POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday 27 March 2019
Time: 6.30 pm
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Mrs Blackmore, Boughton, M Burton, Clark, Cox (Chairman), Field, Mrs Gooch, Harvey, McKay, McLoughlin, D Mortimer, Newton, Perry (Vice-Chairman) 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.

AGENDA   Page No.

Issued on Tuesday 19 March 2019   **Continued Over/:**

Alison Broom, Chief Executive

MAIDSTONE
Borough Council

PART II

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

Head of Schedule 12 A and Brief Description

PUBLIC SPEAKING AND ALTERNATIVE FORMATS

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

In order to speak at this meeting, please contact Democratic Services using the contact details above, by 5 p.m. one clear working day before the meeting (i.e. Monday 25 March 2019). If asking a question, you will need to provide the full text in writing. If making a statement, you will need to tell us which agenda item you wish to speak on. Please note that slots will be allocated on a first come, first served basis.

To find out more about the work of the Committee, please visit www.maidstone.gov.uk.

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 13 FEBRUARY 2019

Present: Councillors Mrs Blackmore, M Burton, Cox (Chairman), English, Field, Mrs Gooch, McKay, McLoughlin, D Mortimer, Newton, Perry, Purle, Springett and Mrs Wilson

164. APOLOGIES FOR ABSENCE

It was noted that apologies were received by Councillors Harvey, Clark and Boughton.

165. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that the following members were present as substitute members:

- Councillor Purle for Councillor Boughton
- Councillor Wilson for Councillor Clark
- Councillor English for Councillor Harvey

Councillor Perry requested that his dissatisfaction be recorded with the decision to not allow the Conservative group to provide a Substitute for Councillor Garland's seat on the Committee following Councillor Garland's resignation from the Conservative Group.

166. URGENT ITEMS

There were no urgent items.

167. NOTIFICATION OF VISITING MEMBERS

There were no visiting members.

168. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

169. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

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

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

171. MINUTES OF THE MEETING HELD ON 23 JANUARY 2019

RESOLVED: That the minutes be agreed as an accurate record of the meeting and signed, subject to the addition of the words 'for the benefit of residents of the Borough ' after the phrase 'to be invested within the Borough' in item 158.

172. MINUTES (PART II) OF THE MEETING HELD ON 23 JANUARY 2019

RESOLVED: That the minutes be agreed as an accurate record of the meeting and signed.

173. PRESENTATION OF PETITIONS (IF ANY)

There were no petitions.

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

There were no questions from members of the public.

175. COMMITTEE WORK PROGRAMME

RESOLVED: That the Committee Work Programme is noted.

176. REPORTS OF OUTSIDE BODIES

The Committee request that a letter of thanks be sent to Derek Butler thanking him for his informative report on the work of the Rochester Bridge Trust.

RESOLVED: That the Report of Derek Butler be noted.

177. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PROPOSALS 2019/20

Mr Mark Green, Director of Finance and Business Improvement, presented the Medium Term Financial Strategy and Budget Proposals for 2019/20 to the Committee.

Mr Green outlined that the budget proposals had been considered by each of the Service Committees, who had commented and made amendments to their budgets. The Medium Term Financial Strategy recommended 2.99% rise in Council Tax to ensure the Council's finances were secure and that key services would continue to be delivered.

The Committee discussed the budget proposals and concluded that there were a number of items that were required to be added in to the budget which could be funded through the underspend arising from the better than expected performance of the 100% Business Rates Retention Pilot. These proposals were:

- Retaining the Member Community Grant Scheme for 2019/20, as this scheme had enabled members to make a positive impact in their wards.

- The issue of public toilet provision in the Borough had long been raised by residents, and a thorough review of this issue would be prudent.

- Delaying the savings proposed for the Festivals and Events budget for a year would allow the community events supported by this budget more time to find alternative funding sources.

A further amendment was moved to the budget containing the following proposals:

- Reduce expenditure on Communications (£90k)

- Reduce MBC facilitation on Tourism, Festivals and Events (£30k)

- Redeploy Police and Crime Commissioner's Grant (£40k)

- Move to all out elections every four years (£80k)

- Review Community Partnerships and Resilience (£100k)

- Review Cultural Services Section (£130k)

- Council Tax to remain at the same level in 2019/20 as in 2018/9

However this amendment fell.

RESOLVED: That

1. The outcomes of considerations of budget proposals by Service Committees are noted.

2. The Strategic Revenue Projection set out in Appendix A is agreed.

3. The Budget Proposals set out in Appendix B are agreed, subject to the following additions:

   Members Community Grant retained for 2019/20 (up to £60k)

   Public Toilets Review (£10k)

   Proposed saving in 2019/20 for Festival and Events deferred to 2020/21 (£10k)

4. The allocation of £50,000 from the Parking Fund for Transport Planning in 2019/20 is agreed.

5. Council is recommended to agree the revised estimates for 2018/19 and the Budget Estimates for 2019/20 set out in Appendix C.

6. Council is recommended to agree the Capital Programme set out in Appendix D.

7. Council is recommended to agree the Treasury Management Strategy, Investment Strategy and Capital Strategy set out in Appendix E.

8. Council is recommended to agree a £7.56 increase in Council Tax for 2019/20.

9. The updated Medium Term Financial Strategy, set out in Appendix G, is agreed.

10. The appropriate matters for decision to set a balanced budget for 2019/20 and the necessary level of Council Tax in accordance with the Local Government Finance Act 1992 and the Localism Act 2011 including the decisions made above are recommended to Council.

Voting: For - 10   Against - 2   Abstentions – 2

Note: Councillors English and Purle left the meeting at the conclusion of this item.

178. STRATEGIC PLAN 2019-45 ACTION PLAN

Mrs Angela Woodhouse, Head of Policy, Communications and Governance, updated the Committee on the progress of the Strategic Plan 2019-45 Action Plan. The Committee noted that each of the Service Committees had been given an opportunity to make comments on the Action Plan. This was the Committee's opportunity to make final amendments to the Action Plan before consideration and adoption by Council in February.

The Committee considered the Action Plan and requested the following changes:

- Amending 'don't' to 'do not' in the action 'Taking action against those who don't respect our public spaces, streets, green spaces and parks'

- Amending the word 'invest' to 'considers investing' in the action 'The Council leads on master planning and invests in new places which are well designed'

- Removal of the word 'domestic' in the action 'In 2018 the average home broadband speed was around 46.2 Mbps, up from 36.2 Mbps in 2017. We do recognise that in the rural areas there are substantial problems with domestic broadband'

- Removal of the word 'delivering' and replacing with 'enabling' in the action 'Delivering events which assist the people in increasing their pride in communities and our environment'

- Removal of the phrase 'are fit for the future' and replacing it with 'meet future needs' in the action 'Reviewing and delivering leisure and cultural services that are fit for the future'

The Committee requested that the text below the first set of bullet points on page 9, which outlined 'How we do things', be amended to make clear that outcome focussed commissioning and service delivery did not imply that we would not consider in house service delivery.

It was noted that work was required on the Leader's foreword to ensure it made grammatical sense.

RESOLVED: That

1. With the amendments outlined above, Council is recommended to adopt the Strategic Plan 2019-45 Action Plan.

2. Delegated authority is granted to the Chief Executive, in consultation with the Chairman of the Policy and Resources Committee, to make amendments to the Leader's foreword before submission to Council.

Voting: Unanimous

179. FUTURE HIGH STREETS FUND

Mr William Cornall, Director of Regeneration and Place, informed the Committee of an opportunity of the Council to make a bid to the Government's Future High Streets Fund. Mr Cornall relayed to the Committee that this fund was intended to provide investment to ensure high streets and town centres were fit for the future. The fund was worth £675 million in total, with bids that could be made for a maximum of £25 million but more typically between £5-10 million.

In response to a question from the Committee, Mr Cornall confirmed that an expression of interest would be sought to secure funding for one of the sites already identified in the 'Town Centre Opportunity Areas' project. There were two reasons for this. The first was it was felt that a more focused bid on a specific area of the Town Centre would be more likely to be successful than a large bid for the whole Town Centre. The second was that it meant that some of the preparatory work had already been undertaken, which would form the basis of the expression of interest to be submitted to the Ministry.

RESOLVED:

That delegated authority is granted to the Director of Regeneration & Place, in consultation with the Chairman and Vice Chairman of the Policy

and Resources Committee, to develop and submit an expression of interest form to the Future High Streets Fund.

