

POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday 24 June 2020

Time: 6.30 pm

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

Membership:

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

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

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Issued on Tuesday 16 June 2020

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

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INFORMATION FOR THE PUBLIC

In order to ask a question at this remote meeting, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Monday 22 June 2020). You will need to provide the full text in writing.

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

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MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES OF THE REMOTE MEETING HELD ON 29 APRIL 2020

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

Also Present: Councillors McLoughlin, J Sams and T Sams

155. MINUTE'S SILENCE

The Committee and others present observed a minute's silence as a mark of respect for all those in the Borough and surrounding area who have lost their lives due to COVID-19.

156. APOLOGIES FOR ABSENCE

There were no apologies for absence.

157. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

158. URGENT ITEMS

There were no urgent items.

159. NOTIFICATION OF VISITING MEMBERS

It was noted that Councillors Powell, J Sams and T Sams had given prior notice of their wish to speak on agenda item 12 - Council-Led Garden Community Update. However, in the event, Councillor Powell was not present when the Committee considered this report.

Councillor McLoughlin was also present to listen to the proceedings.

160. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

161. DISCLOSURES OF LOBBYING

It was noted that all Members had been lobbied on agenda item 12 - Council-Led Garden Community Update.

162. EXEMPT ITEMS

RESOLVED: That the items on the agenda be taken in public as proposed.

163. MINUTES OF THE MEETING HELD ON 12 FEBRUARY 2020

RESOLVED: That the Minutes of the meeting held on 12 February 2020 be approved as a correct record and signed.

Note: The Minutes will be signed as a correct record at such time that the Coronavirus social distancing restrictions are lifted.

164. PRESENTATION OF PETITIONS

There were no petitions.

165. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were seven questions from members of the public.

Question to the Chairman of the Committee from Mr Steve Heeley

Mr Steve Heeley asked the following question of the Chairman of the Committee:

Your Council-led Garden Community report states that three principal landowners have pulled out of your negotiations and you will be continuing with just five principal landowners. You do not currently have explicit agreement from any of these five landowners. You said to Lenham's residents in January that your plans would not proceed if landowners were not supportive. How many supportive landowners do you consider a minimum before deeming the whole project uneconomical to proceed?

The Chairman responded to the question.

Mr Heeley did not wish to ask a supplementary question arising out of his original question or the reply.

Question to the Chairman of the Committee from Ms Kate Hammond

Ms Kate Hammond asked the following question of the Chairman of the Committee:

It is widely accepted that we will be entering recession in the coming weeks. Your Council-led Garden Community report acknowledges that you have no interested developers for your scheme and it is unlikely that any will now come forward with the housing market about to collapse. Is it appropriate for Maidstone Council to be investing half a million pounds of taxpayer's money in a project that isn't going to go anywhere when

there are more pressing financial priorities for the Borough Council to focus on?

The Chairman responded to the question.

Ms Hammond did not wish to ask a supplementary question arising out of her original question or the reply.

Question to the Chairman of the Committee from Mr Rob Atkin MBE

Mr Rob Atkin MBE asked the following question of the Chairman of the Committee:

Your Council-led Garden Community report suggests a focus on sustainable transport instead of 'big kit infrastructure' investment like the motorway junction and High Speed rail station.

With 1,000 new homes already planned for Lenham in its Neighbourhood Plan plus those at Charing, Harrietsham and other surrounding villages, this report suggests that 5,000 homes in your new town could be unlocked by improvements to just one junction and provision of a local shuttle bus.

Existing traffic on the A20 plus the number of additional car trips generated from 5,000 new homes would require a dual carriageway. Will this end up being in your plan?

The Chairman responded to the question.

Mr Atkin did not wish to ask a supplementary question arising out of his original question or the reply.

Question to the Chairman of the Committee from Ms Sarah King

Ms Sarah King had given notice of her intention to ask the following question of the Chairman of the Committee but was not present at the meeting:

*The Council's own guidance for making a submission to the Call for Sites last year explicitly states: **"It is important that the submission includes confirmation from the landowner (or the person in legal control of the site) that the site will be available for the development being proposed."** Your Council-led submission for site 289 Heathlands Garden Community has a red boundary line of some 900 acres with over 150 landowners included. You did not seek their collective permission for including their land in this process.*

Is your submission for site 289 going to be withdrawn given you failed to meet the basic requirements set out in the Council's Call for Sites eligibility criteria?

In the absence of Ms King, the question was read out on her behalf by a Democratic Services Officer. The Chairman responded to the question and indicated that a written reply would be provided for Ms King.

Question to the Chairman of the Committee from Ms Gail Duff

Ms Gail Duff had given notice of her intention to ask the following question of the Chairman of the Committee but was not present at the meeting:

In April 2019, the Council approved a motion declaring a climate emergency and committing the Borough to being carbon neutral by 2030. How is the Council's intention to build a new town on 900 acres of predominantly greenfield land near Lenham compatible with your ambition to embed biodiversity and climate change action in everything the Council does?

In the absence of Ms Duff, the Chairman read out the question on her behalf. The Chairman then responded to the question and indicated that a written reply would be provided for Ms Duff.

Question to the Chairman of the Committee from Ms Michelle Lowe on behalf of Helen Whately MP

Ms Michelle Lowe asked the following question of the Chairman of the Committee on behalf of Helen Whately MP:

In relation to agenda item 12 (Council-Led Garden Community Update), as the Council is aware 96% (of more than 1,000 respondents) to my survey were against the development - What has the Council done to address these concerns particularly regarding extra traffic on local roads?

The Chairman responded to the question.

Ms Lowe did not wish to ask a supplementary question arising out of the original question or the reply.

Question to the Chairman of the Committee from County Councillor Shellina Prendergast

County Councillor Shellina Prendergast had given notice of her intention to ask the following question of the Chairman of the Committee but was not present at the meeting:

In relation to agenda item 12 (Council-Led Garden Community Update), how does the proposed development fit with the Council's environmental policy on climate change and those contained within the NPPF which oppose any pattern of development which unnecessarily increases the need to travel?

In the absence of County Councillor Prendergast, the Chairman read out the question on her behalf. The Chairman then responded to the question

and indicated that a written reply would be provided for County Councillor Prendergast.

To listen to the answers to these questions, please follow this link:

<http://services.maidstone.gov.uk/docs/Audio/PolicyandResourcesCommittee290420.mp3>

166. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

167. COUNCIL-LED GARDEN COMMUNITY UPDATE

At the invitation of the Chairman, Mr Rob Atkin MBE of the Save Our Heath Lands Action Group addressed the meeting.

In making his statement, Mr Atkin advised the Committee that:

- The Group's core message was that the proposed Council-led Garden Community at Heathlands was in the wrong location and should not be pursued any further.
- The Group understood the Council's position in terms of having to build more houses and knew that the Council was trying to think more strategically in how they might be delivered through new settlements or significant urban extensions, but did not understand why Lenham Heath was being considered. The Group had asked the Council to publish its Borough-wide analysis to explain its decision making but to no avail.
- Despite being in such an unsustainable location, up to 1,000 new homes were already planned for Lenham, doubling the size of the village. The area was isolated from urban facilities and residents were reliant on the use of their cars for journeys, but the Council was pursuing a Garden Community in the middle of the countryside.
- There had been mixed reviews about Garden Communities across the country and one of the success factors of the good ones was the simplicity of land ownership. These typically involved a small number of major land owners.
- The Group did not understand why the Council was considering a site with over 130 land owners, traveller sites, an industrial estate, a quarry, nature reserves, two railway lines and a motorway. It was the most complicated site that the Group could find of all the Garden Community proposals across the country.
- The Group considered that the Officers were painting an optimistic picture in their report to the Committee. Taking transport as an example, a motorway junction was not deliverable and to rely on the

A20 to accommodate the extra traffic from the development was not realistic.

- Apart from one or two principal land owners, no others appeared to be interested. The Group believed that there were significant concerns and questions to be answered about the viability of the project. Investing further taxpayers' money in this project when there are more pressing financial priorities for the Council to address would be irresponsible.
- The Group also considered that proceeding with the project would attract legal challenges from other developers as it would be interpreted that the Council was putting its own interests and those of a small number of major land owners ahead of other proposers of sites.

To conclude, Mr Atkin urged the Committee not to pursue the project further.

After Mr Atkin had addressed the Committee on behalf of the Save Our Heath Lands Action Group, the Director of Regeneration and Place introduced his report, the purpose of which was to provide an update on the progress made on the Council-led Garden Community proposal known as Heathlands since the last report to the Committee on 18 September 2019 with specific reference to the following topics:

Community Engagement
Environmental and Technical Surveys;
Landowner Negotiations and Commercial Structure;
Local Plan Review Context;
Expenditure; and
Delivery Options

The Director of Regeneration and Place advised the Committee that:

- The Council was considering a project of this nature as it was consistent with its Strategic Plan priority "embracing growth and enabling infrastructure" and the desired outcome within it of "The Council leads master planning and invests in new places which are well designed."
- The three smallest landowners, making up approximately 13% of the existing proposed site in total, had now indicated that they no longer wished to participate in the project. The five larger land owners had confirmed in writing their willingness to make their land available, but Heads of Terms had not been agreed at this stage. With a reduced number of landowners, a clearer picture was starting to form of the preferred land transaction. The proposed next steps included commissioning a second stage masterplan document that would demonstrate what could be achieved within a revised redline taking into account also the RSK survey findings.

- Homes England had expressed a willingness to provide their expertise in refining the business case once the masterplan had been recast and had in-house expertise to support Councils in Garden Community projects such as this.
- In terms of a preferred development partner, Homes England was the only organisation approached at this stage. The second stage masterplan document, if commissioned, would be used as a means of opening a dialogue with potential partners.
- With regard to the transport survey findings, a focus on sustainable transport solutions was suggested. However, the case for a motorway junction could be made if it could be linked to other larger scale developments either in Maidstone or a neighbouring Borough. A broad mix of uses within the site would be key to making the new Garden Community as self-contained as possible in terms of journeys.
- All Garden Community proposals were iterative in their nature. This proposal would continue to evolve as different stakeholders became engaged and new evidence and information came forward.
- In summary, good progress had been made to date and if it could be sustained over the coming months there were reasonable prospects to agree deals with the principal landowners, secure a partner or partners and potentially for the proposal to feature in the next stage of the Local Plan Review.

Councillors T and J Sams (Visiting Members) then addressed the meeting urging Members to no longer pursue a Council-led Garden Community at Heathlands. They made specific reference in their representations to the sustainability, infrastructure, viability, biodiversity and climate change issues and also the complex landownership considerations.

The Committee was reminded that the contents of the report related to the Council's position as a potential property owner/developer and not as Local Planning Authority and that it was important to maintain the separation.

In addition to the recommendations on the papers, a motion containing three provisions was moved and seconded, the purpose of which was to increase the level of Member scrutiny and oversight of the project. Another motion was moved and seconded relating to the need for any possible Garden Community at Lenham Heath to be supported by a motorway junction as this was believed to be crucial to the viability of the project. An amendment was moved to this motion to specify that any possible Garden Community at Lenham Heath should be supported by a motorway junction.

In response to a question, the Director of Regeneration and Place explained that a new motorway junction would need to be co-ordinated by the Local Planning Authority through Duty to Co-operate meetings with

other Boroughs to get an understanding of the housing growth they might be planning and as a topic to unlock the Local Plan more broadly.

RESOLVED:

1. That a Council-led Garden Community in the target location (Heathlands) should continue to be pursued with a view to acting as master-developer.
2. That the at-risk expenditure to the end of Quarter 3 of the current financial year be noted.
3. That the Council should continue to explore potential partners for its role as master-developer.
4. That the criteria for options appraisal of the delivery vehicle for a Council-led Garden Community be noted.
5. That delegated authority be granted to the Director of Regeneration and Place to work with Mid-Kent Legal Services and enter into renewed lockout agreements with the residual landowner group.
6. That a progress or update report should be provided as a standing item at each future meeting of this Committee.
7. That Officers are asked to prepare a detailed memorandum for Members setting out matters such as indicative financial scenarios, explanation of land value capture, outline of infrastructure options, an appraisal of the "delivery options", and an explanation of the key risks.
8. That a greater number and range of relevant documents should be drawn to the attention of Members and made available to them.
9. That the Committee believes that any possible Garden Community at Lenham Heath should be supported by a motorway junction and urges that this be pursued by the Council in its role as 'master planner'.

Note: During consideration of this item, Councillor Newton left the meeting due to connectivity issues.

168. UPDATE ON BIODIVERSITY AND CLIMATE CHANGE ACTION PLAN

The Overview and Scrutiny Officer, Biodiversity and Climate Change, introduced her report providing an update on the progress made on the preparation of an Action Plan to address climate change and biodiversity following the adoption by the Council of a motion recognising global climate and biodiversity emergencies in April 2019.

It was noted that:

- A Working Group had been established to research matters and prepare an Action Plan for consideration at this meeting of the Committee. The Working Group had prepared an initial draft but due to the reprioritisation of work to respond to COVID-19, it was now proposed to submit the Action Plan for consideration at the June meeting of the Committee. The additional time was being used productively with Officers working with the Carbon Trust to understand carbon emissions from the Council's estate, fleet and activities; using information from the residents' survey to inform the Action Plan; and seeking input from Heads of Service on ways to address the issues.
- The Action Plan was a living document and would be informed by further good practice as it emerged over time.

During the discussion, it was suggested and agreed that to provide more flexibility in times of uncertainty and to enable feedback to be taken into consideration, the Officers be requested to report the Action Plan back to the Committee as soon as it is practicable.

RESOLVED: That the delay in reporting the Biodiversity and Climate Change Action Plan to the Committee be noted and that the Action Plan be reported to the Committee as soon as it is practicable.

169. PROPERTY ASSET REVIEW UPDATE

The Director of Finance and Business Improvement introduced the report of the Corporate Property Manager providing an update on the progress made in delivering the recommendations of the Property Asset Review since the last report to the Committee in January 2020. It was noted that:

- The Council was providing support and guidance to help commercial tenants during the COVID-19 pandemic. Where there were issues about the ability of tenants to pay rent the approach the Council was taking was to be sympathetic. If tenants were unable to pay, the Council was prepared to defer payments, but it was not writing off any rents at this stage.
- The Mote Park dam works were scheduled to commence in June and the programme of works would be reviewed and monitored closely in response to Government guidelines regarding COVID-19.

In response to questions, the Director of Finance and Business Improvement explained that with regard to the Archbishop's Palace project, it might be necessary to look at other sources of funding if it is not possible to access Business Rates Retention funds.

He also undertook to ensure that the Headcorn Ward Members are informed when expressions of interest are sought for the development of land at Redhill Stables, Headcorn and consulted as the project goes forward.

RESOLVED: That the progress made on the effective use of the Council's property assets over the last three months and in response to the Property Asset Review report be noted.

170. ONGOING INVESTMENT IN LOCKMEADOW.

The Director of Finance and Business Improvement presented his report setting out details of proposed ongoing investment in Lockmeadow.

The Director of Finance and Business Improvement advised the Committee that:

- The Council acquired the Lockmeadow Leisure Complex in November 2019 in order to support the Strategic Plan priority to make Maidstone a Thriving Place and to provide a financial return in line with the Commercial Investment Strategy.
- When the Policy and Resources Committee originally agreed the acquisition of the long leasehold interest in the Lockmeadow Leisure Complex it was always envisaged that further investment would be required above the £19m purchase price.
- Completion of the purchase of Lockmeadow was conditional on Odeon entering into a new 15 year lease at an increased rent and a deed of works under which refurbishment works to upgrade to a "Luxe" format would be carried out within 12 months of entering into the lease, with a landlord contribution to the work.
- The refurbishment was due to commence on 23 March 2020 but had been postponed due to the coronavirus pandemic. It was understood that Odeon still wished proceed with the works as they would result in additional footfall when the cinema reopened.
- The other part of the proposed investment in Lockmeadow related to some landlord works to coincide with the Odeon's refurbishment. Whilst the fabric of the building was in good condition, a number of things could be updated and improved to make the Complex more attractive including signage, façade details, external lighting, landscaping, access and redundant structures in the car park. It was anticipated that some of these works could be progressed during the coronavirus lockdown.
- The cost of ongoing investment at Lockmeadow was included within the Council's Capital Programme and could be funded from borrowing subject to there being confidence that the investment would generate a return.

During the discussion on this report it was suggested that in agreeing the recommendations Members would be demonstrating their confidence in the local economy and that they are making plans for recovery following the coronavirus pandemic.

RESOLVED:

1. That delegated authority be given to the Director of Finance and Business Improvement in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee to agree any amendments that are required to the deed of works for refurbishment of the Odeon cinema in light of the temporary postponement of these works.
2. That delegated authority be given to the Director of Finance and Business Improvement in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee to seek planning permission for and deal with associated planning matters in relation to the landlord works described in the report of the Director of Finance and Business Improvement and to undertake a procurement process and award such contracts for delivery of the works in line with financial procedure rules and applicable public contracts regulations and principles.
3. That the Head of Mid-Kent Legal Services be authorised to negotiate and complete all necessary deeds, agreements and ancillary documents relating to (i) any variation to the deed of works, (ii) the landlord's works and (iii) the appointment of contractors and consultants on the terms as agreed by the Director of Finance and Business Improvement in consultation with the Chairman and Vice-Chairman of the Policy and Resources Committee.

Note: Councillor Mortimer did not participate in the voting due to connectivity issues.

171. FINANCIAL UPDATE

The Director of Finance and Business Improvement presented his report updating the Committee on the Council's financial position in the light of the coronavirus pandemic. The Director of Finance and Business Improvement advised the Committee that:

- The Council was able to set a balanced budget for 2020/21 at its meeting on 26 February 2020 on the basis of the information available at the time and the assumptions set out in the budget report. However, the position had changed completely since then due to the pandemic. There had been additional expenditure arising from, for example, the Council's work to support vulnerable people, in particular finding accommodation for the homeless and establishing a community hub. However, the impact of reduced income was much more significant than marginal increases in expenditure.
- The overall impact in terms of expenditure pressures and income reductions was estimated to be £7.7m at the time of writing the report compared with the Council's unallocated general fund balance of £8.4m.

- In terms of Government support, Maidstone's allocation from the second tranche of funding was £1.7m. This was significantly less than was required to cover the Council's expected losses. The Council would continue to lobby for additional funding.
- Recovery from the pandemic and mitigation of the losses faced by the Council would have major strategic impacts and would require a review of its strategic priorities. It was now likely that a major re-casting of the Medium Term Financial Strategy (MTFS) would be required. It was suggested that in July there would be sufficient greater clarity about the nature of the recovery from the pandemic to use the meeting currently scheduled for 21 July 2020 to consider the approach to the future development of the MTFS.

In response to questions, the Director of Finance and Business Improvement explained that:

- The Council was exposed to a reduction in Business Rates income in so far as its own share of Business Rates was concerned. This was mitigated to an extent because the Government compensates the Council for the reliefs it gives to businesses, including the 100% relief for leisure, retail and hospitality businesses, but it was still estimated on current trends that the Council was exposed to a loss of some £1.4m. It was also likely that Council Tax income would fall through a combination of lower collection rates and a transition from full Council Tax to a reduced level of Council Tax for many households. At this stage, a loss of £1.7m was estimated.
- The Council had set a minimum level of reserves of £2m. In the event, the level of reserves currently held was in excess of this. When setting the budget in February 2020, an unallocated general fund balance of £8.4m was projected as at 31 March 2020. A further £4.6m of balances were due to be earmarked for a range of purposes including the Local Plan Review, giving a total of £13m. Prior to the onset of the pandemic, it was anticipated that the outturn would be broadly in line with the projected figures. If the financial impact of the pandemic was £7.7m as projected then the Council had adequate resources to meet the expenditure expected, but almost all of the unallocated general fund balance of £8.4m would be used up. The Council was not at the point where it needed to consider whether borrowing, which it would have to repay at a later date, would be appropriate.
- In terms of the Capital Programme, decisions about the progress of individual schemes were being made on a case by case basis, having regard to guidance relating to construction sites operating during the coronavirus pandemic and ways of working.

RESOLVED: That the report be noted.

172. BUSINESS RATES PILOT PROJECTS UPDATE

The Head of Finance presented her report providing an update on the progress with regard to the agreed Business Rates Retention Pilot projects as at 31 March 2020. It was noted that:

- Income generated from Business Rates growth and retained locally as part of the Business Rates Retention (BRR) pilot in 2018/19 exceeded original expectations with the Financial Sustainability Fund (FSF) element eventually accumulating total funding of £1,130,000 (topped up to £1,316,700) compared to the £640,000 initially anticipated.
- Having originally identified 13 one-off projects to be funded from the FSF totalling £640,000 during 2018/19, the Committee subsequently identified 16 additional projects to be funded from the surplus during 2019/20. All projects were focussed on supporting the delivery of one or more of the Council's strategic objectives, as set out in the Strategic Plan.
- Progress towards the delivery of the agreed projects had continued, with total spend of £453,169 against 2018/19 projects and £157,310 against the additional 2019/20 projects.
- Resources of £426,074 were stated by project leads to be required in order to progress the agreed projects. Given the financial position facing the Council, it was proposed that these projects be put on hold subject to any existing contractual commitments being fulfilled until the outturn for 2019/20 is considered at the June meeting of the Committee.
- Funding totalling £280,147 had been identified as no longer required due to projects which have been delivered under budget or which can no longer progress as originally envisaged. It was proposed that this amount be allocated to general balances to support the Council's overall financial resilience in response to the challenge and uncertainty presented by the COVID-19 measures.

In response to comments, the Director of Finance and Business Improvement advised the Committee that it would be inappropriate to consider individual projects at this stage.

RESOLVED:

1. That the progress towards the delivery of the Business Rates Retention Pilot projects, as set out in Appendix 1 to the report of the Head of Finance, be noted.
2. That the proposed carry forward of £426,074, as set out in Appendix 1 to the report of the Head of Finance, be considered at the June meeting of the Policy and Resources Committee.

3. That the proposal to allocate funding of £280,147 no longer required to fund agreed projects to general balances be agreed.

173. DURATION OF MEETING

2.00 p.m. to 5.15 p.m.

2020/21 WORK PROGRAMME

	Committee	Month	Origin	CLT to clear	Lead	Report Author
Council Tax Reduction Scheme 2021-22	P&R	21-Jul-20	Governance	?	Sheila Coburn	Sheila Coburn
Equalities Update	P&R	21-Jul-20	Standing Item	?	Angela Woodhouse	Orla Sweeney
Future Development of MTFs in Response to COVID-19	P&R	21-Jul-20	Governance	Yes	Mark Green	Mark Green
Communication and Engagement Strategy - 2020 - 21 Action Plan	P&R	21-Jul-20	Communication	Yes	Angela Woodhouse	Julie Maddocks
Council Led Garden Community Update	P&R	21-Jul-20	Officer Update	?	William Cornall	William Cornall
Archbishop's Palace Options Appraisal	P&R	16-Sep-20	Asset Management	Yes	Mark Green	Lucy Stroud
Climate Change Action Plan	P&R	16-Sep-20	Governance	?	Angela Woodhouse	Helen Miller
Council Led Garden Community Update	P&R	16-Sep-20	Officer Update	?	William Cornall	William Cornall
Council Led Garden Community Update	P&R	21-Oct-20	Officer Update	?	William Cornall	William Cornall
Council Led Garden Community Update	P&R	25-Nov-20	Officer Update	?	William Cornall	William Cornall
Council Led Garden Community Update	P&R	16-Dec-20	Officer Update	?	William Cornall	William Cornall
Asset Management Strategy	P&R	TBC	Strategy Update	?	Mark Green	Georgia Hawkes
Commissioning and Procurement Strategy	P&R	TBC	Strategy Update	?	Mark Green	Georgia Hawkes
Kent Medical Campus Innovation Centre	P&R	TBC	Officer Update	?	John Foster	Chris Inwood

Agenda Item 13

Policy and Resources Committee

24th June 2020

Maidstone Borough Council response to the Covid19 public health emergency

Final Decision-Maker	Policy and Resources Committee
Lead Director	Chief Executive
Lead Officer and Report Author	Chief Executive
Classification	Public
Wards affected	All

Executive Summary

This report provides a summary of the council's response to the Covid19 public health emergency. It briefly sets out the council's arrangements for emergency response and business continuity and provides information about the support provided to residents and businesses through specific initiatives and new services as well as summarising the impacts managed through business continuity arrangements.

