issues. The number of fridges and freezers has also been monitored over the past quarter following changes to the bulky collection service. The number reduced from 14 in Quarter 1 to 9 in Quarter 2, showing less than 4% of fly tips involve fridges or freezers.
- 3.5 54.5% of household waste was sent for reuse, recycling, or composting during July and August. We are currently awaiting figures for September from Kent County Council. Performance has continued to improve since quarter one, again meeting its target. This shows a significant improvement in recycling rate, and the positive effect that recycling campaigns and projects are having. The main reason for the increased recycling rate is rising food waste recycling due to a number of recent campaigns. Increased garden waste tonnage is also having a positive impact.
- 3.6 During quarter 2, 60% of fly-tips with evidential value resulted in enforcement action. This is a significant increase in comparison to quarter 1. The changes made to the enforcement team have had positive outcomes, and increased collaborative working. It is expected the enforcement action rate will exceed the target for the rest of the year.

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

- 3.7 Footfall on the High Street was 3,167,617 during quarter 2, exceeding the target of 2,400,000. This has exceeded the previous quarter's figure by almost 100,000, and the same quarter last year by over 300,000. The main increases are on Saturdays when the town is a lot busier; however there

are smaller increases on other days. One of the contributing factors could be the number of new residential developments in the town centre, with 240 completions on Prior Notifications for 2016/17.

Priority 2: Securing a successful economy for Maidstone Borough

- 3.8 We processed 89.6% of Major planning applications in time during quarter 2, with 26 out of 29 being processed on time. Performance has declined in comparison to the previous quarter, and the same quarter last year, when 100% of applications were processed on time. However, we have achieved the target of 85%.
- 3.9 We processed 81.6% of Minor applications in time during quarter 2. This has slightly missed the target of 85%, and performance has dropped slightly in comparison to the previous quarter, and the previous year.
- 3.10 We processed 95% of 'Other' applications in time during quarter 2. Performance has improved since the first quarter, and is comparable to last year. We have significantly exceeded the target of 85%.
- 3.11 A total of 147 households were housed through the housing register during quarter 2, narrowly missing the target of 150. This is a slight increase in comparison to the first quarter, however it has reduced in comparison to the same quarter for 2016/17. The number of affordable properties delivered by Registered Providers is lower than last year, meaning we have fewer properties to offer those on the housing register.
- 3.12 There were 74 affordable homes delivered during the second quarter. There has been good progress with schemes, and as expected completions are starting to pick up. This resulted in the target of 50 being exceeded. There are still 84 shared ownership completions, and 91 affordable rented completions forecast for the remainder of the year. Therefore it is expected that the annual target will be achieved.
- 3.13 A total of 137 homeless preventions were made during quarter 2. This comprises of 70 homeless preventions completed within the Housing Advice Team. 57 were given assistance from Discretionary Housing Payments, and 10 received Sanctuary Scheme support. Good performance has continued, with a slight increase in comparison to the previous quarter. Performance has also significantly increased in comparison to quarter 2 of 2016/17.
- 3.14 There were 91 households in temporary accommodation (TA) on the last night of the quarter. There has been a slight increase compared to the last quarter, however there has been a significant decrease from 112 households for the same period last year. There was also a 67% increase in the number of applications made for the previous year. Of the 91 households in TA, 51 are in nightly paid accommodation, with the remainder in stock owned by the Council, or provided by Registered Providers.
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4. RISK

- 4.1 This report is presented for information only. Managers and Heads of Service can use performance data to identify service performance and this data can contribute to risk management.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Key Performance Indicator Update is reported quarterly to the Service Committees – Communities, Housing and Environment Committee, Strategic Planning, Sustainability and Transportation Committee, and Heritage Culture and Leisure Committee. Each Committee receives a report on the relevant priority action areas. The report also goes to Policy & Resources Committee, reporting only on the priority areas of a Clean and Safe Environment, Regenerating the Town Centre, and a Home for Everyone.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

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

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The key performance indicators and strategic actions are part of the Council's overarching Strategic Plan 2015-20 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas, for example waste and recycling.	Head of Policy, Communications & Governance
Risk Management	The production of robust performance reports ensures that the view of the Council's approach to the management of risk and use of resources is not undermined and allows	Head of Policy, Communications & Governance

	early action to be taken in order to mitigate the risk of not achieving targets and outcomes.	
Financial	Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium Term Financial Plan and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.	S 151 Officer and Finance Team
Staffing	Having a clear set of targets enables staff outcomes/objectives to be set and effective action plans to be put in place	Head of Policy, Communications & Governance
Legal	None identified	Interim Deputy Head of Legal Partnership
Privacy and Data Protection	We will hold data in line with the Data Quality Policy, which sets out the requirement for ensuring data quality. There is a program for undertaking data quality audits of performance indicators.	Interim Deputy Head of Legal Partnership
Equalities	The Performance Indicators reported on in this quarterly update measure the ongoing performance of the strategies in place. If there has been a change to the way in which a service delivers a strategy, i.e. a policy change, an Equalities Impact Assessment is undertaken to ensure that there is no detrimental impact on individuals with a protected characteristic.	Equalities & Corporate Policy Officer

Crime and Disorder	None Identified	Policy & Information Manager
Procurement	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Head of Policy, Communications & Governance, & Section 151 Officer

8. REPORT APPENDICES

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

- Appendix 1: Key Performance Indicator Update Quarter 2 17/18





9. BACKGROUND PAPERS




None

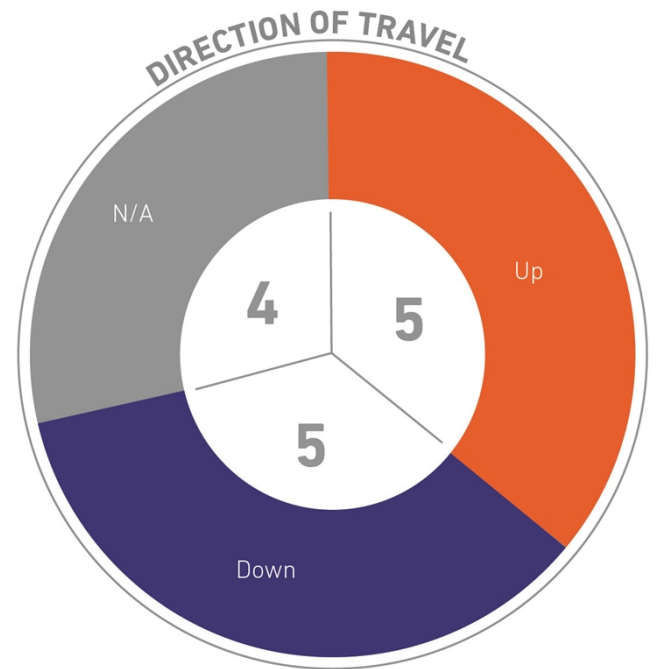
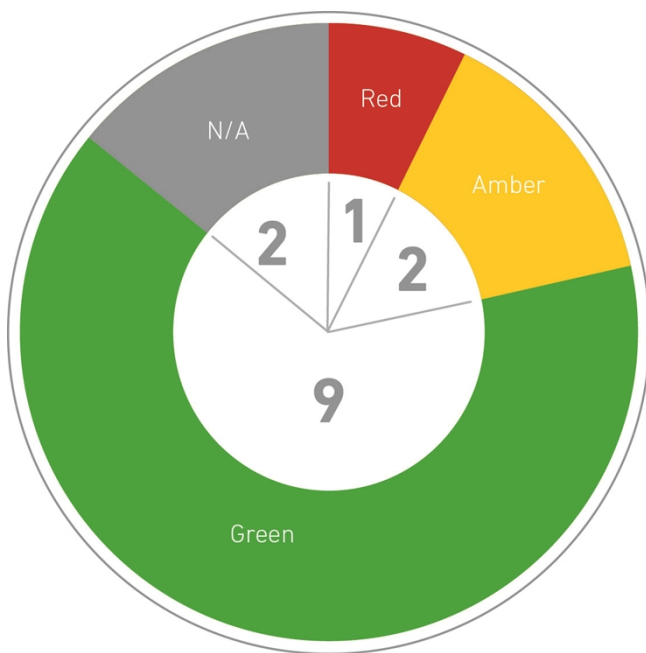
Performance Summary

This is the quarter 2 performance update on Maidstone Borough Council’s Strategic Plan 2015-20. It sets out how we are performing against Key Performance Indicators that directly contribute to the achievement of our priorities. Performance indicators are judged in two ways; firstly, whether an indicator has achieved the target set, known as PI status. Secondly, we assess whether performance has improved, been sustained or declined, compared to the same period in the previous year, known as direction.