<u>Voting:</u> Unanimous

180. <u>HOUSING DELIVERY PARTNERSHIP PROPOSAL</u>

Mr Cornall presented a proposal for a Housing Delivery Partnership to the Committee. Mr Cornall explained that the Communities, Housing and Environment Committee had considered this proposal on 13 November 2018 and had made a recommendation to the Policy and Resources Committee to request funding. The Committee noted that there was a desire for the Council to become involved in the direct delivery of affordable housing again, however the Council didn't have a Housing Revenue Account so was unable to do this on its own. Therefore a partnership with a Registered Provider would need to be formed, with the Council providing a proportion of the capital to fund the new properties.

The Committee considered the proposal and raised concerns that the Council could be providing funding for these properties, but that individuals without a local connection to Maidstone could be housed in them. Mr Cornall confirmed that the Council would retain control over the stock through working closely with the provider, as well as being the authority responsible for managing access to the Housing List through the Housing Allocations Policy.

<u>RESOLVED:</u> That

1. Funding of £7.5 million per year over a five year period is agreed to fund a Maidstone Housing Delivery Partnership.

2. Delegated authority is granted to the Director of Regeneration and Place, in consultation with the Chairman of the Communities, Housing and Environment Committee, to secure co-investment between the Council and a Registered Provider of £15 million per year over a 5 year period.

3. Co-investment between the Council and a Registered Provider be targeted at achieving a 50% market share of the S106 affordable housing market in Maidstone.

4. A programme of engagement with Parish Councils be commenced, to gauge the appetite for bringing forward rural exception sites for affordable housing.

5. Firm proposals detailing the intended partner/s and the commercial terms secured are brought back to this Committee in due course for final sign off before any contracts are entered into.

<u>Voting:</u> Unanimous

Note: Councillor Blackmore left the meeting during consideration of this item.

181.   <u>DURATION OF MEETING</u>

6.30 p.m. to 9.13 p.m.

2018/19 WORK PROGRAMME

	Committee	Month	Lead	Report Author
KPIs for 2019-20	P&R	Apr-19	Angela Woodhouse	Angela Woodhouse
Commissioning and Procurement Strategy	P&R	Apr-19	Mark Green	Georgia Hawkes
Risk Management Update	P&R	Apr-19	Rich Clarke	Rich Clarke
Business Rates Retention - Update	P&R	Apr-19	Mark Green	Paul Holland
Kent Medical Campus Innovation Centre	P&R	Apr-19	John Foster	Abi Lewis
Property Asset Review Update	P&R	Apr-19	Mark Green	
Outside Body Appointment: Rochester Bridge Trust	P&R	Apr-19	Ryan O'Connell	
Mid Kent Legal Services Collaboration Agreement	P&R	Jun-19	Patricia Narebor	Christine Nuttall
Economic Development Strategy Review (incl reference from Council -27/02/19)	P&R	2020/21	John Foster	
Debt Recovery Policy	P&R	TBC	Alison Broom	Sheila Coburn
Mote Park Lake Dam	P&R	TBC	Mark Green	

MAIDSTONE BOROUGH COUNCIL

POLICY AND RESOURCES COMMITTEE

27 MARCH 2019

REFERENCE FROM COUNCIL

MOTION – ECONOMIC DEVELOPMENT STRATEGY

At the meeting of the Council held on 27 February 2019, the following motion was moved by Councillor Harper, seconded by Councillor McKay:

This Council notes the considerable progress made in economic development over the last 5 years including:

- *Maidstone East*
- *Brunswick Street*
- *Union Street*
- *The Business Terrace*
- *Kent Medical Campus Innovation Centre*

Looking forward to the update of the Economic Development Strategy in the future, the Council should promote a positive role in Economic Development which can be achieved through encouraging and directly investing in:

- *The arts*
- *Parks and open spaces improvements*
- *The destination management plan*
- *The visitor and leisure economy*
- *Promoting low or carbon neutral growth*
- *and also building on our current rich assets*

We additionally need to safeguard all current employment land especially when the impact of permitted development rights is considered.

This Council therefore resolves to ensure that the Economic Development Strategy, when next reviewed and updated, takes into account the above areas.

During the discussion, with the agreement of the mover and the seconder, paragraph 3 of the motion was amended as follows:

We additionally need to safeguard ~~all~~ current employment land especially when the impact of permitted development rights is considered.

A number of other amendments to the motion were suggested as follows:

- Amend paragraph 2 of the motion to read:
  Looking forward to the update of the Economic Development Strategy in the future, the Council should promote a positive role in Economic Development which can be achieved through encouraging and ~~directly investing~~ enabling direct investment in:

- Amend paragraph 4 of the motion to read:
  This Council therefore resolves to ensure that the Economic Development Strategy, when next reviewed and updated, ~~takes into account~~ considers the above areas.

- Amend the list included in paragraph 2 of the motion to include reference to office space.

In accordance with Council Procedure Rule 17.5, the motion, as amended, and the other suggested amendments were referred to the Policy and Resources Committee for consideration.

RECOMMENDED: That the Committee consider the motion, as amended, relating to the Economic Development Strategy and the other amendments suggested by Members at the Council meeting.

Policy & Resources Committee	**27 March 2019**

Key Performance Indicator Update Quarter 3 2018/19

Final Decision-Maker	Policy & 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 Clare Harvey, Data Intelligence Officer
Classification	Public
Wards affected	All

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

This report makes the following recommendations to Policy & Resources Committee:
1. That the summary of performance for Quarter 3 of 2018/19 for Key Performance Indicators (KPIs) be noted.

Timetable	
Meeting	*Date*
Policy & Resources Committee	27 March 2019

1.   INTRODUCTION AND BACKGROUND

1.1   Having a comprehensive set of actions and performance indicators ensures that the Council delivers against the priorities and actions set in the Strategic Plan.

1.2   Performance indicators are judged in two ways. Firstly on whether performance has improved, sustained or declined, compared to the same period in the previous year. This is known as direction. Where there is no previous data, no assessment of direction can be made.

1.3   The second way is to look at whether an indicator has achieved the target set and is known as PI status. If an indicator has achieved or exceeded the annual target they are rated green. If the target has been missed but is within 10% of the target it will be rated amber, and if the target has been missed by more than 10% it will be rated red.

1.4   Some indicators will show an asterisk (*) after the figure. These are provisional values that are awaiting confirmation. Data for some of the indicators were not available at the time of reporting. In these cases a date has been provided for when the information is expected.

1.5   Contextual indicators are not targeted but are given a direction. Indicators that are not due for reporting or where there is delay in data collection are not rated against targets or given a direction.

2.   Quarter 1 Performance Summary

2.1   There are 27 key performance indicators (KPIs) which were developed with Heads of Service and unit managers, and agreed by the four Service Committees for 2018/19. 16 are reported to the Committee for this quarter.

2.2   Overall, 69% (9) of targeted KPIs reported this quarter achieved their target compared to 85.7% (10) in quarter 2 and 67% (8) in the same quarter last year.

2.3   There are 3 contextual indicators (indicators without targets) represented in the chart below as N/A, these indicators were requested for inclusion as they are important to assessing how the council is performing by examining the outcomes. These indicators are; the percentage of littering reports attended to, the number of households living in temporary accommodation at the last night of the month and the number of households living in nightly paid temporary accommodation on the last night of the month.

RAG Rating	Green	Amber	Red	N/A	Total
KPIs	9	2	2	3	16
Direction	**Up**	**No Change**	**Down**	**N/A**	**Total**
Last Year	7	0	6	3	16
Last Quarter	6	0	10	0	16

3.   Performance by Priority

Priority 1: Keeping Maidstone Borough an attractive place for all

3.1   The percentage of reports of littering attended to is calculated by taking the number of reports received from residents about littering divided by the number of these that required additional action (for example litter picking or a mechanical sweep). The objective for the team is to reduce the amount of responsive work required due to the schedules being sufficient to deliver a clean Borough.

3.2   47.3% of littering reports were attended to this quarter. Performance has improved throughout the year which demonstrates that implemented changes to cleaning schedules are having the desired effect in reducing the number of responsive actions required.

3.3   The percentage of fly tips resulting in enforcement action was 97% against a target of 50%, significantly higher than the target and an improved performance compared to this point in 2017/18 when 56.4% of fly-tips resulted in enforcement action, an increase of 41%.

3.4   During the quarter the depot team cleared and assessed more fly-tips than were reported (within 4 working days) with an out-turn of 106% against a target of 94%.

3.5   The Percentage of fly-tips assessed or cleared within two working days was 94% against a target of 89%. This performance is a result of having a dedicated team for fly-tipping and through closer working with the Environmental Enforcement team.

3.6   47.68% of waste was waste sent for reuse, recycling and composting this is due to seasonal effects. Garden waste usually starts to drop at this time of year, but was lower this quarter than it has been in previous years. We have also seen increased refuse tonnage, again this is seasonal due to the increased waste that residents have over the festive season. The year to date figure is 52.5% against an annual target of 52.5%.