Purpose of Report

Noting

This report makes the following recommendations to this Committee:

1. To note the content of the report

Timetable

Meeting	Date
Policy and Resources Committee	24 th June 2020

Maidstone Borough Council response to the Covid19 public health emergency

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p><i>The four Strategic Plan objectives are:</i></p> <ul style="list-style-type: none"> • <i>Embracing Growth and Enabling Infrastructure</i> • <i>Safe, Clean and Green</i> • <i>Homes and Communities</i> • <i>A Thriving Place</i> <p>This report demonstrates how the council has responded to residents' and businesses' needs in the short term during the Covid19 public health emergency to reduce and manage impact and therefore support the medium- and long-term objectives of the council.</p>	Chief Executive
Cross Cutting Objectives	<p><i>The four cross-cutting objectives are:</i></p> <ul style="list-style-type: none"> • <i>Heritage is Respected</i> • <i>Health Inequalities are Addressed and Reduced</i> • <i>Deprivation and Social Mobility is Improved</i> • <i>Biodiversity and Environmental Sustainability is respected</i> <p>This report demonstrates how the council has responded to residents' and businesses' needs in the short term during the Covid19 public health emergency to reduce and manage impact and therefore support the medium- and long-term objectives of the council</p>	Chief Executive
Risk Management	Covered in the risk section of the report	Chief Executive

Financial	The financial impacts of the Covid19 public health emergency are substantial and covered in a separate report on the Policy and Resources Committee agenda	Section 151 Officer & Finance Team
Staffing	Response to the Covid19 public health emergency was achieved within the staffing resources of the council albeit that this required flexibility in temporary re-deployment, the introduction of temporarily amended HR policies and procedures in response to new requirements eg self-isolation and extensive working from home enabled by technology and associated IT support.	Chief Executive
Legal	<p>The actions taken by the Council in response to the Covid-19 pandemic are in accordance with the Public Health (Control of Disease) Act 1984 and regulations introduced under the Act by the government.</p> <p>The Regulations were made in response to the serious and imminent threat to public health which is posed by the incidence and spread of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) in England - (The Health Protection (Coronavirus, Restrictions) (England) Regulations 2020).</p> <p>The Regulations (as amended) specifically require the closure of businesses selling food or drink for consumption on the premises, and other businesses, to protect against the risks to public health arising from coronavirus, except for limited permitted uses. Various other businesses were permitted to remain open.</p>	Head of Mid Kent Legal Partnership

	<p>The Regulations also prohibit anyone leaving the place where they live without reasonable excuse; and banned public gatherings of more than two people. The closures and restrictions have been varied by further regulations, but the revised restrictions will last until they are terminated by a direction given by the Secretary of State.</p> <p>The actions taken by the Council are permitted under the above regulations, the Functions Regulations and the Local Government Act 1972, section 111(1) which empowers the Council 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.</p> <p>The Responsibility for Functions outlined in part 2 of the Constitution enable decisions to be made by Committees and/or delegated authority.</p>	
Privacy and Data Protection	The Council has complied with the requirements of data protection in relation to the data that has been shared by Government and other agencies to enable our response to the pandemic. We also updated our privacy notice to reflect this.	Policy and Information Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Policy & Information Manager
Public Health	The report highlights the Council's response to a public health crisis which has implications on the wider	Public Health Officer

	determinants of health for both residents and staff.	
Crime and Disorder	The increase in the number of complaints relating to anti-social behaviour and nuisance have been satisfactorily dealt with through close liaison with the enforcement agencies and adaptations made to the service delivery.	Head of Housing and Community Services

2. INTRODUCTION AND BACKGROUND

2.1. The purpose of this report is to summarise the response of Maidstone Borough Council to the Covid19 public health emergency. It covers information about the council’s arrangements for business continuity and emergency planning and sets out the response including communications, additional support provided for residents and businesses and the changes to service delivery demands and performance during the response phase for the emergency.

Emergency Planning and Business Continuity Arrangements

2.2. The council has emergency planning and business continuity arrangements in place; the lead Corporate Leadership Team (CLT) responsibility lies with the Chief Executive and responsibility for day to day development of policy, procedures and plans lies in the Commissioning and Business Improvement Team. Particular attention had been paid to business continuity planning in preparation for a No Deal Brexit scenario in 2019; this included desk top exercises and refinement of business continuity plans for high priority services and preparations for extensive home working.

2.3. In response to the emerging risk of Covid19 in February 2020 an officer response group was set up and their responsibilities included representing the council at the daily multi agency meetings set up via the Kent Resilience Forum, maintaining situational awareness, feeding into the common operating picture (COP) reports for the council and providing guidance to officers on emerging HR matters. After declaration of an emergency strategic leadership has been provided by CLT and response has been led by Heads of Service. During the first 4 weeks of response unit managers provided daily reports of issues, risks and implications for service delivery performance enabling CLT to review needs and pressures and redistribute resources as needed; a dashboard of Key Performance Indicators for key services was also established to enable evidence based oversight. Our emergency planning arrangements have also been developed so that we had a plan in place to manage any other emergency that may occur simultaneously with the Covid19

emergency response phase.

Council Services

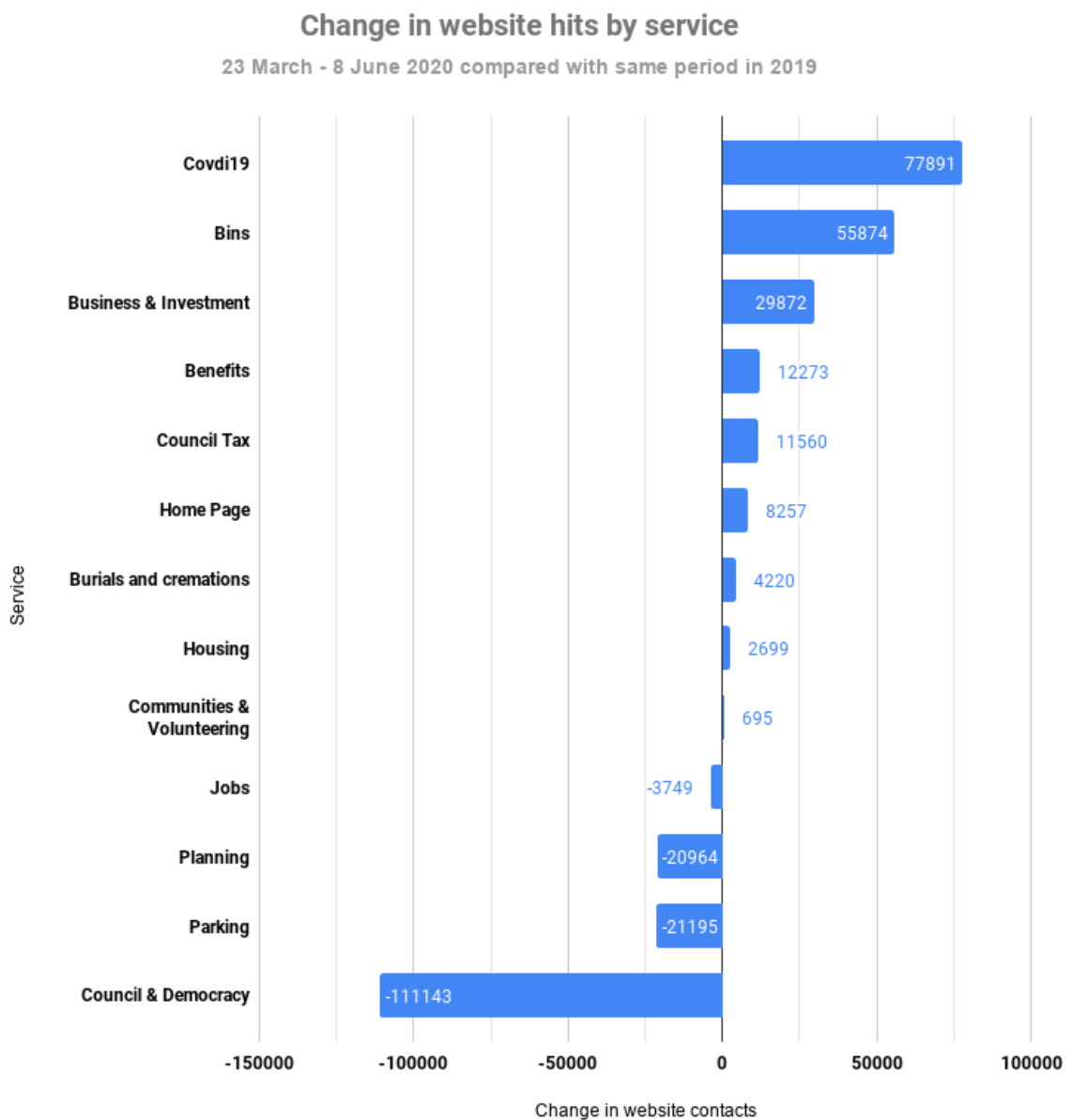
- 2.4. The Council has consistently followed government advice in taking decisions on service delivery. As a consequence, a decision was taken to close a number of Council venues including the museum and Lockmeadow. Play areas were closed and several services that were either non-essential or non-compatible with social distancing rules were suspended including food safety inspections and taxi driver knowledge tests. The Council's contractors also closed the leisure centre and the theatre.
- 2.5. Under its business continuity arrangements, the Council maintains a list of priority services. These are (in alphabetical order):
- Bereavement services
 - Customer services
 - Communications
 - Emergency Planning
 - Environmental Health
 - Finance
 - Housing
 - ICT
 - Revenues and Benefits
 - Waste collection

Communication

- 2.6. The need for good communication with residents and businesses has been accentuated during the response phase for the Covid19 public health emergency. The Communications team has supported front line service delivery communication needs through over 50 design projects including signage, posters and newsletters , 44 press releases, 22 radio interviews have been delivered and six radio adverts have been scripted. Topics covered include changes to services e.g. parking, parks and new initiatives including business rate grants, virtual committee meetings and the community hub. The team have also been active across social media channels producing over 300 posts on both facebook and twitter as well as 22 posts on instagram.
- 2.7. A wide range of information was brought together in the Covid19 edition of Insight which replaced the planned edition and enabled the council to cost effectively both inform the public and engage with residents and businesses concerning support available to them through printed form and hence complement the social media

messaging that has taken place throughout the emergency. In terms of reach activity has generated nearly 580 press items, engaged with 13,800 people through Facebook, and around 10,500 via Twitter and 2500 via LinkedIn.

- 2.8. Our website content was developed to assist residents and businesses. Between 23 March 2020 (the date the website started to see significant traffic increases) to 8 June 2020 there have been 590,698 visitors. This is a 350% increase on the same period last year. The histogram below sets out the key information on what our web site has been accessed for.



- 2.9. Internal communication has also been key. We have provided regular webinars for staff on a range of topics including use of virtual meetings technology and looking after their mental and physical health, and increased the frequency of our staff newsletter (Inside MBC) and the Members' bulletin for a period when there was greatest change. We have undertaken staff well-being pulse surveys to better understand the impacts of increased homeworking.

Support for Communities

- 2.10. Throughout the Covid19 emergency, the Council has been in regular dialogue with parish councils directly and Maidstone branch of the Kent Association of Local Councils (KALC) and many of the Borough's voluntary and community sector organisations who have played such a vital role in supporting residents.
- 2.11. The Council has supported residents and communities in several ways. On a purely practical level, the Council has done several things to make residents' lives easier for example relaxing some parking regulations to allow more residents to park close to home, allowing carers to park for free and providing help and support with housing and benefits.

Supporting vulnerable people and the 'Shielding' Programme

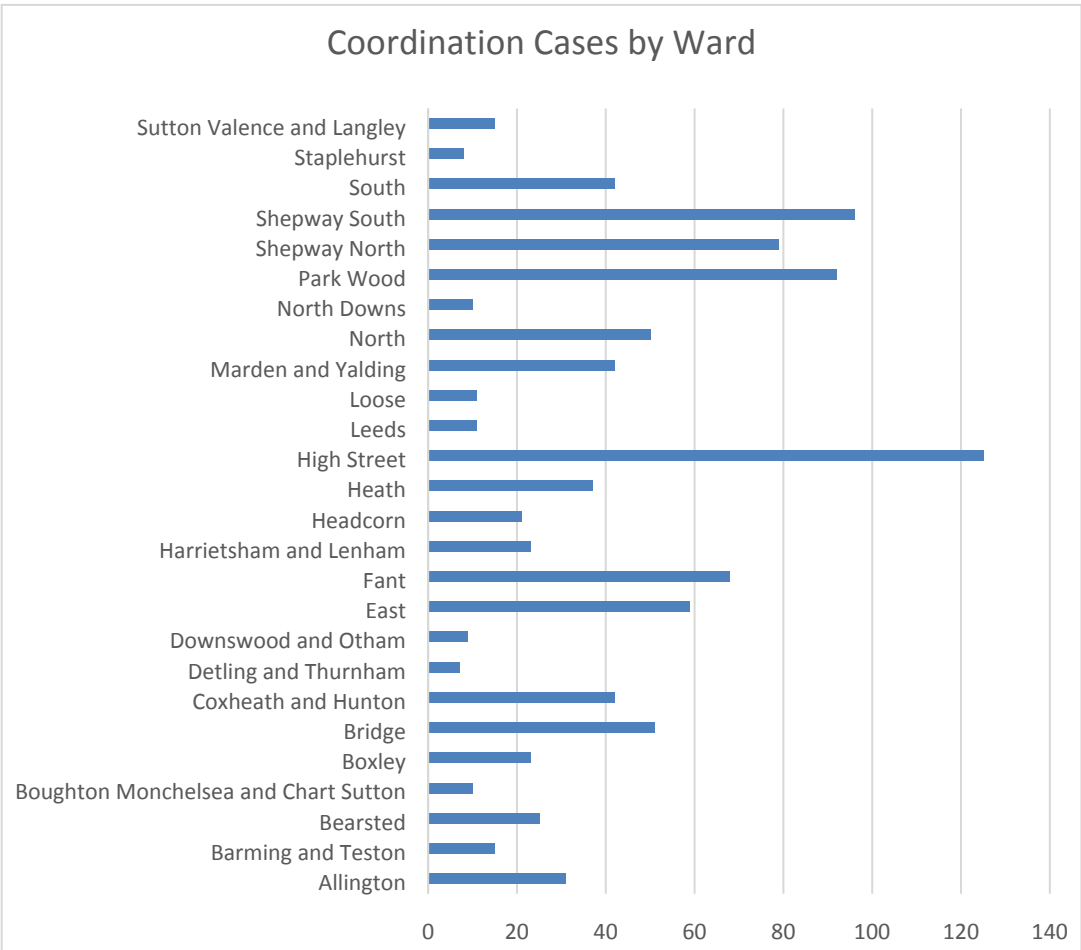
- 2.12. Following the government's request to provide support to the 'shielded' population, the Council set up a 'Community Hub' comprising a contact centre where people can seek support, a physical distribution hub, a befriending service and a dedicated part of the MBC web-site to provide information for people needing support and a place where volunteers could offer support. Led by the Head of Policy, Communications and Governance staff were quickly re-deployed from across the council (audit, debt recovery, civic team, procurement, democratic services, museum electoral services, policy and information, parking, housing, customer services, fraud, mid kent enforcement) to enable set up in a matter of days. The Community Hub provided free phone and web based contact channels, the team developed processes for managing contact with residents and the provision of support, sourced and procured food and household essentials and linked in with parish councils, community services, voluntary groups, KCC, health providers and volunteers.
- 2.13. The set up commenced on 25th March at which point the level of demand and the nature of need was largely unknown. The team have worked well, been agile and flexible in their approach and have captured data and learning to inform evolution of the hub operation over the subsequent weeks. This has been complemented by KCC's

24/7 helpline and website under the umbrella of 'Kent Together'. Local businesses have also been supportive with offers of food, household essentials, boxes and more. Golding Homes provided staff for the free phone contact centre for a period too.

- 2.14. Initially the primary purpose of the hub was to meet urgent food, medical and social isolation needs of the shielded community – these are known as tier 1 residents. A secondary purpose was meeting those same needs for other residents who are not part of the shielded community but are vulnerable and were told to isolate and need support – known as tier 2. This community has made up most of the caseload. A third tier of support is for those who have no access to food and other supplies because of the impact of Covid19; wherever possible these people have been referred to community organisations for support or other agencies if their needs are driven by financial hardship. We have provided emergency food parcels but not ongoing support for these individuals.
- 2.15. MBC has also undertaken work to contact the shielded community as a safety net for central government. For Maidstone borough the shielded community comprises around 5530 people (this varies as people are added to or ask to be removed from the list). There have been numerous issues relating to the quality of the data provided by government to local authorities, deliveries of food by their centralised system of suppliers, cancellations, and delays. We were notified of the contact details for people in tranches commencing on Friday 27th March – and initially contacted everyone by phone, and for later tranches making contact by letter. More recently at the request of government, we have endeavoured to contact those people whom government agencies have not had a response from, or they have concerns about. This has resulted in research to establish complete contact details, a large volume of outbound calls and welfare checks/visits to properties where people have not responded to calls. By the beginning of June this had resulted in MBC attempting to contact nearly 800 people and welfare checks for approximately 70 people so far.
- 2.16. The Hub has provided support directly or signposted around 1500 people. Around a third have been re-directed to others for support at the first contact e.g. to a parish council or existing community group. Our co-ordination team has worked directly with around two thirds (1000) of the people who requested support; the Hub team have contacted them, undertaken a needs assessment, and provided or co-ordinated appropriate support.
- 2.17. As well as receiving data from central government 'shielded' residents and contact from residents seeking support, MBC has also sought to identify additional vulnerable and isolated residents

through its own data; using this we contacted people who were 70+ to publicise the support available. A Covid19 Borough Insight edition was also distributed to all households in the borough outlining the council’s response to the Covid19 pandemic and providing contact details for anyone in need of support – other districts in Kent have achieved blanket coverage of their offer by means of a letter to every household.

2.18. The biggest contact has been with residents in our central urban Maidstone area: High Street, Shepway, Parkwood and Fant wards – perhaps reflecting the support provided in parished areas by parish councils.



2.19. As of 31 May, with the support of volunteers, 1028 food parcels have been delivered to households across the Borough.

2.20. New community groups have emerged, councillors have taken the lead in local engagement including in unparished areas and where community groups have not been in place and need expressed through people contacting the hub has been highest, officers have worked with councillors to engage with residents and offer support.

- 2.21. Alongside the provision of direct support, the Council has also been working closely with local voluntary and community organisations. The Council has worked with a number of agencies including Foodbanks, MADM, Maidstone Daycentre, The Rotary Club, Involve, Mid Kent College (providing capacity for foodbank storage and volunteers), the Citizen's Advice Bureau, Maidstone Children's Centres, Golding Homes (they provided staff for our phonenumber), community groups who responded to the pandemic such as Tovil Helping Hands and the Parkwood Church Group who have provided over 1,000 cooked meals.
- We were able to access a rich network of community support across the Borough to support our residents this information was shared on the website and used by our coordination team to help residents get support in their local area. Support has been provided at an individual local level by neighbours, friends and relatives in our fantastic local communities. We are very grateful to every volunteer and good neighbour who stepped up – thank you.
- 2.22. Many voluntary and community sector organisations have faced significant challenges. KCC have front-ended payments for commissioned VCS organisations. Government have provided £750m for 'front line' charities and for charities supporting victims of Domestic Abuse and sexual violence. However, there has been an absence of support from the Department for Culture Media and Sport for charitable cultural and music venues. MBC has secured a £22k grant from Arts Council emergency funding for developing virtual tours of Maidstone Museum.
- 2.23. Challenges remain with the programme. The Ministry of Housing, Communities and Local Government (MHCLG) has recently circulated a request for 10 weeks-worth of back-data. We are also uncertain as to whether we will need to support those who have been asked to isolate themselves as part of the 'test, trace and isolate' programme. Notwithstanding these challenges, we are now giving consideration as to how we manage the support on a more proportionate basis given the reducing level of support that is being requested whilst recognising there may be a need to increase support at short notice if further restrictions are put in

Parish Councils

- 2.24. MBC officers have maintained regular contact with parish councils and the Chair of Maidstone KALC and provided a weekly parish newsletter. Parish councils have provided extensive excellent support for residents including with shopping, medicine and some with food parcels as well. Some highlights include:

- Nettlestead - 50 households have been supported with shopping/prescription and befriending calls.
- Marden - 40-45 families helped through their own local foodbank since start of lockdown, 54 vulnerable residents are being supported with shopping/prescriptions and befriending calls.
- Boughton Monchelsea - 50-60 shopping/prescription collection/drop offs per week. Up until 6 June 150 fruit/farm produce parcels delivered every Sunday to the most vulnerable and elderly.
- Harrietsham and Lenham – currently supporting around 250 residents with shopping/prescriptions and befriending calls.
- Broomfield and Kingswood - an estimated 30 requests for shopping or prescription, plus dog walking matched with local volunteers.
- Bredhurst – 14 vulnerable residents being supported with shopping and prescriptions.
- Tovil – supporting 20 residents with shopping and prescriptions and supplying 2 preschools with food parcels on a weekly basis.
- Chart Sutton – supporting 48 residents with shopping and prescriptions.

Support for businesses

2.25. From the outset, it was clear that there would be very significant adverse consequences for many businesses and people employed by them arising from the restrictions announced by government. The Council very quickly set up a cross disciplinary group with the objective of providing co-ordinated support to local businesses. Responsibility for supporting businesses through tax and spend measures lies with government. The Council has worked closely with partners to publicise details of support available via its website and social media and administered various programmes of support.

2.26. The Government's response to the Covid19 crisis and its impact on the economy was to launch a raft of grant and loan schemes for businesses and charities together with the Job Retention Scheme and other initiatives including:

- all retail, hospitality, and leisure businesses in England to receive a 100% business rates holiday for the next 12 months
- grant funding of £25,000 for retail, hospitality, and leisure businesses with property with a rateable value between £15,000 and £51,000
- increase in grants to small businesses eligible for Small Business Rate Relief or rural rate relief from £3,000 to £10,000
- the Coronavirus Business Interruption Loan Scheme offers loans from £1,000 to £5 million, and ensuring businesses can access

the first 6 months of that finance interest free, as Government will cover the first 6 months of interest payments

- support for liquidity amongst large firms, with a major new scheme being launched by the Bank of England to help them bridge COVID-19 disruption to their cash flows through loans
- businesses may be able to access an interest free time to pay arrangement from HMRC
- confirmation that Government advice to avoid pubs, clubs and theatres etc. is sufficient for businesses to claim on their insurance where they have appropriate business interruption cover for pandemics in place
- relaxation in planning regulations to allow pubs and restaurants to start providing takeaways without a planning application.

2.27. The Council worked with other Local Authorities in Kent and Medway to commission a hotline service, delivered by the Kent and Medway Growth Hub, which can offer businesses advice and guidance about all these schemes. The take up of this service by Maidstone based businesses is the highest in Kent following extensive promotion by the Economic Development Team.

Business Rates Relief

2.28. The Government made several changes for retail business rates relief. Prior to Covid19 small retail businesses received 33% relief. This was raised to 50% for small businesses, then increased from 50% to 100%; this was subsequently applied for all retail premises and extended to the hospitality and leisure sector where all premises now have a business rates payment holiday for a year irrespective of size.

2.29. The Business Rates team reissued Business Rates bills to those eligible businesses in the retail, hospitality, and leisure sectors stating that they will not pay business rates in 2020-21. There was no need for businesses to apply for the relief.

Small Business Grant Fund and the Retail Hospitality and Leisure Fund

2.30. The Council was allocated £27,608,000 by the Government to deliver the Small Business Grant Fund and the Retail, Hospitality and Leisure Fund to local businesses. Cross departmental work between Economic Development, Business Rates, Finance, Audit, Communications and the Digital Teams has resulted, as of 8th June, in the payment of 96% of the fund to over 2,100 of the 2,222 potentially eligible businesses. This performance is 2nd in Kent and 27th in the country.

2.31. The Government recognised that some small and micro businesses and local charities were not eligible for these grants and launched a Discretionary Grant scheme. The cost of the scheme is funded by Government up to a cap for Maidstone borough of £1,380,000, with the expectation that most grants would be £10,000 or less. MBC produced a Grant Policy and launched its scheme by the 18th May and publicised it extensively. The deadline for grant applications was the 8th June; 317 applications were received. Following assessment of these applications to check eligibility and need, payments have been made commencing from the 15th June.

Support for Partners

2.32. During the response phase support has been provided in particular for our health partners. This has included support for the Maidstone Central and Weald primary care networks to establish hot sites at Maidstone leisure centre and Headcorn Aerodrome respectively to enable separate GP facilities for Covid19 patients as part of an infection management and control strategy. Site suitability assessment was also undertaken for potential Nightingale hospital venues and regional testing facilities. Arrangements to facilitate a mobile testing facility have been made for the Park and Ride car park site in Allington.

Business continuity – managing new service delivery models and increased and changed demands

2.33. The lockdown has presented several challenges to conducting democratic decision making at the authority primarily because committees could not meet physically and publicly due to restrictions on gatherings, and health considerations for attendees.

2.34. The main focus of work for the democratic services team was establishing remote committees in response to temporary regulations relaxing requirements for physical attendance at committee meetings and public access. This consisted of:

- (i) technical discussions and development of the relevant software (Skype for Business), this also included exploring the development of alternatives including Microsoft Teams;
- (ii) producing new protocols, testing, and consulting with members on them; and
- (iii) training and supporting Members in using the relevant software.

2.35. The remote committee process has now run for Policy and Resources, Planning and Strategic Planning and Infrastructure

Committees with other committees scheduled. Key challenges have been the extra democratic services team resource required for remote meetings and facilitating public speaking. Further developments are in train to improve the committee experience for the public and Councillors through rolling out MS Teams.