Key to performance ratings

RAG Rating	
	Target not achieved
	Target slightly missed (within 10%)
	Target met
	Data Only














Direction	
	Performance has improved
	Performance has been sustained
	Performance has declined
N/A	No previous data to compare



RAG Rating	Green	Amber	Red	N/A	Total
KPIs	9	2	1	2	14
Direction	Up	No Change	Down	N/A	Total
Long Trend	5	0	5	4	14
Short Trend	8	0	4	2	14




Priority 1: Keeping Maidstone Borough an attractive place for all

Providing a clean and safe environment

Performance Indicator	Value	Target	Status	Long Trend	Short Trend
The percentage of relevant land and highways with acceptable levels of litter	95.00%	93.50%		N/A	N/A
The percentage of relevant land and highways with acceptable levels of detritus	91.50%	84.00%		N/A	N/A
Number of litter reports attended to	133			N/A	
Percentage of fly-tips cleared or assessed to within 2 working days	77.55%	88.00%			
Percentage of household waste sent for reuse, recycling and composting (NI 192)	54.5%	52.50%			
Percentage of fly-tips with evidential value resulting in enforcement action.	60%	20%		N/A	























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

Regenerating the Town Centre

Performance Indicator	Value	Target	Status	Long Trend	Short Trend
Footfall on High Street	3,167,617	2,400,000			

Priority 2: Securing a successful economy for Maidstone Borough

A home for everyone

Performance Indicator	Value	Target	Status	Long Trend	Short Trend
Processing of planning applications: Major applications (NI 157a)	89.66%	85.00%			
Processing of planning applications: Minor applications (NI 157b)	81.67%	85.00%			
Processing of planning applications: Other applications (NI 157c)	95.05%	85.00%			
Number of households housed through housing register	147	150			
Number of affordable homes delivered (gross)	74	50			
Number of households prevented from becoming homeless through the intervention of housing advice	137	75			
Number of households living in temporary accommodation last night of the month (NI 156 & SDL 009-00)	91				

POLICY AND RESOURCES COMMITTEE	22 November 2017
Is the final decision on the recommendations in this report to be made at this meeting?	Yes

Second Quarter Budget Monitoring 2017/18

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Director of Finance and Business Improvement
Lead Officer and Report Author	Mark Green – Director of Finance and Business Improvement (Lead Officer) Paul Holland - Senior Finance Manager Client Accountancy (Report Author)
Classification	Public
Wards affected	All

Executive Summary

This report provides the committee with an overview of the revenue and capital budgets and outturn for the second quarter of 2017/18, and highlights financial matters which may have a material impact on the Medium Term Financial Strategy or the Balance Sheet. It also includes an update on the capital programme.

The position for the Council as a whole at the end of the second quarter shows that there is a significant underspend but that the forecast for the end of the year shows this figure reducing. However there are still a number of underlying pressures across all the Committees that need to be addressed to ensure that this position is sustained to the end of the year. The individual variances for each Committee are detailed within Appendix 1.

- This report makes the following recommendations to this Committee:**
1. That the revenue position at the end of the second quarter and the actions being taken or proposed to improve the position where significant variances have been identified, as set out in table 1, paragraph 2.6 are noted;
 2. That the capital position at the end of the second quarter is noted;
 3. That the performance of the Collection Fund and the estimated level of balances at the year-end is noted;
 4. That the write-off of unpaid business rates as set out in Appendix 3 is approved; and
 5. That the performance in relation to the Treasury Management Strategy for the second quarter of 2017/18 is noted.

Timetable	
<i>Meeting</i>	<i>Date</i>
Policy and Resources Committee	22 November 2017

Second Quarter Budget Monitoring 2017/18

1. INTRODUCTION AND BACKGROUND

- 1.1 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.
 - 1.2 The Medium Term Financial Strategy for 2017/18 onwards was agreed by full Council on 1 March 2017. This report advises and updates the committee on the current position with regards to both revenue and capital expenditure against the approved budgets, and also includes sections on Collection Fund performance and Treasury Management performance.
-

2. REVENUE BUDGET

- 2.1 Attached at **Appendix 1** is a table detailing the current budget and expenditure position in relation to the first two quarters of 2017/18, to September 2017. The Appendix details net budget for all Service Committees including this one. Actual expenditure is shown to the end of September 2017 and includes accruals for goods and services received but not yet paid for.
- 2.2 The columns of the table in the Appendix show the following detail:
 - a) The Service Committee;
 - b) The value of the total budget for the year;
 - c) The amount of the budget expected to be spent by the end of September 2017;
 - d) The actual spend to that date;
 - e) The variance between expected and actual spend;
 - f) The forecast spend to year end; and
 - g) The expected variance at 31 March 2018.
- 2.3 The figures are analysed in three ways and set out in three tables which show the following levels of detail:

Table 1: by Committee;
Table 2: by Priority;
Table 3: by Expenditure Type.
- 2.4 Appendix 1 shows that of an annual budget of £20,562,830 there was an expectation that £10,060,738 would be spent by the end of the second quarter of the year. At this point in time the budget is reporting an under spend of £2,547,216. However a significant proportion of this relates to rent allowances and this position will be corrected over the remaining two quarters, and an underspend of £292,040 is projected at present for the year as a whole. Whilst this would be a positive outcome, it remains simply

a projection. There remains the risk of unforeseen events and service managers will need to continue maintaining rigorous oversight of their budgets.

- 2.5 Explanations for variances within individual cost centres which exceed or are expected to exceed £30,000 have been provided in accordance with the council's constitution.
- 2.6 Each Committee considers the major adverse and positive variances reported within their service areas. In each case they will choose to either: develop plans to act further in resolving the issue; or to continue to monitor the position and act if necessary at a later date. The variances identified to date and year end forecast variances are set out in summary below. Where the year end forecast variance relates to a shared service, only the Maidstone share of the variance is reported.

	Positive Variance Q2 £000	Adverse Variance Q2 £000	Year end Forecast Variance £000
Policy and Resources Committee			
Interest & Investment Income – Interest rates have stayed low over a long period of time. The Council have agreed in its strategy to run down balances so all investments are kept short term, therefore not attracting higher rates of interest		-62	-100
Phoenix Park Industrial Units – There is currently a vacant unit which has caused this variance.		-30	-23
Economic Development Section – This variance reflects posts that are currently vacant.	37		25
Legal Services – The service is currently over-achieving against its income target, although this is partially offset by additional costs from a high workload on planning and contracts.	50		20
Property & Projects Section – This variance reflects a post that is currently vacant.	40		20
Revenues & Benefits Manager – This variance reflects a post that is currently vacant, and assumes that the post will not be filled until 2018/19.	25		45
Mid-Kent ICT Services – There are a number of posts currently being held vacant which is creating this variance.	36		60
Customer Services – This variance reflects posts that are currently vacant, although covering these	37		16

	Positive Variance Q2 £000	Adverse Variance Q2 £000	Year end Forecast Variance £000
with agency staff will reduce the year-end variance.			
MBC Human Resources Services Section – This variance is due to an underspend on running costs, but it is expected that this area will be on budget by the end of the year.	34		0
Commercial Investments – The purchase of new commercial property is now generating additional rental income.			157
Internal Printing - This continues to be an area of concern. The hourly rate has been adjusted which has improved the position slightly but further work is needed to resolve the underlying issues.		-30	-33
Policy and Resources total			187
Heritage, Culture & Leisure Committee			
Parks & Open Spaces – Following a restructure this budget area now includes the grounds maintenance team. The variance is a combination of staff vacancies, an under spend on running costs and additional income above the budget. As part of the Medium Term Financial Strategy, this service area is due to make savings of £150,000 over the next two years so this variance shows that it is well placed to deliver this.	74		143
Mote Park Café – The café benefited from a good summer of trading and a reduction in the salaries budget. The operation will be taken over by a private contractor at the end of October.	41		40
Bereavement Services – Income is currently ahead of budget, but the current surplus income is earmarked to fund the refurbishment of the toilets at the crematorium and to undertake some other minor works, so it is anticipated that the service will be on budget by the end of the financial year.	52		0
Market - The adverse variance has arisen from unachieved income in this area, with the most notable shortfall arising from the Tuesday market. This is		-21	-40

	Positive Variance Q2 £000	Adverse Variance Q2 £000	Year end Forecast Variance £000
a continuation of the trend observed in previous years and nationally, which indicate this to be a declining sector. Officers are looking at alternative revenue generating opportunities.			
Heritage, Culture & Leisure total			143
Strategic Planning, Sustainability and Transport Committee			
Development Control Applications – The current positive variance reflects fees that have been received earlier than anticipated, which is considered to be a consequence of the forthcoming rise in planning fees and the introduction of the Community Infrastructure Levy. The budget assumes an increase in planning fees which has not yet taken place, which means that the positive variance is smaller than would otherwise be the case. Nevertheless, the timing differences described above are expected to give rise to a reduction in the variance over the remainder of the year.	68		0
Development Control Appeals - There are several inquiries that are expected to take place this year which will lead to the authority incurring significant costs. At this stage unbudgeted costs of £200,000 are projected for this financial year in relation to these inquiries and the necessary preparatory work, with substantial further costs if decisions are made to award costs against the council.	28		-200
Parking Services – Pay & Display car parks continue to perform overall above budgeted income. There is however an adverse variance against the parking enforcement budget caused by a reduction in Penalty Charge Notice income. This has arisen in part because there is a backlog in dealing with appeals against PCNs.	132		241
Mid-Kent Planning Support Service – This variance is due to vacant posts, which the manager is intending to delete to contribute to the savings requirement identified within the Medium Term Financial Strategy.	42		62

	Positive Variance Q2 £000	Adverse Variance Q2 £000	Year end Forecast Variance £000
Strategic Planning, Sustainability and Transport total			103
Communities, Housing and Environment Committee			
CCTV – The variance has arisen from a combination of previously agreed savings targets which have not been realised and a shortfall of income against the budgeted figure. If a proposal to reduce the partnership costs is successful then the variance could be reduced by the end of the year, and officers are looking at other possible savings within the budget.		-47	-68
Street Cleansing - The variance has improved since Quarter 1, however there is a remaining savings target which has not yet been fully realised. Spend on overtime remains high due to staff absences. The refuse collection spend has now reduced considerably due to new procedures although the budget for the year has been spent.		-48	-60
Homeless Temporary Accommodation – The projected variance has reduced as compared with Quarter 1. With the benefit of further information the projected growth in homelessness has been revised downwards. However, the service remains under severe pressure from the number of families presenting as homeless and consequently this area will continue to be monitored closely.		-99	-72
Homelessness Prevention – The current variance reflects issues that are being experienced placing homeless persons into private sector accommodation.	200		61
Council-owned Temporary Accommodation – This variance is a combination of issues, the main ones being additional building maintenance costs and delays in making the accommodation ready for occupation.		-21	-31
Environmental Health Team - The team have now been transferred to Tunbridge Wells BC as part of the shared service and budgets will be adjusted at	61		0

	Positive Variance Q2 £000	Adverse Variance Q2 £000	Year end Forecast Variance £000
the revised estimate stage to reflect this.			
Communities, Housing and Environment total			-141
GRAND TOTAL			-292