3.7   The percentage of land and highways with acceptable levels of litter is on target. During quarter three the team increased litter picking on rural roads and targeted a greater amount of resource on tackling littering along high speed roads.

3.8   The percentage of land and highway with acceptable levels of detritus was 93.13% against a target of 94%. This was due to a combination of reasons including the seasonal leaf fall, a period of staff sickness and due to gritting being carried out prior to the monitoring. Overall performance is still high and levels of detritus are expected to reduce next quarter.

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

3.9   Footfall on the High Street had a value of 3,162,356 against a target of 2,800,000. Quarter 3 footfall continues to follow the trend of previous

years. There has been a drop of 168,143 from the same quarter last year however footfall has increased by 135,385 compared to quarter 2.

Priority 2: Securing a successful economy for Maidstone Borough

3.10 Planning has exceeded all the quarterly targets for the processing of planning applications. In quarter 3, 100% of major planning applications were processed within timescales. The last time this was achieved was in quarter 1 in 2017/18. The team have worked hard to ensure applications are progressed before the CIL deadline and the 100% out-turn is testament to this hard work.

3.11 Performance for the processing of minor planning applications was 93.27% against a target of 80%. This is an improvement of 24% on the 2017/18 quarter 3 out-turn.

3.12 Performance for the processing of other planning applications has been strong for several years and remains so at 96.91% for the quarter against a target of 90%. The new Technical Team has ensured resilience within the planning team and upskilling of team members to direct resources to areas of need.

3.13 The number of affordable homes delivered (gross) was 26 against a quarterly target of 45. However, the quarterly target for the first two quarters was exceeded and there have been a total of 154 affordable homes delivered for the first three quarters of the year, exceeding the year to date target of 135 by 19 homes.

3.14 The Prevention duty was ended to 65 households as a result of suitable accommodation being secured that would be available for at least 6 months. This is an increase of 35% on the quarter 2 out-turn, so far for the year to date prevention duty has ended for 135 households.

3.15 The number of households in temporary accommodation on the last day of the month has reduced from Quarter 2 by 10 families. Of the 125 households, 66 were in nightly paid accommodation, 53 were in our own stock and six were in Registered Social Landlord accommodation.

3.16 The number of households housed through the housing register has not met target this quarter due to fewer available properties. This is a combination of less vacant properties coming through from our Registered Providers and a smaller amount of new build units being completed during the period.

4. RISK

4.1 This report is presented for information only, committees, managers and heads of service can use performance data to identify service performance and this data can contribute to risk management.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

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

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

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

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The key performance indicators and strategic actions are part of the Council's overarching Strategic Plan 2015-20 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas, for example waste and recycling.	Head of Policy, Communications & Governance
Risk Management	The production of robust performance reports ensures that the view of the Council's approach to the management of risk and use of resources is not undermined and allows early action to be taken in order to mitigate the risk of not achieving targets and outcomes.	Head of Policy, Communications & Governance
Financial	Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium Term Financial Plan and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.	Senior Finance Officer (Client)
Staffing	Having a clear set of targets enables staff outcomes/objectives to be set and effective action plans to be put in place	Head of Policy, Communications & Governance
Legal	There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act	Team Leader (Corporate Governance),

	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 the Council's performance assist in demonstrating best value and compliance with the statutory duty.	MKLS
Privacy and Data Protection	The 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	The Performance Indicators reported on in this quarterly update measure the ongoing performance of the strategies in place. If there has been a change to the way in which a service delivers a strategy, i.e. a policy change, an Equalities Impact Assessment is undertaken to ensure that there is no detrimental impact on individuals with a protected characteristic.	Equalities & Corporate Policy Officer
Crime and Disorder	None Identified	Policy & Information Manager
Procurement	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Head of Policy, Communications & Governance, & Section 151 Officer

8. REPORT APPENDICES

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

- Appendix : Key Performance Indicator Update Quarter 3 18/19

## 9. BACKGROUND PAPERS

None

Performance Summary

This is the quarter 3 performance update on Maidstone Borough Council's Strategic Plan 2015-20. It sets out how we are performing against Key Performance Indicators that directly contribute to the achievement of our priorities. Performance indicators are judged in two ways; firstly, whether an indicator has achieved the target set, known as PI status. Secondly, we assess whether performance has improved, been sustained or declined, compared to the same period in the previous year, known as direction.

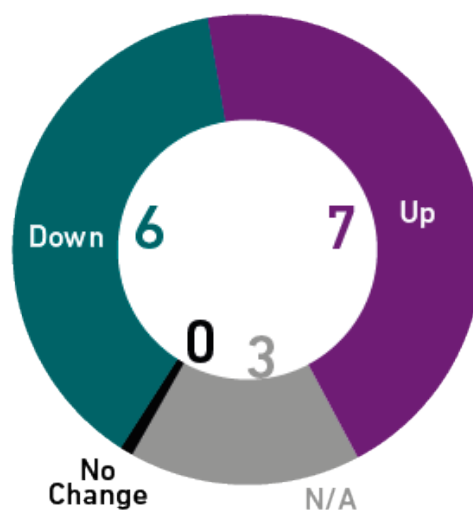### Key to performance ratings

RAG Rating	
🔴	Target not achieved
🔺	Target slightly missed (within 10%)
✅	Target met
📈	Data Only

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

KPI STATUS
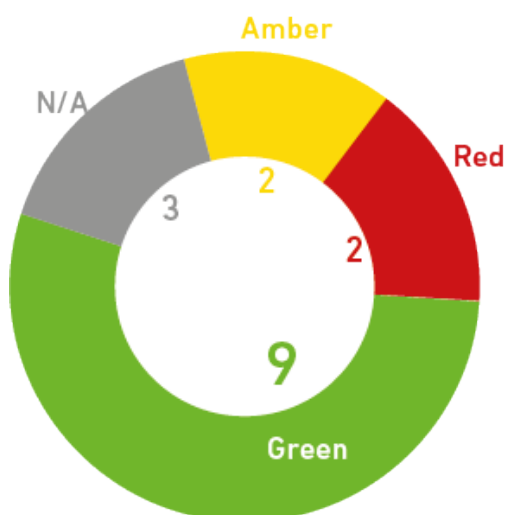
DIRECTION

RAG Rating	Green	Amber	Red	N/A	Total
KPIs	9	2	2	3	16
Direction	Up	No Change	Down	N/A	Total
Last Year	7	0	6	3	16
Last Quarter	6	0	10	0	16

Priority 1: Keeping Maidstone Borough an attractive place for all

Providing a clean and safe environment

Performance Indicator	Value	Target	Status	Last Year	Last Quarter
Percentage of reports of littering attended to	47.29%	📈	📈	N/A	⬇️
Percentage of fly tips resulting in enforcement action	97.0%	50%	✅	⬆️	⬆️
Percentage of fly-tips cleared or assessed within 2 working days	94%	89%	✅	⬆️	⬆️
Percentage of fly-tips cleared or assessed within 4 working days	106%	94%	✅	N/A	⬆️
Percentage of household waste sent for reuse, recycling and composting (NI 192)	47.68%	52.5%	⚠️	⬇️	⬇️
The percentage of relevant land and highways that is assessed as having acceptable levels of litter	98.34%	94%	✅	⬇️	⬇️
The percentage of relevant land and highways that is assessed as having acceptable levels of detritus	93.13%	94%	⚠️	⬇️	⬇️

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

Regenerating the Town Centre

Performance Indicator	Value	Target	Status	Last Year	Last Quarter
Footfall on High Street	3,162,356	2,800,000	✅	⬇️	⬆️

Priority 2: Securing a successful economy for Maidstone Borough

A home for everyone

Performance Indicator	Value	Target	Status	Last Year	Last Quarter
Processing of planning applications: Major applications (NI 157a)	100%	88%	✅	⬆️	⬆️
Processing of planning applications: Minor applications (NI 157b)	93.27%	80%	✅	⬆️	⬇️
Processing of planning applications: Other applications (NI 157c)	96.91%	90%	✅	⬆️	⬇️
Number of affordable homes delivered (gross)	26	45	🔴	⬇️	⬇️
Number of applications where Prevention Duty has ended as applicant has suitable accommodation for at least 6 months	65	75	🔴	N/A	⬆️
Number of households living in temporary accommodation last night of the month	125	📈	📈	⬆️	⬇️
Number of households living in nightly paid temporary accommodation on the last night of the month	66	📈	📈	⬆️	⬇️
Number of households housed through housing register	125	150	✅	⬇️	⬇️

| Policy & Resources Committee | 27 March 2019 |

3rd Quarter Budget Monitoring 2018/19

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

Executive Summary

This report sets out the financial position for the Council at the end of Quarter 3 2018/19 against the revenue and capital budgets, and provides updates on the position with Reserves and Balances, Council Tax and Business Rates, Treasury Management and Maidstone Property Holdings Ltd.