- 2.36. Our corporate property and contracts work has refocussed. The impact on Corporate Property has been significant in terms of rental income with most tenants experiencing financial difficulties. There has however been a positive uptake of grant funding and this has helped our smaller commercial tenants continue to operate. There has been a rise in rent arrears, with 22 tenants failing to pay rent invoices for the first time, but repayment plans are being made with each tenant. As yet we have not lost any commercial tenants. Lettings do not appear to have been impacted and we continue to complete on new leases and have good interest in vacant commercial premises. Significant work has also been needed with our contractors and outsourced service providers who have experienced significant financial impacts and invoked various contractual provisions. We have applied the Government's advice on payment of suppliers as set out in the Procurement Policy Note (PPN) to ensure service continuity for suppliers during and after the Covid-19 outbreak.
- 2.37. Initially the council received a lot of enquiries from customers regarding Council Tax arising from the co-incidence of the annual billing and changes in some residents' financial circumstances. Debt recovery has been reduced as a result of not enforcing debts through the courts and workload arising from moving to a new house has also reduced. Workload has been managed through flexible working across the team. A soft reminder has been sent to all non-CTS households who have not paid April and May instalments. The 1st statutory reminder will be sent to those that have not paid or contacted the council to put suitable arrangements in place from the 22 June. For Council Tax Support cases, we are aiming to award the £150 hardship payment in the week ending 12 June and re-bill all working age claimants (4,107 cases).
- 2.38. The workload in our benefits service has significantly increased and at some points in March new claims exceeded the February levels by over 335%. Whilst this has now reduced, the volume of notification of changes coming through from the Department of Work and Pensions due to variations in earnings has more than doubled to just under 3000 a month; each notification needs to be reviewed for impact on benefits and council tax support.
- 2.39. Waste and recycling services have remained fully operational throughout the emergency with only one day in which garden waste

was suspended but caught up the following day. Since the beginning of March until end of May 2020, over 2.6 million collections have been made across waste, recycling, food, and garden waste. Only 2,259 collections were reportedly missed during that time, which means 99.9% of collections were completed successfully. The closure of the Household Waste Recycling Centre (HWRC) resulted in an increase in new garden waste customers. 1,538 new garden waste bins have been delivered since March which is a 110% increase compared with the same period in 2019/20. Tonnage data is currently available up to March 2020. This indicates a small increase in overall tonnage (4%) compared with the previous year.

- 2.40. The street cleansing, grounds maintenance and commercial waste teams have assisted Biffa by providing staff and vehicles. This has protected the Council from any claim for additional costs as well as ensuring all services have remained fully operational. This has had minimal impact in the street cleansing, grounds maintenance and commercial waste services due to the decline in demand for these services. The team also secured support from Kent County Council including the provision of a 7.5 tonne refuse collection vehicle to assist with the roads which due to parking were inaccessible by the standard frontline vehicles.
- 2.41. The waste team have worked almost completely remotely from home, dealing with residents' queries. Site visits have continued where required and the waste manager has remained in constant dialogue with the contractor. The Head of Service was actively involved in weekly meetings throughout this time with the Kent Resource Partnership (Officers Advisory Group), Biffa's national management team and the Mid Kent Partnership. This ensured that the team were fully briefed on the national and Kent-wide picture as well as the WISH (Waste Industry Safety and Health Forum) guidance regarding social distancing and safe working practices.
- 2.42. Regular schedules of cleansing have been maintained throughout the pandemic and lockdown. A deep clean of the town centre has taken place due to the low footfall and resources usually focused in retail and high footfall areas have been redeployed to the urban wider residential area.
- 2.43. The waste crime team has remained active throughout the pandemic, including deploying CCTV and as a result has seized 3 vehicles and have several cases pending. They have also continued to carry out joint operations with the Police during this time.
- 2.44. Park usage has been high, with most people complying with social distancing. There have only been a handful of issues relating to congregations and anti-social behaviour. Car parks at Mote Park and

Cobtree were closed, however all parks remained open throughout lockdown, except for Clare Park which was closed for several weeks due to congregations of youths. All children's play areas remain closed and there is clear signage at each site. Social distancing signage has been installed at the main parks and open spaces. The toilets in parks remain closed as they pose a concern regarding social distancing and maintaining cleanliness. However, the team is working on ways that these could be partially reopened as the lockdown eases. We have continued to inspect trees and respond to residents' concerns.

- 2.45. The commercial waste service has remained fully operational throughout. The Commercial Waste Advisor contacted all our customers to discuss their service and to advise them of the business grants they could apply for. 172 customers suspended service during this time, whilst 112 continued to it. Several customers have already returned to using the service, with 155 currently receiving a service. 13 new customers have signed up since March.
- 2.46. Bereavement services has remained fully operational throughout despite increased demand and cremator breakdowns. The number of cremations per week peaked in the week commencing 11 May with 74, compared with 21 in the same week the previous year and an average of 32 per week in 2019/20. In April and May, there were 452 cremations carried out compared with 272 the previous year. The number of burials has remained low, in line with previous years. The Cemetery and Crematorium were closed briefly to visitors, apart from funeral parties, however, are now open at the weekend and are due to reopen fully on Monday 15 June. The team worked shifts, sometimes starting at 4am and working until midnight to carry out cremations during the busiest weeks. The cool storage unit which was installed last year has enabled us to continue to provide a service to Bluebell cemetery in Sevenoaks, which has increased steadily during the pandemic.
- 2.47. As a result of Government Covid-19 advice to work from home, significant increases in parking have been seen in residential areas of Maidstone town centre since late March, many of which are protected by parking restrictions such as time limited resident parking bays, single yellow lines (restricting parking Monday to Friday during the day) and double yellow lines (restricting parking at all times). Contravention levels peaked at the end of March within the residential areas as capacity was quickly overwhelmed by parking demand.
- 2.48. Civil Parking Enforcement patrols have continued in line with Local Government Association (LGA) and British Parking Association (BPA)

guidance, where focus is on maintaining traffic flow and highway safety particularly within the residential zones. On street surveys have demonstrated that 15% of resident parking bays are occupied by non-permit holder resident vehicles, which were normally absent during the day. To ease the situation, an operational decision was made for residents to have unrestricted parking within the resident parking bays until 1 July 2020. To ease on-street demand, concessions were published allowing resident parking permit holders to park for free in council off-street car parks until 1 July 2020. This has facilitated some migration from residential streets into off street car parks where occupancy levels were very low in April at around 5% of normal levels. The high number of vehicles parked in residential areas during the day have caused issues with refuse collections in some areas. To manage this sensitively, 1500 advisory letters were hand delivered (maintaining social distancing) to properties in the roads most affected, reminding residents to park more considerately and that restrictions such as those placed at junctions will continue to be enforced to ensure highway safety and the free flow of traffic.

- 2.49. Civil parking enforcement has continued for disabled bays to ensure that less mobile residents have unhindered access to local shops. Loading bays have also remained enforceable to maintain unhindered access for lorries to deliver much needed stock to local business and school keep clear markings are patrolled regularly to ensure that safety is maintained outside schools attended by vulnerable children and children of 'key worker' front line staff.
- 2.50. Rural locations also identified resident parking demand issues and so to ease the problem, enforcement ceased on single yellow lines and parking bays that relate to 30-minute wait restrictions until 1 July 2020. These are normally in place to reduce non-resident long stay commuter parking close to rail networks.
- 2.51. The Local Government Association and the British Parking Association have published guidance on Civil Parking Enforcement, and this is being closely followed. In March, this included a temporary hold on cases going to the Traffic Enforcement Centre and a hold on warrants to bailiff agents. Cases progressed to the Traffic Enforcement Centre were reinstated from 18 May 2020 and bailiff agents have also started to re-engage with debtors. However, the government's position remains unchanged in relation to face to face visits to enforce warrants resulting in these cases being placed on hold.
- 2.52. Following an announcement by Secretary of State for Housing, Communities and Local Government local councils in England were required to provide free car parking for NHS staff and social care

workers during the coronavirus outbreak. Our parking operation adapted quickly, and these measures were put in place across all off-street car parks, resident parking bays and on-street paid bays in accordance with LGA and BPA guidance.

- 2.53. Cash collections from pay display units ceased in mid-March and our supplier teams were stood down under the governments furlough scheme. This resulted in some concerns that as car parks remain chargeable, coin boxes may become full at prime locations. Pay unit activity is being closely monitored to ensure that they remain operational with collections being made only where necessary to maintain operational stability. As we have seen a slow increase in demand, our operations team have established a skeleton collection rota with our agent to maintain cash security. The new pay units have helped with a reduction in cash transactions as contactless payments are now available alongside the normal RingGo payment options. These payments represented 62 % of all payments in April and May. Off-street car park income is now slowly recovering since the recent government announcement to slowly emerge from lockdown.
- 2.54. As restaurants have adapted to 'take away' arrangements we have seen an increase in parking problems in roads such as Earl Street. Loading bays vital to businesses, disabled bays and double yellow lines are all being used by drivers to wait for collections, in some cases for over an hour. Although it is important to support local business operation, the current situation cannot be sustained as more and more businesses reopen after lockdown. To facilitate an improvement, 200 letters were delivered by hand (maintaining social distancing) to local business asking them to support their community and ask customers to park in nearby car parks. This is being closely monitored and where the problem persists Civil Parking Enforcement will be applied to manage the situation.
- 2.55. Back office appeals, case progression and permit applications and renewals have continued, and the Parking Services team resources have been rebalanced to meet the changing environment and increased demand in resident parking enquiries and complaints. Many residents and visitors consider that parking enforcement should not take place during the Covid-19 outbreak and so we have seen an increase in complaints, verbal and physical assaults on our patrol teams.
- 2.56. The Park & Ride service was suspended from both sites from early April and the London Road site is periodically being used as a Covid-19 mobile testing site by the Army. Arriva initially considered re-opening Park & Ride from 1 June 2020. However Arriva has since

confirmed that the impact of social distancing on patronage is being considered on their primary routes first after which a decision will be made to re-open the Park and Ride service from one site (Willington Street) and then the second site (London Road) once demand increases.

- 2.57. The planning service has continued to operate largely by working from home with some modifications with respect to site visits. The volume of planning applications and therefore fee income has reduced. The number of valid applications in the system was typically 300 pre-lockdown and this is now around 250 ie a reduction of around 16%. Performance in terms of determination in time remains good. Work on the Local Plan Review has continued uninterrupted.
- 2.58. Our housing service has continued uninterrupted and has seen increased demand. Maidstone's Housing Teams were well placed to respond to the developing health crisis. The Rough Sleeper Initiative (RSI) had managed to achieve a zero-street count earlier in the year and ability to reach and accommodate people at short notice was well developed. In addition to the existing nearly 30 clients being supported in RSI accommodation, new persons who were not previously known to the Outreach Service were received and assisted, as relatives and friends felt unable to cope with the growing concern about infection spread. In rapid response to the crisis, our Accommodation Team worked vigorously to create capacity within the Council's owned temporary accommodation stock, which enabled MBC to avoid procurement of large scale usage of hotel and Bed and Breakfast accommodation which has been the case elsewhere in the UK. During the crisis, the Outreach and Accommodation Teams continued to provide a front-line service and provided accommodation to over 40 people, of whom 17 remain in temporary housing. These clients are being assisted back into settled accommodation or reconnected with their areas of origin where that is not Maidstone. Our team is working closely with the specialist advisers at the Ministry of Housing, Communities and Local Government to avoid anyone having to return to the streets as the emergency protection measures are lifted.
- 2.59. New ways of service delivery had been introduced prior to the health crisis, which meant the Housing Service was able to fully function without interruption over the lockdown period. Although we received an initial upsurge in applications and spikes in requests for assistance, many of these have been helped without the need for temporary accommodation, in line with our homelessness prevention duties. Currently the team are working with over 650 open cases, with nearly 250 of those at the prevention stage. An increase in applications to join the Council's Housing Register mirrored the

increase in homeless approaches. With over 940 live applications, the number of households on the Housing Register actively seeking affordable housing is the highest it has been since 2015. Whilst vacant properties from our housing partners dried up almost completely during the first month of lockdown, increased activity within the sector saw 36 households move into new homes in May and we hope to get closer to our 50 lettings a month average in the coming short-term. In addition access to the private rented sector has improved, in the main due to lettings agents no longer being open and word-of-mouth recommendation from our existing private landlords to their peers who are new to our schemes and have vacant property.

The Way We Work

- 2.60. Ways of working for most staff have changed. Some of us have continued as usual – but with some adaptations for safe working. Some of us have worked from home. Some of our services have been paused – and colleagues have been temporarily redeployed. We have invented some new services to respond to our communities’ needs and we have managed some significant increases in workload. HR policies have been temporarily adapted to meet current needs including an extended period of combining childcare and work while schools have been closed. Levels of absence related to Covid19 including illness arising from the virus and self-isolation have been low, typically fewer than 15 people at any one time and currently below that.
- 2.61. For office-based activities most staff have worked continuously from home, supported by robust IT services and communication enabled by, amongst other things, Skype for Business and increasingly MS Teams. Operational buildings are mainly closed. Regular inspections and essential works have continued to be carried out. Heads of Service and Unit managers have kept in touch with their teams. Our HR team have delivered a programme of webinars to train and develop staff in their use of technology and to support their well-being. The Wider Leadership Team has delivered staff webinars (with 250+ participants) so that people are briefed on the situation and how recovery will be managed in terms of arrangements for a phased return to working at our office bases at an appropriate time. As noted above in terms of internal communications we have surveyed all staff to research their wellbeing and experience of working in a Covid19 changed world of work; we have also conducted a survey of managers’ experience. This has provided helpful information for managing during lockdown and for short term recovery and will provide insight for our future plans including “working from anywhere” options.

2.62. Our business support services have provided advice and guidance throughout. For example Mid Kent Legal Services have provided advice on state aid in relations to business grants, changes in permitted development rights to assist the NHS, contract reviews eg with respect to the Hazlitt theatre, Maidstone leisure centre and cash collection, legislation on restrictions on gatherings and licensing matters and requirements and protocols for remote committee meetings and changes in planning guidance

2.63. I would like to recognise and pay tribute to the enormous professionalism, resilience, flexibility and dedication of staff who have risen to every challenge posed by the Covid-19 pandemic and who have worked around the clock with good humour to respond to it.

3. RISK

3.1 This report describes how the council has managed and mitigated the risks arising from the Covid19 public health emergency during the response phase. Separate reports are presented on the same agenda as this one covering the financial impacts and the proposed approach to recovery.

4. REPORT APPENDICES

4.1 None

5. BACKGROUND PAPERS

5.1 None

Agenda Item 14

Policy and Resources Committee

24th June 2020

Maidstone Council's Approach to Recovery from Covid19 Pandemic

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Chief Executive
Lead Officer and Report Author	Chief Executive
Classification	Public
Wards affected	All

Executive Summary

This report provides an overall summary of the proposed approach to the recovery phase to the Covid-19 pandemic for Maidstone Borough Council and the contribution that the council makes to recovery for communities and businesses across the Borough of Maidstone. It emphasises the importance of a safe, sustainable, managed recovery, sets out some overarching objectives and a proposed structure for the response phase of the crisis.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. That the Committee notes the context for Covid19 recovery
2. That the Committee consider and agree the objectives for Covid19 recovery for Maidstone

Timetable

Meeting	Date
Policy and Resources Committee	24 th June 2020

Approach to Recovery from Covid19 Pandemic

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p><i>The four Strategic Plan objectives are:</i></p> <ul style="list-style-type: none"> • <i>Embracing Growth and Enabling Infrastructure</i> • <i>Safe, Clean and Green</i> • <i>Homes and Communities</i> • <i>A Thriving Place</i> <p>The report supports delivery of the Council's Strategic Plan through the delivery of a safe, sustainable, managed recovery in both community and business community and for the borough council itself from the impacts of the Covid19 pandemic</p>	Chief Executive
Cross Cutting Objectives	<p><i>The four cross-cutting objectives are:</i></p> <ul style="list-style-type: none"> • <i>Heritage is Respected</i> • <i>Health Inequalities are Addressed and Reduced</i> • <i>Deprivation and Social Mobility is Improved</i> • <i>Biodiversity and Environmental Sustainability is respected</i> <p>The report supports delivery of the Council's Strategic Plan through the delivery of a safe, sustainable, managed recovery in both community and business community and for the borough council itself from the impacts of the Covid19 pandemic</p>	Chief Executive
Risk Management	Already covered in the risk section of the report	Chief Executive

Financial	<p>This report sets out a proposed approach to the recovery phase of the Covid-19 pandemic for Maidstone Borough Council. So far as possible, the actions set out in this report will be delivered within existing budgets. However, as set out in a report elsewhere on the agenda for 24th June, the Council faces very severe financial pressures in 2020/21 which may constrain its ability to deliver these actions.</p>	Section 151 Officer & Finance Team
Staffing	<p>We will deliver the recommendations with our current staffing.</p>	Chief Executive
Legal	<p>The objectives for Covid19 recovery for Maidstone outlined in paragraph 2 of this report are matters which the Council is permitted to undertake under the Functions Regulations and the Local Government Act 1972, section 111(1) which empowers the Council 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.</p> <p>The Responsibility for Functions outlined in part 2 of the Constitution enable decisions (arising from the objectives) to be made by Committees and/or delegated authority.</p> <p>The proposed objectives are being considered in response to the Covid-19 pandemic and are in accordance with the Public Health (Control of Disease) Act 1984 and regulations introduced under the Act by the government.</p>	Head of Mid Kent Legal Partnership

	<p>The Regulations were made in response to the serious and imminent threat to public health which is posed by the incidence and spread of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) in England - (The Health Protection (Coronavirus, Restrictions) (England) Regulations 2020).</p> <p>The Regulations (as amended) specifically require the closure of businesses selling food or drink for consumption on the premises, and other businesses, to protect against the risks to public health arising from coronavirus, except for limited permitted uses. Various other businesses were permitted to remain open.</p> <p>The Regulations also prohibit anyone leaving the place where they live without reasonable excuse; and banned public gatherings of (initially) more than two people. The closures and restrictions have been varied by further regulations, The revised restrictions will last until they are further revised and/or terminated by a direction given by the Secretary of State.</p>	
Privacy and Data Protection	<p>Personal information processed and held because of the council responding to Covid19 will be processed in accordance with the requirements of data protection legislation. The need for data privacy impact assessments to be undertaken will be kept under review.</p>	<p>Policy and Information Team</p>
Equalities	<p>Any changes to services proposed will be subject to equality considerations.</p>	<p>Policy & Information Manager</p>
Public Health	<p>The proposed objectives are being considered in response to the COVID-19 public health crisis which has had and</p>	<p>Senior Public Health Officer</p>

	<p>will continue to have implications on the wider determinants of health. The outbreak of COVID-19 has shown health and work/business are inextricably linked. It has also further highlighted the health inequalities that already existed prior to the outbreak with particular groups within the population being at greater risk from COVID-19 as highlighted in the Public Health England report 'Disparities in the risk and outcomes of COVID-19' public in June 2020. The Council's recovery approach will need to consider these implications moving forwards.</p>	
<p>Crime and Disorder</p>	<p>The proposed recommendation will support crime and disorder reduction. The Community Protection Team is working in tandem with police and stakeholders to ensure the safe reopening of the Town Centre and other key shopping areas. Requests for assistance from those suffering from domestic abuse are expected to rise as recovery proceeds and services are being planned in order to respond to the increase.</p>	<p>Head of Housing & Community Services</p>

2. INTRODUCTION AND BACKGROUND

- 2.1 In 'typical' emergencies, local authorities and local resilience forums deal first with an emergency and then the recovery – getting back to 'business as usual' - for example, when the flood waters recede, work takes place to repair any damage and to get people back into their homes. The recovery from the Covid-19 pandemic will not follow this pattern. Given the scale of the Covid19 public health emergency and the social-economic shock plus the opportunities highlighted there will not be recovery to business as usual and recovery is likely to take a long time.
- 2.2 Recovering from Covid19 will require some form of reimagining of how we achieve our strategic plan vision, our objectives, our priorities, and our operating models for delivery of some of our services and how we work with others. This will involve short,

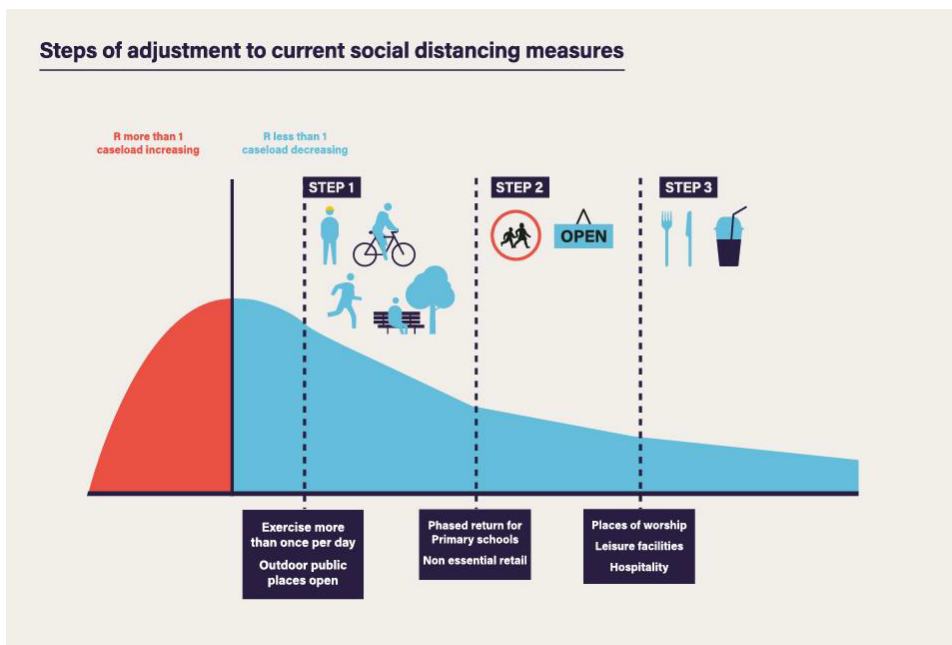
medium, and long-term political and policy choices for the council as well as multiple managerial decisions about the way we undertake recovery for our own organisation, through the services that we provide for the community and in our work with partners who also deliver services for the social, economic and environmental well-being of our borough.

- 2.3 Experience of the response phase has highlighted challenges and opportunities which in turn may have positive learning and consequences for the council. This will take place through our own organisational recovery arrangements and will also need to pay attention to the approach across the county and with our partners including any collective recovery effort through Kent Resilience Forum
- 2.4 As noted above recovery is usually a response to a specific, localised event not a fundamental restart of all aspects of social, economic, and civic life. It is possible that the response and recovery phases will need to run concurrently as there is a risk of further high levels of Covid19 transmission potentially leading to associated national or local lockdown. There are other ongoing resilience risks for Kent, particularly in the form of a 'no-deal' end to the Brexit transition period between the UK and EU. We may need to respond to other emergencies for example severe weather. Given the scale of the impact of COVID-19 including the financial impacts organisational recovery is likely to be a priority for several years
- 2.5 So – this is not a normal recovery and we have to be adaptable and agile given the risks, issues and challenges we continue to face. We need to take a strategic and evidence led approach to impact assessment and planning the recovery – identifying not only the challenges but also the opportunities that have arisen because of the Covid19 pandemic. We have collected information and performance data throughout which will help us – although we may need some analytics to be undertaken and impact for our residential and business communities will also take time to emerge.

National picture

- 2.6 The scale of the COVID-19 impact means that the Government strategy for recovery and the associated policy, legislation, guidance, and requirements for the role of local government etc are likely to evolve for some time. Experience to date is that expectations of our role are high, and communication has been somewhat chaotic arising in part from the pace and volume of initiatives.

2.7 On 10 May the Prime Minister set out the overarching approach for the recovery phase of the Covid-19 pandemic. That approach has been outlined in greater detail through a 50-page recovery strategy and through various additional documents setting out guidance for travel to work, educational settings, shielding vulnerable people and reactive measures to control infection, high street re-start guidance as well as a range of other issues. The guidance also contains a 'Covid alert level' system and a series of steps to lift the lockdown restrictions. It set out three steps with planning dates along with associated steps to lift restrictions – summarised below.



2.8 On 28 May, the Prime Minister announced that the Government's five tests for easing restrictions had been met and that, as a result, primary schools would open for some classes, secondary schools would start to provide some face-to-face contact for years 10 and 12, that outdoor retail and car showrooms could re-open from 1 June and other non-essential retailers from 15 June and that some restrictions on meeting people would be lifted with up to six people being able to meet in parks and private outdoor spaces. Further restrictions have been lifted including, most recently for access to places of worship for personal prayer. For each step there are implications for MBC as an organisation and the services that we provide. So, to some degree our recovery arrangements are being shaped by national requirements and timetables leading to operational decisions around how best to implement local arrangements and plans. Contemporaneously with this government departments are requiring data and plans which demonstrate the impact of Covid19 and our plans for recovery for example the Ministry for Housing Communities and Local Government have

required this for people accommodated in emergency accommodation as a result of Covid19.