Table 1: Summary of significant variances by committee

- 2.7 Following a reference from this Committee at its meeting on 20 September, the Strategic Planning, Sustainability and Transportation Committee was asked at its meeting on 7 November to address the overspend on planning appeal costs. The Committee noted the referral and considered the projected overspend. It has requested a further report on historical, current and projected appeal costs.
- 2.8 In accordance with best practice, virements are reported to this committee as part of quarterly budget monitoring. A virement represents the transfer of a budget between objectives that occurs subsequent to the formal approval of the budget by Council. The following reportable virements were made during the second quarter of 2017/18:

Reason	Value £	Temp/Perm*
Environmental Health budgets adjusted as per CHE report 22/02/17	419,310	Permanent
Pre-delivered saving from Heronden Road	162,020	Permanent
Funded Academy Housing Module (1 year maintenance for the software) from unused Temporary Accommodation budget	300	Permanent
One Maidstone Business Case Development funded from Business Rates Pool	20,000	Temporary
Town Centre Management funded from the Business Rates Pool	15,000	Temporary
Contribution for the Thames Gateway Kent Partnership from the Business Rates Pool	10,000	Temporary
Budget transferred back to Business Rates Pool from Cultural Development Arts	7,890	Temporary
Tractivity annual licence funded from Business Rates Pool	6,750	Temporary
Funded Training & Employment in Economic Development from Business Rates Pool	6,000	Temporary
Funding for Planning Consultant until March 2018	61,750	Temporary

Funding for Planning Officer until March 2018	7,950	Temporary
Carry Forward Fund from 16/17 to 17/18 - from Balances to Contingency.	468,000	Temporary

Table 2: Reportable virements

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

3. CAPITAL PROGRAMME

- 3.1 The capital programme was approved by Council on 1 March 2017. Funding for the programme remains consistent with previous decisions of Council in that the majority of resources come from New Homes Bonus along with a small grants budget. Previous decisions of Council, Cabinet and this committee have focused the use of New Homes Bonus on infrastructure projects where these are required by the infrastructure delivery plan that forms part of the Local Plan.
- 3.2 The current programme is set out in Appendix 2 and shows the current budget and actual expenditure to date. The current budget includes the approved budget plus any unused resources brought forward from 2016/17. This report has previously asked for approval from the Committee for slippage and unused resources, however it is considered more appropriate for this to be done in the future as part of the final outturn report for the year and not as part of these quarterly reports.
- 3.3 In April 2017 this Committee approved the purchase of a new commercial property on Parkwood Industrial Estate at a cost that was above the allocated budget. Within the overall programme there are the resources to fund the additional cost of £0.581m and the necessary budget transfers will be made as part of the upcoming review of the capital programme which will take place as part of the budget setting process.
- 3.4 In October 2017 this Committee agreed to the purchase of further commercial property on Parkwood Industrial Estate at a cost of £1.515m. Resources for this acquisition are likewise available and the necessary budget transfers will be made as part of the upcoming review of the capital programme referred to in the previous paragraph.
- 3.5 This Committee also agreed in July 2017 to the purchase of Lenworth House to develop into apartments available for market rent. Funding for this will come from the indicative scheme funding identified in this Committee's capital programme. However there was none programmed in for this year, so resources will be brought forward in the programme from future years to fund this purchase. The budget for this year represents the deposit payable, with the balance of the purchase price payable in 18 months' time when development is completed.
- 3.6 The Council has the necessary resources to manage the programme in

2017/18, with the majority of funding coming from New Homes Bonus. However it is projected that the balance of that funding will be used during the course of the year, therefore it may be necessary to borrow to fund any further expenditure. Approval for borrowing has previously been agreed and factored into the programme funding. There is also a government grant in relation to disabled facilities grants funding the programme.

- 3.7 Following a reference from this Committee at its meeting on 20 September, the Heritage, Culture & Leisure Committee will be asked at its meeting on 28 November to address the projected slippage on Parks & Open Spaces schemes.

4. RESERVES AND BALANCES

- 4.1 The total of earmarked reserves and general fund balances as at 31st March 2017 was £17.3 million. The makeup of this balance, and movements in the first quarter of 2017-18 are set out in the table below:

	1 April 2017 £m	30 September 2017 £m	31 March 2017 (forecast) £m
General Fund			
Asset Replacement	0.2	0.2	0.1
Planning Management	0.1	0.0	0.0
Commercialisation – contingency	0.5	0.5	0.5
Invest to Save projects	0.5	0.5	0.5
2016/17 underspend earmarked for Action Areas	0.1	0.1	0.0
2016/17 grants carried forward and spent in 2017/18	0.8	0.6	0.1
Amounts set aside for collection fund deficit	2.9	2.9	0.0
Forecast revenue under spend	0.0	0.0	0.3
Unallocated balance	4.2	4.2	4.2
Sub-total	9.3	9.0	5.7
Earmarked Reserves			
New Homes Bonus funding for capital projects	7.2	1.6	0.0
Local Plan	0.2	0.2	0.0
Neighbourhood Plans	0.1	0.1	0.1
Accumulated Surplus on Trading Accounts	0.3	0.3	0.3
Business Rates Growth Fund	0.1	0.1	0.1
Sub-total	8.0	2.3	0.5
Total General Fund balances	17.3	11.3	6.2

Table 3: General Fund & Earmarked Balances

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

5. COLLECTION FUND

- 5.1 The council is increasingly reliant on income generated through council tax and business rates, which is accounted for through the Collection Fund. Due to the risks in this area, including the risk of non-collection and the pooling arrangements in place for business rates growth, the Council monitors the collection fund carefully.
- 5.2 The collection rates achieved are reported below, alongside the target for the year, and the actual amount collected. The rates are given as a percentage of the debt targeted for collection in the second quarter of 2017-18:

	Target %	Actual %	Amount collected
Council Tax	57.5%	56.83%	£57,813,007.08
Business Rates	57.8%	59.11%	£35,751,235.68

Table 4 : Collection Rates for Council Tax and Business Rates, Second Quarter 2017-18

- 5.3 The target was over achieved for business rates, but narrowly missed for council tax. Although as a percentage of the overall total, the variance appears small, the sums involved are significant and officers are therefore monitoring this closely.
- 5.4 The Head of the Revenues and Benefits Partnership follows a recovery timetable and action will be taken before year end to attempt to bring the collection rate back to target. Officers will continue to pursue payment of any developing arrears along with the arrears from prior years.
- 5.5 Although collection is exceeding target, overall income from retained business rates growth is lower than anticipated, due to a significant number of reductions arising from businesses successfully appealing against their rateable value. This is a volatile area of income which can be difficult to predict. The council maintains a prudent provision to minimise the impact of appeals on the Council's income.
- 5.6 Forecast growth in business rates against the Council's baseline at the end of the second quarter is £1.65m against a forecast of £2.0m. The benefit from membership in the Kent Business Rates Pool for 2017-18 is currently predicted at £0.75 million, which represents the difference between the levy of 50% which would have been payable on business rates growth if the council were not part of the pool, compared with the 3.63% payable as a pool member.
- 5.7 As agreed previously the 30% share of the pool benefit retained by the council will be used to fund the delivery of the Economic Development Strategy, alongside the 30% growth fund share which is spent in consultation with KCC.

6. IRRECOVERABLE BUSINESS RATES

- 6.1 The committee are asked to approve the write off of £189,700.64 unpaid business rates debt identified in Appendix 3. Please note that information relating to individuals is restricted under the Data Protection Act and has therefore been redacted from this appendix.
- 6.2 As noted above, the council takes a robust approach to recovery of business rates. This involves progressive action which would typically include:
- Reminder for non-payment
 - Final notice for non-payment
 - Summons for non-payment
 - Application to the Magistrates Court for a liability order
 - Instruction of an enforcement agent to recover
 - Bankruptcy or liquidation, where appropriate
 - Proceeding to seek committal to prison (individuals)
- 6.3 Throughout the process the Council actively encourages contact from any business experiencing difficulty in order to negotiate arrangement for payment.
- 6.4 The Council could continue to hold these debts as outstanding, but this option is not recommended as there is no prospect of recovery and this would distort the financial position of the Council.
- 6.5 For the businesses listed in Appendix 3, the Council has exhausted all of the recovery processes in trying to collect the unpaid amounts. It is therefore suggested that these amounts are written off and the Council's accounts are amended to reflect the fact that the payments identified are not expected to be recovered. The council maintains a provision for bad debts, and there is sufficient resource available within this balance to cover the value of the proposed write offs.
-

7. TREASURY MANAGEMENT

- 7.1 The Council has adopted and incorporated into its Financial Regulations, the CIPFA Code of Practice on Treasury Management in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In March 2017, the Council approved a Treasury Management Strategy for 2017/18 that was based on this code. The strategy requires that this committee should formally be informed of Treasury Management activities quarterly as part of budget monitoring.
- 7.2 During the quarter ended 30 September 2017:
- UK Consumer Price Inflation (CPI) index rose with the data print for September showing CPI at 3.0%, its highest since June 2013 as the fall in the value of sterling following the June 2016 referendum result continued to feed through into higher import prices.

- The unemployment rate fell to 4.3%, the lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation.
- Quarter 2 GDP showed economic activity growing at a much slower pace of 0.3%.
- The yield on the 5-year gilts had risen to 0.80% by the end of September after falling in the first quarter of the year.

8. CURRENT INVESTMENTS AT 30 SEPTEMBER 2017

- 8.1 The council held investments totalling £26.4 million. A full list of investments held at the end of September is given in Appendix 4. All new investments have been short term which complied with the current strategy.
- 8.2 Investment income for this period is £24,000.
- 8.3 Average interest rate for this period is 0.42%. The benchmark for investments is 3 month LIBOR plus 10 basis points. 3 Month LIBOR at the end of September was 0.33%, which means the benchmarked figure is 0.43%.