We are expecting to remain within the agreed overall budget for this financial year. The position for the Council as a whole at the end of the third quarter is an underspend against the revenue budgets of £1.0m. However this figure includes a number of large grants received that will be carried forward into 2019/20.

Capital expenditure totalling £8.539m had been incurred between 1 April and 31 December.

The balance on the general fund is forecast to decrease to £9.9m by 31 March 2019 as earmarked reserves are used as planned for capital investment.

Collection Rates were narrowly missed for both Council Tax and Business Rates.

Growth in business rates measured against the Council's baseline is £0.8m against a forecast of £1.0m.

The Council held investments totalling £30.825m at 31 December 2018.

The report also updates the Committee on Maidstone Property Holdings Limited.

This report makes the following recommendations to this Committee:

1. That the third quarter budget monitoring report attached at Appendix 1 be noted.
2. That the asset value of the Christmas Lights (£36,000) as detailed in Appendix 1 is written-off when they are transferred to the BID company; and
3. That the write-off of overpaid housing benefits as set out at Appendix 2 is approved.

Timetable

Meeting	*Date*
Policy & Resources Committee	27 March 2019

3rd Quarter Budget Monitoring 2018/19

1. INTRODUCTION AND BACKGROUND

1.1 The Medium Term Financial Strategy for 2018/19 onwards was agreed by full Council on 7 March 2018. This report provides the Committee with an overview of the capital and revenue budget and outturn for the third quarter of 2018/19, and highlights other financial matters that may have a material impact on the Medium term Financial Strategy or the balance sheet.

1.2 The Director of Finance & Business Improvement is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice, day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.

1.3 Attached at **Appendix 1** is a report detailing the position for the revenue and capital budgets at the end of the December 2018, along with updates on a number of the relevant areas. Note that this report is being presented later than usual, so where appropriate, updates have been included referring to activity in quarter 4.

2. IRRECOVERABLE HOUSING BENEFIT OVERPAYMENT

2.1 The committee are asked to approve the write off of £12,302.89 overpaid Housing benefits identified in Appendix 2. Please note that information relating to individuals is restricted under the Data Protection Act and has therefore been redacted from this appendix**.**

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 strategic position on the revenue budget and the capital programme at the end of December 2018 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 and agree on any necessary action to be taken in relation to the budget position.

5.   RISK

5.1 This report is presented for information only and has no risk management implications.

5.2 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2018/19. 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 this committee the best opportunity to take actions to mitigate such risks.

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6.   CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 No consultation has been undertaken in relation to this report.

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7.   NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 The third quarter budget monitoring reports are being considered by the relevant Service Committees between January and March, including this full report to Policy & Resources Committee on 27 March 2019.

7.2 Details of the discussions which take place at service committees regarding budget management will be reported to Policy and Resources Committee where appropriate.

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8.   CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	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.	Head of Finance
Risk Management	This has been addressed in section 4 of the report.	Head of Finance
Financial	Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that	Head of Finance

	services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.	
Staffing	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.	Head of Finance
Legal	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.	Mid Kent Legal
Privacy and Data Protection	No specific issues arise.	Head of Finance
Equalities	The budget ensures the focus of resources into areas of need as identified in the Council's strategic priorities. This monitoring report ensures that the budget is delivering services to meet those needs.	Head of Finance
Crime and Disorder	No specific issues arise.	Head of Finance
Procurement	No specific issues arise.	Head of Finance

9.   REPORT APPENDICES

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

- Appendix 1: Third Quarter 2018/19 Revenue and Capital Monitoring – Policy & Resources
- Appendix 2: Written-off Overpaid Housing Benefits

10. BACKGROUND PAPERS

None

Third Quarter Budget Monitoring 2018/19

Policy & Resources Committee
27 March 2019
Lead Officer: Mark Green
Report Author: Paul Holland

Contents

Maidstone Borough Council - Policy & Resources Committee

Executive Summary

This report is intended to provide Members with an overview of performance against revenue and capital budgets and outturn during the third quarter of 2018/19. It also includes an update on other matters which may have a material impact on the Council's Medium Term Financial Strategy and Balance Sheet.

Robust budget monitoring is a key part of effective internal financial control, and therefore is one of the elements underpinning good corporate governance.

The aim of reporting financial information to service committees at quarterly intervals is to ensure that underlying trends can be identified at an early stage, and that action is taken to combat adverse developments or seize opportunities.

It is advisable for these reports to be considered in conjunction with quarterly performance monitoring reports, as this may provide the context for variances identified with the budget and general progress towards delivery of the Council's strategic priorities.

Headline messages for this quarter are as follows:

▪ We are expecting to remain within the agreed overall budget for this financial year. At the end of the second quarter there is an underspend against the revenue budgets of £1.0m. However this figure includes a number of large grants received that will be carried forward into 2019/20.
▪ Capital expenditure totalling £8.539m was incurred between 1 April and 31 December.
▪ The balance on the general fund is forecast to decrease to £9.9m by 31 March 2019.
▪ Collection Rates were narrowly missed for both Council Tax and Business Rates.
▪ Growth in business rates measured against the Council's baseline is £0.8m against a forecast of £1.0m.
▪ The Council held investments totaling £30.825m at 31 December 2018.

Revenue Budget

3rd Quarter 2018/19

Revenue Spending

At the end of the third quarter, there is an overall positive variance of £1.07m against the Council's revenue budget. However this figure includes a number of large grants received that will be carried forward into 2019/20 and at this stage we expect to remain within budget for the year.

The three tables on page 6 set out the summary position, analysed in three ways:
Table 1: by Committee
Table 2: by Priority
Table 3: by Expenditure Type

The figures are presented on an accruals basis i.e. they include expenditure for goods and services which we have received but not yet paid for. The budget now being used is the revised estimate for 2018/19.

The budgets for each service committee now include a figure for assumed salary slippage to reflect the forecast level of vacant posts across the year. This was previously shown as a figure for the whole Council as part of the budget monitoring report for this Committee.

As illustrated by the chart below, all committees with the exception of this one have kept expenditure within the agreed budget, however two Committees are showing a shortfall against their income budgets. The specific issues for this Committee are discussed later in this report.
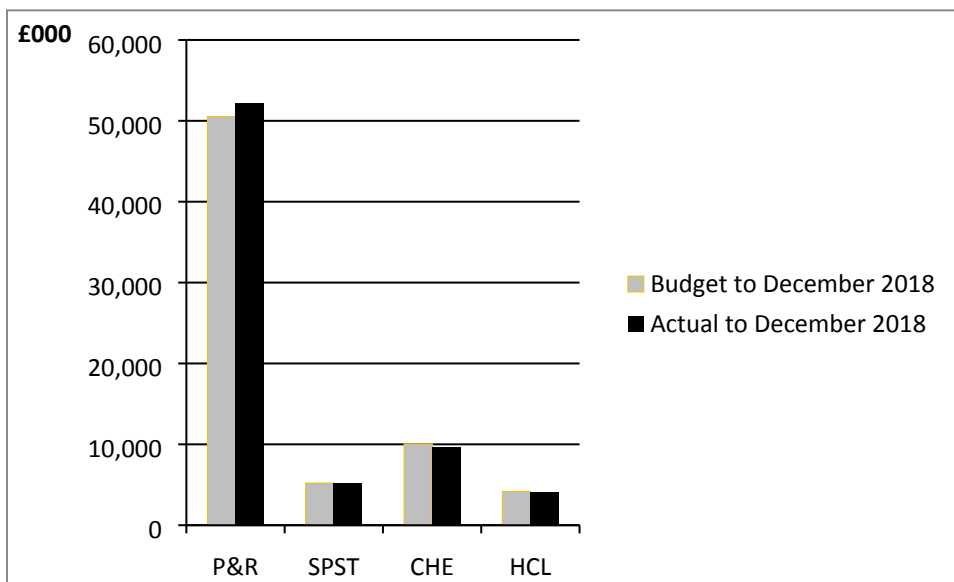
Chart 1 Performance against budget analysed by service committee (Expenditure)
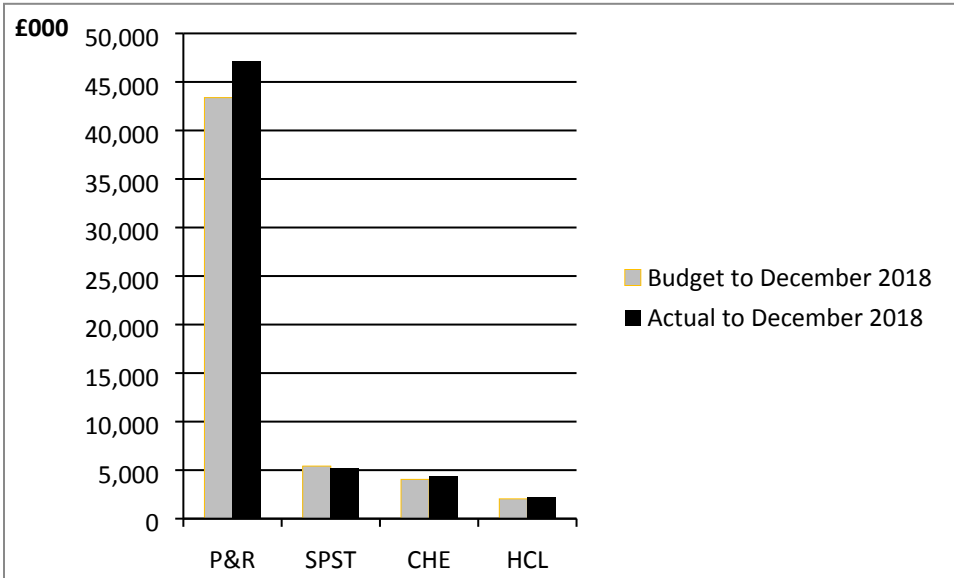
Chart 2 Performance against budget analysed by service committee (Income)