Maidstone Borough Council's Overarching Approach

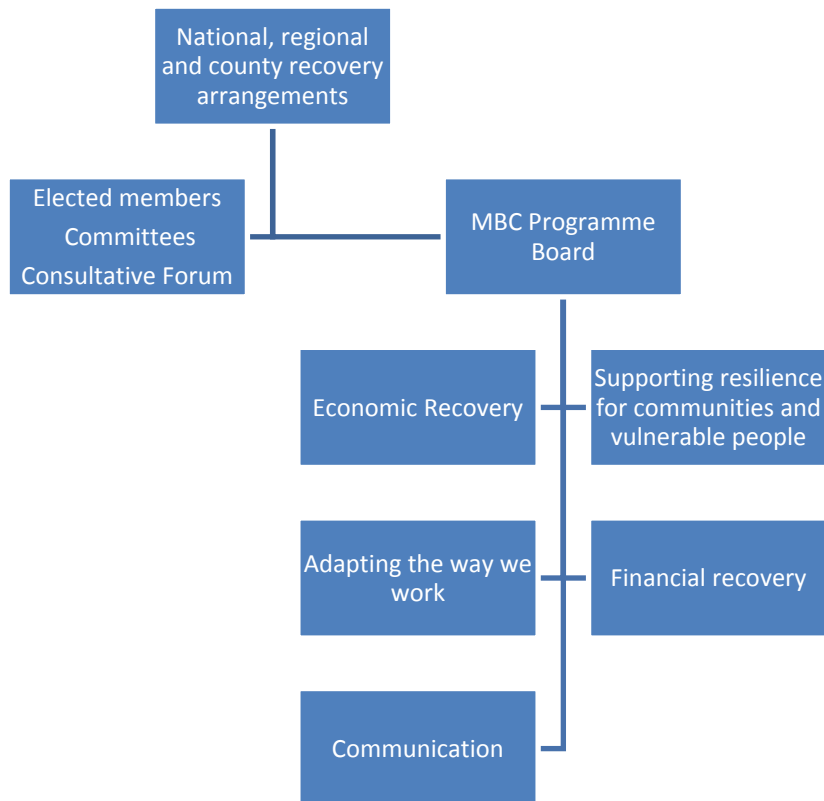
2.9 It is proposed that our aim should be to deliver a safe, sustainable, managed recovery. Set out below are some proposed objectives and a structure for the response phase.

2.10 The proposed objectives (in no particular order) are

- To support local businesses to return to successful operation and to survive the significant economic impacts of Covid19
- To support residents who have been affected by the pandemic and the restrictions placed upon them and to manage the impact including as protections and support mechanisms are eased and removed.
- To retain the capability to protect vulnerable people and to react to any move back into response mode if necessary.
- To maintain and prioritise where necessary the Council's services in line with government advice.
- To recognise and promote positive outcomes including reduced pollution and congestion, better work/life balance and community spirit
- To recognise that the Council needs to remain financially solvent and that, with government grant completely removed and Council Tax capped we are increasingly reliant on income generation and there remains the possibility of a tension between this and other objectives.
- To identify long term adverse and positive impacts arising from the Covid19 pandemic and pick these up through the regular review of MBC strategies for example housing, health and well-being and climate change
- To protect the health, safety and well-being of staff and councillors delivering essential public services to our residents and businesses.

2.11 Operationally the council is working according to programme management principles to deliver a recovery strategy and action plan and intends that this should be based on four themes – economic recovery, supporting resilience for communities and vulnerable people, adapting the way we work and financial recovery, has established a core group of officers led by the Chief Executive and has established a member covid19 recovery consultative forum chaired by the Leader of the Council which has the aims of:

- Providing advice and guidance to the MBC Project team for the public health emergency recovery project including:
 - i. Providing feedback on the impact of Covid19 for the resident and business communities in the borough.
 - ii. Providing feedback and suggestions for proposed actions for recovery ahead of these being sent to the relevant committees for decision making where this is required.
 - iii. Monitoring and assessment of recovery measures.
- Ensuring engagement with all councillors to identify the key challenges for recovery, including those issues which will need to be referred to or escalated with partner organisations;
- Supporting the council’s committees in ensuring that there is continuous political strategic overview of the recovery phase including for cross-cutting issues.



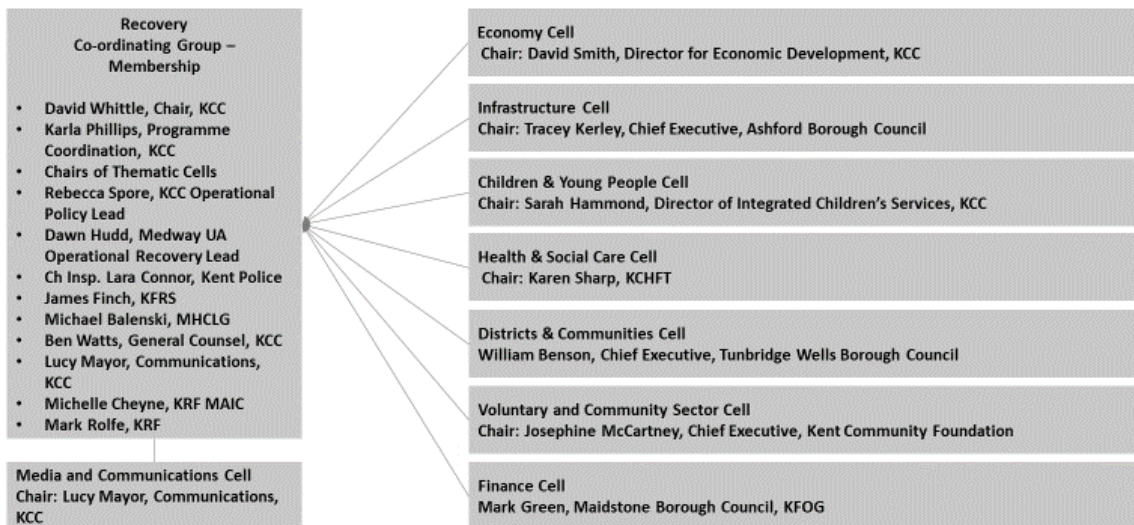
2.12 Regular reports will be made to the Policy and Resources Committee to enable strategic political oversight and to the relevant committee depending on any specific updates or political decision making required. Members will also be updated via the regular members' bulletin and can feed in issues and concerns via the member covid19 recovery consultative forum.

Kent and Medway arrangements – Kent Resilience Forum

2.13 MBC is operating within and coordinating its response with a county-wide recovery structure. A Recovery Coordinating Group (RCG) has been set up within the Kent Resilience Forum based on national guidance and with expert advice being provided from the Kent Resilience Team.

2.14 This RCG is supported by seven recovery 'cells'. The Council is directly involved in some of these cells (economy, districts and communities and finance plus the reference group for health and social care) and indirectly involved in others through regular reports to the RCG, Kent Leaders and Chief Executives and county-wide professional officer groupings. Details of this structure are set out below.

Recovery Co-ordinating Group Structure



2.15 Each 'cell' is in the process of producing an impact assessment which sets out the impact of the pandemic on the area of focus, strengths, risks, weaknesses and opportunities that have been identified through the response phase and into the recovery phase and a prioritised list of impacts and activity. The RCG enables key themes to be drawn out from the work of the various cells and it also works in collaboration with other recovery groups from across the South East to ensure that we can learn from best practice and collaboratively press on key issues with central government. Cross cutting issues are also being identified. The key one to date is the impact in terms of household financial hardship; a task and finish group has been set up on the topic and MBC will input and able to contribute in particular given our experience of predictive analytics working with EY/Xantura (on homelessness risk factors) and evidence based assessment of households in financial difficulty through work with Policy in Practice which was commissioned following a decision of this committee in February 2020. We intend that a report on the outcomes from the Policy in Practice analytics (which has been undertaken for February i.e. before the pandemic and mid-May i.e. during the pandemic) will be presented to this committee in July 2020.

First steps to recovery

2.16 High Street Re-start is a current key area of focus because of the re-opening of non-essential retail from 15th June 2020. In terms of preparation for Maidstone town centre MBC is applying government guidance and working with the Business Improvement District, KCC

and Kent Police to ensure that the retailers are engaged and that there is a co-ordinated approach to managing the public areas including in Week Street, King Street and Earl Street. A booklet detailing extensive advice and where to find support has been prepared for retailers. Officers have also contacted parish councils and MBC councillors so that any matters relating to other high streets and shopping parades can be identified and addressed. The government has provided funding on a per capita basis; MBC has received £153k to support high streets over the next 12 months.

- 2.17 Amongst other things MBC will ensure that infrastructure in the town centre including signage, marking of queuing zones, relocation of and additional street furniture and information is implemented, our environmental health team will assist smaller independent retailers with risk assessments for their premises where needed and our community protection team will be working with street ambassadors and Kent Police to ensure a presence in the town centre to assist the public and retailers – engaging, explaining and encouraging people to abide by the social distancing guidance. Given the attraction of our town centre we have ensured that a high footfall plan is in place. Our car parks will be available with contactless and Ringo payment options. A One Team briefing, and monitoring system has also been established to ensure co-ordination of information, intelligence, and deployment of staff.
- 2.18 On 9 May 2020, the Government announced a £250m 'emergency active-travel fund' to design and implement 'pop-up' and temporary interventions to create an environment that is safe for walking and cycling, to help maintain social distancing and avoid overcrowding on public transport systems. Details of the funding were subsequently announced on 27 May 2020 skewed towards areas with high levels of public transport use and with a clear view that the funding should be used to meaningfully alter the status quo with work starting within four weeks of receiving funding and being complete within eight weeks. Kent County Council has received £8m of which 20 per cent (£1.6m) is to be allocated in the first instance. Bids needed to be received by Friday 5 June. KCC has emphasised that it will be follow the guidance and be guided by the ability of local authorities to deliver the schemes put forward (and to support them with capacity to deliver it) and by whether or not the schemes are supported locally.
- 2.19 Given the timescales potential schemes were discussed with the councillors who are on the Maidstone Strategic Infrastructure Group and guided by this discussion and discussion with the KCC local schemes team MBC submitted two proposals both of which already had endorsement through previous political decision making. These are:

- i. Provision of a temporary cycle lane and pavement widening, as and where appropriate and technically viable, along King's Street from the A249 to the junction with Wyke Manor Road. This measure is supported in the Maidstone Infrastructure Delivery Plan (IDP) objective HTTC15.
- ii. Pedestrianisation of Earl Street, between Pudding Lane and Week Street, using an Experimental TRO to limit vehicle movements in a way consistent with the existing Week Street TRO. This would allow for deliveries and servicing but the road would be pedestrianised from just east of the taxi parking bays on Earl St between certain hours to enable social distancing and potentially support the use of the footways by the restaurant businesses along Earl Street. This pedestrianisation has long been in our public realm plans for the town centre as our next phase (following Jubilee and Remembrance Squares and subsequently Week Street and Gabriel's Hill). If agreed by KCC the experimental TRO would allow consultation on the effects of the pedestrianisation and help us in any future decision making. This measure is supported in the Maidstone IDP objective HTTC6.

2.20 We have also considered other town centre locations where footway widening would be helpful on a temporary basis (which of course would also give us the opportunity to assess whether a permanent change would work well). The following roads seem most suitable, based on our discussion:

- Church Street, from Union Street to Wyke Manor Road.
- Union Street, from Week Street to the junction with Church Street.
- Brewer Street, from the Brewer Street car park to Week Street.

2.21 The focus of the Council's work on Community issues to date has been on the establishment of a 'Community Hub' and support to benefit claimants. As we move to recovery, there will be a continued need to support shielded, vulnerable and isolated residents, a potential requirement to support those isolating as a result of the test and trace programme, address and respond to the impact of the pandemic and associated lockdown on issues such as domestic abuse, mental health, unemployment and managing the removal of protections (eg on actions such as evictions, debt recovery). There will clearly be a longer-term impact on inequality (education, health, financial, digital).

- 2.22 Other issues to be explored as part of the 'Community' dimension to the recovery will include the impact on the voluntary and community sector, the need to accommodate those in temporary accommodation as a result of the pandemic and any consequential impact of the financial downturn on housing and homelessness, potential community tensions as society/town centres unlock and the sustainability of sports, leisure, culture and arts organisations.
- 2.23 Preparations are in hand to enable a smooth and safe return to greater use of our buildings/offices when the time is right. Wherever possible office-based staff have been and remain working from home. There is a small number of exceptions where work cannot be carried out from home for example opening and scanning post. In line with government guidance risk assessments have been undertaken for our buildings and for activities including site and home visits, safe operating practices have been produced and arrangements put in place to enable safe use of buildings now where needed for small numbers of staff and for greater use when the time is right. Staff have been briefed and had the opportunity to raise questions and make suggestions about safe operating arrangements. We have planned for phased return prioritising services where an office base for some time and officers would improve effectiveness and for staff in response to personal circumstances. Return to working from the office packs are being produced for staff and councillors and our buildings will have clear information throughout on safe practice and behaviours.
- 2.24 We have captured learning from the emergency response phase and experience from extensive home working. Learning includes improvements to agile working through multi-disciplinary task and finish pieces of work eg for delivery of the business grants and setting up of the community hub. We have taken the opportunity to review some activities which continue to be paper and post based at least to some degree including payments by cheque and sharing of planning applications with parish councils to encourage the people and organisations we interact with to change their ways of working ie to electronic transactions. Our internal Digital and Transformation Board will ensure that operational learning continues. Experience of the benefits and challenges of continuous home working has been captured through pulse surveys of all staff and of managers. This will inform our operational practice for the short term and will guide our development of HR policy and investment in technology for the longer term and consequently our accommodation needs. Feedback from members will also be key to this especially with respect to remote meetings of all types.

- 2.25 The Council has a clear vision and strategic priorities for the period to 2045. The impact of Covid19 will lead to a reappraisal of how these ambitions can be achieved and the timescales.
- 2.26 Whilst there have been some significant adverse consequences of the pandemic for many businesses, individuals, families and organisations, there have also been some positive outcomes. The rapid and compassionate community response, the enhanced and expanded working relationships that we have forged with partners, the reduction in carbon emissions and a requirement to develop new ways of working and getting about. We need to ensure that we capture and promote the good points as well as mitigating and responding to the adverse consequences of the crisis.

3. AVAILABLE OPTIONS

- 3.1 Most of this report is for noting
- 3.2 The point for decision concerns the objectives for the MBC Covid19 recovery plan. It is essential to have a recovery plan – not to do so would not serve the authority as an organisation or the community well. It is preferable to have clear objectives to guide the development of the recovery plan.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That the Policy and Resources Committee consider and agree clear objectives for the council's Covid19 recovery plan.

5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. A risk register will be established and maintain in accordance with programme and project management good practice.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Informal consultation has taken place on the approach to recovery with political group leaders and on the proposed objectives with the members covid19 recovery consultative forum.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 This report is an introductory paper setting out high level issues, objectives, principles and structures for overseeing the recovery phase of the Covid-19 pandemic. Further reports, briefings and updates will be presented to Members in due course.
 - 7.2 Moving forwards, councillors, businesses, residents and partners will be involved in shaping our plans and strategies as they are changed and updated to reflect the realities of our operating environment
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8. BACKGROUND PAPERS

None

Agenda Item 15

Policy & Resources Committee 24 June 2020

4th Quarter Budget & Performance Monitoring Report 2019/20

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	Mark Green, Director of Business Improvement
Lead Officer and Report Authors	Ellie Dunnet, Head of Finance Paul Holland, Senior Finance Manager (Client) Clare Harvey, Data Intelligence Officer
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2019/20 overall financial and performance position for the Council, including the services reporting directly into the Policy and Resources Committee (PRC), as at 31st March 2020 (Quarter 4). The primary focus is on:

- The 2019/20 Revenue and Capital budgets; and
- The 2019/20 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked. The historical financial information included within this report is still subject to external audit so should be considered provisional at this stage.

The report also updates the Committee on the projected financial impact on the Council of the Covid-19 pandemic in the current 2020/21 financial year pending a more detailed report at next month's meeting.

Budget Monitoring

With regard to revenue, at the Quarter 4 stage, the Council has incurred net expenditure of £20.80m against a revised budget of £20.56m, representing an overspend of £237,000. For the services reporting directly to PRC, net expenditure of £10.49m has been incurred against a revised budget of £10.58m, representing an underspend of £89,000.

With regard to capital, at the Quarter 4 stage, the Council has incurred overall expenditure of £34.38m against a revised budget allocation within the Capital Programme of £42.65 million, representing an underspend of £8.27m, which will be carried forward into 2020/21. Expenditure for services reporting directly to PRC of £23.54m has been incurred against a revised budget of £28.72m, representing an underspend of £5.18m.

Covid 19 Financial Update

The financial impacts of Covid 19 are being closely monitored and regular updates are provided to MHCLG. Latest estimates indicate a potential impact of £8.23m, comprised of additional expenditure of £0.75m and income reductions of £7.47m. Government support totalling £1.78m has been received to date. The unallocated balance on the general fund reserve at 31 March 2020 (£8.8m) is expected to be sufficient to cover the shortfall in the current year, based on the current estimates.

Purpose of Report

The report enables the Committee to consider the financial position and any performance issues at the end of the 4th quarter.

This report makes the following recommendations to the Committee:

1. That the Revenue position at the end of Quarter 4 be noted (**Appendix 1**)
2. That the Capital position and slippage at the end of Quarter 4 be noted (**Appendix 1**).
3. That the Summary of Performance for Quarter 4 for Key Performance Indicators is noted (**Appendix 2**).
4. That the write off of uncollectible business rates totalling £37,153.22 be approved (**Appendix 3**).
5. That the Covid-19 Financial Update is noted (**Appendix 4**)
6. That in light of the projected impact of Covid-19, a decision on the uncommitted Business Rates Retention scheme allocations as set out in Appendix 1, page 22, is deferred pending a further report to this Committee next month on the 2020/21 position.

Timetable

Meeting	Date
Policy & Resources Committee	24 June 2020

4th Quarter Budget & Performance Monitoring Report 2019/20

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The key performance indicators and strategic actions are part of the Council's overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	Director of Finance and Business Improvement (Section 151 Officer)
Cross Cutting Objectives	This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-20, including its cross-cutting objectives.	Director of Finance and Business Improvement (Section 151 Officer)
Risk Management	This is addressed in Section 5 of this report.	Director of Finance and Business Improvement (Section 151 Officer)

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

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

2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium-Term Financial Strategy for 2019/20 to 2023/24 - including the budget for 2019/20 - was approved by full Council on 27th February 2019. This report updates the Policy and Resources Committee (PRC) on how Council services have performed for the financial year with regard to revenue and capital expenditure against approved budgets.
- 2.2 This report also includes an update to PRC on progress against the Council's Key Performance Indicators (KPIs).
- 2.3 Attached at **Appendix 1**, is a report setting out the revenue and capital spending position for the year. Attached at **Appendix 2**, is a report setting out the position for the KPIs for quarter 4.

3. AVAILABLE OPTIONS

- 3.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 In considering the current position on the revenue budget, the Capital Programme and the KPIs at the end of March 2020, the Committee can choose to note this information or it could choose to take further action.
- 4.2 The Committee is requested to note the content of the report.
-

5. RISK

- 5.1 This report is presented for information only and has no direct risk management implications.
- 5.2 The Council has produced a balanced budget for both revenue and capital income and expenditure for 2019/20. This budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Committee the best opportunity to take actions to mitigate such risks.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The KPI Update is reported quarterly to the service committees: Communities Housing and Environment Committee, Strategic Planning & Infrastructure Committee and Economic Regeneration & Leisure Committee. Each Committee receives a report on the relevant priority action areas. The full set of KPIs are presented to this Committee, based on the priority areas of: "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".
-

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The Quarter 4 Performance and Budget Monitoring reports are being considered by the relevant service committees during June 2020, including this full report to P&R on 24th June 2020.

- 7.2 Details of the discussions which have taken place at service committees regarding budget and performance management will be reported to this Committee where appropriate.
- 7.3 The Council could choose not to monitor the Strategic Plan and/or make alternative performance management arrangements, such as reporting frequency. 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.
-

8. REPORT APPENDICES

- Appendix 1: Fourth Quarter Budget Monitoring 2019/20
 - Appendix 2: Fourth Quarter Key Performance Indicators 2019/20
 - Appendix 3: Business Rates Proposed Write Offs
 - Appendix 4: Covid-19 Financial Update 2020/21
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9. BACKGROUND PAPERS

None.

Fourth Quarter Budget Monitoring 2019/20

Policy & Resources Committee

24th June 2020

Lead Officer: Mark Green

61 Report Authors: Ellie Dunnet/Paul Holland

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Executive Summary

This report provides members of the Policy & Resources Committee (PRC) with an overview of progress against the 2019/20 revenue and capital budgets as at 31st March 2020 (i.e. the Quarter 4 cumulative position) for the Council overall, including those services reporting directly into the PRC.

The analysis also includes both revenue and capital year-end projections (to 31st March 2020), and updates the Committee on a range of other inter-related financial matters including Local Tax Collection, Reserves and Balances, Treasury Management and Maidstone Property Holdings.

The headlines for Quarter 4 are as follows:

Part A: Fourth Quarter Revenue Budget 2019/20

- At the Quarter 4 stage, the Council has incurred net expenditure of £20.80m against a revised budget of £20.56m, representing an overspend of £237,000.
- For the services reporting directly to PRC, net expenditure of £10.49m has been incurred against a revised budget of £10.58m, representing an underspend of £0.09m.

Part B: Fourth Quarter Capital Budget 2019/20

- At the Quarter 4 stage, the Council has incurred overall expenditure of £34.38m against a revised budget allocation within the Capital Programme of £42.65 million, representing an underspend of £8.27m, which will be carried forward into 2020/21.
- Expenditure for services reporting directly to PRC of £23.54m has been incurred against a revised budget of £28.72m, representing an underspend of £5.18m.

Part C: Local Tax Collection 2019/20

- Collection rates for Council Tax and Business Rates for Quarter 4 were both marginally off target.
- Latest available projections for the Kent Business Rates Pool (@ 31st March 2020) are forecasting that income retained from the growth in Business Rates is ahead of original expectations.

Part D: Reserves & Balances 2019/20

- The balance on the General Fund at 31st March 2020 was £8.804m, which represents a decrease of £0.4m over the last year. This is above the minimum contingency balance of £2.0 million adopted by the Council.

Part E: Treasury Management 2019/20

- The Council held short-term Investments of £11.025m and had £11.0m in outstanding Borrowing as at 31st March 2020.

Part F: Maidstone Property Holdings Ltd. (MPH)

- MPH net rental income for 2019/20 from April 2019 to December 2019 was £174,630, compared to £80,474 in 2018/19, representing a year-on-year increase of 117%.

Part A

Fourth Quarter Revenue Budget 2019/20



A1) Revenue Budget: Council

A1.1 At the Quarter 4 stage, the Council has incurred net expenditure of £20.80m against a revised budget of £20.56m, representing an overspend of £237,000.

A1.2 Tables 1, 2 and 3 below provide further insight into the Council's income and expenditure position for Quarter 4 2019/20 by providing alternative analyses: by Committee, Priority and Subjective Heading.

Table 1: Net Expenditure 2019/20 (@ 4th Quarter): Analysis by COMMITTEE

Committee	Full Year Budget £000	Actual £000	Variance £000
Policy & Resources	10,580	10,491	89
Strategic Planning and Infrastructure	-791	-473	-318
Communities, Housing & Environment	9,251	8,890	361
Economic Regeneration & Leisure	1,520	1,889	-370
Net Revenue Expenditure	20,560	20,797	-237

Table 2: Net Expenditure 2019/20 (@ 4th Quarter): Analysis by PRIORITY

Priority	Full Year Budget £000	Actual £000	Variance £000
Safe, Clean and Green	6,753	6,809	-56
Homes and Communities	2,279	2,200	79
Thriving Place	1,716	1,606	110
Embracing Growth and Enabling Infrastructure	-720	-473	-248
Central & Democratic	10,533	10,655	-122
Net Revenue Expenditure	20,560	20,797	-237

Table 3: Net Expenditure 2019/20 (@ 4th Quarter): Analysis by SUBJECTIVE SPEND

Subjective	Full Year Budget £000	Actual £000	Variance £000
Employees	21,915	21,653	262
Premises	5,067	5,110	-43
Transport	880	786	94
Supplies & Services	9,926	10,693	-767
Agency	6,398	6,669	-271
Transfer Payments	43,912	43,918	-6
Asset Rents	1,275	1,275	0
Income	-68,812	-69,305	493
Net Revenue Expenditure	20,560	20,797	-237

A2) Revenue Budget: Policy & Resources (PRC)

A2.1 Table 4 below provides a detailed summary of the budgeted net expenditure position for the services reporting directly into PRC at the end of Quarter 4. The financial figures are presented on an 'accruals' basis (e.g. expenditure for goods and services received, but not yet paid for, is included).