9. BORROWING

- 9.1 As at 30 September 2017, no requirement for short or long term borrowing had arisen.

10. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 10.1 In considering the strategic position on the revenue budget at the end of September 2017 the committee has been provided with details of the actions each service committee plans to take on significant variances. The committee can chose to note those actions and reconsider the outcomes at the end of the third quarter or it could chose to take further action.
- 10.2 The Committee is requested to note the content of the report and to enable more accurate monitoring of the programme in future periods.
- 10.3 The capital programme is reporting expenditure of £7,730,474 to the end of the second quarter, with slippage of £630,000 identified. Details of the programmes where major slippage occurs have been detailed at Appendix 2. The committee is requested to note the current position of the programme and the proposals put forward to fund the new commercial property purchases.

- 10.4 Details of the performance of the Collection Fund and the level of available balances are both as expected and the committee need only note this information at this time.
- 10.5 Treasury Management is for information only as the Audit, Governance & Standards Committee takes responsibility for considering changes that may be required, for reference on to Council. The committee could make reference to the Audit, Governance and Standards Committee of any issues that it may wish to be considered at a future meeting.
-

11. RISK

- 11.1 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2017/18. This budget is set against a backdrop of limited resources and an difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives this committee the best opportunity to take actions to mitigate such risks.
-

12. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 12.1 The second quarter's budget monitoring report will be considered by each of the other three service committees. The key issues and their consideration is set out in table 1 at paragraph 2.6.
- 12.2 This report will not lead to further consultation.
-

13. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 13.1 The second quarters budget monitoring reports are being considered by the service committees in November 2017, culminating in a full report to this Committee.
- 13.2 There are no significant issues arising from this report that require action from this Committee. The success of actions by the other service committees to manage the pressures in their budgets will be regularly reported to this Committee through later versions of this report.
-

14. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	This report monitors actual activity against the revenue and capital budgets and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's medium term financial strategy which is linked to the strategic plan and corporate priorities.	Director of Finance & Business Improvement
Risk Management	The Council has produced a balanced budget for both capital and revenue expenditure and income for 2017/18 This budget is set against a backdrop of limited resources and an difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives this committee the best opportunity to take actions to mitigate such risks. The issues set out in this report do not exhibit the level of potential risk identified in previous years.	Director of Finance & Business Improvement
Financial	Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.	Director of Finance & Business Improvement
Staffing	The budget for staffing represents approximately 50% of the direct spend of the	Director of Finance &

	council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.	Business Improvement
Legal	The Council has a statutory obligation to maintain a balanced budget this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.	[Legal Team]
Equality Impact Needs Assessment	The budget ensures the focus of resources into areas of need as identified in the Council's strategic priorities. This monitoring report ensures that the budget is delivering services to meet those needs.	Director of Finance & Business Improvement
Environmental/Sustainable Development	No specific issues arise.	Director of Finance & Business Improvement
Community Safety	No specific issues arise.	Director of Finance & Business Improvement
Human Rights Act	No specific issues arise.	Director of Finance & Business Improvement
Procurement	No specific issues arise.	Director of Finance & Business Improvement
Asset Management	Resources available for asset management are contained within both revenue and capital budgets and do not represent a significant problem at this time.	Director of Finance & Business Improvement

15. REPORT APPENDICES

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

- Appendix 1: Second Quarter 2017/18 Revenue Monitoring – Strategic Level
- Appendix 2: Second Quarter 2017/18 Capital Monitoring
- Appendix 3: Written-off Business Rates Second Quarter 2017/18

- Appendix 4: List of investments as at 30 September 2017
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16. BACKGROUND PAPERS

None

Policy & Resources Committee
Second Quarter Budget Monitoring - Full Summary to September 2017

ANALYSIS BY COMMITTEE

Committee	Full Year Budget	To September 2017	Actual	Variance ¹	Year End Forecast	Year End Variance
	£	£	£	£	£	£
Policy & Resources	12,182,510	5,786,236	4,030,098	1,756,138	11,995,510	187,000
Strategic Planning, Sustainability & Transportation	-1,151,450	-465,388	-807,422	342,034	-1,254,450	103,000
Communities, Housing & Environment	8,011,230	3,651,661	3,473,593	178,068	8,152,190	-140,960
Heritage, Culture & Leisure	1,520,540	1,088,229	817,253	270,976	1,377,540	143,000
	20,562,830	10,060,738	7,513,522	2,547,216	20,270,790	292,040

Table 1

ANALYSIS BY PRIORITY

Priority	Full Year Budget	To September 2017	Actual	Variance ¹	Year End Forecast	Year End Variance
	£	£	£	£	£	£
Character	665,560	299,590	302,794	-3,203	665,560	
Health & Wellbeing	1,940,660	1,285,826	65,139	1,220,686	1,940,660	2,770
Clean & Safe	4,149,900	1,751,401	1,834,479	-83,078	4,149,900	-129,410
Leisure & Culture	2,480,540	1,484,506	1,231,970	252,536	2,480,540	183,000
Town Centre	83,360	78,268	84,102	-5,834	83,360	
Employment & Skills	358,070	184,513	153,345	31,167	358,070	25,270
Homes	1,109,630	520,514	321,850	198,664	1,109,630	-138,000
Infrastructure	375,250	184,864	152,894	31,970	375,250	
Trading	-4,641,760	-1,982,278	-2,116,060	133,782	-4,641,760	334,190
Central & Democratic	14,041,620	6,253,536	5,483,010	770,527	14,041,620	14,220
	20,562,830	10,060,738	7,513,522	2,547,216	20,562,830	292,040

Table 2

0

ANALYSIS BY SUBJECTIVE SPEND

Subjective	Full Year Budget	To September 2017	Actual	Variance ¹	Year End Forecast	Year End Variance
	£	£	£	£	£	£
Employees	20,192,590	9,966,776	9,451,310	515,466	20,192,590	209,110
Premises	4,329,590	3,017,810	3,039,989	-22,179	4,329,590	
Transport	1,090,800	544,210	481,252	62,958	1,090,800	
Supplies & Services	19,026,440	4,778,190	4,526,554	251,636	19,026,440	-171,530
Agency	4,612,860	2,524,973	2,444,966	80,007	4,612,860	
Transfer Payments	52,035,970	25,284,335	22,881,526	2,402,809	52,035,970	
Asset Rents	1,187,250	124,325	124,220	105	1,187,250	
Income	-81,912,670	-36,179,880	-35,436,295	-743,586	-81,912,670	254,460
	20,562,830	10,060,738	7,513,522	2,547,216	20,562,830	292,040

Table 3

¹A positive figure represents a favourable variance. A negative figure (ie -£X,XXX) represents an adverse variance.

**MAIDSTONE BOROUGH COUNCIL
POLICY & RESOURCES COMMITTEE
BUDGET MONITORING - 2ND QUARTER 2017/18**

Capital Programme 2017/18 by Service Committee to 30th September 2017

Capital Programme Heading	Adjusted Estimate 2017/18 £	Actual to September 2017 £	Budget remaining before slippage £	Q3 Profile £	Q4 Profile £	Projected Total Expenditure £	Slippage agreed end of Q1 £	Further slippage to end of Q2 £	Total Slippage £
COMMUNITIES, HOUSING & ENVIRONMENT									
Housing Incentives	737,430	4,695	732,735	55,000	50,365	110,060	627,365	5	627,370
Housing - Disabled Facilities Grants Funding	1,084,270	87,586	996,684	300,000	304,224	691,810	392,457	3	392,460
Housing Investments	4,375,650	3,571,703	803,947	300,000	42,577	3,914,280	461,372	-2	461,370
Purchase of Lenworth House	247,500	0	247,500	247,500		247,500	0	0	0
Gypsy Site Fencing Works	42,300		42,300		42,300	42,300		0	276,570
Brunswick Street Housing Development	1,478,920	947,214	531,706	27,000	107,600	1,081,814	276,570	120,536	305,536
Union Street (Recommended Option)	500,000	83,962	416,038	1,000	107,000	191,962	185,000	123,038	415,658
King Street Housing Development	500,000		500,000		35,000	35,000	292,620	172,380	352,380
Commercial Waste	180,000		180,000			0	180,000	0	0
Street Scene Investment	50,000	40,280	9,720	9,720		50,000	0	0	0
Flood Defences	117,660	4,334	113,326			4,334	83,326	30,000	113,326
Total	9,313,730	4,739,774	4,573,956	940,220	689,066	6,369,060	2,498,710	445,960	2,944,670
HERITAGE, CULTURE & LEISURE									
Continued Improvements to Play Areas	1,349,970	171,414	1,178,556	150,000	147,386	468,800	881,172	-2	881,170
Commercial Projects - Mote Park Parking	31,080		31,080		31,080	31,080	0	0	0
Commercial Projects - Crematorium Projects	616,990	34,000	582,990	10,000	220,000	264,000	352,990	0	352,990
Commercial Projects - Mote Park Adventure Zone/Play Area	1,150,000	28,143	1,121,857	221,000	900,857	1,150,000	-759	759	0
Mote Park Improvements	682,550	9,648	672,902	135,000	140,352	285,000	396,790	760	397,550
Other Parks Improvements	225,000		225,000			0	125,000	100,000	225,000
Mote Park Visitor Centre	100,000	26,964	73,036	25,000	25,036	77,000	25,529	-2,529	23,000
Museum Development Plan	144,640	79,999	64,641	32,000	32,641	144,640	-728	728	0
Total	4,300,230	350,168	3,950,062	573,000	1,497,352	2,420,520	1,779,994	99,716	1,879,710
POLICY & RESOURCES									
High Street Regeneration (Public Realm Phase 3)	1,583,760	65,264	1,518,496	78,000	300,266	443,530	1,140,233	-3	1,140,230
Asset Management / Corporate Property	281,380	12,810	268,570	95,000	92,190	200,000	81,380	0	81,380
Feasibility Studies	50,000	2,540	47,460	24,000	23,640	50,180	0	-180	-180
Software / PC Replacement	291,070	52,549	238,521	120,000	118,521	291,070	0	0	0
Acquisition of Commercial Assets	1,500,000	2,081,827	-581,827	1,515,000		3,596,827	-581,500	-1,515,327	-2,096,827
Maidstone East/Sessions Square	659,720	425,542	234,178	50,000	100,000	575,542	0	84,178	84,178
Total	4,365,930	2,640,532	1,725,398	1,882,000	634,617	5,157,149	640,113	-1,431,332	-791,219
STRATEGIC PLANNING, SUSTAINABILITY & TRANSPORT									
Bridges Gyrotory Scheme	200,000	0	200,000	200,000		200,000		0	0
Uncommitted budget	298,580						298,580	0	298,580
Total	498,580	0	200,000	200,000	0	200,000	298,580	0	298,580
Grand Total	18,478,470	7,730,474	10,449,416	3,595,220	2,821,035	14,146,729	5,217,397	-885,656	4,331,741