Within these headline figures, there are a number of adverse and favourable variances for individual service areas. This report draws attention to the most significant variances, i.e. those exceeding £30,000 or expected to do so by the end of the year. Pages 6-7 provide further detail regarding these variances, and the actions being taken to address them.

The variances are grouped by service committee, and each committee has been given an opportunity to consider and respond to the matters arising within their respective areas. Where applicable, the response of the committee has been provided.

It is important that the potential implications of variances are considered at this stage, so that contingency plans can be put in place and if necessary, this can be used to inform future financial planning.

Revenue Budget Summary Q3 2018/19

ANALYSIS BY COMMITTEE

Committee	Full Year Budget £000	To 31 December 2018 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance¹ £000
Policy & Resources	10,458	6,301	5,863	438	10,195	263
Strategic Planning, Sustainability & Transportation	-1,061	-775	-548	-227	-608	-463
Communities, Housing & Environment	8,377	5,461	4,793	668	8,156	221
Heritage, Culture & Leisure	1,588	1,419	1,239	181	1,619	-31
Net Revenue Expenditure	**19,362**	**12,407**	**11,347**	**1,059**	**19,362**	**-10**

Table 1 - Analysis by Committee

ANALYSIS BY PRIORITY

Priority	Full Year Budget £000	To 31 December 2018 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance¹ £000
Character	675	539	515	24	675	0
Health & Wellbeing	2,500	1,974	1,532	442	2,282	218
Clean & Safe	4,549	3,169	3,161	9	4,499	50
Leisure & Culture	2,599	2,089	1,931	158	2,562	38
Town Centre	111	97	71	26	67	44
Employment & Skills	383	310	303	8	383	0
Homes	1,410	907	1,036	-128	1,702	-293
Infrastructure	386	376	562	-187	466	-81
Trading	-5,063	-3,584	-3,738	154	-4,967	-96
Central & Democratic	11,813	6,464	6,024	440	11,703	110
Net Revenue Expenditure	**19,362**	**12,341**	**11,396**	**945**	**19,372**	**-10**

Table 2 - Analysis by Priority

ANALYSIS BY SUBJECTIVE SPEND

Subjective	Full Year Budget £000	To 31 December 2018 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance¹ £000
Employees	20,622	15,260	15,261	-0	20,837	-215
Premises	4,751	4,035	3,947	89	4,756	-5
Transport	1,251	835	788	47	1,251	0
Supplies & Services	19,439	6,727	5,992	735	19,194	245
Agency	6,029	4,504	4,548	-44	6,029	0
Transfer Payments	46,598	33,023	35,304	-2,281	46,598	0
Asset Rents	980	0	0	0	980	0
Income	-80,308	-52,044	-54,443	2,399	-80,273	-35
Net Revenue Expenditure	**19,362**	**12,341**	**11,396**	**945**	**19,372**	**-10**

Table 3 - Analysis by Subjective Spend

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

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Significant Variances

	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
Heritage, Culture & Leisure Committee	£000		
Leisure Centre – Serco have made a payment in respect of the profit share arrangement for 2016 and 2017. Some of this has been spent this year but the balance will need to be carried forward pending a decision on the future of leisure provision across the borough.	55		40
Mote Park Adventure Zone - This was due to open in Summer 2018, however due to the flooding incident that occurred earlier this year the project has been substantially delayed and will not now open until Spring 2019. This means that the estimated income of £57,000 will not now be realised this year.		-42	-57
Crematorium – Income has been exceeding the budget for the first three quarters but this is forecast to reduce in the final quarter. The additional income is being used to fund temporary staff to cover long-term sickness which will further reduce the forecast year-end variance and a contribution of £50,000 towards capital works at the Cemetery.	86		42
Market - Income is down against the budget, and there are increased costs in respect of service charge payments due and internal trade refuse collection charges, so the negative variance is forecast to increase slightly by the end of the year.		-41	-44
Cultural Services Section – This variance is mainly due to staff vacancies.	30		38

Table 4 Significant Variances – Heritage, Culture & Leisure Committee

	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
Strategic Planning, Sustainability and Transportation Committee	£000		
Building Regulations Chargeable - Income is continuing to perform ahead of budget and is forecast to continue to do so for the remainder of the year. Budget surpluses in this area will be transferred to earmarked reserves at the end of the year.	57		70
Street Naming & Numbering - Income is continuing to perform ahead of budget and is forecast to continue to do so for the remainder of the year.	44		41
Development Control Advice - Fees received for pre-application advice and from the recent introduction of Planning Performance Agreements have contributed towards a positive variance in this area.	113		100

Maidstone Borough Council - Policy & Resources Committee

Development Control Appeals - There has been a delay in bringing a number of anticipated appeals forward which means that for this year the budget is likely to show a positive variance. This could lead to additional costs being incurred in 2019/20 though depending on the timing of the appeals.	52		40
Development Control Majors - As previously advised fee income has reduced this year due to a fall in the number of applications received. The position appears to have recovered somewhat in the final quarter.		-151	-200
Development Control Other – As with major applications fee income has reduced for similar reasons.		-115	-150
Land Charges – The budget was increased at the start of the year to reflect an increase in fees, but demand has fallen which has led to the negative variance.		-30	-45
Development Management Section - The team has needed to use agency staff to cover various vacant posts for the year to date. Although income is below budget, the level of staff resource has been maintained in order to deal with the backlog of applications earlier in the year. Good progress has been made in reducing the backlog.		-116	-170
Development Management Enforcement Section – This is a reflection of staff vacancies for the year to date.	35		13
Residents Parking – This variance is a combination of a lower number of penalty charge notices being issued, and an adverse ruling at a Traffic Penalty Tribunal where the adjudicator ruled that an incorrect contravention code had been used. This means that going forward a lower charge will be made which will further reduce income.		-95	-133
Pay & Display Car Parks - Pay and Display is £60,000 above budget after taking account of the increase in charges intended to fund the new 'Pay to Park' Park and Ride scheme. Season tickets continue to do well and are £53,000 over budget.	130		120
Off-Street Parking Enforcement – Income is currently above budget but is expected to reduce to a break even position by the end of the year.	32		0
Park & Ride – Following the trend from the first two quarters income levels continue to be disappointing and are forecast to continue this way for the remainder of the year		-89	-110

Table 5 Significant Variances – Strategic Planning, Sustainability and Transportation Committee