Table 4: PRC Revenue Budget: NET EXPENDITURE (@ 4th Quarter 2019/20)

(a)	(b)	(c)	(d)
Cost Centre	Revised Budget for Year £000	Actual £000	Variance £000
Civic Occasions	41	40	1
Members Allowances	380	366	14
Members Facilities	29	15	13
Contingency	64	-201	265
Performance & Development	6	5	1
Corporate Projects	40	1	39
Press & Public Relations	31	30	0
Corporate Management	107	193	-86
Mid Kent Improvement Partnership	2	2	-0
Unapportionable Central Overheads	910	866	43
Council Tax Collection	53	48	5
Council Tax Collection - Non Pooled	-366	-392	27
Council Tax Benefits Administration	-152	-148	-5
NNDR Collection	-1	3	-4
NNDR Collection - Non Pooled	-150	-150	0
MBC- BID	0	0	-0
Registration Of Electors	48	49	-1
Elections	163	169	-6
General Elections	0	-1	1
European Elections	0	-2	2
Emergency Centre	25	24	2
Brexit	0	-0	0
Medway Conservancy	115	118	-2
External Interest Payable	310	134	176
Interest & Investment Income	-112	-217	105
Palace Gatehouse	-8	-8	0
Archbishops Palace	-98	-97	-1
Parkwood Industrial Estate	-311	-317	6
Industrial Starter Units	-30	-25	-5
Parkwood Equilibrium Units	-77	-47	-30
Sundry Corporate Properties	-355	-113	-242
Parks Dwellings	0	0	0
Chillington House	0	1	-1
Phoenix Park Units	-227	-217	-10
Granada House - Commercial	-92	-104	13
MPH Residential Properties	-162	-158	-4
Heronden Road Units	-152	-175	24
Boxmend Industrial Estate	-109	-117	8

(a)	(b)	(c)	(d)
Cost Centre	Revised Budget for Year £000	Actual £000	Variance £000
Lockmeadow	-76	-15	-61
NEW Lockmeadow Complex	-4	-112	108
Pensions Fund Management	1,674	1,673	1
Non Service Related Government Grants	-3,881	-3,891	11
Rent Allowances	-147	-46	-101
Non HRA Rent Rebates	-8	2	-11
Discretionary Housing Payments	1	8	-6
Housing Benefits Administration	-358	-343	-14
Democratic Services Section	209	204	5
Mayoral & Civic Services Section	127	123	4
Chief Executive	208	209	-1
Communications Section	226	203	24
Policy & Information Section	288	271	16
Head of Policy and Communications	132	130	2
Revenues Section	599	599	-0
Registration Services Section	151	139	11
Benefits Section	559	557	3
Fraud Section	74	53	20
Mid Kent Audit Partnership	275	275	-0
Director of Finance & Business Improvement	162	160	2
Accountancy Section	792	826	-34
Legal Services Section	503	602	-99
Director of Regeneration & Place	161	162	-1
Procurement Section	153	159	-6
Property & Projects Section	455	465	-10
Corporate Support Section	269	249	20
Improvement Section	394	388	6
Executive Support Section	169	165	4
Head of Commissioning and Business Improvement	116	113	3
Mid Kent ICT Services	764	779	-16
GIS Section	139	140	-1
Customer Services Section	747	743	4
Director of Mid Kent Services	63	61	2
Mid Kent HR Services Section	468	431	37
MBC HR Services Section	94	68	26
Head of Revenues & Benefits	82	81	1
Revenues & Benefits Business Support	147	147	0
Dartford HR Services Section	-11	-8	-3
IT Support for Revenues and Benefits	37	40	-3
Salary Slippage 1PR	-201	0	-201
Town Hall	98	78	20
South Maidstone Depot	165	164	1
The Link	91	49	43
Maidstone House	1,140	1,129	11
Museum Buildings	267	308	-40
I.T. Operational Services	532	585	-53
Central Telephones	15	10	4
Apprentices Programme	52	24	28
Internal Printing	-6	11	-17
Debt Recovery Service	32	37	-4
Debt Recovery MBC Profit Share	-143	-142	-1
General Balances	-525	-525	0
Earmarked Balances	5,885	5,885	0
Invest To Save	10	0	10
Appropriation Account	1,755	1,757	-2
Pensions Fund Appropriation	-4,265	-4,264	-1
Total	68 10,580	10,491	89

A2.2 The table shows that, at the Quarter 4 stage, for the services reporting directly to PRC, net expenditure of £10.49m has been incurred against a revised budget of £10.58m, representing an underspend of £0.09m.

A3) PRC Revenue Budget: Significant Variances (>£30,000)

A3.1 Within the headline figures, there are a number of both adverse and favourable net expenditure variances for individual cost centres. It is important that the implications of variances are considered at an early stage, so that contingency plans can be put in place and, if necessary, be used to inform future financial planning.

A3.2 Table 5 below highlights and provides further detail on the most significant variances (i.e. those meeting or exceeding £30,000 at the end of Quarter 4.

Table 5: PRC Variances >£30,000 (@ 4th Quarter 2019/20)

	Positive Variance Q4 £000	Adverse Variance Q4 £000
Contingency – General grant income from a number of sources has been retained to offset overspends elsewhere in the Council’s budgets.	+265	
Corporate Projects – The Council’s contribution towards the Mid-Kent Services arrangement was not required this year. It has been identified as a saving for 2020/21 and the budget has been removed.	+39	
Corporate Management – It is anticipated that the level of bad debts will rise as a result of the current Covid-19 situation, so the bad debt provision has been increased to reflect this.		-86
Unapportionable Central Overheads – Payments to Kent County Council for pension contributions were less than forecasted at the start of the year.	+43	
External Interest Payable – This budget is related to the need to borrow to finance the Capital Programme. However, there was no need to borrow until the purchase of the Lockmeadow complex in Autumn 2019, therefore there was a significant underspend on this budget.	+176	
Interest & Investment Income – Due to the reduced level of borrowing and slippage in the Capital Programme, combined with slightly higher interest rates than had been assumed there was a higher level of income generated.	+105	
Sundry Corporate Properties - the original budget assumed that 12 months worth of income would be generated from the purchase of further commercial properties. Lockmeadow (accounted for separately – see below) was acquired in November 2019 and has mitigated this budget shortfall.		-242

Lockmeadow – The service charges budget for this site has been under pressure for some time. Following a review by the Corporate Property Manager, including discussions/negotiations with the managing agent, it has been identified that the Council is liable for higher service charges under the terms of the lease than assumed in the current budget.		-61
Lockmeadow Complex (NEW) – A surplus has been realised from rental income in the first four months of the Council’s ownership of the complex. A portion of the additional income has been set aside to equalise incomes between years. This requirement was anticipated when the complex was acquired, given that some leases had relatively short terms and rent free periods would be required to attract new tenants.	+108	
Rent Allowances – The budget on this cost centre assumes a percentage difference between benefits paid and income received from central government. For this year the difference was less than was budgeted for.		-101
Accountancy Section – The overspend relates to costs incurred for the Interim Head of Finance who was in post for the majority of the year.		-34
Legal Services Section – This overspend is provisional, as Swale Borough Council (the employing authority) has not closed its accounts for 2019/20. It is thought that some of the overspend relates to time spent by the section on capital projects, which it would be possible to charge against these schemes.		-99
Mid Kent HR Services Section – This variance is primarily related to vacant posts.	+37	
Salary Slippage - This is a credit budget, which allows for service underspends on salaries, due to temporary vacancies arising from staff turnover. This adverse variance offsets underspends in other service areas.		-201
The Link – There was additional income received from the Department of Work & Pensions, and in addition the cost of gas had been over-accrued in earlier years.	+43	
Museum Buildings - Following a revaluation of the site, the Business Rates liability for the Museum has increased significantly beyond the current budget provision.		-40
IT Operational Services – The overspend related to a delay in the delivery of a savings target, originally set at £100,000.		-53

A4) Other Revenue Budgets: Significant Variances (>£30,000)

A4.1 Tables 6, 7 and 8 below highlight and provide further detail on the most significant variances (i.e. those meeting or exceeding £30,000, at the end of Q4.

Table 6: SPI Variances >£30,000 (4th Quarter 2019/20)

	Positive Variance Q4 £000	Adverse Variance Q4 £000
Development Control Majors – The initial income target set was reviewed and reduced, as outlined in the Quarter 3 report. However, the number of applications received has continued to be significantly less than forecast hence the shortfall in income for this year.		-169
Development Control Other – This is a similar situation to the major applications budgets where minor planning applications received are significantly less than forecast for the year.		-142
Development Management Section – Budget pressures have been experienced on salaries and wages (£50,000) and professional services (£14,000) due to the use of additional consultancy resources to address shortfalls in capacity.		-64
Mid Kent Planning Support Service – This variance relates to a number of posts that have been vacant during the year.	+85	
Salary Slippage – This is a credit budget, which allows for service underspends on salaries, due to temporary vacancies arising from staff turnover. This adverse variance offsets underspends in other service areas.		-71
On-Street Parking – Higher than expected on-street parking space turnover has driven higher than budgeted income.	+74	
Residents Parking – A number of Tribunal cases have been lost where the adjudicator has ruled that the wrong contravention code has been used within resident parking bays. Consequently, processes have been adapted, entailing a lower contravention code (leading to a lower penalty charge), which has depressed income from this source. PCN volumes for Residents Parking infringements are also down slightly compared to last year.		-79
Pay & Display Car Parks – Income levels from Pay & Display car parks have not met expectations.		-171
Off-Street Parking Enforcement – although overall PCN volumes are comparable to last year, a slightly greater proportion have been issued for Off-Street infringements than the budget assumes, which is offset by a slightly lower proportion issued for Residents	+111	

Table 7: CHE Variances >£30,000 (@ 4th Quarter 2019/20)

	Positive Variance Q4 £000	Adverse Variance Q4 £000
Playground Maintenance & Improvements – This underspend relates to staffing costs (£25k) and reduced expenditure on materials and supplies (£40k) as there is funding available in the capital programme for additional spare equipment for future maintenance.	+65	
Crematorium – Increased maintenance costs (additional landscaping costs of £31,000) along with unaccrued maintenance expenditure of £18,000 from 2018/19 are the main factors in this overspend.		-47
Street Cleansing – This area has benefited from an increased level of income for external works.	+46	
Recycling Collection - This variance is a combination of savings from the purchase of wheeled bins (£58,000) along with increased income from the service (£43,000).	+101	
General Fund Residential Properties – Provision has been made for non-payment of rent for a number of vacant properties (£23,000). There was also unbudgeted spend on maintenance and non-domestic rates (£13,000) and a shortfall in rental income from a vacant property (£6,000).		-44
Homelessness Prevention – There have been significant underspends on the service, including the Guaranteed Rent scheme budget (£20,000), the Deposit Bond schemes (£14,000) and General Expenses (£24,000) The Guaranteed Rent scheme has been put on hold.	+74	
Community Partnerships & Resilience Section – This underspend mainly relates to a recent restructure (£10,000) and staff vacancies during the year (£11,000) along with a general underspend on running costs (£14,000).	+36	
Depot Services Section – The underspend relates to reduced staffing costs following the implementation of a restructure during the year.	+48	
Salary Slippage – This is a credit budget, which allows for service underspends on salaries due to temporary vacancies arising from staff turnover. This variance is offset by underspends in the service areas.		-121
Fleet Workshop & Management – The main elements of this underspend are the vehicle hire budget (£29,000) and repair and maintenance costs (£24,000). These reduced costs are a result of the purchase of new vehicles and an improved standard of maintenance.	+53	
Grounds Maintenance – Commercial – This variance is from additional section 106 income to fund works that were carried out during the year.	+51	

Table 8: ERL Variances >£30,000 (@ 4th Quarter 2019/20)

	Positive Variance Q4 £000	Adverse Variance Q4 £000
Community Halls - a range of small underspends have been recorded on controlled running costs, including utilities, and repairs and maintenance.	+31	
Mote Park Adventure Zone – this variance arises primarily from the substantial costs (£403k) incurred as a result of the sewer collapse on the site during the construction phase. This has been referenced in previous reports to the Committee, and it was explained that the potential for legal action to recover the costs was being investigated. However, after thorough consideration, it has been concluded that the prospects of successful recovery were too low to make it worthwhile to pursue legal action. Accordingly, the cost been written off against the committee’s budget this year. The balance of the overspend arises because income from the Adventure Zone was below budget levels.		-457
Sandling Road Site – this variance arises from insurance costs chargeable to the KCC/MBC partnership which had not hitherto been budgeted.	+39	
Market – the variance represents the combined impact of the Tuesday and Saturday markets not achieving the income target (£30k) and an overspend on refuse collection (£17k).		-51
Economic Development Section – the variance predominantly relates to salary underspends on two posts that were vacant for part of the year.	+38	

A5) Virements

- A5.1 In accordance with the Council’s commitment to transparency and recognized good practice, virements (the transfer of individual budgets between objectives after the overall budget has been agreed by full Council) are reported to the Policy & Resources Committee on a quarterly basis.
- A5.2 Virements may be temporary, meaning that there has been a one-off transfer of budget to fund a discrete project or purchase, or permanent, meaning that the base budget has been altered and the change will continue to be reflected in the budget for subsequent years.

A5.3 The virements made in Quarter 4 are presented in Table 9 below. These were all temporary virements.

Table 9: Virements (@ 4th Quarter 2019/20)

Description	Cost Centre (From)	Cost Centre (To)	Value (£)
Fund Heritage Culture Officer extension	YA10 (In-Year Contribution to Balances)	SA14 (Cultural Services Section)	4,230
Budget transferred to fund GDPR compliance cost for CCTV	PA10 (Strategic Housing Role)	CE10 (CCTV)	9,850
Additional funding for Heritage Culture Officer	YA11 (Business Rates Growth Earmarked Balances)	SA14 (Cultural Services Section)	2,320
Additional funding for Destination Management Plan	YA11 (Business Rates Growth Earmarked Balances)	AG10 (Tourism)	280
Business Rates Pilot (BRP) funding for business start-up workshops	YA11 (Business Rates Growth Earmarked Balances)	EN40 (Economic Development - Promoting & Marketing)	5,300
BRP funding for KMC accountable body contribution	YA11 (Business Rates Growth Earmarked Balances)	EL20 (Business Support & Enterprise)	100
BRP funding for IT cabling works at the Market	YA11 (Business Rates Growth Earmarked Balances)	EN10 (Market)	6,070
Additional BRP funding for Business Forum	YA11 (Business Rates Growth Earmarked Balances)	EN40 (Economic Development - Promoting & Marketing)	1,360

Part B

Fourth Quarter Capital Budget 2019/20



B1) Capital Budget: Council

- B1.1 The overall five-year Capital Programme for 2019/20 to 2023/24 was approved by the Council on 27th February 2019. Some capital funding will now come from prudential borrowing as other sources of funding are not sufficient to cover the costs of the programme, although funding does continue to be available from the New Homes Bonus (NHB).
- B1.2 The revised 2019/20 element of the Capital Programme has a total budget of £42.65m. At the Quarter 4 stage, capital expenditure of £34.38m had been incurred, an underspend of £8.27m which will be rolled forward into 2020/21.

B2) Capital Budget: Policy & Resources Committee (PRC)

- B2.1 Progress towards the delivery of the 2019/20 PRC element of the Capital Programme at the Quarter 4 stage is presented in Table 10 below. The budget for 2019/20 includes resources brought forward from 2018/19.
- B2.2 At the Quarter 4 stage, expenditure of £23.54m has been incurred against a revised budget of £28.72 million for PRC. This is an underspend of £5.18m which will be carried forward into 2020/21.

Table 10: Capital Expenditure (@ 4th Quarter 2019/20)

Capital Programme Heading	Adjusted Estimate 2019/20 £000	Actual to March 2020 £000	Budget Remaining £000
Communities, Housing & Environment			
Brunswick Street - Net Cost of Scheme	2,514	2,796	-281
Union Street - Net Cost of Scheme	975	1,499	-523
Indicative Schemes	3,475	1,545	1,930
Housing - Disabled Facilities Grants Funding	1,570	793	777
Temporary Accommodation	3,236	3,083	153
Gypsy Site Improvement Works	42	47	-4
CCTV Upgrade and Relocation	150	154	-4
Commercial Waste	180	196	-16
Street Scene Investment	147	77	71
Flood Action Plan	100		100
Continued Improvements to Play Areas	422	125	297
Commercial Projects - Crematorium Projects	55	107	-52
Commercial Projects - Cemetery Chapel Repairs	100		100
Other Parks Improvements	100	1	99
Total	13,069	10,423	2,645
Economic Regeneration & Leisure			
Mote Park Centre & Estate Services Building	156	103	53
Mote Park Lake - Dam Works	267	194	73
Museum Development Plan	36	38	-2
Total	460	335	124
Policy & Resources			
High Street Regeneration	547	688	-141
Asset Management / Corporate Property	1,017	699	318
Feasibility Studies	113	13	100
Infrastructure Delivery	1,200		1,200
Software / PC Replacement	124	93	31
Digital Projects	20	25	-5
Acquisition of Commercial Assets	24,850	20,281	4,569
Kent Medical Campus - Innovation Scheme	649	1,535	-885
Garden Community	200	202	-2
Total	28,720	23,536	5,184
Strategic Planning & Infrastructure			
Mall Bus Station Redevelopment	250	53	197
Bridges Gyrotory Scheme	121	35	86
Total	371	88	283
Section 106 Contributions	28		28
TOTAL	42,647	34,382	8,266

B3) Capital Budget Variances (@ 4th Quarter 2019/20)

Policy and Resources Committee

B3.1 The most (financially) notable PRC items in the table above are as follows:

High Street Regeneration – The additional spend was within the overall project budget and was funded by Section 106 contributions.

Infrastructure Delivery – No new projects have been identified to date this year. The budget will therefore be carried forward to 2020/21; and

Acquisition of Commercial Assets – Following the acquisition of Lockmeadow for £19.7 million in Quarter 3, the remainder of the budget (£4.57m) will be rolled forward to 2020/21.

Kent Medical Campus (Innovation Scheme) – The scheme has now commenced, and the initial level of contract payments was higher than the budget that had been established for 2019/20. There is no overall change in the scheme budget and the funding in the budgets for subsequent years will be adjusted to reflect this.

Communities, Housing and Environment Committee

B3.2 The most (financially) notable CHE items in the table above are as follows:

Brunswick Street/Union Street

Both schemes are forecast to be delivered on budget. The year-end variance reflects the timing of payments to the main contractor and the receipt of external funding. The remainder of the net costs due are funded in the capital programme for the next two years.

Indicative Schemes

The only scheme progressed to date is the purchase of Springfield Mill.

Housing- Disabled Facilities Grants

Expenditure on housing adaptations often does not match the Council's financial year. The 2019/20 budget of £1.57 million includes allocations for a wider range of initiatives, including the "Helping You Home" scheme, operated in conjunction with Maidstone and Pembury hospitals.

Temporary Accommodation

Following the competition of phase 3 £153,000 was unspent, and this will be rolled forward and incorporated into phase 4.

Flood Action Plan

This budget was unspent in 2019/20 and will be rolled forward into 2020/21.

Continued Improvements to Play Areas

This budget is used for grants to parishes and for the purchase of spare equipment to maintain the play areas on an ongoing basis, and the unspent budget is rolled forward annually.

Commercial Projects – Cemetery Chapel Repairs

This budget was unspent in 2019/20 and will be rolled forward into 2020/21.

Other Parks Improvements

This budget was unspent in 2019/20 and will be rolled forward into 2020/21.

Strategic Planning and Infrastructure Committee

B3.3 The most (financially) notable SPI items in the table above are as follows:

Mall Bus Station Redevelopment – work is progressing on the scheme with survey and design work being undertaken so far. Subject to the impact of Covid-19 it is anticipated that the major works will be undertaken at some point in 2020/21.

Bridges Gyrotory Scheme – the residual budget is being used to fund flood prevention works by the Medway Street subway. Designs have been drawn up and the work is now expected to take place in 2020/21.

Economic Regeneration and Leisure Committee

B3.4 The most (financially) notable ERL items in the table above are as follows:

Mote Park Schemes

Both the Mote Park schemes are being progressed with a view to more substantial works being undertaken during 2020/21. The contract for the dam works has now been let, but the Centre & Estate Services Building contract has not reached that stage yet.

Part C

Fourth Quarter Local Tax Collection 2019/20

C1) Collection Fund

- C1.1 The Council is increasingly reliant on income generated through local taxation (Council Tax and Business Rates), which is accounted for through the Collection Fund.
- C1.2 Due to the risk 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 very carefully.

C2) Collection Rates

- C2.1 The collection rates achieved for local taxation are reported in the table below, alongside the target for the year, and the actual amount collected during 2019/20

Table 11: Local Tax Collection Rates (2019/20 Full Year)

Description	Target	Actual
	%	%
Council Tax	98.00	97.49
Business Rates	98.60	97.52

- C2.2 Collection rates for Council Tax and Business Rates for 2019/20 were close to target with both just marginally below original expectations.
- C2.3 Although recovery procedures were followed as normal during 2019/20, towards the end of March pursuit of non-payment was put on hold due to the Covid-19 pandemic. Therefore telephone chasing and additional reminder letters which would normally have taken place at this time were suspended and are likely to have adversely impacted on the overall collection rate.

Write-offs: Business Rates

- C2.6 The Committee is asked to approve the write-off of £37,153.22 in uncollectable Business Rates (detailed in **Appendix 3**). It should be noted that information relating to individuals is restricted under the Data Protection Act and has therefore been redacted from this appendix.
- C2.7 The Council takes a systematic approach to the collection and recovery of Business Rates, including a number of progressive steps ranging from a 'first reminder' for non-payment through to seeking a committal to prison in the most aggravated cases.
- C2.8 However, throughout the process, the Council actively encourages contact from any business experiencing difficulty with a view to negotiating a payment arrangement.
- C2.9 The Council could continue to hold these debts as outstanding, although this is not recommended as there is no realistic prospect of achieving economic recovery and this would distort the Council's true financial position.
- C2.10 For the businesses in **Appendix 3**, the Council has exhausted the recovery process in trying to collect the outstanding sums. It is therefore recommended that these debts are written off to the impairment allowance, which has sufficient funds to meet the cost in full.

C3) Business Rates Retention (BRR)

- C3.1 Following the Council's successful participation in the 2018/19 (100%) BRR Pilot, along with all other authorities in Kent and Medway, the Council has reverted to participating in the original (50%) Kent BRR Pool for 2019/20.
- C3.2 Provisional 2019/20 figures show overall growth in business rates measured against the Council's baseline of £2.869 million (original forecast £2.284 million), with a projected overall pooling benefit of £1.324 million achieved. This will be shared in line with the pooling memorandum of understanding, as set out in the table below:

Table 12: Business Rates Pooling (provisional outturn 2019/20)

MBC Business Rates Pooling Benefit 2019/20		
Description	Amounts	Allocation of Pooling Benefit
	£	
Kent County Council share (30%)	£397,265	Payable to KCC
Maidstone Borough Council share (30%)	£397,265	Economic Development projects
Growth fund share (30%)	£397,265	Maidstone East (joint project with KCC)
Pool Safety Net (10%)	£132,422	
Total Benefit	£1,324,216	

- C3.3 As reported to your 29th April meeting, £426K of money allocated for schemes under the 2018/19 Business Rates Retention Pilot remained unspent as at 31.3.20. Details are as follows.

	Unspent as at 31.3.20	Committed	Comments
Go Green, Go Wild	£40,203	£40,203	A Community Partnership Officer was appointed on a fixed term contract to deliver this 2 year project
Arterial Route Improvements	£32,196	£32,196	Orders were placed before lockdown for budgeted amount less £7K contingency
Climate Change Commission	£23,259	£23,259	Member of staff appointed on fixed term contract to deliver project
Data analytics for inclusive growth	£21,550	£21,550	Member of staff appointed on fixed term contract to deliver project
Maidstone Housing Design Guide	£16,153	£16,153	Work already commissioned
Phoenix Park Regeneration	£40,000	£0	Refurbishment of Council-owned warehouse units - work specified but currently on hold
Inclusion Through Enterprise	£47,355	£0	Part of homelessness and rough sleeper strategy. No suitable venue for the initiative identified yet.
Archbishop's Palace Options	£25,000	£0	Funding to allow project to address wider public realm and improve connectivity between the heritage sites
Cycle Parking Infrastructure	£60,000	£0	Proposal for a bike hire scheme plus associated infrastructure.
Property Asset Review	£10,000	£0	Balance of funding used for Gen2 report, currently allocated to Redhill Stables feasibility study
Housing Delivery Partnership	£27,500	£0	Allocated for an Affordable and Local Needs Housing Supplementary Planning Document
Conservation area plans	£24,000	£0	Funding still required to progress project
'A Sense of Place'	£22,000	£0	Project to support the updated Arts and Cultural Strategy promoted by ERL Committee. Not started.
St Philips Community Centre	£17,000	£0	Funding still required to progress project
Staplehurst Village Centre Masterplan	£14,641	£0	Earmarked for a feasibility study to demonstrate viability of employment land use
Domestic Abuse Awareness	£5,218	£0	Take-up for events planned originally was poor but Covid-19 may alter the position
TOTAL	£409,922	£117,208	

The Committee could decide to:

- (a) Proceed with spending the money on the schemes as originally envisaged (as shown above, some of the money is already committed, eg where staff have been taken on under fixed term contracts)
- (b) Set aside some or all of the uncommitted money for expenditure specifically to support the recovery from Covid-19
- (c) Apply the uncommitted money to reserves, such that the impact of the likely overall 2020/21 budget deficit will be mitigated. Updated projections of the position for 2020/21 will be presented to the July meeting of this Committee.

Part D

Reserves & Balances 2019/20

D1) Reserves & Balances

D1.1 The combined total of the General Fund balance and Earmarked Reserves as at 31st March 2019 was £16.6 million. The makeup of the balance, and the movements in 2019/20 are presented in Table 13 below. The provisional year end position reflects an overall reduction of £0.4m in the unallocated general fund balance.

D1.2 The closing balance enables a minimum general fund balance of £2.0 million to be maintained, as agreed by full Council in February 2020.

Table 13: Reserves & Balances at 31st March 2020

	1 April 2019	Movement in 2019/20	31 March 2020
	£000		
General Fund			
Unallocated balance	9,228	-424	8,804
Sub-total	9,228	-424	8,804
Earmarked Reserves			
Local Plan	200	109	309
Neighbourhood Plans	64	11	75
Planning Appeals	300	-14	286
Civil Parking Enforcement	419	-254	165
Homelessness Prevention & Temporary Accommodation	700	-19	681
Business Rates Growth Fund	3,682	205	3,887
Occupational Health & Safety	0	31	31
Lockmeadow Complex	0	335	335
Future Funding Pressures	0	1,589	1,589
Trading Accounts	30	0	30
Future Capital Expenditure	432	0	432
Sub-total	5,827	1,993	7,820

Table 13: General Fund and Earmarked Balances at 31 March 2020

Part E

Treasury Management 2019/20



E1) Introduction

- E1.1 The Council has adopted – and incorporated into its Financial Regulations – the “Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice (the CIPFA Code)”.
- E1.2 The CIPFA Code covers the principles and guidelines relating to borrowing and investment operations. In February 2019 the Council approved a Treasury Management Strategy for 2019/20 that was based on the CIPFA Code. That Strategy requires that the Policy and Resources Committee should formally be informed of Treasury Management activities quarterly as part of the budget monitoring process.