APPENDIX 3

Business Name	Property Address	A/C ref	Fin. Year	O/S debt	Costs	Total to be written off	Reason for write off	Action taken
Gadgenie Limited	82 Week Street, Maidstone, ME14 1RJ	3264470	2014/15 2015/16 2016/17	£37,138.67 £2,107.82	£200.00 £400.00	£39,846.49	Liquidation	Debt was with the enforcement agents. Landlord then advised that the property had been repossessed on 19.04.2016 and company then went into liquidation on 29.04.2016. Notice of no dividend received.
MAIDSTONE CAR MAINTENANCE LTD	87-97 Upper Stone Street, Maidstone, Kent, ME15 6HE	3282554	2015/16 2016/17 2017/18	£1927.55 £19,755.75 £710.49		£22,393.79	Dissolved	This was on the Pre Summons List but there was no forwarding address for communication. Company dissolved on 25.07.2017.
Empire Retail Maidstone Limited	310 (Unit 313) Dukes Walk, Chequers Centre, Maidstone, Kent, ME15 6AS	3260853	2016/17 2017/18	£46966.51 £7029.20		£53,995.71	Ceased Trading	This company have ceased trading and will subsequently be shut down by Companies House. The debt will therefore have to be written off.
Chamic Limited	365/366 (Unit 366/367) Dukes Walk, Chequers Centre, Maidstone, Kent ME15 6AS	3269772		£15274.92 £21960.59	£200.00 £200.00	£37,635.51	Dissolved	Recovery action was taken but company subsequently dissolved on 16.05.2017.
Denwood Garden Products Ltd	Unit 6 Harrietsham Depot, Station Road, Harrietsham, ME17 1JA	3253413	2014/15 2015/16 2016/17	£349.50 £10,599.50 £2,664.06	£200.00 £200.00	£14,013.06	Liquidation	Debt was with enforcement agents. The company went into liquidation on 02.09.16 and dividend to creditors is unlikely.
Baymax Limited	The Rafters, High Street, Maidstone, Kent, ME14 1SR	3285167	2015/16 2016/17	£14790 £7026.08		£21,816.08	Dissolved	Company dissolved on 14.06.2017.
Total						£189,700.64		

Maidstone Borough Council Investments as at 30th September 2017

Counterparty	Type of Investment	Principal £	Start Date	Maturity Date	Rate of Return	Arlingclose Credit Limits	
						Suggested Term	Maximum Deposit
SANTANDER UK PLC	NOTICE ACCOUNT	3,000,000			0.550%	6 months	£3,000,000
GOLDMAN SACHS ASSET MANAGEMENT	MONEY MARKET FUND	455,000			0.130%	2 Years	£8,000,000
STANDARD LIFE LIQUIDITY FUNDS	MONEY MARKET FUND	5,000,000			0.203%	2 Years	£8,000,000
FEDERATED INVESTORS (UK)	MONEY MARKET FUND	5,000,000			0.210%	2 Years	£8,000,000
LLOYDS BANK PLC	DEPOSIT - FIXED	2,000,000	12/10/2016	11/10/2017	1.000%	6 months	£3,000,000
GOLDMAN SACHS INT'L BANK	DEPOSIT - FIXED	2,000,000	12/07/2017	20/10/2017	0.330%	100 Days	£3,000,000
NATIONAL COUNTIES BUILDING SOCIETY	DEPOSIT - FIXED	1,000,000	12/07/2017	20/10/2017	0.350%	100 Days	£3,000,000
BLACKPOOL BOROUGH COUNCIL	DEPOSIT - LA	2,000,000	29/09/2017	29/03/2018	0.300%	2 Years	£8,000,000
FEDERATED INVESTORS (UK)	ENHANCED CASH FUND	3,000,000			0.359%	2 Years	£8,000,000
STANDARD LIFE LIQUIDITY FUNDS	ENHANCED CASH FUND	3,000,000			0.280%	2 Years	£8,000,000

26,455,000

Agenda Item 14

Policy & Resources Committee 22 November 2017

Charging Policy

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

Executive Summary

This report introduces a proposed policy on charging for services to replace the existing Fees and Charges policy.

This report makes the following recommendations to this Committee:

That the updated Charging Policy, attached at Appendix 1, is approved.

Timetable

Meeting	Date
Corporate Leadership Team	17 th October 2017
Policy & Resources Committee	22 nd November 2017

Charging Policy

1. INTRODUCTION AND BACKGROUND

- 1.1 It is appropriate to update the Council's charging policy to reflect changes since the original policy was adopted, for example in the Council's governance arrangements, and to reflect the Council's increased focus on income generation. A draft updated Charging Policy is accordingly attached at Appendix 1 to this report. The proposed policy aims to ensure that charges made by the Council are set at an appropriate level which supports the delivery of strategic objectives and value for money.
 - 1.2 The purpose of the policy is to ensure that a robust and coherent approach is taken to setting fees and charges.
 - 1.3 Fees and charges will continue to be reviewed annually and approved by service committees as part of the medium term financial planning process in line with the Council's Financial Procedure Rules. The new policy also proposes that Policy and Resources committee oversees this process by assessing the overall impact of all proposed changes, and considering the potential impact on customers.
-

2. AVAILABLE OPTIONS

- 2.1 Agree the proposed Charging Policy attached at Appendix 1 to this report. This option is recommended for the reasons outlined in section 3 below.
 - 2.2 Propose an alternative version of the policy. The proposed policy seeks to ensure that the Council is able to deliver value for money through maximising cost recovery for discretionary services, as far as it is appropriate to do so.
 - 2.3 Do nothing. This option is not recommended as the absence of a clear framework for setting fees and charges could lead to a lack of transparency and poor decision making in setting charges, which would be to the detriment of the Council's financial position and ability to deliver its strategic priorities.
-

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 The preferred option is to adopt the proposed policy on charging attached at Appendix I to this report, as outlined at 2.1 above. Income generated through fees and charges represents an important source of funding to the council, particularly in light of reductions in central government funding and constraints on the Council's ability to raise Council Tax in recent years.
- 3.2 The existence of a policy on setting discretionary fees and charges is an important aspect of ensuring that charges are set at an appropriate level and determined in a manner which is consistent, transparent and enables fair access to the service.

3.3 The proposed policy seeks to ensure that a comprehensive approach is taken to charging for services, in order to achieve the correct balance between strategic objectives and income generation. It also allows for concessions to be introduced for certain user groups in order to encourage or facilitate access to a service, promote fair and equal access to services and ensure that the existence of the charge does not put any particular group at a disadvantage.

4. RISK

4.1 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.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 No formal consultation has been undertaken.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Fees and charges for 2018/19 onwards will be reviewed, and proposals will be brought to service committees in December and January.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Accepting the recommendations will improve the Council’s ability to achieve its corporate priorities. We set out the reasons other choices will be less effective in section 2.	Head of Finance
Risk Management	Covered in section 4.	Head of Finance
Financial	Financial implications are set out within the body of the report.	Head of Finance
Staffing	No implications have been	Head of Finance

	identified.	
Legal	The policy relates to fees and charges 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.	Interim Deputy Head of Legal Partnership
Privacy and Data Protection	No implications have been identified.	Interim Deputy Head of Legal Partnership
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment. However, the introduction of any new fee or charge would require an equalities impact assessment to be completed and this is reflected in the policy.	Equalities and Corporate Policy Officer
Crime and Disorder	No implications have been identified.	[Head of Service or Manager]
Procurement	No implications have been identified.	[Head of Service & Section 151 Officer]

8. REPORT APPENDICES

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

- Appendix 1: Charging Policy

9. BACKGROUND PAPERS

None

Maidstone Borough Council

Charging Policy

November 2017

Charging Policy

1 Introduction and Context

- 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

- 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 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.

Charging Policy

- 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

- 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

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

Charging Policy

- 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

- 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
 - 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

Charging Policy

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

- 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.
 - 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.

Charging Policy

- 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

- 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 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

Charging Policy

- 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.
- 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

- 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.

Charging Policy

- 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

- 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.

DRAFT

Appendices

DRAFT

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?		
10. If applicable, have consultation results been taken into account?		

Appendix A - Discretionary Fees & Charges Review Checklist

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	Street Naming & Numbering				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%			
	Street Naming & Numbering Total				66,995	49,000				0	49,000	

Agenda Item 15

Policy and Resources Committee

22/11/2017

Mid Kent Services (MKS) Board Appointment- options

Final Decision-Maker	Policy and Resources
Lead Head of Service/Lead Director	Stephen McGinnes, Mid Kent Services Director
Lead Officer and Report Author	William Tait, Mid Kent Services Support Officer
Classification	Public
Wards affected	All

Executive Summary

This report is concerned with the recommendation from the Mid Kent Services (MKS) board to expand the board by one additional member from each of the partnership authorities. It further considers which mechanism Maidstone Borough Council will use to select the additional member for this board.