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	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
Communities, Housing & Environment Committee		£000	
CCTV - The negative variance has arisen due to a combination of a savings target that will not be met and an income target that will not be achieved.		-49	-61
Pollution Control General – The current variance has arisen due to a profiling error in the budget, which will be corrected in the fourth quarter. There is also an underspend on the professional services budget, along with additional income, which will be used to fund an additional employee.		-61	0
Waste Crime – The variance in this area has arisen from a combination of additional income and a carried forward budget that has not yet been spent.	64		66
Occupational Health & Safety - There is a professional services budget of £49,000 in this area that is not expected to be spent this year.	40		55
Public Conveniences - The negative variance in this area is mainly due to additional expenditure on utilities and repairs and maintenance. There is also an unachieved saving of £10,000.		-32	-50
Recycling Collection - Green bin hire continues to exceed the income budget, although demand has slowed down in the second half of the year.	38		40
HMO Licensing – This variance has arisen from additional income received.	31		33
Homelessness Prevention - The quarter three variance reflects a number of grants that will be carried forward, so the projected year end variance is zero.	297		0
Ulcombe Caravan Site (Water Lane) – There have been increased site management costs and there is reduced income due to vacant plots.		-44	-29
Community Partnerships & Resilience Section - This variance has been caused by vacant posts in the team, which have taken longer to fill than hoped.	53		71
Housing & Inclusion Section - This variance has been caused by vacant posts in the team. Some of these posts are grant-funded so the relevant grants will be carried forward.	76		101
Housing & Health Section - This variance has been caused by vacant posts in the team.	32		30
Fleet Workshop & Management - The workshop has now been outsourced, but prior to that a high level of work had been outsourced to local garages due to resourcing issues. This has contributed to the negative variance along with a savings target of £50,000 that will only be partly achieved this year.		-57	-60

Grounds Maintenance – Commercial - Income continues to be high due to works funded from Section 106 contributions, capital projects and other external works. The additional income is being used to fund additional staff to deal with the extra work and a contribution of £20,000 towards capital works at the Cemetery.	113		118

Table 6 Significant Variances – Communities, Housing & Environment Committee

	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
Policy & Resources Committee	**£000**		
Business Terrace Expansion – This variance has arisen from additional income achieved following the latest expansion of the Terrace.	48		44
Unapportionable Central Overheads - Pension payments to Kent County Council are lower than was anticipated when the budget was set.	44		58
Interest & Investment Income - Interest rates are higher than what was assumed in the budget, and addition slippage in the capital programme has meant more surplus funds are available for investment.	85		100
Sundry Corporate Properties - The budget assumed income from the purchase of further commercial properties, but to date the only one has been the Boxmend Industrial Estate, so the income target is unlikely to be realised this year.		-80	-101
Granada House – Commercial - This area has benefited from the receipt of £48,000 additional income relating to 2017/18. This was not accrued for as there was uncertainty around whether or not would receive it.	48		48
Mid-Kent Audit Partnership - A manager in the team has been seconded to another authority, who have funded this in its entirety. The forecast positive variance will be split between the partners at the end of the year.	49		15
Accountancy Section – This variance is caused by staff vacancies.	30		30
Property & Projects Section - This variance is caused by staff vacancies.	39		35
HR Services Section - This variance is caused by a combination of staff vacancies and less expenditure than forecast on running costs. The forecast is for this variance to reduce by the end of the year.	117		52
The Link – This is due to a combination of reduced utility recharges from the Mall and a reduction in building maintenance costs.	41		45
IT Operational Services - There is a saving of £100,000 in this service that will not be realised, although this has been partially offset by an underspend on the equipment purchase budget.		-43	45

Central Telephones – This variance has arisen following the introduction of the Skype service.	33		40
Youth Development Programme – The budget is for two apprentices posts, but these are both currently vacant.			33

Table 7 Significant Variances – Policy & Resources Committee

Reportable Virements

In accordance with best practice, and in order to be transparent about alterations made to the agreed budget during the course of the year, virements are reported to Policy and Resources committee as part of the budget monitoring process. A virement represents the transfer of a budget between objectives that occurs after the budget for the year has been formally approved by Council. Generally this will be linked to decisions with a financial impact which have been taken outside of the budget setting process, or for projects where funding spans more than one financial year.

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.

The table below details the reportable virements which were made during the third quarter of 2018/19:

Reason	Value	Temp/Perm
Reversal of part of a previous entry for the market	£2,400	Temporary
Funding for valuation software	£33,940	Temporary
Funding for Low Emission Zone Feasibility Study	£33,000	Temporary
Funding for Business Support service	£5,570	Temporary

Table 8 Reportable Virements, Q3 2018/19

Capital Budget
3rd Quarter 2018/19

Capital Spending

The five year capital programme for 2018/19 onwards was approved by Council on 7 March 2018. Funding for the programme remains consistent with previous decisions of Council in that the majority of capital resources come from New Homes Bonus along with a small grants budget.

Progress made towards delivery of planned projects for 2018/19 is set out in the table on the following page. This shows expenditure incurred up to the end of December 2018. The budget figure is the revised estimate for 2018/19 and includes resources which have been brought forward from 2017/18, which have been added to the agreed budget for the current year.

To date, expenditure totaling £8.539m has been incurred against a budget of £23.986m. At this stage, it is anticipated that there will be slippage of £4.637m, although this position will be reviewed at the end of the year when the Committee will be asked to approve the carry forward of resources into the next financial year. Further detail relating to the areas for which slippage has been identified has been provided below.

Capital Budget Summary Q3 2018/19

Table 9 Capital Expenditure, Q3 2018/19

Capital Programme Heading	Revised Estimate 2018/19 £000	Actual to December 2018 £000	Budget Remaining £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2019/20 £000	Budget Not Required £000
Communities, Housing & Environment							
Housing Incentives	1,041	2	1,039	98	100	941	
Housing - Disabled Facilities Grants Funding	1,348	289	1,059	300	589	759	
Housing Investments	4,683	3,097	1,585	1,303	4,400	282	
Purchase of Lenworth House	2,228	61	2,167	2,167	2,228	-0	
Brunswick Street - Costs of Scheme	1,642	609	1,033	1,033	1,642	-0	
Union Street - Costs of Scheme	917	392	525	525	917	-0	
Commercial Waste	180		180	180	180		
Street Scene Investment	151	27	124	124	151	0	
Total	**12,189**	**4,477**	**7,712**	**5,730**	**10,207**	**1,982**	
Heritage, Culture & Leisure							
Continued Improvements to Play Areas	574	74	500	100	174	400	
Commercial Projects - Crematorium Projects	416	296	121	121	417	-0	
Commercial Projects - Mote Park Adventure Zone	1,957	1,355	602	602	1,957	-0	
Mote Park Improvements	391	9	383	75	84	308	
Mote Park Visitor Centre	150	90	60	60	150	-0	
Mote Park Lake - Dam Works	200	116	84	84	200	-0	
Other Parks Improvements	100		100			100	
Museum Development Plan	25	23	2	2	25	-0	
Total	**3,814**	**1,963**	**1,850**	**1,044**	**3,007**	**806**	
Policy & Resources							
High Street Regeneration	2,830	1,469	1,360	1,100	2,569	260	
Asset Management / Corporate Property	844	286	558	410	696	148	
Feasibility Studies	74	6	69	30	36	39	
Infrastructure Delivery	600		600			600	
Software / PC Replacement	159	103	56	56	159	0	
Acquisition of Commercial Assets	2,354		2,354			2,354	
Kent Medical Campus - Innovation Scheme	150	93	57	57	150	0	
Maidstone East/Sessions Square	552	62	490	100	162	390	
Total	**7,564**	**2,019**	**5,545**	**1,753**	**3,772**	**3,792**	
Strategic Planning, Sustainability & Transportation							
Riverside Towpath	40		40	10	10	30	
Bridges Gyratory Scheme	188	80	109	40	120	69	260
Total	**228**	**80**	**149**	**50**	**130**	**99**	**260**
Sub-Total	**23,795**	**8,539**	**15,256**	**8,577**	**17,116**	**6,679**	**260**
Section 106 Contributions	191		191			191	
TOTAL	**23,986**	**8,539**	**15,447**	**8,577**	**17,116**	**6,870**	**260**

Capital Budget Variances Q3 2018/19

Communities, Housing & Environment Committee
- The construction phase of the Brunswick Street and Union Street developments is now underway.
- The purchase of Lenworth House will be completed in the fourth quarter.
- A total of 13 temporary accommodation properties have either been completed or are close to completion under phase two of the purchase and repair programme. A further two properties are due to be purchased before the end of the financial year.
- The Housing Incentives budget has historically been under-utilised and is being reviewed to reset it to a more realistic level.

Heritage, Culture & Leisure Committee
- The play area improvements scheme is now substantially complete, but the budget does include funding for ongoing maintenance and replacements which is unlikely to be needed this year so this will be slipped into 2019/20.
- The Crematorium Development Plan included improvement works to the Car Park which are now substantially complete. As described in previous monitoring reports, the final cost of this project exceeded the original estimates. Additionally, £70,000 has been earmarked from the projected revenue surplus in 18/19 for the Crematorium and Grounds Maintenance to contribute towards work at the Cemetery.
- The Mote Park Improvements budget is for the construction of the new estate services building. It is currently anticipated that the major expenditure on this project will now take place in 2019/20.