E2) Economic Headlines

- E2.1 During the Quarter ended 31st March 2020, the Council’s Advisors, Link Asset Services, reported:
- Due to the coronavirus outbreak and the impact it would have on the economy, the Monetary Policy Committee enacted two emergency bank rate cuts in March 2020, the first to 0.25% and the second to 0.1%.
 - The base rate cuts were accompanied by an increase in quantitative easing (QE), essentially the purchases of gilts by the Bank of England of £200bn.
 - Quarter 4 growth in the UK was very flat at 0.0% on the previous quarter and +1.1% year on year.
 - Over the last year wage inflation has been significantly higher than CPI inflation which means that consumer real spending power has been increasing and so will have provided support to GDP growth. However, while people cannot leave their homes to do non-food shopping, retail sales will take a big hit.

E3) Council Investments

- E3.1 The council held investments totalling £11.025m as at 31st March 2020. Investments are held short term in bank notice accounts and Money Market Funds to enable ready access to funds when required for upcoming expenditure.

Table 14: Short-Term Investments (4th Quarter 2019/20)

Counterparty	Type of Investment	Principal £000	Start Date	Maturity Date	Rate of Return	MBC Credit Limits	
						Suggested Term	Maximum Deposit £000
London Borough of Croydon	Fixed Term Deposit	2,000	01/05/2018	01/05/2020	1.05%	5 Years	£5,000
Lloyds Bank Plc	Notice Account Deposit	1,000			1.10%	12 Months	£3,000
HSBC Bank Plc	Notice Account Deposit	3,000			0.50%	12 Months	£3,000
Aberdeen Asset Management	Money Market Fund	2,905			0.45%	2 Years	£8,000
Federated Investors LLP	Money Market Fund	1,000			0.35%	2 Years	£8,000
Goldman Sachs	Money Market Fund	1,120			0.28%	2 Years	£8,000

E3.2 Investment income for this period is £208,000 with an average rate of 0.82% against a budget of £112,000. Investment income is likely to drop dramatically in 2020/21 due to the latest interest rates cut in March 2020.

E4) Council Borrowing

E4.1 The Council entered into a borrowing position in November 2019 due to the purchase of the Lockmeadow Leisure Complex as part of the Council's Capital Programme, for which it borrowed £7m. Due to income in Council Tax dropping at the end of the year and the potential requirement for further liquidity, an additional £4m borrowing was sought short term from other local authorities, bringing the total borrowing to £11m as at 31st March 2020. This additional £4m has been repaid in the early part of 2020/21.

Table 15: Council Borrowing (4th Quarter 2019/20)

Counterparty	Type of Institution	Principal £000	Start Date	Maturity Date	Interest Rate
North Somerset District Council	Local Authority	3,000	22/11/2019	30/04/2020	0.80%
North Yorkshire County Council	Local Authority	4,000	22/11/2019	20/11/2020	0.97%
Ceredigion County Council	Local Authority	1,000	04/03/2020	02/04/2020	0.80%
Ribble Valley Borough Council	Local Authority	1,000	20/03/2020	06/04/2020	1.50%
Horsham District Council	Local Authority	2,000	23/03/2020	23/04/2020	2.00%

Part F

Fourth Quarter Maidstone Property Holdings 2019/20



F1) Maidstone Property Holdings Ltd. (MPH)





- F1.1 MPH is a wholly-owned subsidiary of the Council and was incorporated on 30th September 2016. It is primarily a vehicle for letting residential properties on assured short-hold tenancies. The company currently holds two properties on 22 year leases from the council.
- F1.2 An Internal Audit review identified that there should be a mechanism in place to enable the company to formally report to the Council. Given the current level of activity within the company is relatively low, it was decided that this would be done via the quarterly budget monitoring process (to the Policy and Resources Committee). This section of the report provides an overview of the activity and performance of the company for the year to date.
- F1.3 The MPH financial year-end was changed to 31st March, in order to align with the Council's financial reporting period.
- F1.4 Two new Directors were appointed to the company (Georgia Hawkes and Claudette Valmond) and the audited Annual Accounts and Confirmation Statement were submitted to Companies House in September 2019.
- F1.5 On 18th December 2019, full Council accepted the Policy and Resources Committee recommendations and formally adopted the new Articles of Association, Operational Agreement, Services Agreement and Business Plan. The Services Agreement and Operational Agreement have subsequently been signed and sealed, and the amended Articles of Association submitted to Companies House.




F2) MPH Headlines 2019/20

- F2.1 Net rental income for 2019/20 totalled £174,630, compared to £80,474 in 2018/19. This represents rent charged to tenants, less costs recharged by the managing agent. As at 31st March 2020, rent arrears totalled £2,003 and there were no vacancies in either building. The year on year increase represents the new lease of 14 flats to Maidstone Property Holdings.
- F2.2 The Council receives income from the company through charges made for services provided, and the property lease. For the 2019/20 financial year these charges totalled £169,094.32 (2018/19, £76,107). After these charges and other expenses, the company achieved a breakeven position for 2019/20.
- F2.3 As company activity increases over time, governance and reporting arrangements will be kept under review to ensure that they remain appropriate and commensurate with the scope of activity and associated risks.





**Fourth Quarter Performance Monitoring
2019/20**

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

Strategic Scorecard

Performance Indicator	Q4 2019/20				
	Value	Target	Status	Long Trend	Short Trend
The percentage of land and highways with acceptable levels of litter	N/A	98.00%	N/A	N/A	N/A
Percentage of successful relief duty outcomes	55.77%	60%		N/A	
Percentage of successful prevention duty outcomes	64.36%	60%		N/A	

As per the DEFRA guidance, the 'The percentage of land and highways with acceptable levels of litter' is measured three times per year.

Q4 2019/20 Targets that were not achieved

Performance Indicator	Q4 2019/20				
	Value	Target	Status	Long Trend	Short Trend
Number of visits per month to Visit-Maidstone.com ('A Thriving Place')	47,728	66,156			
Footfall in the Town Centre ('A Thriving Place')	2,469,608	2,840,740			
Contacts to the Visitor Information Centre ('A Thriving Place')	574	829			
Number of users at the leisure centre ('A Thriving Place')	168,796	209,367			
Percentage of household waste sent for reuse, recycling and composting (NI 192) ('Safe, Clean & Green')	45.90%	52.00%			

A Thriving Place

Four KPIs missed target by more than 10%. **'Number of visits per month to Visit-Maidstone.com'** missed its quarterly target of 66,156 visits by 18,428 visits (27.9%) in Q4. The figure for Q4 (47,728) was 31.9% lower than the figure seen in the previous quarter (70,136) and 14.8% lower than Q4 2018/19 (55,992). March saw reduced numbers, with the cancellation of events and closure of businesses.

The quarterly target of 2,840,740 for **'Footfall in the Town Centre'** was missed by 371,132 or 13.1%. It is 13.1% lower than the figure for the previous quarter (2,840,806), and it is also 3.4% lower than the figure seen last year for Q4 (2,556,547). It has been previously reported that the decreasing figures for this indicator reflect regional and national trends.

'Contacts to the Visitor Information Centre' missed the Q4 target by more than 10%. However, performance has improved by 22.9% since Q3 (Q3 saw a figure of 467), with 574 contacts in Q4 against a target of 829. Compared with the same quarter last year, performance has declined by 35.0%. The Visitor Information Centre closed in line with COVID-19 guidance but has continued to provide a service via email and telephone.

'Number of users at the leisure centre' for Q4 was 168,796, which is 40,571 lower than the quarterly target. This was 1.9% lower than the figure for Q3 (172,004) and 17.8% lower than the figure for last year (Q4) which was 205,282. A breakdown of the target by month shows that the number of users was short by 3,037 and 1,417 for January and February, respectively. In March there were a total of 37,938 users which was 36,117 users short of the monthly target.

Safe, Clean and Green

'Percentage of household waste sent for reuse, recycling and composting (NI 192)' missed its quarterly target by over 10% at 45.90% against a target of 52.00%. Performance has declined from 47.02% last quarter and 47.77% last year (Q4). Garden tonnages are seasonally lower at this time of year which results in a downturn to the composting figure. Food tonnages are holding well suggesting that the service is consistently used by a core group of residents. The Council is continuing to work with Biffa and are implementing improvements to education around contamination in recycling and to improve recycling performance, through new communications.

Embracing Growth & Enabling Infrastructure











All KPIs met their Q4 targets.

Homes & Communities

Two of the four targeted KPIs met their quarterly targets and the two KPIs that did not, were within 10% of their respective targets.

P&R – End of Year Outturn 2019/20

Strategic Scorecard

Performance Indicator	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20	Annual 2019/20	Annual Target 2019/20	Direct'n of travel since 2018/19 (last year)	Annual Status
The percentage of land and highways with acceptable levels of litter	98.02 %	98.34 %	98.34 %	N/A	98.22%	98.00 %		
Percentage of successful Relief Duty outcomes	47.18 %	54.33 %	69.29 %	55.77 %	56.64%	60%	No data	
Percentage of successful Prevention Duty outcomes	59.5%	60%	67.5%	64.36 %	62.44%	60%	No data	
Satisfaction with local area as a place to live (Budget Survey)	Annual PI				53.10%		No data	
Net additional homes provided (NI 154)	Annual PI				AWAITING DATA FOR THIS PI	973	AWAITING DATA FOR THIS PI	AWAITING DATA FOR THIS PI
New Businesses Started in the borough	Annual PI				920		No data	
Council Investment in long term assets	Annual PI				£30,738,443		No data	

Please note


- As per the DEFRA guidance, the 'The percentage of land and highways with acceptable levels of litter' KPI is measured three times per year.


- The figures for 2019/20 is unavailable for 'Net additional homes provided (NI 154)'. Data collection is ongoing for 'Net additional homes provided (NI 154)'. Data used to calculate the net additional homes provided relies on information generated from the annual Housing Information Audit and collected through site visits. This process has changed in line with Government guidance in response to COVID-19. Where possible information has been gathered remotely, however, this has had an impact on the speed at which data can be collected. The data collection and analysis of information is anticipated to be finalised by the end of July 2020.

- New Businesses Started in the borough is sourced from 'Business births & Business deaths' data from the Office for National Statistics (ONS). The figures detailed in the table above are 2018 UK Business Demography ONS released November 2019. It is anticipated that data for 2019 will be released in November 2020.

- Council Investments in long term assets, as detailed in the Capital Programme summary:
 - Brunswick Street – Net Cost of Scheme (works in progress) = £2,795,639.00
 - Union Street – Net Cost of Scheme (works in progress) = £1,498,819.00
 - Indicative Schemes (works in progress) = £1,545,276.00
 - Temporary Accommodation (11 properties) = £3,083,358.00
 - Acquisition of Commercial Assets (Lockmeadow) = £20,280,633.00
 - Kent Medical Campus – Innovation Scheme (works in progress) = £1,534,718.00

KPIs where the annual target was missed by more than 10% in 2019/20

Performance Indicator	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20	Annual 2019/20	Annual Target 2019/20	Direction of travel since 2018/19 (last year)	Annual Status
Number of green flag parks ('Safe, Clean & Green')	Annual PI				3	5	↓	

Performance Indicator	H1 2019/20	H2 2019/20	Annual 2019/20	Annual Target 2019/20	Direction of travel since 2018/19 (last year)	Annual Status
MBC success rate at planning appeals (rolling 6 months) ('Embracing Growth & Enabling Infrastructure')	54.17%	80%	66.67%	75%	↑	

End of year summary by Committee

Strategic Planning and Infrastructure

The Enforcement Team have enjoyed a successful year by regularly exceeding performance targets without any significant diminution in the quality of work. This momentum needs to continue whilst balancing this against the other numerous demands on the Team.

There is a need to improve on the qualitative indicator of appeals performance.

The three planning application speed of determination performance indicators have been re-introduced and the criteria reflect the national indicators.

Economic Development and Leisure

Performance at the Museum has been exceptionally good this year, particularly the educational service. The Museum has not only met its KPI targets for the year, it has also met its financial targets too. Visit Maidstone was redesigned and relaunched this year. It was on-track to meet its annual target prior to the impact of COVID-19.

Footfall in the town centre has held up well when compared to regional and national averages. However, quarter 4 saw significant reductions in footfall due to COVID-19.

Looking forward, the Museum will reopen in July but without the educational service. We will continue to monitor footfall in the town centre as a key indicator for economic recovery.

Communities, Housing and Environment

Despite an increase in the number of households approaching the Council as homeless, the housing service was able to continue the decrease in the number of families having to go into temporary accommodation. In addition, the Council's strategy to acquire its own temporary accommodation stock led to fewer people being placed into nightly paid accommodation, thereby providing better quality accommodation for the client and reducing the cost to the Council.

In terms of the total number of lettings for the year, we did experience a drop in the number of vacancies being provided by our housing association partners but this was in part made up by the introduction of new schemes that gave better access to the private rented sector.

The Housing and Health team were very active during the 2019/20 financial year which resulted in a high number of Disabled Facility Grants being approved. Changes to the HMO licencing scheme also meant that the team were able to visit a greater number of properties, provide advice on safety compliance, and once this was met, issue new licences.

The coming year will be marked by the very challenging environment brought about by the health crisis. The housing service rapidly mobilised to ensure that there no one was left on the street. As we move into the recovery phase the new challenge will be to ensure that no one need return to the street but also to deal with the pent up demand for affordable housing that has been coupled with a cessation of activity within the housing market (including the affordable housing sector).

The environmental performance for the year has been predominately positive and where performance has dipped this is unfortunately representative of the national picture.

The Street Cleansing Team have worked hard to not only achieve positive improvements to cleansing standards, but to also deliver it within budget. This has been reflected in the positive feedback from residents regarding the speed of removal of fly tipping and the littering levels determined by the NI195 surveys.

The recycling performance unfortunately dipped below the target for the year. Nationally, recycling rates have been plateauing or declining over the past couple of years and whilst Maidstone had resisted that trend, this year the rate has declined. There are likely to be a few reasons for this, including the light-weighting of recyclable plastics and more stringent contamination monitoring and therefore rejection.

The reduction in Green Flags is largely due to the different timeframe in which they can be applied for and awarded. Whatman Park required significant investment in footpaths, the two bridges, the woodland walk and the skatepark. The fourth green flag has now been applied for; however, it is unknown whether the current pandemic will impact the judging and award.

**Business Rates - Proposed Write Offs
June 2020**

Business Name	Property Address	Fin. Year	O/S debt	Costs	Total to be written off	Reason for write off	Action taken
SEA BLUE LTD	82 WEEK STREET	2017/18	£2,892.91	£200.00		Dissolved	Debt was with Enforcement Agents, returned as company dissolved 29.05.18
	MAIDSTONE	2016/17	£21,429.55	£200.00			
	KENT ME14 1RJ				£24,722.46		
ROCHESTER GAMES AND MODELS LTD	345 (UNIT 345) DUKES WALK	2017/18	£870.77	£200.00		Dissolved	All efforts tried to recoup monies. Company dissolved 11.06.19.
	CHEQUERS CENTRE	2018/19	£7,916.29	£200.00			
	ME15 6AS	2019/20	£3,043.70	£200.00	£12,430.76		
REDACTED	GND FLR 89 BANK STREET	2017/18	£10,993.98			Bankrupt	Bankrupt 18.01.2019, no dividend to be paid
	MAIDSTONE	2018/19	£9,242.03				
	ME14 1SD				£20,236.01		
Total					£37,153.22		

Covid-19 Financial Update 2020/21

Policy & Resources Committee

24th June 2020

Lead Officer: Mark Green

Report Author: Ellie Dunnet

- 1.1. This section of the report provides an update on the Council's current financial position and anticipated impact on the following areas in light of the Covid-19 pandemic:
- Additional spending pressures
 - Income reductions
 - Use of reserves
 - Cash flow
 - Capital programme
- 1.2. The position continues to change, so regular updates will be presented at future meetings.
- 1.3. The Council has an agreed Medium-Term Financial Strategy (MTFS) for the next five years and a budget for 2020/21. The Council was able to set a balanced budget for 2020/21 at its meeting on 26th February 2020 on the basis of the information available at the time and the assumptions set out in the budget report. This was the culmination of a lengthy budget process, which involved developing a range of savings and income generation plans.
- 1.4. In subsequent years, the projections in the MTFS indicated a likely requirement either to make further savings or to generate increased income. The exact size of the budget gap depended on the new local government funding regime to be introduced in 2021/22. Again, this was on the basis of the information available at the time.
- 1.5. Since the budget was agreed in February, the position for 2020/21 and future years has changed completely as the all-encompassing impact of the Covid-19 pandemic on society and the economy has become clear. The immediate implications for Maidstone Borough Council, as a district authority, have included the following:
- Redirection of existing resources to support vulnerable people
 - Administering government support schemes, notably business rate reliefs and grants
 - Temporary closure of many Council facilities
 - Reduction in levels of activity in many other Council services
 - Income generating activities severely impacted by overall contraction in economic activity
 - Change in working patterns, with almost all office-based staff now working from home
 - Reduced levels of Council Tax and Business Rates collection.
- 1.6. Most of these have a direct financial impact on the Council's revenue budget, whether through increased expenditure or reduced income. It is important to note that, for a District Council like Maidstone, the impact of reduced income is much more significant than marginal increases in expenditure. Spending pressures and income reduction are considered in turn below.

2. Spending Pressures

- 2.1. The main marginal items of expenditure faced by the Council have arisen from our work to support vulnerable people, in particular finding accommodation for the homeless and establishing a community hub. Whilst many officers are now working directly on

initiatives that respond to the pandemic, their pay is broadly fixed (although levels of overtime have increased significantly).

- 2.2. Where Council facilities have been closed or where there has been a reduction in activity levels, the Council is still obliged to incur most of the costs that it would normally do. Local authorities in general have not furloughed large numbers of staff, as private sector employers have.
- 2.3. So far as services and facilities operated by third party suppliers are concerned, the Cabinet Office has issued an action note (PPN 02/20) which sets out the approach that the government expects public bodies to take with its suppliers. Specifically, it states that contracting authorities 'must act now to ensure suppliers at risk are in a position to resume normal contract delivery once the outbreak is over'. The implication here is that, if a supplier is 'at risk', then public bodies should support the supplier financially even though the supplier may not be in a position to provide goods and services as normal. An update note (PPN 04/20) was later issued, setting out recovery and transition arrangements. This note advises councils to work in partnership with their suppliers and develop transition plans to exit from any relief as soon as reasonably possible.
- 2.4. An important area where many local authorities face this issue is leisure services, given that all local authority leisure centres have had to close. Where a third party supplier operates the Council's leisure centre(s), the supplier may have no other source of income, which puts an obligation on the authority to support them. The approach taken will of course vary from case to case, depending on the financial strength of the supplier.
- 2.5. The following table summarises known additional spending pressures faced by the Council as at 15 May, as set out in the return that we were required to submit to MHCLG on that date.

Additional Spending Pressures			
	April 2020	May 2020	Full Year 2020-21
	£000	£000	£000
Housing (including homelessness)	21	22	250
Cultural services	3	3	226
Environmental and regulatory	0	0	10
ICT	0	0	35
Revenues & Benefits	3	3	75
Shielding (including community hub)	20	20	65
Unachieved savings / delayed projects	0	0	80
Other services (including PPE)	2	2	12
Total additional pressures	49	50	753

Table 1: Additional spending pressures 2020/21

3. Income Reductions

- 3.1. As members will know, the Council is broadly self-sufficient, so it depends on revenues raised locally to fund its services. Any income reductions will therefore have a direct impact on our ability to deliver services. The nature of the pandemic is such that virtually all the Council's sources of income are affected.

Business rates

- 3.2. The Council collects business rates, retaining a notional amount due after payments to preceptors and the government's tariff. The payments to preceptors and the government's tariff were fixed in January, therefore leaving the Council exposed in the short term to 100% of any fluctuation in actual amounts collected. Normally, an adjustment is made through the Collection Fund after year end to reflect actual business rates income but given the scale of the difference between projected income and actual income, this delay in reimbursement would be very difficult to manage.
- 3.3. The government has recognised the cash flow pressure that this places on Councils and agreed on 16 April to defer the cash payments for business rates which were theoretically owing to it for the first three months of the year.
- 3.4. Notwithstanding this, the Council is exposed to a reduction in business rates income so far as its own share of business rates is concerned. This is mitigated to an extent because the government compensates us for the reliefs that we give to businesses, including the 100% relief for leisure, retail and hospitality businesses, but it is still estimated on current trends that we are exposed to a loss of some £1.9 million.

Council Tax

- 3.5. At this stage the impact on Council Tax collection for the current year is unclear. Given the importance of cash flow to enable the Council to continue delivering services, we are emphasising to Council Tax payers the importance of keeping up to date with their payments. If they are unable to pay the full amount of Council Tax, for example through redundancy, they may apply for Council Tax support, which reduces their Council Tax by 80%.
- 3.6. It is nevertheless likely that Council Tax income will fall, through a combination of lower collection rates and a transition from full Council Tax to a reduced level of Council Tax for many households. At this stage we estimate a loss of £1.0 million.

Sales, Fees and Charges

- 3.7. The Council's biggest exposure falls in this area, which includes parking income, planning fees, green waste collection fees, property rentals and a whole range of other charges for Council services. In most of these areas, it is also difficult to mitigate income loss through reductions in expenditure, given that most of our costs are fixed. On the basis that activity levels continue to be severely disrupted to the end of June, we project a loss of income of £4.3 million. If disruption continues for longer than this then the loss will be even greater.
- 3.8. The following table summarises projected income reductions as at 15 May:

Income Reductions			
	April 2020	May 2020	Full Year 2020-21
	£000	£000	£000
Business Rates (MBC share)	160	160	1,922

Council Tax (MBC share)	87	87	1,043
Sales, fees and charges:			
<i>Parking services</i>	267	251	990
<i>Property rentals</i>	116	127	1,270
<i>Leisure & cultural services</i>	45	9	809
<i>Planning fees and advice</i>	116	88	761
<i>Other fees and charges</i>	94	88	678
Total income reductions	885	810	7,474

Table 2: Loss of income

- 3.9. Combining the projected spending pressures and loss of income, the total impact for this financial year is as follows:

	April 2020	May 2020	Full Year 2020-21
	£000	£000	£000
Expenditure pressures	49	50	753
Income reductions	885	810	7,474
Government support	-57	-1,720	-1,777
Total impact	877	-860	-6,450

Table 3: Overall projected impact 2020/21

- 3.10. It should be emphasised that these figures are simply our best estimates at this stage. The return to MHCLG required us to express a level of confidence in the accuracy of the estimates – red, amber, or green. These estimates have an ‘amber’ level of confidence.

4. Government support for local government

- 4.1. The position set out above is replicated for local authorities across the country. In response, central government has so far allocated two tranches of funding to local authorities, amounting to £3.2bn in total. Maidstone Borough Council received £57,411 from the first tranche announced on 19 March and a further £1,719,767 on 18 April.
- 4.2. To aid cash flow, the Government made up front payments of £3.4 billion of grants, including pre-COVID-19 business rates relief compensation. For Maidstone, this amounted to early receipt of £2.1m grants which would otherwise have been received over the course of the year. On 16 April, the Government announced that councils would also be allowed to defer £2.6 billion of business rates central share payments due to the Government over the next three months.
- 4.3. On 10 June, the Prime Minister announced that £63 million will be made available for councils to offer food and basic necessities to those in need. The Government has also confirmed that it is looking at separate new burdens funding for the administration of reliefs for businesses, with details to be announced.
- 4.4. At this stage it is hoped that further funding will be made available to support financial recovery in the local government sector and enable social and economic recovery to be facilitated by councils as we move into the next phase. However, it is unlikely that any additional funding will be sufficient to cover the expected losses set out within this report.

5. Use of Reserves

- 5.1. The Council holds reserves to protect it against eventualities such as this, albeit that the impact of the pandemic is greater than was ever anticipated. The Council sets a minimum level of reserves of £2 million, which is plainly inadequate in the current circumstances.
- 5.2. In the event, the level of reserves currently held is well in excess of the £2million minimum. As detailed elsewhere in this report, the provisional balance on the general fund at 31 March 2020 was £8.8m, with a further £7.8m held within earmarked reserves. Earmarked reserves are set aside for a range of different purposes including the Local Plan Review, schemes funded from the Business Rates Retention Pilot/Pool, and Homelessness initiatives.
- 5.3. Whilst the projected financial impact of the pandemic as shown above is clearly only a very early estimate, and cannot be relied upon, if the impact is as projected, namely £6.5 million, then the Council has adequate resources to meet the expected expenditure. The Section 151 Officer is not therefore obliged to report that expenditure is likely to exceed the resources available. However, it can be seen that almost all of the unallocated general fund balance would be used up.

6. Cash Flow

- 6.1. The Council's cash position is subject to wide income fluctuations, whilst most of our outlays are fixed. This position has been mitigated somewhat by the action taken by central government to defer collection of their share of business rates. Nevertheless, we are seeking to minimise our risk by maintaining cash investment in as liquid a form as possible. Cash balances as at 11 June amounted to £19.2 million. It should be noted that on 22 June, payments totalling 11.1m are due to preceptors in respect of business rates and council tax. Cash balances are expected to be adequate over the short term on the basis of the projected additional expenditure and income shortfalls outlined above.