This report makes the following recommendations to this Committee:

1. The recommendation of the MKS Board to expand the board by one additional member drawn from each of the partnership authorities is agreed.
2. The additional member on the MKS Board will be selected by the Leader of the Council.

Timetable

Meeting	Date
Policy and Resources	22/11/2017

Mid Kent Services (MKS) Board Appointment- options

1. INTRODUCTION AND BACKGROUND

- 1.1 At the MKS Board meeting on 22 September 2017 the Board made the recommendation to expand the MKS Board by one member per partnership authority.
- 1.2 The driving force behind this decision was concern over the continuity of political leadership and broadening the talent pool of the board within the partnership. The MKS board were particularly concerned with mitigating the effects of changes in the leadership of a partner authority. The potential of increased member engagement with MKS through the additional member was also considered as an advantage to increasing the membership.
- 1.3 The MKS Board identified that a positive, open and trust based relationship was key to the effective political leadership of MKS. As such it made sense to widen the inclusion of political leadership on the MKS Board from purely the Council Leaders to include an additional member from each authority.
- 1.4 It was felt by doubling the number of elected members from 3 to 6 not only would it reduce the vulnerability regarding continuity of leadership but it would bring into the MKS Board a greater pool of talent from which to draw ideas about the future of MKS. Another point made during this discussion was the growth in the number of shared services under the MKS since the original terms of governance set out the size of the Board and that this also contributed to justifying the increase in the size of the Board.
- 1.5 No specific mechanism of selecting the additional member was stipulated in the recommendation from the MKS Board.
- 1.6 Swale Borough Council and Tunbridge Wells Borough Council have proposed to select their additional member using the Leader's choice as the mechanism.

2. AVAILABLE OPTIONS

- 2.1 '**Do nothing**'. The do nothing option would reject the recommendation of the MKS Board to increase the membership of the Board. The clearest disadvantage of this option and the reason it is not preferred is it does nothing to address the risk presented by a potential lack of continuity in the political leadership.
- 2.2 '**Deputy Leader**'. This option would fill the additional position on the MKS Board with whoever holds the position of Deputy Leader at any given time. The advantage of this is it would include another senior member of the Council directly within MKS.

- 2.3 **'Vice-Chairman of Policy and Resources'**. This option would be to fill the additional position on the MKS board with whoever holds the position of Vice-Chairman of the Policy and Resources Committee at any given time. The potential advantage of this option is that Shared Services fall within the remit of the Policy and Resources Committee, so it would be appropriate for the Vice-Chairman of the Committee to fulfil this role.
- 2.4 **'Leader's Choice'**. This option would involve the additional position being filled by a member as selected by the Council Leader. This is the option chosen by the other two MKS partner authorities and is therefore treated as the default preferred option.
- 2.5 **'Committee Decision'**. This option would be to select the additional member by majority decision of the Policy and Resources Committee. This reflects the role of the Policy and Resources Committee in overseeing shared services and gives greater flexibility than the option of having the Committee's Vice-Chairman as the nominee.
-

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

Leader's choice

- 3.1 The Leader will select a member to serve on the MKS Board. They will be expected to attend the twice annual meetings of the Board, be engaged with governance of MKS services throughout the year and be an influencer in encouraging other members to engage more deeply with MKS.
- 3.2 This option harmonises governance arrangements across the partnership as Swale Borough Council and Tunbridge Wells Borough Council have proposed to select their additional member using this mechanism.
-

4. RISK

- 4.1 The risk relating to the additional appointment is limited by the fact the MKS Board is not a decision making body. It only makes recommendations which are referred back to the relevant committee at Maidstone Borough Council for approval. This is therefore within the council's risk appetite as these decisions would undergo their own risk assessment on a case by case basis.
- 4.2 The risk of 'doing nothing' is that it does not deal with the lack of continuity of political leadership. The potential effects of this in the future could be a breakdown in the positive, open and trust based relation between the partnership authorities. This relationship has been previously identified as important to the effective political leadership of MKS. This could then indirectly impact on the Council's ability to achieve its corporate priorities. A secondary potential risk is that independent of Maidstone Borough Council's decision Tunbridge Wells Borough Council and Swale Borough Council could elect additional members to the MKS Board which would dilute Maidstone's influence and voting share over recommendations from the Board.

4.3 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. That consideration is shown in this report at paragraph 4.1-4.2. We are satisfied that the risks associated are within the Council’s risk appetite and will be managed as per the Policy.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 After consultation with the Leader of Swale Borough Council the report going before Swale Borough council cabinet in December will recommend that Leader’s choice is the mechanism used to select the new appointment to the MKS Board.

5.2 After consultation with the Leader of Tunbridge Wells Borough Council the report going before the Tunbridge Wells Borough Council Cabinet in January will recommend that Leader’s choice is the mechanism used to select the new appointment to the MKS Board.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 After the decision, conditional on decisions at other authorities, if the recommendations are accepted the terms of reference for the MKS Board will be amended to include the following: ‘and one additional elected member drawn from each of the partnership authorities selected by the respective Leaders.’

6.2 A named member would be selected by the leader before the next MKS Board meeting in March 2018 and this choice would be communicated to members through the members’ newsletter.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The recommendations will not by themselves materially affect achievement of corporate priorities. However, they will support the Council’s overall achievement of its aims as set out in section 3.	William Tait, Mid-Kent Services Support Officer
Risk Management	The risk is within the council’s risk appetite. Please see section 4 for further details.	William Tait, Mid-Kent Services Support Officer
Financial	The recommendations in this	Section 151

	report have no direct financial implications.	Officer & Finance Team
Staffing	No implications.	William Tait, Mid-Kent Services Support Officer
Legal	The Local Government Act 1972, S111 provides that a local authority shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The recommendations proposed are in accordance with the power.	Patricia Narebor, Head of Legal Partnership.
Privacy and Data Protection	Accepting the recommendations will marginally increase the volume of data held by the Council. We will hold that data in line with current policies and procedures.	Patricia Narebor, Head of Legal Partnership.
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment.	Equalities and Corporate Policy Officer
Crime and Disorder	No implications.	William Tait, Mid-Kent Services Support Officer
Procurement	No implications.	William Tait, Mid-Kent Services Support Officer

8. REPORT APPENDICES

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

- Appendix 1: Terms of Reference of the Mid Kent Services (MKS) Board
-

9. BACKGROUND PAPERS

There are no background papers.

Appendix 1: Mid Kent Services (MKS) Board Current Terms of Reference

TERMS OF REFERENCE OF THE MID-KENT SERVICES BOARD

Membership shall comprise the Leader and Chief Executive (or approved representative) from each partner Authority. The quorum will be five with at least one person present from each of the Parties. This Board shall meet biannually with the Mid-Kent Services Director and Mid-Kent Services Support Officer. One meeting shall be the Board 'Away Day,' which will be used to agree the partnership strategy for the forthcoming year.

The responsibilities of the MKS Board shall include:

1. To define the objectives and strategic priorities for Mid Kent Services.
2. To approve the financial envelope for MKS based on the recommendations of the Shared Service Board and Executive Board;
3. To approve new shared service projects based on the recommendation of the Executive Board;
4. To make recommendations to the individual partner authorities on overarching MKS issues and policies, including strategic priorities and objectives;
5. To approve the Work Programme and Communications Plan;
6. To consider any matters referred to it from, and delegate matters to, the Executive Board;
7. To provide direction to the MKS Support Officer; and
8. To review these arrangements from time to time and make recommendations to the individual partner authorities for improvement.

**Policy and Resources
Committee**

22 November 2017

**Call in of Decision of Heritage, Culture and Leisure
Committee - Disposal of Land Adjacent to Gallagher
Stadium**

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service/Lead Director	Mark Green, Director of Finance and Business Improvement
Lead Officer and Report Author	Sam Bailey, Democratic and Administration Services Manager
Classification	Public
Wards affected	North

Executive Summary

This report asks Policy and Resources Committee to review the decision made at the meeting of the Heritage Culture and Leisure Committee on 31 October 2017 to dispose of land adjacent to Gallagher Stadium on a leasehold basis to Maidstone United Football Club.

This report makes the following recommendations to this Committee:

That the referral be considered and a decision made to either:

- (a) endorse the original Committee decision; or
- (b) substitute a different decision in place of the decision of the Committee.

Timetable

Meeting	Date
Heritage Culture and Leisure Committee	31 October 2017
Policy and Resources Committee	22 November 2017

Call in of Decision of Heritage, Culture and Leisure Committee - Disposal of Land Adjacent to Gallagher Stadium

1. INTRODUCTION AND BACKGROUND

1.1 The Heritage Culture and Leisure Committee considered the disposal of land adjacent to Gallagher Stadium at their meeting of 22 November 2017, and resolved to dispose of the land on a leasehold basis for the term of 99 years at a peppercorn rent.

1.2 Following this decision, three Councillors requested a review of this decision in line with procedure rule 32 in Part 3 of the Council's Constitution. The Councillors who called the decision in were Councillors Boughton, M Burton and Naghi.

1.3 The reason given for the call in of the decision was:

'During the discussion and prior to the vote, the Director of Finance and Business Improvement stated that Maidstone United Football Club would "reluctantly accept" that Maidstone Borough Council may take the decision to dispose of the land on a leasehold basis.

However, we understand that this is not the position of Maidstone United Football Club and they had made it clear in meetings before the Heritage Culture and Leisure Committee on 31 October 2017 that the club were only interested in acquiring the land on a freehold basis.

We are concerned that Councillors on the Committee were not presented with a fully accurate statement on the position of Maidstone United Football Club when voting.'

1.4 Therefore it now falls to the Policy and Resources Committee to decide whether to endorse the original resolution of the Heritage Culture and Leisure Committee of 31 October, or to make a different decision on the disposal of this land. The Committee report that was considered by the Heritage Culture and Leisure Committee on 31 October is attached as Appendix 1 to this report, and contains the information required to make a decision on this item.