Policy & Resources Committee
- The Town Centre Regeneration scheme is scheduled for completion in early 2019 so final contract payments will fall into the early part of 2019/20.
- No projects have been identified this year for the Infrastructure Delivery or Acquisition of Commercial Assets budgets and so these will be carried forward into 2019/20.
- The Maidstone East/Sessions Square budget line represents funding available for the partnership with Kent County Council to facilitate the ongoing development of this site. Income generated on the car park at this site is being used as the primary source of funding for this work. At this stage there is sufficient funding available to proceed with the development work so it is anticipated that there will be budget carried forward at the year end.

Write-off of Assets
Following the establishment of the new Business Improvement District (BID) it has been agreed that they will be responsible for the provision of Christmas Lights. The Council currently holds lights to the value of £36,000 and these will be transferred to the BID company. This report recommends that the asset value of the lights is written-off when they are transferred to the BID company.

Reserves & Balances

3rd Quarter 2018/19

Reserves & Balances

The total of earmarked reserves and general fund balances as at 31st March 2018 was £11.9 million. The makeup of this balance, and movements in the third quarter of 2018/19 are set out in the table below.

The projected closing balance allows for the minimum level of general balances of £2m, as agreed by Council in March 2018, to be maintained.

	1 April 2018	31 December 2018	31 March 2019 (forecast)
	£000		
General Fund			
Commercialisation – contingency	500	500	500
Invest to Save projects	500	500	500
2017/18 underspend earmarked to specific areas	80	80	30
2017/18 amounts carried forward and spent in 2018/19	1,406	1,143	674
Unallocated balance	7,015	7,015	7,015
Sub-total	**9,501**	**9,238**	**8,719**
Earmarked Reserves			
New Homes Bonus funding for capital projects	1,404	0	0
Local Plan*	400	400	400
Neighbourhood Plans	70	70	40
Accumulated Surplus on Trading Accounts	51	51	70
Business Rates Growth Fund	694	613	736
Sub-total	**2,619**	**1,134**	**1,246**
Total General Fund balances	**12,120**	**10,372**	**9,965**

Table 10 Reserves & Balances, Q3 2018/19

* In the Q1 monitoring report, this table indicated that £31,000 would be spent from the Local Plan reserve during 2018/19. It has since been identified that funding for this spend had been allocated from the business rates pilot financial sustainability fund, and the above figures therefore reflect this adjustment.

Maidstone Borough Council - Policy & Resources Committee

Council Tax & Business Rates 3rd Quarter 2018/19

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Council Tax & Business Rates

The Council is reliant on income generated through Council Tax and Business Rates (NNDR), which is accounted for through the Collection Fund. As a billing authority, Maidstone Borough Council collects Council Tax and Business Rates on behalf of other public sector entities and passes this on in accordance with precepts and demands set at the beginning of the year.

The difference between income collected from ratepayers and the precepts and demands on the Collection Fund generates a surplus or deficit which is distributed or recovered in the subsequent financial year. This can have short term cash flow implications for the Council as well as potential longer term impact on the Council's budget.

Due to the risks in this area, including the risk of non-collection and the pooling arrangements in place for business rates growth, the Council monitors the Collection Fund carefully. However, this is a highly volatile area and fluctuations which arise from rateable value appeals can make this difficult to forecast.

Collection Rates

The collection rates achieved compared to the target are reported in the chart below. The rates are given as a percentage of the debt targeted for collection in the third quarter of 2018/19.
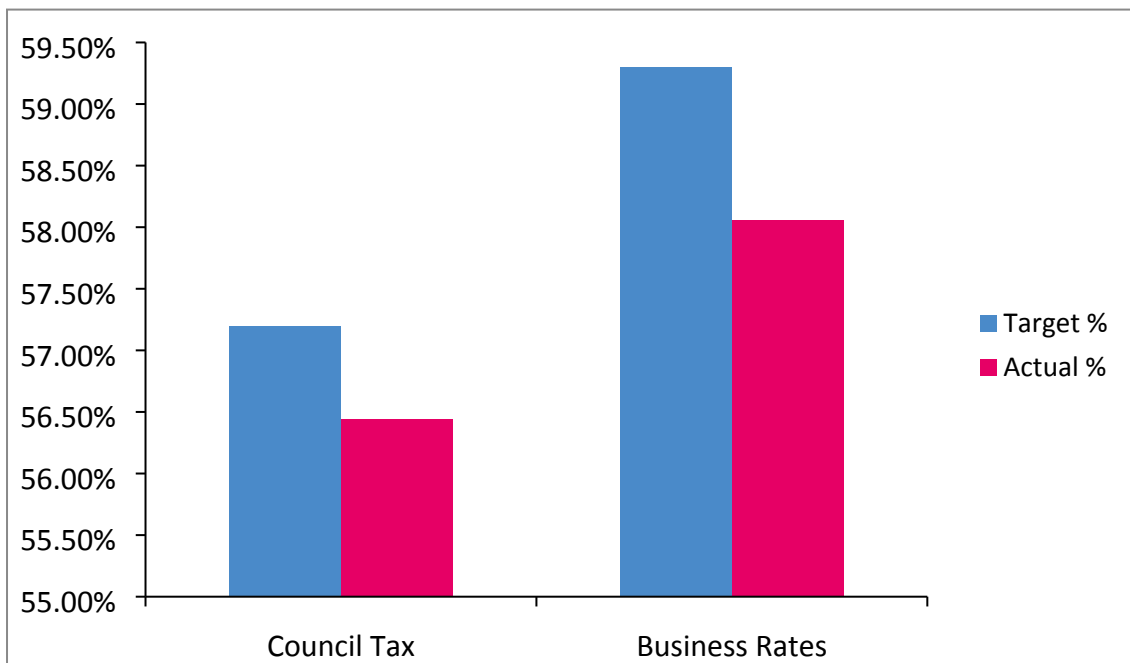
Chart 3 Collection Rates for Council Tax and Business Rates, Q3 2018/19

The targets were narrowly missed for both Council Tax (56.44% collected against a target of 57.20%) and Business Rates (58.06% collected against a target of 59.30%). Although as a percentage of the overall total, these variances appear small, the sums involved are significant, and officers are therefore monitoring this closely.

Maidstone Borough Council - Policy & Resources Committee

The total amounts collected during the third quarter of 2018/19 are set out below:

	Collected Jul - Sept 2018
Council Tax	£61,410,084
Business Rates	£35,564,245

Table 11 Council Tax & Business Rates Collected, Q3 2018/19

The Head of the Revenues and Benefits Partnership follows a recovery timetable and action will continue to be taken after the year end. Officers will continue to pursue payment of any developing arrears along with the arrears from prior years.

Due to the statutory arrangements in place for accounting for this income, the impact of shortfalls against the forecast income levels are absorbed over the next two financial years. This forms part of the budget setting process and will be detailed in the Collection Fund Adjustment report which will come to this Committee in January 2019.

Kent Business Rates Pool (50% retention)

Since 2013/14, 50% of business rates collected has been retained by local authorities, with the remainder being paid over to central government and redistributed in the form of grant funding. Under this scheme, business rates collected by Maidstone are shared as follows:

- 40% retained by Maidstone Borough Council
- 9% paid to Kent County Council
- 1% paid to Kent Fire & Rescue
- 50% paid to the government

In reality, this does not mean that 40% of the business rates collected has actually been retained by Maidstone, as a system of tariffs and top ups ensures that this is redistributed across local authorities in accordance with need.

However, local authorities have been able to retain a proportion of the growth against their business rates baseline, which is subject to a levy. Councils are able to minimise the levy payable on growth by entering into pooling arrangements with other authorities, which this Council has been doing since 2014/15.

Business rates pools involve the sharing of risk as well as reward. The Kent Business Rates pool, which for the past 3 years has comprised Kent County Council, Kent Fire and Rescue and 12 district Councils shares the benefits derived through pooling as follows:

- 30% of the pooling benefit is retained by the District Council
- 30% of the pooling benefit is paid to Kent County Council
- 30% of the pooling benefit is used to form a Growth Fund, which is spent by this the District Council, in consultation with Kent County Council on initiatives to promote economic development.

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- 10% is held as contingency to fund safety net payments to other pool members as required.

As agreed previously the 30% share of the pool benefit retained by the Maidstone will be used to fund the delivery of the Economic Development Strategy, alongside the 30% growth fund share which is spent in consultation with KCC.

For 2018/19, the forecast amount to be shared through the business rates pool was £1m. The position at the end of quarter three shows a slight shortfall against the forecast, with a current projection of £0.8m.