7. Capital Programme

- 7.1. A Capital Programme was agreed by Council at its meeting on 26 February 2020. The Capital Programme totals £108 million over five years and includes a number of major schemes intended to achieve the Council's long term strategic objectives.
- 7.2. The schemes within the capital programme met the tests set out in the Prudential Code, in other words they were considered to be affordable on the basis of the returns generated and the capacity of the revenue budget to support any borrowing required. At this stage, decisions about the progress of individual schemes within the capital budget are being made on a case by case basis. The position in relation to key schemes for delivery in 2020/21 is as follows:
- **Brunswick Street / Union Street** - work was temporarily put on hold at the start of lockdown but has now resumed. It is hoped that both developments will be complete by the end of 2020.
 - **Kent Medical Campus** – work currently under way; ERDF funding remains available to support this scheme.

- **Lockmeadow** – the contribution to refurbishment of the cinema and the landlord works (£4m in total) will be spent between July and October this year.
- **Mote Park dam** – work required for health and safety reasons – work currently planned to proceed in Summer 2020.
- **Mote Park Visitor Centre and Estate Services Building** – currently on hold.

8. Next Steps

- 8.1. The next financial monitoring return is due to be submitted to MHCLG on Friday 19th June and the messages reported will be shared with members.
- 8.2. A temporary freeze on all non-essential recruitment activity has been introduced by the corporate leadership team in order to minimise the anticipated impacts on revenue budgets for 2020/21.
- 8.3. Given the unprecedented nature of recent events, and the short term uncertainty surrounding the timetable for recovery, it has been judged that an exercise to recast the 2020/21 budget is unlikely to represent effective use of officer time, although efforts will be made to minimise the anticipated budget overspend for this year as far as possible.
- 8.4. Locally, work on recovery planning is progressing. As chair of Kent Finance Officers Association, Mark Green, Director of Finance and Business improvement is chairing the finance recovery cell at county level. This group will cover short, medium, and longer term recovery of finances, including loss of income, and cost recovery.
- 8.5. Initial modelling work for the five year strategic revenue projection has commenced. However, a great deal of uncertainty remains regarding if and how much further government support may be available. The future of business rates retention and local government funding reforms present further variability, as well as the ongoing impact of social distancing measures on the Council's income streams and the wider economy. It is therefore crucial that medium term plans are developed to be flexible and dynamic. Plans will also need to reflect refocussed priorities and investment required to stimulate local economic recovery.
- 8.6. Medium term financial planning for the period from 2021/22 onwards will consider all sources of funding available to the council, and how best to deploy these to ensure that the council remains financially resilient and well placed to support recovery.

Policy and Resources Committee

24 June 2020

KEY PERFORMANCE INDICATORS 2020-21

Final Decision-Maker	POLICY AND RESOURCES COMMITTEE
Lead Head of Service	Angela Woodhouse, Head of Policy Communications and Governance
Lead Officer and Report Author	Anna Collier, Policy and Information Manager and Orla Sweeney, Equalities and Corporate Policy Officer
Classification	Public
Wards affected	ALL

Executive Summary

The Committee are asked to consider the key performance indicators that measure achievement of the Council's priorities for 2020-21.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. That the draft Key Performance Indicators for 2020-21, attached as Appendix 1, be agreed.

Timetable

Meeting	Date
Policy and Resources Committee	24 June 2020

KEY PERFORMANCE INDICATORS 2020-21

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>We do not expect that the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council's overall achievement of its aims.</p> <p>The performance management process monitors delivery of the Councils Strategic Plan 2019-45 and plays an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas, for example housing and waste and recycling.</p>	Anna Collier Policy and Information Manager
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendation supports the achievement of the all cross-cutting objectives as the performance management process monitors delivery of the Councils Strategic Plan 2019-45 and plays an important role in the achievement of corporate objectives.</p>	Anna Collier Policy and Information Manager
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 early action to be taken in order to mitigate the risk of not achieving targets and outcomes.	Anna Collier Policy and Information Manager
Financial	The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation.	[Section 151 Officer & Finance Team]
Staffing	We will deliver the recommendations within our current staffing.	Angela Woodhouse Head of Policy Communications and Governance

Legal	Acting on the recommendations is within the Council's powers there is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and Legal Team effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council Services. Regular reports on the Council's performance assist in demonstrating best value and compliance with the statutory duty.	[Legal Team]
Privacy and Data Protection	The recommendations do not propose a change in service therefore will not require a data protection impact assessment.	Policy and Information Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment.	Anna Collier Policy and Information Manager
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	[Public Health Officer]
Crime and Disorder	<i>No impact</i>	Anna Collier Policy and Information Manager
Procurement	No Impact	Anna Collier Policy and Information Manager

2. INTRODUCTION AND BACKGROUND

2.1 The Council's Strategic Plan for 2019-45 has four priorities:

- Embracing Growth and Enabling Infrastructure
- Safe Clean and Green
- Homes and Communities
- A Thriving Place

2.2 Indicators are reviewed at the start of each year and as there has been no change to the strategic priorities, the set of new Key Performance Indicators for 2020-21 remains predominantly the same.

2.3 Some minor changes have been made where issues have been identified during the course of 2019-20. Consideration has also been given to the Coronavirus pandemic, its impact on services and monitoring performance.

2.4 The following indicators have been removed from last year as Performance Indicators as they are financial targets and assessed as part of quarterly budget monitoring:

- Number of people attending paid for exhibitions
- Attendance at events in the museum
- Number of attendees to informal events

2.5 In addition, the following indicator has been removed as it is burdensome to calculate as the visitor information centre and museum are one space.

- Contacts to the Visitor Information centre (visits, calls, and emails)

2.6 Four new indicators have been added:

- Percentage of gas safety certificates in place on all residential properties
- Percentage of all electrical safety certificates on all residential properties
- No of high priority fire safety certificates on all residential properties
- Contamination: Tonnage per month rejected

2.7 Finally, the number of tickets sold at the Hazlitt has been replaced by user satisfaction at the Hazlitt.

2.8 Members will also note that for a number of indicators, targets have not been included. Key spaces are still closed due to Covid-19 and officers are not yet aware when the spaces can reopen, when they do they will need to plan for visitors to be socially distanced. This will impact on numbers, and officers need more information in order to intelligently calculate targets. Performance will be monitored and direction of travel will be reported in performance reports to the service committees. Alternatively, as the year

progresses the indicators themselves may need to change to reflect diversifying business needs.

2.9 The Draft indicator set can be reviewed at Appendix 1, set out by priority.

2.10 A separate set of Covid19 indicators is currently under development to monitor the recovery process. Some of these indicators may also be in the current KPI set.

Reporting

2.11 Last year Committee asked for 3 Strategic indicators to be reported regularly, (4 annually) alongside any indicators that were red rather than all KPIS. These indicators are:

- The percentage of land and highways with acceptable levels of litter
- Percentage of successful Relief Duty outcomes
- Percentage of successful Prevention Duty outcomes
- Satisfaction with local area as a place to live
- Net additional homes provided (NI 154)
- New Businesses Started in the borough
- Council Investment in long term assets

2.12 Officers will continue to provide this information quarterly.

2.13 Committee can also request at any point in the year that other performance information is provided on a one-off basis or as part of regular performance monitoring.

2.14 The Policy and Information team are working on developing dynamic performance dashboards over this year which will enable Members to view data outside of the reports. This is likely to be around quarter two or three, once these are progressed officers will be in touch to trial these.

3. AVAILABLE OPTIONS

Stop performance monitoring

3.1 Though it is considered best practice, some authorities have chosen to drop performance management or produce performance data which they publish on their website.

3.2 This is not recommended as monitoring performance ensures oversight and challenge to the delivery of the Council's priority action areas and mitigates the risk of the Council not delivering its priorities and key services.

To keep the current set of indicators and targets as reported in 2019-20

3.3 A set of indicators is currently in place and is being reported to Committees. This is not recommended, as whilst this set of indicators is almost identical minor amendments have been made to reflect comments from officers and

members over the course of the year. In particular targets have been adjusted.

To agree the draft set of indicators at appendix 1

- 3.4 Appendix 1 shows the list of proposed Key Performance indicators for 2020-21 set out by the new priorities in the Strategic Plan 2019-45. Members could also choose to increase, reduce or change any targets or amend suggest new indicators.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 To agree the draft set of indicators at Appendix 1. Monitoring performance is best practice to ensure the delivery of the Council's priorities and is particularly important at this time, it's also presented with financial performance information.

5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. 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 early action to be taken in order to mitigate the risk of not achieving targets and outcomes. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Members often request future changes or express points of view on either the indicators or performance management generally. Notes have been taken of these for application in the current set and proposed approach.
- 6.2 Indicators have been presented to Strategic Planning and Infrastructure Committee (SPI) and Economy Regeneration and Leisure committee (ERL). Unfortunately, Communities Housing and Environment Committee, was cancelled, so the committee will be looking at the indicators at the end June.
- 6.3 Indicators were approved by SPI committee and feedback from ERL will be provided on the night.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Once the indicators are agreed Heads of Service, Managers will be informed, and the reports set up in time for first reporting. The Performance and Financial monitoring report will be added to each Committee's work programme for 2020-21.
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8. REPORT APPENDICES

- Appendix 1: New Performance Indicators 2020-21
-

Appendix 1

Key Performance Indicators 2020-2021

Status	Head of Service	Performance Measures	Frequency	Good Performance	2019/20 Target	2019/20 Outturn	2020/21 Target
Embracing Growth and Enabling Infrastructure							
Existing	Rob Jarman	Percentage of priority 1 enforcement cases dealt with in time	Quarterly	Aim to Maximise	N/A	100%	95%
Existing	Rob Jarman	Percentage of Priority 2 enforcement cases dealt with in time	Quarterly	Aim to Maximise	N/A	95%	90%
Existing	Rob Jarman	Number of enforcement complaints received	Quarterly	Aim to Maximise	Information Only	566	Information Only
Existing	Rob Jarman	Number of affordable homes delivered (Gross)	Quarterly	Aim to Maximise	180	325	TBC
Existing	Rob Jarman	Affordable homes as a percentage of all new homes	Annual	Aim to Maximise	N/A	TBC	TBC
Existing	Rob Jarman	Net additional homes provided (NI 154)	Annual	Aim to Maximise	N/A	TBC	TBC
Existing	Rob Jarman	Processing of planning applications: Major applications (NI 157a)	Quarterly	Aim to Maximise	88.0%	91.3%	92.0%
Existing	Rob Jarman	Processing of planning applications: Minor applications (NI 157b)	Quarterly	Aim to Maximise	85.0%	98.6%	99.0%
Existing	Rob Jarman	Processing of planning applications: Other applications (NI 157c)	Quarterly	Aim to Maximise	92.0%	99.2%	99.0%

Status	Head of Service	Performance Measures	Frequency	Good Performance	2019/20 Target	2019/20 Outturn	2020/21 Target
Homes and Communities							
Existing	John Littlemore	Number of houses of multiple occupation brought to compliance by private rented sector licensing	Quarterly	Aim to Maximise	N/A	31	30
New	John Littlemore	Percentage of gas safety certificates in place on all residential properties	Quarterly	Aim to Maximise	N/A	N/A	100%
New	John Littlemore	Percentage of all electrical safety certificates on all residential properties	Quarterly	Aim to Maximise	N/A	N/A	100%
New	John Littlemore	No of high priority fire safety certificates on all residential properties	Quarterly	Aim to Maximise	N/A	N/A	100%
Existing	John Littlemore	Number of completed housing assistances	Quarterly	Aim to Maximise	Information Only	471	Information Only
Existing	John Littlemore	Percentage of approved spend for disabled facilities grant	Quarterly	Aim to Maximise	100%	130.4%	75%
Existing	John Littlemore	Number of households prevented or relieved from becoming homeless	Quarterly	Aim to Maximise	300	571	450
Existing	John Littlemore	Percentage of successful housing prevention and relief cases	Quarterly	Aim to Maximise	60.0%	56.6%	60%
Existing	John Littlemore	Percentage of successful Prevention Duty outcomes	Quarterly	Aim to Maximise	62.4%	60%	60%
Existing	John Littlemore	Number of households housed through the housing register	Quarterly	Aim to Maximise	600	576	450

Status	Head of Service	Performance Measures	Frequency	Good Performance	2019/20 Target	2019/20 Outturn	2020/21 Target
Existing	John Littlemore	Number of households living in nightly paid temporary accommodation last night of the month	Quarterly	Aim to Minimise	Information Only	36	Information Only
Existing	John Littlemore	Number of households in temporary accommodation	Quarterly	Aim to Minimise	Information Only	36	Information Only
Safe, Clean and Green							
Existing	John Littlemore	Percentage of unauthorised encampments removed within 5 working days	Quarterly	Aim to Maximise	90.0%	100%	100%
Existing	Jen Shepherd	The percentage of relevant land and highways that is assessed as having acceptable levels of litter	4-monthly	Aim to Maximise	98.0%	98.18%	98%
Existing	Jen Shepherd	The percentage of relevant land and highways that is assessed as having acceptable levels of detritus	4-monthly	Aim to Maximise	95.0%	94.9%	95%
Existing	Jen Shepherd	The average weight of fly tipped material collected	Quarterly	Aim to Maximise	Information Only	92.8kg	Information Only
Existing	Jen Shepherd	Percentage of fly tips assessed within 2 working days	Quarterly	Aim to Maximise	94.0%	96.4%	94.0%
Existing	Jen Shepherd	Percentage of fly tips with evidential value resulting in enforcement action	Quarterly	Aim to Maximise	80.0%	87.0%	87.0%
Existing	Jen Shepherd	Percentage of household waste sent for reuse, recycling, composting	Quarterly	Aim to Maximise	52.0%	49.1%	52.0%
Existing	Jen Shepherd	Contamination: Tonnage per month rejected	Quarterly	Aim to Minimise	N/A	N/A	25

Status	Head of Service	Performance Measures	Frequency	Good Performance	2019/20 Target	2019/20 Outturn	2020/21 Target
Existing	Jen Shepherd	Actual Spend of Section 106 money	Quarterly	Aim to Maximise	Information Only	£6,016	Information Only
Existing	Jen Shepherd	Maintenance per Hectare Spent on Parks and open Spaces	Annual	Aim to Maximise	Information Only	£4,953,335.00	Information Only
Existing	Jen Shepherd	Percentage of People using Parks and Open spaces	Annual	Aim to Maximise	Information Only	No Data Available	50.0%
Existing	Jen Shepherd	Number of Green Flag Parks	Annual	Aim to Maintain	5	3	3
Thriving Place							
Existing	John Foster	Number of students benefitting from the museums educational service	Quarterly	Aim to Maximise	8,378	8,884	TBC
Existing	John Foster	Footfall at the Museum and Visitor Information Centre	Quarterly	Aim to Maximise	65,000	98,314	TBC
Existing	John Foster	Number of users at the Leisure Centre	Quarterly	Aim to Maximise	805,257	758,290	TBC
New	John Foster	User Satisfaction with Hazlitt	Quarterly	Aim to Maximise	N/A	N/A	75%
Existing	John Foster	Percentage of Vacant Retail units in the town centre	Annual	Aim to Minimise	11%	N/A	TBC
Existing	John Foster	Footfall in the town centre	Quarterly	Aim to Maximise	11,836,415	10,994,050	TBC
Existing	Sheila Coburn	Business Rates income from the town centre	Annual	Aim to Maximise	Information Only	£21,720,949	Information Only
Existing	Mark Green	Total value of business ratable properties	Annual	Aim to Maximise	Information Only	£147,123,115.00	Information Only
Existing	John Foster	Number of visits per month to visit Maidstone.com	Quarterly	Aim to Maximise	367,535	334,556	TBC

Agenda Item 17

Policy & Resources Committee

24th June 2020

Risk Management Update

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	Mark Green – Director of Finance and Business Improvement
Lead Officer and Report Author	Alison Blake – Audit Manager
Classification	Public
Wards affected	All

Executive Summary

In this report we provide Members with an update of the Council’s corporate risks and overall risk profile. This report was originally scheduled to be presented to the March 2020 meeting of the Policy and Resources Committee, which was cancelled. The opportunity has been taken to update the corporate risk register to reflect the new risk environment revealed by the Covid-19 pandemic.

Purpose of Report

The report is for information and discussion in line with the committee’s role in retaining a strategic overview of risk management.

This report makes the following recommendations to this Committee:

1. Note the risk information set out in Appendix 1.

Timetable

Meeting	Date
Policy & Resources Committee	24 th June 2020

Risk Management Update

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Risk management is a key component in the Council's governance. Good governance underpins everything that the Council does.	Alison Blake – Audit Manager
Cross Cutting Objectives	Risk management is a key component in the Council's governance. Good governance underpins everything that the Council does.	Alison Blake – Audit Manager
Risk Management	Risk management is the focus of this paper.	Alison Blake – Audit Manager
Financial	Risk management support is provided through the Mid Kent Audit partnership within existing budgets. This decision therefore has no direct financial implications.	Section 151 Officer & Finance Team
Staffing	There are no staffing implications to this decision.	Alison Blake – Audit Manager
Legal	The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective There are no immediate legal implications arising from this report.	Keith Trowell – Practice Area Team Leader
Privacy and Data Protection	There are no privacy or data protection implications to this decision.	Policy and Information Team
Equalities	The recommendations do not propose a change in service therefore do not require an equalities impact assessment	Policy & Information Manager
Public Health	The COVID-19 outbreak has shown that a public health crisis does not just pose a risk toward health and care services but also to council services, wider society and residents livelihoods. Whilst a pandemic poses a number of acute risks due to the measures taken there will be longer term risks to residents health due to the impact on the wider determinants of health. The COVID-19	Paul Clarke - Senior Public Health Officer

	outbreak has also shown that the risks are greater to particular groups of the population highlighting the health inequalities that already existed prior to the outbreak. These implications will need to be considered as part of the risk management process.”	
Crime and Disorder	Not applicable	Alison Blake – Audit Manager
Procurement	Not applicable	Alison Blake – Audit Manager

2. INTRODUCTION AND BACKGROUND

- 1.1 Effective risk management is a vital part of the Council’s governance, and contributes greatly to the successful delivery of services and key priorities. The Council has always recognised and supported the need to have effective processes to identify, evaluate and manage risks. This is set out in the Risk Management Framework which includes a programme of monitoring and review for Officers and Members. As a result, we have been providing regular updates to this Committee to present risk information and detail how the corporate level risks are being managed.
- 1.2 The Mid Kent Audit Service has lead responsibility to co-ordinate and embed risk management processes across the Council. The service’s role includes reporting regular updates to Officers and Members, through the Corporate Leadership Team (CLT), Policy & Resources Committee and the Audit, Governance & Standards Committee. The service’s resources have been re-directed towards support for the Covid-19 response during the past three months, which has limited its input to this report.
- 1.3 Having valuable and up to date risk information allows for both the management and oversight functions to happen effectively. This report provides Members with:
- The overall risk profile of the Council
 - Updates for each Corporate Risk
 - Planned work for 2020/21
- 1.4 The Covid-19 pandemic both illustrates the importance of risk management and compels a re-consideration of our risk profile. The pandemic belongs to a category of risks (eg global warming, pandemics) which can be foreseen in broad terms, but where the timing and nature of their impact is completely uncertain. It is clear that any consideration of our risk profile cannot ignore such risks. The corporate risk register has therefore been updated to include new risks relating to (a) major emergencies such as a new pandemic and (b) a resurgence of the current Covid-19 pandemic. As set out in the risk register, the risk of a resurgence is substantially mitigated by the extensive recovery arrangements that are being put in place by the Council.

- 1.5 The update report is attached in **appendix 1** and a full copy of the Corporate Risk register is attached in **appendix 1A**.
 - 1.6 The update report is attached in **appendix 1** and a full copy of the Corporate Risk register is attached in **appendix 1A**.
-

3. AVAILABLE OPTIONS

- 3.1 In order for any risk management process to be effective it is vital that risk information is reported, that risks are monitored and that action is taken to manage risks to an acceptable level. This has been recognised by the Committee who have requested updates twice a year.
 - 3.2 An alternative option would be for the Committee to change the frequency of our reporting of risks, or stop it altogether. This would however be contrary to previous requests.
-

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 This report is largely for information and discussion during the meeting. This has been a valuable exercise in past meetings, and so the preferred option would be for these updates to continue in this format.
-

5. RISK

- 5.1 The focus of this report is risk management. The update is presented for information only and so has no risk management implications.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 All risks are allocated an owner, that is, someone in the Council who is best placed to co-ordinate a response and to monitor progress. Risk owners range from our Managers, Heads of Service, up to Corporate Leadership Team.
- 6.2 Risk owners provide their own updates and so all of the Officers identified in the report, and all of the Corporate Leadership Team, have been consulted on the content of this update.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Unless requested otherwise, we will continue to report risk updates to Members of this Committee every 6 months.

8. REPORT APPENDICES

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

- Appendix 1: Policy and Resources Committee Risk Update

9. BACKGROUND PAPERS

The risk management framework was reported to Policy and Resources Committee in April 2019 and is publicly available on the Council's website.

Policy and Resources Committee Risk Update – June 2020

Corporate Risks

The Council’s corporate risks are those risks which could impede the achievement of our strategic objectives. The corporate risk register was last reported to Members in April 2019, following a workshop of senior officers and Members to reconsider the corporate risks following approval of the new Strategic Plan.

The matrices below provide a snapshot of the corporate risk profile, with the location on the matrix being dependent on the score of risk likelihood and impact. This is based on the **current** risk, i.e. the risk impact and likelihood (as defined in **Appendix 1C**) considering any existing controls in place to manage the risk, but before any further planned controls are introduced. For a base comparison we have included the profile from the previous risk update:

Risk Profile – April 2019

Likelihood	5				1	
	4				3	
	3			2	4	
	2		1	1	1	
	1					
		1	2	3	4	5
		Impact				

Risk Profile – June 2020

Likelihood	5				1 1	
	4			1	2	1
	3			2	6	1
	2		1		1	
	1					
		1	2	3	4	5
		Impact				

The overall risk environment has significantly worsened since April 2019. However, within this overall position there are some risks that have been mitigated successfully, such as poor partner relationships. There are other risks that have become more severe. Contraction in retail and leisure was already highlighted as a risk in April 2019; the position of this sector has clearly deteriorated significantly as a result of the Covid-19 pandemic. Finally, two new risks have been identified arising directly from the Covid-19 pandemic.

Further detail on the corporate risks, including a description of the risk and details of existing and planned key controls can be found in Appendix 1A.

Operational Risks

All Council services maintain an operational risk register, including Shared Services. Operational risks are the responsibility of the services to manage, and so fall within the remit of our Managers and Heads of Service. The following matrix shows the operational risk profile for the Council. This is based on the **current** risk, i.e. the risk impact and likelihood (as defined in **Appendix 1C**) considering any existing controls in place to manage the risk, but before any further planned controls are introduced. The table shows the number of risks for each colour category.

Likelihood	5		1	1	1	
	4		4	2	3	
	3	1	3	36	4	
	2		17	36	24	4
	1			8	9	
		1	2	3	4	5
		Impact				

BLACK	1
RED	10
AMBER	108
GREEN	35
BLUE	0
TOTAL	154

These risks are managed in accordance with the Council's Risk Appetite Statement, whereby services routinely monitor their risks based on the risk score. **BLACK** risks are monitored monthly by CLT and **RED** quarterly. Services monitor **AMBER** risks 6-monthly and **Green / Blue** risks annually or as needed.

Quarterly risk updates are presented to Corporate Leadership Team (CLT) on all risks above the Council's appetite – i.e. those risks which are **RED** or **BLACK**. **Appendix 1B** provides a one-page summary of the overall risk process.

The **BLACK** risk relates to infrastructure improvements which could fail to take place due to a lack of investment or change to government priorities. This is monitored by CLT through routine update reports. Should the circumstances for an existing risk change such that the score is increased into **BLACK** this will be escalated to CLT and a decision made as to any further action needed and how the risk is best monitored. Monitoring of these high level risks enables more effective challenge on the effectiveness of controls, and also means that support can be put in place to help manage the impact of the risk.

Next Steps

The Covid-19 pandemic demonstrates dramatically the importance of absorbing new information about risk and reflecting this in our approach. Whilst the UK has not yet fully emerged from the pandemic, there are a number of lessons that may be drawn from it.

- There is a category of risks (eg global warming, pandemics) which can be foreseen in broad terms, but where the timing and nature of their impact is completely uncertain. In the past, this has deterred many organisations from considering them seriously in day-to-day risk management.
- Responsibility for this category of risks cannot be attributed to any other organisation, or indeed any other nation, given that they are so wide-ranging (in geographic, human and economic terms) in their impact. That means that no organisation can pass responsibility for the risk on to a third party, eg by arguing that the other party has legal responsibility.
- Pandemics are relatively rare in historical terms (the last pandemic to have an impact in the UK on a similar scale to the current one occurred in 1918). They could therefore be treated as ‘very low probability, very high impact’ in risk management terms. However, the scale of the impact means that they cannot be ignored, even though the probability is low. (There is a separate argument that the frequency of pandemics is actually likely to increase in future, such that they are not in fact ‘once in a century’ occurrences).