Grounds for Call In

1.5 The grounds for the call in of the decision were that Councillors were not presented with a fully accurate statement on the position of Maidstone United Football Club when voting.

1.6 In fact, the Football Club's position was set out clearly in the report to the Committee at paragraph 3.4, which states that the 'Club has expressed a preference for a freehold disposal'. The report then goes on to say that the

Club was aware that a freehold disposal would be contrary to the Council's disposal policy.

- 1.7 The Director of Finance and Business Improvement was asked at the meeting on 31 October whether the Football Club would accept a leasehold. He responded that the Council had been in discussions with the Football Club and they understood the Council's policy. He concluded on the basis of these discussions that they would reluctantly accept that this was the Council's position. A transcript of the part of the meeting is available as Appendix 3 to this report. The Council webcast is available at the following link: https://maidstone.public-i.tv/core/portal/webcast_interactive/310209 An extract of the minutes for this item is attached to this report as Appendix 4.

Information Following the Committee Meeting

- 1.8 Since the Committee meeting and subsequent call in, Maidstone United Football Club have released a statement to the media restating their position. They state that:
- Agreeing to the lease would leave them 'at the mercy of the council'.
 - Agreeing to a leasehold disposal would make it impossible to raise financing for the future.
 - There were numerous legal charges, covenants, easements, wayleaves and clawbacks that already existed for the Gallagher Stadium. This meant that any time they wanted to secure a grant or modify the use of the stadium the legal costs were prohibitive.
 - The decision to dispose of the land leasehold would mean they would have to produce more drawings and calculations and could jeopardise their application to compete in the play offs and be eligible to join the Football League.
- 1.9 Officer advice in response to these representations is as follows.
- As set out in the original report to Heritage, Culture and Leisure Committee, the Council's intention in granting a lease is to facilitate the Football Club's expansion plans. The terms of the lease would reflect this and would be agreed between the Council and the Club.
 - Ownership of a small landholding alongside the Stadium is unlikely to be material to the Club's capacity to attract investment.
 - Existing legal issues in relation to the Gallagher Stadium are not relevant to this decision.
 - The production of drawings and calculations would presumably be required regardless of whether the Club owns or leases the land.
- 1.10 The question has arisen as to why this land has been considered as 'Strategic', and therefore only suitable for leasehold disposal. The reason

this land has been considered as strategic is that it is located near the river, close to the town centre, alongside a path that leads to one of the town's largest parks and forms part of the pedestrian route through the town, and is close to the footings of the footbridge that leads to Whatman Park. It forms part of an area of trees and bushes that forms a natural barrier between the river and the stadium.

- 1.11 The Council is obtaining a valuation of the freehold interest in the land, should Members wish to substitute the decision to dispose on a leasehold basis with disposal on a freehold basis. A copy of the up to date valuation will be circulated to members once it is available. As a freehold disposal would be contrary to Council policy, it would be necessary for Members to set out the reasons for diverging from policy on this occasion.
-

2. AVAILABLE OPTIONS

- 2.1 The available options are outlined in Appendix 1 and have not changed since the Heritage, Culture and Leisure Committee Meeting of 31 October 2017.
-

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 The preferred option remains a leasehold disposal of the land, as this is in line with Council Policy. Further information on the preferred option and reasons for this is outlined in Appendix 1.
-

4. RISK

- 4.1 The risk outlined in Appendix 1 has not changed since the Heritage, Culture and Leisure Committee Meeting of 31 October 2017.
-

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Heritage Culture and Leisure Committee resolved that the land should be disposed of on a leasehold basis. The Policy and Resources Committee now needs to decide whether they wish to endorse the original decision or make a different decision.
- 5.2 Following the decision of the Heritage, Culture and Leisure Committee, the Council received feedback from members of the public in support of the Club. The points raised in this correspondence mainly repeated the points made in paragraph 1.8 of this report.
-

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Constitutionally, there is no further way to review this decision once it has been considered by the Policy and Resources Committee. Once the decision has been reviewed the club will be informed directly of the decision, and the Council's Communications team will be made aware of the decision in case of media enquiries. The public will be made aware of the decision through the webcast of the meeting and minutes of the meeting.
-

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

- 7.1 Cross cutting issues remain same as the report of 31 October 2017, which can be found at Appendix 1 to this report.

8. REPORT APPENDICES

Appendix 1: Heritage Culture and Leisure Committee Report on Disposal of Land Adjacent to Gallagher Stadium

Appendix 2: Site Plan

Appendix 3: Partial Transcript of Heritage, Culture and Leisure Committee 31 October 2017

Appendix 4: Extract of Minutes of Meeting of Heritage Culture and Leisure Committee 31 October 2017

9. BACKGROUND PAPERS

None

Appendix 1: Heritage Culture and Leisure Committee Report on Disposal of Land Adjacent to Gallagher Stadium

Heritage, Culture and Leisure Committee	31 October 2017
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Is the final decision on the recommendations in this exempt report to be made at this meeting?	Yes
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Disposal of Land Adjacent to Gallagher Stadium

Final Decision-Maker	Heritage, Culture and Leisure Committee
Lead Head of Service	Director of Finance and Business Improvement
Lead Officer and Report Author	Lucy Stroud – Corporate Property Manager
Classification	Public
Wards affected	North Ward

This report makes the following recommendations to the final decision maker:

1. That the Committee agrees to declare the open space adjacent to the Gallagher Stadium, as outlined in red on the attached plan in Appendix I, as surplus to operational requirements.

2. That the Committee agrees to authorise the placing of a public notice pursuant of Section 123 of the Local Government Act 1972 advertsing the proposed disposal of the land.

3. That the Committee agrees that the land should be disposed to the Football Club for a term of 99 years at a peppercorn rent.

4. That the Director of Finance and Business Improvement uses delegated powers to conclude the lease negotiations.

This report relates to the following corporate priorities:

The football stadium regularly attracts large numbers of football fans, many of whom will go into the town, supporting the local economy.

Timetable

Meeting	Date
Heritage, Culture and Leisure Committee	31 October 2017

Disposal of Land Adjacent to Gallagher Stadium

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report recommends that the Committee agrees to declare the land adjacent to the Gallagher Stadium surplus to operational requirements and to place a public notice in the Kent Messenger newspaper advertising the disposal.
- 1.2 If the Committee agrees that the land is surplus to requirements, it is invited to consider the method by which the land should be disposed, the options of which are set out in this report.

2. INTRODUCTION AND BACKGROUND

- 2.1 Maidstone United Football Club has approached Officers to request that a strip of land adjacent to the Stadium be transferred to the Club to enable the creation of a private access way as part of a new pedestrian exit from the Stadium.
- 2.2 As a result of promotion to the National Conference League, the Club has had to increase capacity from 3,000 spectators to at least 4,000. This has been achieved by building a new north stand, increasing capacity to 4,200.
- 2.3 We understand that the Club wishes to build terraces on the west side of the stadium, which is currently undeveloped with spectators simply standing behind the touchline. As this area is currently used as an exit route for the north stand, a new private access way will be needed behind the proposed new terraces in order to allow spectators to exit the north stand. The land in Appendix 1 is approximately 330 square metres and will be enclosed within a new boundary fence.
- 2.4 The land is currently an informal grass path and runs parallel to the public footpath connecting the river towpath to the footbridge. If the Council disposes of the land to allow construction of the private access way, the Club will instruct an ecologist to maintain a watching brief during the construction period to ensure no harm comes to any wildlife. Officers have met with representatives from the Club and their ecologist to confirm that the construction of the private access way will have minimal impact on the biodiversity in the area.
- 2.5 The proposed disposal is subject to the Council's policy on disposal of property, set out in Appendix II. The policy states that the Council will not usually dispose of public open space, but on occasions it may be beneficial to dispose of a small or discrete area of open space. The policy states that the Council will use leasehold disposal if there is a benefit in retaining freehold title, for example to ensure that the Council's responsibilities in relation to the land are maintained in perpetuity. In this case, the strategic location of the land, close to the town centre and adjoining trees and bushes that form a green barrier between the football stadium and the river

Appendix 1: Heritage Culture and Leisure Committee Report on Disposal of Land Adjacent to Gallagher Stadium

and towpath, means that there is a strategic benefit to the Council in retaining freehold ownership. This report therefore recommends that the land is disposed of by means of a long lease.

3. AVAILABLE OPTIONS

- 3.1 The Committee could choose to declare the land surplus, advertise the intention to dispose, and continue to negotiate the disposal with the Club. There are two options for disposing of the land, either by a leasehold disposal or by transfer of the freehold.
- 3.2 Should the Committee decide to declare the land surplus it could be disposed of by way of a long leasehold of 99 years and at a peppercorn rent. This option would allow the Club to construct the access way and ensure that the stadium has safe pedestrian exit from the north stand. A leasehold disposal could be agreed at a peppercorn rent because, in line with the Council's Disposal Policy, the asset would remain within the Council's ownership but provide significant benefits to the Club and ultimately the community by means of stadium improvements.
- 3.3 Alternatively, the Committee could decide to declare the land surplus and dispose of the freehold interest in the land for market value. A current valuation of the land would be undertaken by independent valuers and the transfer of the land would have to include an overage clause to ensure that the Council is compensated for the loss of opportunity should the Club sell the land in future.
- 3.4 Discussions have taken place with Maidstone United Football Club about both potential disposal routes. The Club has expressed a preference for a freehold disposal on a number of grounds, principally the following:
- they do not wish to accept restrictions on the use of the land as the precise use may vary over the lifetime of the lease
 - they foresee that an ongoing lease agreement will create additional complexity and cost for them
 - the Football Club performs a social and community function and makes a significant contribution to the life of the town

The Club is aware that a freehold disposal would be contrary to the Council's disposal policy.

- 3.5 The final option available to the Committee is not to declare the land surplus, and retain it as open space.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Committee is recommended to declare the land surplus, place the public notice, and considering any objections that may be received as a result of the notice, proceed with a leasehold disposal at a peppercorn rent.