Arising from these points, it is proposed to introduce a new risk to the register:

- **Major catastrophe with national / international impact (eg new pandemic, environmental disaster, nuclear attack)**

Additionally, the likely duration of the current Covid-19 pandemic itself remains uncertain. Whilst the number of cases is reducing, there remains a risk of its resurgence, for example through inadequate counter-measures or a mutation in the virus itself. This is therefore reflected in the follow further proposed new risk:

- **Resurgence of current Covid-19 pandemic.**

Risk management is a continuous process, and we will continue to build on and improve the arrangements to further strengthen the risk management process and develop a positive risk culture across the Council. Internal Audit continues to receive a positive level of engagement and support from Senior Officers and Managers in the Council which has enabled the risk management process to develop and embed.

Corporate Risks [TO BE UPDATED BY RISK OWNERS]

The table below sets out each of the corporate risks in detail. Risk owners have assessed the impact and likelihood of the risks and identified the key controls and planned actions necessary to further manage the risk to an acceptable level:

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
Major emergency with national / international impact (eg new pandemic, environmental disaster, nuclear attack)	Alison Broom	<ul style="list-style-type: none"> (1) Strong existing emergency planning framework (2) Active engagement with Local Resilience Forum (3) Flexible and committed workforce (4) Some financial reserves (5) Good partnership working as demonstrated during Covid-19 pandemic 	(5 x 3) 15	<ul style="list-style-type: none"> (1) More structured approach to review of horizon for early warnings (2) Plan for dealing with major emergencies (3) Higher level of financial reserves 	(5 x 3) 15
Resurgence of current Covid-19 pandemic	Alison Broom	<ul style="list-style-type: none"> (1) Strong existing business continuity planning arrangements (2) Active engagement with Local Resilience Forum (3) Learning from current pandemic has been captured (4) Member consultative forum on recovery arrangements (5) Risk assessments in place for all Council buildings 	(5 x 4) 20	<ul style="list-style-type: none"> (1) Build up stocks of appropriate equipment (2) Further develop emergency plans 	(4 x 4) 16
Increased effects from climate change or reduction in air quality causes environmental damage reducing residents' quality of life and increasing risks from adverse weather events	Angela Woodhouse	<ul style="list-style-type: none"> (1) Air Quality Action Plan in place (2) Emergency planning arrangements (3) Parks strategy (4) Budget available to deliver actions (5) Member working group (6) Communication / engagement strategy for adverse weather events 	(4 x 4) 16	<ul style="list-style-type: none"> (1) Recruit permanent Biodiversity and Climate Change officer (2) Climate change action plan (including response to severe weather) to be taken to P&R in September 2020 (3) Review by Carbon Trust towards the Council becoming carbon neutral by 2030 	(4 x 4) 16

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
Conflicting expectations or limited engagement leads to poor partner relationships inhibiting the Council's ability to call on others to help achieve its corporate objectives	Alison Broom	(1) Regular liaison meetings (e.g. Kent Association for Local Councils) (2) Defined joint working arrangements (e.g. Mid Kent Shared services, waste, licensing) (3) Specific joint working protocols for key relationships (e.g. Joint Transport Board, Safer Maidstone Partnership) (4) Project and topic specific boards for key priorities, including Town centre board, Maidstone east strategic board and Museum board (5) Strategic Plan refresh included review of partner objectives & priorities, & engagement with partners (6) Participation in integrated care partnership board	(4 x 4) 16	(1) Increased joint work with KCC highways & waste teams (2) Joint working arising from post-litigation settlement	(4 x 3) 12
General financial downturns, unexpected changes to government funding or failure to achieve income or savings targets places further financial restrictions on the Council resulting in difficulty maintaining standards or meeting aims.	Mark Green	(1) Agreed work programmes in transformation and commissioning (2) Budget monitoring in place (3) MTFS in place and monitored (4) Scenario planning in budget setting (5) Financial independence strategy to maximise our income (6) Strategies for maintaining income (e.g. pricing policies and purchase of Lockmeadow) (7) Commercial investment strategy (8) Holding reserves to mitigate impact of financial restrictions	(4 x 5) 20	(1) Lobbying to avoid unfavourable financial changes to government funding (2) Aligning MTFS & strategic plan (3) Cost recovery through bidding for additional government support for one-off costs (e.g. Brexit) (4) Further commercial investment being explored	(4 x 4) 12
Security breach or system weakness leading to IT security failure results in system unavailability and increased legal and financial liability.	Steve McGinnes	(1) Regular backup programmes (2) External testing (3) ICT policies & staff training, including disaster recovery plan (4) Cyber security testing & training (5) CLT monitoring of performance indicators (6) Nessus scanning software reporting daily on system vulnerabilities	(4 x 3) 12	(1) Cyber awareness campaign underway (2) Online staff awareness training to be delivered (3) New firewall purchased and to be installed (4) The third phishing campaign will commence March 2020	(4 x 3) 12
Poor engagement and communications leads to loss of community engagement limiting support for project delivery and regard for public realm.	Alison Broom	(1) Regular communications & engagement (2) Specific community projects	(3 x 4) 12	(1) Member training & awareness (2) More targeted public engagement, including more prominent engagement for Local Plan	(2 x 3) 6

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
<p>The broader housing crisis leads to housing pressures increasing on the Council, affecting both costs associated with homelessness and ability to meet wider housing needs in the borough.</p>	<p>William Cornall</p>	<p>(1) Homelessness prevention team in place with increased resource (2) MBC obtaining & using own stock for temporary accommodation & market rented housing (within Maidstone Property Holdings) (3) Closer working with private sector & housing associations (4) Key policies including, Temporary Accommodation Strategy (5) Implementation of Housing Management Team (6) CHE approval in place for MBC to develop up to 250 affordable homes of its own</p>	<p>(4 x 3) 12</p>	<p>(1) Closer working with voluntary sector (2) Revisiting offer to private sector landlords through Home Finder scheme (3) Affordable housing development plan within the Local Plan (now passed the consultation phase) (4) The completion of the temporary accommodation acquisition programme funded through the MBC capital programme (5) Seeking to acquire a hostel type facility to assist with TA and move-on provision. (6) Consider purchasing more housebuilder stock off plan.</p>	<p>(3 x 3) 9</p>

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (1 x L)	Controls planned	Mitigated rating (1 x L)
<p>Insufficient awareness / expertise leads to not fulfilling residential property responsibilities resulting in possible health & safety breaches.</p> <p>127</p>	William Cornall	<ul style="list-style-type: none"> (1) Faithfull Farrell & Timms have been retained as a critical friend to allow the new housing management function to up skill. (2) West Kent Housing Association (WKHA) engaged to provide an asset management service for the whole MBC residential portfolio. (3) The whole MBC residential portfolio is now being managed by a single team within Housing & Communities, where previously it was split between Housing & Property. (4) H&S KPI's are now recorded and reported through an interim software solution, FIXFLO. (5) The H&S KPI's are reported monthly to Corporate Leadership Team. 	(4 x 3) 12	<ul style="list-style-type: none"> (1) Further consideration of the creation of a separate housing management team, to sit aside from the Homelessness service creating client / contractor separation. (2) A permanent replacement housing management software package is being procured and this will incorporate KPI production and management. This will take over from the previous system, and the interim system (FIXFLO). (3) Mid Kent Audit Team have been commissioned to give advice around data integrity in respect of KPI production and reporting. (4) Eventual goal of real time reporting in terms of gas safety, via the WKHA contractor. 	(3 x 3) 9
<p>Lack of capacity, capability or planning results in major project failure damaging the Council's reputation as a partner and inhibiting achievement of regeneration and development objectives.</p>	William Cornall	<ul style="list-style-type: none"> (1) Engage external consultants where needed on complex projects (2) Clear project management process - including risk evaluation & monitoring (3) CLT monitoring & oversight, including digital transformation board (4) Specialist software used (5) Staff training & support (6) External funding bids and Capital Programme (7) Housing and Regeneration Investment Plan (8) Close working relationships with experienced partners and stakeholders (9) Adherence to suite of financial hurdle rates reflective of different sector risk profiles (10) Regeneration & Economic Development staffing structure amended to increase focus on project identification & delivery. 	(4 x 3) 12	<ul style="list-style-type: none"> (1) Regeneration projects board to be set up (2) Increased financial checks around potential contractor financial strength. 	(4 x 2) 8

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
General and localised economic pressure leads to contraction in retail & leisure sectors , limiting the appeal of Maidstone town centre threatening social cohesion and business rates income.	William Cornall	(1) Town Centre strategic advisory board (2) Public realm improvement work (3) Supporting One Maidstone Business Improvement District (4) Acquisition of key property (Royal Mail / Grenada House) (5) Work commissioned to Promote Maidstone as business destination (6) Planning Guidelines documents have now been approved by SPI for the Five town Centre Opportunity sites (7) Active management of Lockmeadow to increase the local economy	(5 x 5) 25	(1) Exploring town centre shop fronts improvement grant scheme (2) Delivery plans for the Five Town Centre Opportunity sites will be presented to ERL during 2020. (3) Working wit Key stakeholders including One Maidstone to safely reopen the High Street. (4) Consider a targeted programme of place promotion campaign activities	(4 x 5) 20
Poor management of contracts or financial resilience of contractors leads to significant contract failure disrupting services and creating extra liabilities. 128	Mark Green	(1) Contract management approach in place (2) Additional contract management resources obtained (3) Risk assessments & annual checks (e.g. credit & health & safety) (4) Business continuity plans (5) Training for contract managers on Toolkit (6) Regular updates to senior management and CLT	(4 x 3) 12	(1) Review of existing contracts (2) Additional staff training & support (3) Contract management toolkit (4) Include 'exit plan' as a requirement in the ITT document for all relevant contracts	(3 x 2) 6
Failure in implementation of Local Plan leads to building of incomplete communities in the borough inhibiting residents' quality of life	William Cornall	(1) Communication & liaison with partners (2) CLT oversight, including of developer income & contributions (3) Major projects team in planning (4) Agreed approach to LP review (5) Reg 18a reported to SPI meeting	(3 x 3) 9	(1) A revised Local Development Scheme will be taken to SPI in Spring 2020. (2) Findings of Reg 18a consultation to be published during Q1 of 2020/21 (3) Continue to lobby government on 5 year land supply and Housing Delivery Test concessions.	(3 x 3) 9
Exit of EU on unfavourable terms results in adverse short-term Brexit impacts disrupting the Council's ability to offer services and increasing liabilities.	Mark Green	(1) Regular briefings for officers & members	(4 x 3) 12	(1) Continued liaison with partners (2) Government funding to mitigate impacts (3) Liaison with local business about the support that could be provided	(3 x 3) 9

Risk (title & full description)	Risk Owner	Key Existing Controls	Current rating (I x L)	Controls planned	Mitigated rating (I x L)
Increased pressure on controls leads to governance failures resulting in poor decision making and increased legal liability	Alison Broom	(1) Constitutional review (2) Annual Governance Statement and Local Code of Corporate Governance (3) Professional advisory staff (including legal & internal audit) (4) Staff & member training (including political awareness & report writing) (5) Committee agendas and work programmes with sign-off of reports (6) Process for quick decision making in place (7) Information Governance Group	(4 x 2) 8		(4 x 2) 8
Due to difficulties in recruitment, retention or managing absence the Council has insufficient workforce capacity & skills to complete effectively the work necessary to achieve its objectives.	Steve McGinnes	(1) Workforce strategy monitoring & reporting (2) Salary benchmarking across SE England public sector (3) Training & development programme (4) Shared service resilience & specialist agency staff (5) Occupational health & employee support (6) Recruitment process that includes ability to adjust pay (7) Rewards package reviewed regularly (8) Use of Kent Healthy Business Awards self-assessment tools and HSE Stress survey	(2 x 2) 4	(1) Implementation of actions from engagement surveys and pulse surveys (2) New intranet page to enable staff to access information on health & wellbeing	(2 x 2) 4
Insufficient awareness / expertise leads to not fulfilling commercial property responsibilities	Mark Green	(1) Expert advice on compliance (2) Regular monitoring by CLT of corporate property PIs	(4 x 2) 8	(1) Implementation of new Corporate Property systems	(3 x 2) 6

Maidstone Risk Management Process: One Page Summary

Step 1 – Identify Risks	Step 2 – Evaluate Risks	Step 3 – Risk Response	Step 4 – Monitor & Review																																													
<p>Best done in groups, by those responsible for delivery objectives.</p> <p>RISK is a <i>potential future</i> event that, if it materialises, has an <i>effect</i> on the achievement of our objectives.</p> <p>Consider both threats and opportunities.</p> <p>When to consider:</p> <p>130 Setting business aims and objectives</p> <ul style="list-style-type: none"> • Service planning • Target setting • Partnerships & projects • Options appraisal <p>Establish the risk owner.</p> <p>Document in the risk register.</p>	<p>Combination of the impact and likelihood of an event (the CURRENT RISK).</p> <p>Impact score is the highest from the different categories.</p> <p>Establish your key existing controls and whether they are managing the impact and/or likelihood of the risk.</p> <p>Scores can be depicted in the risk matrix:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>5</td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #000000;"></td> <td style="background-color: #000000;"></td> </tr> <tr> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #000000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #00BFFF;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #00BFFF;"></td> <td style="background-color: #00BFFF;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td colspan="5" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	5						4						3						2						1								1	2	3	4	5			Impact					<p>Black – Above our <i>tolerance</i>, immediate action and reporting to directors.</p> <p>Red – Outer limit of our <i>appetite</i>, immediate action.</p> <p>Amber – Medium risk, review existing controls.</p> <p>Green – Low risk, limited action, include in plans.</p> <p>Blue – Minimal risk, no action but annual review.</p> <p>Risk Response – 4Ts</p> <ul style="list-style-type: none"> • Treat (i.e. apply controls) • Tolerate (i.e. accept risk) • Transfer (e.g. insurance / partnership) • Terminate (i.e. stop activity) <p>After your response; where does the risk score now? (the MITIGATED RISK)</p>	<p>Completed risk registers returned to Mid Kent Audit.</p> <ul style="list-style-type: none"> • Corporate Leadership Team monthly monitoring of black risks. Quarterly reporting of all high level (black and red) risks. • 6-monthly reporting to Wider Leadership Team. • Risk registers sent quarterly to directors and heads of service. • 6-monthly monitoring at Policy & Resources Committee. • Annual monitoring of process by Audit, Governance & Standards Committee. <p>Mid Kent Audit facilitate the review and update of risk actions (as per your risk register) during the year for and high-level (red / black) risks.</p>
Likelihood	5																																															
	4																																															
	3																																															
	2																																															
	1																																															
		1	2	3	4	5																																										
		Impact																																														

Impact & Likelihood Scales

Risk Impact

Level	Service	Reputation	H&S	Legal	Financial	Environment
Catastrophic (5)	Ongoing failure to provide an adequate service	Perceived as a failing authority requiring intervention	Responsible for death	Litigation almost certain and difficult to defend Breaches of law punishable by imprisonment	Uncontrollable financial loss or overspend over £500k	Permanent, major environmental or public health damage
Major (4)	Failure to deliver Council priorities Poor Service, 5+ days disruption	Significant adverse national publicity	Fails to prevent death, causes extensive permanent injuries or long term sick	Litigation expected and uncertain if defensible Breaches of law punishable by significant fines	Financial loss or overspend greater than £250k	Long term major public health or environmental incident (1+ yrs)
Moderate (3)	Unsatisfactory performance Service disrupted 3-5 days	Adverse national publicity of significant adverse local publicity	Fails to prevent extensive permanent injuries or long term sick	Litigation expected but defensible Breaches of law punishable by fines	Financial loss or overspend greater than £50k	Medium term major public health or environmental incident (up to 1 yr)
Minor (2)	Marginal reduction in performance Service disrupted 1-2 days	Minor adverse local publicity	Medical treatment required Long term injuries or sickness	Complaint or litigation possible Breaches of regulations or standards	Financial loss or overspend greater than £10k	Short term public health or environmental incident (weeks)
Minimal (1)	No performance reduction Service disruption up to 1 day	Unlikely to cause adverse publicity	First aid level injuries	Unlikely to cause complaint Breaches of local procedures	Financial loss or overspend under £10k	Environmental incident with no lasting detrimental effect

Risk Likelihood

Level	Probability	Description
Almost Certain (5)	90% +	Without action is likely to occur; frequent similar occurrences in local government / Council history
Probable (4)	60% - 90%	Strong possibility; similar occurrences known often in local government / Council history
Possible (3)	40% - 60%	Might occur; similar occurrences experienced in local government / Council history
Unlikely (2)	10% - 40%	Not expected; rare but no unheard of occurrence in local government / Council history
Rare (1)	0% - 10%	Very unlikely to occur; no recent similar instances in local government / Council history

Agenda Item 18

POLICY AND RESOURCES COMMITTEE

24 JUNE 2020

COUNCIL-LED GARDEN COMMUNITY UPDATE

Final Decision-Maker	Policy & Resources Committee
Lead Head of Service	William Cornall, Director of Regeneration & Place
Lead Officer and Report Author	William Cornall, Director of Regeneration & Place
Classification	Public
Wards affected	All, but in particular Harrietsham & Lenham and Headcorn Wards. Lenham Parish Council and Boughton Malherbe Parish Council are affected.

Executive Summary

The proposal was last considered by this Committee on 29th April 2020. The purpose of this report is to provide an update in respect of the progress made since then in pursuing a council-led garden community, near Lenham Heath (Heathlands). As in the case of previous reports to this Committee, the contents of this report relate to the Council's position as a potential property owner/developer and not as Local Planning Authority (LPA).

Purpose of Report

For information.

This report makes the following recommendations to this Committee:

1. To note the contents of this report.

Timetable

Meeting	Date
Policy and Resources Committee	24 June 2020

COUNCIL-LED GARDEN COMMUNITY UPDATE

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling • Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Accepting the recommendations will materially improve the Council’s ability to achieve all the corporate priorities.</p>	Director of Regeneration & Place
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendations support the achievement of all the cross cutting objectives.</p> <p>Through delivering much needed homes to include 40% affordable housing of which 70% would be for social rent. The emerging masterplan is landscape led with 50% of the total proposed as green space. Led by the ambitions set out in the Strategic Plan the Council can ensure that the design principles of development where it is the master planner reflect the commitment to reduce health inequalities amongst other things.</p>	Director of Regeneration & Place
Risk Management	See section 5.	Director of Regeneration & Place

Financial	<ul style="list-style-type: none"> Investment in the Garden Community forms part of the Council's five-year capital programme and budgetary provision exists for the expenditure described in the report and the future plans outlined here. 	Section 151 Officer & Finance Team
Staffing	<ul style="list-style-type: none"> We will deliver the recommendations with our current staffing. 	Director of Regeneration & Place
Legal	<ul style="list-style-type: none"> Acting on the recommendations is within the Council's powers 	Solicitor
Privacy and Data Protection	<ul style="list-style-type: none"> No impact. 	Policy and Information Team
Equalities	<ul style="list-style-type: none"> Officers will commence the preparation of an Equalities Impact Assessment or equivalent should the proposal feature in the draft spatial strategy of the Local Plan Review. 	Policy & Information Manager
Public Health	<ul style="list-style-type: none"> We recognise that the recommendations will not negatively impact on population health or that of individuals. 	Public Health Officer
Crime and Disorder	<ul style="list-style-type: none"> The recommendation will not have a negative impact on Crime and Disorder. 	Head of Service or Manager
Procurement	<ul style="list-style-type: none"> N/A. 	Head of Service & Section 151 Officer
Biodiversity	<ul style="list-style-type: none"> The revised masterplan brief seeks a biodiversity net gain within the proposed redline. 	Head of Policy Communications & Governance

2. INTRODUCTION AND BACKGROUND

2.1 The council is pursuing this project as it is consistent with its Strategic Plan priority of "embracing growth and enabling infrastructure" and the desired outcomes within it:

- The Council leads master planning and invests in new places which are well designed.
 - Key employment sites are delivered.
 - Housing need is met including affordable housing.
 - Sufficient infrastructure is planned to meet the demands of growth.
- 2.2 This report will provide an update on the progress made since the last report to this committee on 29th April 2020 and addresses the following areas:
- Feedback from the LPA
 - Second stage landscape led masterplan
 - Landowners
 - Homes England partnership proposal
 - Land value capture
 - Financial model
 - Community engagement
 - Land Value Capture
- 2.3 **Feedback from the LPA.** Since the last report, the council has been advised by the LPA that the Heathlands proposal is one of four garden community proposals that it will consider in more detail at the present time. There were seven such proposals submitted in the “call for sites” exercise of the Local Plan Review (LPR) i.e. the LPA will be exploring whether any of the remaining proposals should feature within the next public consultation stage of the LPR, the LPA’s preferred spatial distribution for future development in the borough. Accordingly, the LPA requested further topic papers to support the Heathlands proposal, covering; landscape impact, place-making and governance, housing, employment, infrastructure, and transport. These were submitted during the week commencing 15th June 2020.
- 2.4 **Second stage landscape-led masterplan.** This was duly commissioned and is nearing completion. This latest commission drew on the RSK survey finds referred to last time and reflects the withdrawal of three of the principal landowners. The proposal now provides initially for circa 4,000 homes (previously up to 5,000) and a reduced redline of 776 acres (reduced from circa 900 acres in the initial vision document). The possibility of a further motorway junction on the A20 corridor between Lenham and Ashford will still be explored via the MBC / KCC infrastructure working group and through Duty to Cooperate meetings with key stakeholders held by the LPA. Furthermore, a possible location for the junction has been safeguarded within the revised masterplan, although were Highways England to eventually support its provision, they might ultimately prefer a different location elsewhere on the A20 / M20 corridor. Regardless of location, securing a new motorway junction is always a long term ambition that will require political consensus and lobbying at all levels, and then the case should also be made through the Local Enterprise Partnership.
- 2.5 The revised masterplan also makes provision for 16 acres of employment land, two further road links to the A20 inclusive of bridges across the

railway line. At the time of writing this report, the revised masterplan is being refined and its overarching booklet is still in production.

- 2.6 **Landowners.** The five principal landowners remain committed to the proposals and have submitted a joint letter of intent via their retained surveyor. Furthermore, the Council has also been approached by an SME developer acting for three smaller landowners within the redline that wish to make their land available for development too. The following table summarises the current position.

Category	Ha	Acres	%
Principal landowners	215.0	531.4	68%
Additional interested landowners	6.7	16.6	2%
Other land to be retained	50.3	124.2	16%
Remaining land	42.3	104.5	13%
	314.3	776.7	100%

- 2.7 **Homes England (HE) partnership proposal.** HE has now provided MBC with a letter of intent setting out their willingness to share land promotion costs of up to £3m 50:50 with the council. This sum would cover the ongoing costs of promoting the proposal through the LPR, securing the land Options and submitting a Planning application, a programme of work that would end in around March 2024. This commitment from HE will be reviewed when the draft spatial strategy of the LPR is published by the LPA in the autumn. This is a very positive development, not only in terms of the financial contribution but also the expertise and credibility that HE will bring to the proposal too.
- 2.8 **Financial model.** The high-level financial model that was presented as an exempt appendix to this committee in September 2019 is in the process of being refreshed. It is intended that this will be presented to this committee in July 2020. Initial indications are that the financial metrics of the revised proposal are improved.
- 2.9 **Community Engagement.** The Parish Council and Ward councillors have been invited to attend a Skype meeting in late June to ask any further questions on progress to date.
- 2.10 **Land Value Capture.** Government guidance is that land value capture is “the process of capturing some of the increase in land value which comes from policy decisions, the granting of planning permission by local authorities, or as a consequence of new or improved, publicly funded infrastructure projects.” In the context of garden communities, this involves making sure an appropriate portion of the enhanced land value arising from the development is made available to fund the delivery of:
- infrastructure
 - facilities
 - legacy arrangements
 - other measures needed to support development of a sustainable garden community

- 2.11 Therefore, in developing this proposal, the council has worked on the premise that all the infrastructure requirements for the garden community would be fully funded through land value capture i.e. the price payable for the land will be reflective of these enhanced infrastructure requirements that will be payable through a combination of S106, S278 and Community Infrastructure Levy (CIL). The detail of this concept will be explored further in the next committee report on the proposal.
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3. AVAILABLE OPTIONS

- 3.1 The report is for noting.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 N/A.
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5. RISK

- 5.1 When this proposal was presented to this Committee in September 2019, the likely risks were set out as follows:

- At risk consultancy expenditure.
- A period of uncertainty for the community affected.
- Possible negative perceptions of a broader role for the Council in the context of acting as master developer.
- Maintaining cohesion amongst the landowner group.

- 5.2 These risks have to some degree crystallised and largely remain. However, the level of cohesion amongst what is a now smaller landowner group, is now strong.

- 5.3 When the proposal was last reported on 29th April, the key risks identified were:

- Terms cannot be agreed with the landowners.
- That a suitable partner/s cannot be identified.
- That the LPA does not support the proposal at the next stage of the LPR.
- Challenge from individuals or organisations that oppose the principle and/or the specific details of MBC's council-led garden community
- That the second stage vision document, taking into account the RSK survey findings and the loss of three landowners might yield a compromised proposal.

5.4 Therefore, two of the risks identified last time (bullets 2 & 5 shaded) have receded.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 Nothing further to report since April 29th.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The next steps will be to:

- Advance the commercial negotiations with the five principal landowners.
 - Continue to promote the proposal to the LPA through the LPR.
 - Continue discussions with Homes England.
 - Continue dialogue with Lenham parish council and other community groups / stakeholders.
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8. REPORT APPENDICES

None.

9. BACKGROUND PAPERS

None.