Appendix 1: Heritage Culture and Leisure Committee Report on Disposal of Land Adjacent to Gallagher Stadium

- 4.2 Disposing of the land is in keeping with the Council’s Disposal Policy because there are direct community benefits from facilitating expansion of the football stadium, and wider benefits to the economy of the town. It is for these reasons that it is recommended that the rent be a peppercorn rather than a market rent, and that the leasehold disposal is the preferred option despite being for less than best consideration.
- 4.3 A leasehold disposal will provide the Club the land it requires to construct the new access way and provide a safe pedestrian route from the stadium. Agreeing a peppercorn rent ensures that the Club is not financially constrained by the lease and their plans are not hampered by additional funding requirements.
- 4.4 A leasehold disposal is recommended as opposed to a freehold disposal as the Council has an ongoing strategic interest in the site because of its location.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Heritage, Culture and Leisure Committee previously considered this matter on the 4th April 2017, at which time it was decided to not declare the land surplus and that the possibility of granting a licence to the Club be considered.
- 5.2 A licence is not an appropriate method of disposal because it allows shared use of the land. The access way that the Club desires to create will be fenced and only available to use by spectators within the stadium. Therefore a leasehold or a freehold disposal are the only available options.
- 5.3 Consultation will be through the publication of the Section 123 public notice.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Following the public notice appearing in the Kent Messenger newspaper, and allowing a period for objections and comments, further negotiations will take place with the Club based on the method of disposal that the Committee decide upon.
- 6.2 Negotiations with the Club will be taken by the Director of Finance and Business Improvement under delegated authority.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The football stadium regularly attracts large numbers of	Director of Finance &

Appendix 1: Heritage Culture and Leisure Committee Report on Disposal of Land Adjacent to Gallagher Stadium

	football fans, many of whom will go into the town, supporting the local economy.	Business Improvement
Risk Management	No impact.	
Financial	The financial implications are set out in the report.	Director of Finance and Business Improvement
Staffing	No impact.	
Legal	<p>The Council may dispose of land held in any manner it wishes but the Council may not dispose of land, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.</p> <p>There is an exception to this general rule where the Council is able to dispose of a site for less than its market value, if the Council can demonstrate the disposal will help to secure the improvement of the economic, social or environmental wellbeing of the whole or any part of its area and the undervalue does not exceed £2 million.</p> <p>All disposals also need to comply with the European Commission's State Aid Rules. The undervalue proposed in this report will not exceed the De Minimis Regulation of the European Commission. If it is agreed to dispose of the land at an undervalue, a record of the state aid must be kept.</p>	Team Leader Property & Regeneration
Equality Impact Needs Assessment	No impact.	
Environmental/Sustainable Development	No impact	

Appendix 1: Heritage Culture and Leisure Committee Report on Disposal of Land Adjacent to Gallagher Stadium

Community Safety	No impact.	
Human Rights Act	No impact.	
Procurement	No impact.	
Asset Management	The asset will be disposed of.	

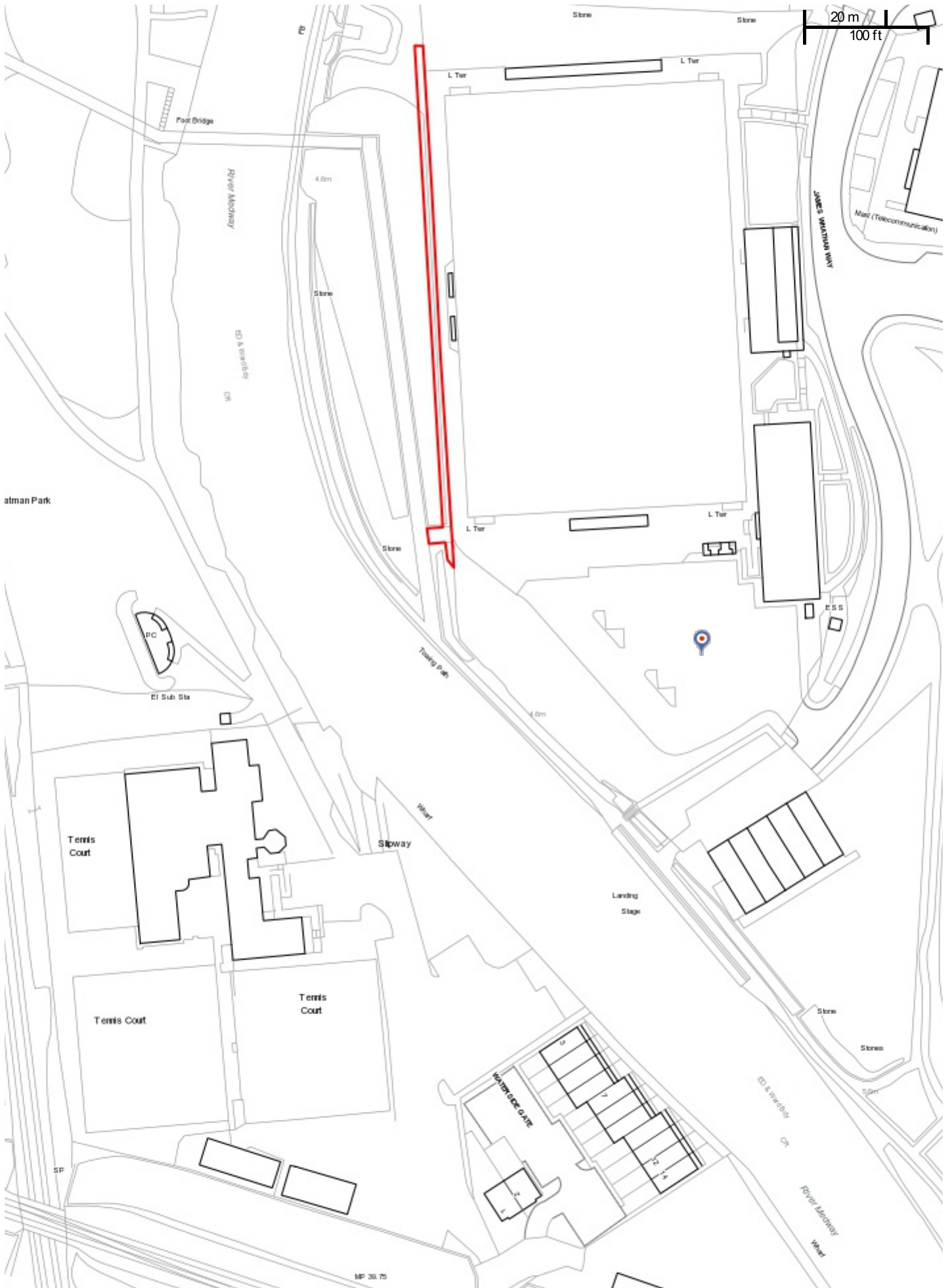
8. REPORT APPENDICES

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

- Appendix I: Site Plan
- Appendix II: Maidstone Borough Council Policy on Disposal of Property

9. BACKGROUND PAPERS

- 9.1 Heritage, Culture and Leisure Decision 4th April 2017 - <https://services.maidstone.gov.uk/meetings/documents/g2691/Decisions%2004th-Apr-2017%2018.30%20Heritage%20Culture%20and%20Leisure%20Committee.pdf?T=2>



**Appendix 3: Partial Transcript of Heritage, Culture and Leisure
Committee 31 October 2017**

Prior to this part of the debate, the recommendations on the papers had been moved and seconded

Councillor Butler: Will the Football Club accept a leasehold?

Mark Green: We have been in discussions with the Football Club and they understand that the leasehold is our policy so I think that they would reluctantly accept that this is the route that we would take.

The Chairman then moved to the vote

Appendix 4: Extract of Minutes of Meeting of Heritage Culture and Leisure Committee 31 October 2017

The Director of Finance and Business Improvement presented the report relating to the disposal of land adjacent to the Gallagher Stadium.

Councillor Naghi addressed the Committee on this item.

It was noted that:

- This Committee had previously considered the matter on 4 April 2017, at which time it was decided not to declare the land as surplus to requirements and that the possibility of granting a licence to Maidstone United Football Club be considered.
- A licence had been considered and was not deemed an appropriate method of disposal because it allowed shared use of the land. The Club wished to fence the land and to have sole use of the land for their spectators; therefore, the options were a freehold or a leasehold disposal.
- The Council's Policy on Disposal of Property required that the land be disposed on a leasehold basis where there was a strategic benefit to the Council in retaining the freehold. This would allow the asset to remain within the Council's ownership but would provide significant benefits to the Club and the wider community by accommodating the Club's growth.
- Discussions with the Club had taken place and their preferred option was that the land be disposed via a freehold agreement. The Club was aware that a freehold disposal would be contrary to the Council's policy.

In response to a question from the Committee, the Director of Finance and Business Improvement stated that adding conditions into a freehold agreement would cause unnecessary complications. It was also noted that a freehold disposal would leave the Council with no ability to influence any future development on the site.

The Committee acknowledged that the Club was a huge asset to the town and wanted to support the Club as much as possible.

RESOLVED:

1. That the open space adjacent to Gallagher Stadium, as outlined in red on the attached plan in Appendix I, be declared as surplus to operational requirements.

Voting: For – 9 Against – 0 Abstentions – 0

2. That the placing of a public notice pursuant of Section 123 of the Local Government Act 1972 advertising the proposed disposal of land be agreed.

Voting: For – 9 Against – 0 Abstentions – 0

3. That the land should be disposed on a leasehold basis to the Football Club for a term of 99 years at a peppercorn rent.

Appendix 4: Extract of Minutes of Meeting of Heritage Culture and Leisure Committee 31 October 2017

Voting: For – 7 Against – 0 Abstentions – 2

4. That the Director of Finance and Business Improvement uses delegated powers to conclude the lease negotiations.

Voting: For – 9 Against – 0 Abstentions – 0

Agenda Item 17

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

Document is Restricted

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

Document is Restricted