A contributing factor to this has been empty property relief awarded, which has been higher than the initial projections. This is being monitored closely by officers from the Finance and Revenues sections. We are currently maintaining a provision of £5.8m for rateable value appeals. This is a volatile area of income which can be difficult to predict, with particular uncertainty surrounding appeals which arise against the 2017 list due to changes in the process for how appeals are dealt with by the Valuation Office Agency. A prudent provision is maintained in order to minimise the impact of appeals on the Council's income.

The Economic Development team allocates Maidstone's share of the funding to projects one year in arrears, so any shortfall remaining at the end of the year will not jeopardise existing plans, but the current projections will be used to inform the teams planning from 2019/20 onwards.

100% Retention Pilot

For 2018/19, Kent and Medway authorities successfully bid to participate in a pilot for 100% retention of business rates. As with the 50% retention scheme, this does not mean that all business rates collected by Kent authorities will be retained within Kent due to the system of top ups and tariffs. However under the pilot, all growth against the business rates baseline is retained locally, and no levy is charged on this.   For Kent and Medway, the pilot is anticipated to result in an additional £34m being retained across Kent and Medway, in addition to the growth which the Council was expecting to retain outside of the pilot.

For this year, the pilot is running alongside the Kent Business Rates Pool for 50% retention.

Based on the initial forecasts, the Council was expected to derive the following financial benefits from the 100% retention pilot:

- Financial Stability Fund – £640,000
- The opportunity to bid against Housing & Commercial Growth Fund (North Kent Cluster) – £3,291,000

Forecasts made at the end of the third quarter show that Maidstone is on track to receive the following amounts:

- Financial Sustainability Fund – £940,000
- The opportunity to bid against Housing & Commercial Growth Fund (North Kent Cluster) – £4,900,000

<p style="text-align:center">46</p>

As mentioned previously, this is a volatile area which can be difficult to forecast. We will therefore continue to base our expenditure plans around the initial forecast until the final amounts are known.

A separate report will set out further detail on the allocation and spending plans for the business rates growth expected to be retained through the 100% retention pilot. An unsuccessful application for piloting 75% retention of business rates in 2019/20 was submitted on behalf of Kent and Medway authorities.

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Treasury Management

3rd Quarter 2018/19

Maidstone Borough Council - Policy & Resources Committee

Treasury Management

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). This CIPFA Code covers the principles and guidelines relating to borrowing and investment operations. In March 2018, the Council approved a Treasury Management Strategy for 2018/19 that was based on this code. The strategy requires that Policy & Resources Committee should formally be informed of Treasury Management activities quarterly as part of budget monitoring.

During the Quarter ended 31st December 2018:

- UK inflation CPI rate fell to 2.1% in December 2018 nearing the Government target of 2%. It has subsequently fallen further in January 2019, to 1.8%.

- The most recent labour market data for December 2018 showed the unemployment rate at 4%, its lowest since 1975.

- Bank of England Bank Rate is currently at 0.75%. The Council's advisors, Link Asset Services, forecast one further rate rise during 2019/20, however this is dependent on the outcome from Brexit.

The council held investments totalling £30.825m. A full list of investments held at this time is shown below. £14.825m of investments are in money market funds and notice accounts which can be called upon immediately or for a short notice period for daily cash flow purposes including precept payments and business rates pool funding. The remainder of investments are fixed term deposits with other Local Authorities which are deemed to be secure investments.

Investment income for this period is £160k against a budget of £75k with an average rate of 0.74%. This is due to higher than anticipated investment rates due to a bank rise in August 2018 and larger sums to invest.

Investments

Counterparty	Type of Investment	Principal £	Start Date	Maturity Date	Rate of Return	Arlingclose Credt Limits	
						Suggested Term	Maximum Deposit
FEDERATED INVESTORS (UK)	MONEY MARKET FUND	2,970,000	31/12/2018	01/01/2019	0.75%	2 Years	£8,000,000
ABERDEEN ASSET MANAGEMENT	MONEY MARKET FUND	5,855,000	31/12/2018	01/01/2019	0.75%	2 Years	£8,000,000
GOLDMAN SACHS INT'L BANK	NOTICE ACCOUNT	3,000,000	22/11/2018	25/02/2019	0.88%	100 Days	£3,000,000
NATIONAL COUNTIES BS	DEPOSIT - BS	1,000,000	27/11/2018	07/03/2019	0.85%	100 Days	£1,000,000
LANCASHIRE COUNTY COUNCIL	DEPOSIT - LA	3,000,000	16/11/2018	18/03/2019	0.75%	5 Years	£5,000,000
SUFFOLK COUNTY COUNCIL	DEPOSIT - LA	2,000,000	01/10/2018	22/03/2019	0.85%	5 Years	£5,000,000
LLOYDS BANK PLC	NOTICE ACCOUNT	3,000,000	18/12/2018	25/03/2019	0.80%	6 months	£3,000,000
THURROCK BOROUGH COUNCIL	DEPOSIT - LA	1,000,000	17/10/2018	29/03/2019	0.85%	5 Years	£5,000,000
THURROCK BOROUGH COUNCIL	DEPOSIT - LA	2,000,000	15/11/2018	15/04/2019	0.87%	5 Years	£5,000,000
LANCASHIRE COUNTY COUNCIL	DEPOSIT - LA	1,000,000	17/04/2018	16/04/2019	1.00%	5 Years	£5,000,000
THURROCK BOROUGH COUNCIL	DEPOSIT - LA	2,000,000	27/09/2018	26/04/2019	0.92%	5 Years	£5,000,000
CHERWELL DISTRICT COUNCIL	DEPOSIT - LA	2,000,000	15/10/2018	15/07/2019	1.05%	5 Years	£5,000,000
LONDON BOROUGH OF CROYDON	DEPOSIT - LA	2,000,000	01/05/2018	01/05/2020	1.05%	5 Years	£5,000,000

Table 13 Short Term Investments, 2nd Quarter 2018/19

Borrowing

There have been no borrowing requirements in the last quarter.

Maidstone Property Holdings Ltd

3rd Quarter 2018/19

Maidstone Property Holdings

Maidstone Property Holdings Ltd. was incorporated on 30th September 2016 and is used by the Council as a vehicle for letting residential properties on assured short hold tenancies. The company, which is a wholly owned subsidiary of the Council, currently holds one property which consists of 20 flats on a 22 year lease from the Council.

A recent internal audit review identified that there should be a mechanism in place to enable the company to formally report to the Council. Given that 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. This section of the report intends to provide the committee with an overview of the activity and performance of the company for the year to date.

The company's financial year end has been changed to 31st March, in order to align with the Council's financial reporting period. The 2017/18 accounts have now been audited by the company's external auditors, UHY Hacker Young. A board meeting will be convened shortly in order to formally approve the accounts, and the Company Secretary will ensure that these are filed with Companies House by the deadline of 31st December 2018.

During the first three quarters of 2018/19, the net rental income totalled £59,571. This compares with £34,193 over the same period in 2017/18 and represents rent charged to tenants, less costs recharged by the managing agent. As at 30th September 2018, there were no rent arrears. At this point in time, one of the twenty flats is vacant and the property team is working to identify a suitable tenant.

The Council generates income from the company through charges made for the services provided, and the property lease. For the 2017/18 financial year these charges totaled £76,107. After these charges have been taken into account, it is anticipated that the company will end 2018/19 in a break even position.

As the activity of the company increases over time, we will keep the governance and reporting arrangements under review to ensure that they remain appropriate and commensurate with the scope of activity and associated risks.

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APPENDIX 2 – WRITE-OFF OF OVERPAID HOUSING BENEFITS

Period	O/S debt	Total to be written off	Reason for write off
09/11/1998 to 02/02/2004	£12,302.89	**£12,302.89**	The individual concerned has taken out an Individual Voluntary Arrangment due to the total level of debt. We may receive some small payments against the debt over the next five years, but these may be sporadic and the value is likely to small against the overall debt. Should we receive such payments they will be held and then offset against the debt at some point in the future. The original overpayment of £14,986.02 was raised on 10 November 2004 and covered the period from 9 November 1998 to 2 February 2004 following a fraud investigation. We had recovered £2,683.13 by the time the IVA was instigated.

POLICY AND RESOURCES COMMITTEE	**27th March 2019**

ICT Strategy 2019-2024

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service/Lead Director	Stephen McGinnes, Mid Kent Services Director
Lead Officer and Report Author	Chris Woodward, Head of ICT Shared Service
Classification	Public
Wards affected	All

Executive Summary

This strategy sets out how the ICT Shared Service can support Maidstone BC and partner authorities meet their ambition, goals and objectives.

Within this context the strategy sets out how the ICT Service will provide officers, members and residents across the partner authorities with resilient, robust and innovate technology to support continuous service improvement.

This report makes the following recommendations to Policy and Resources Committee

1. That the 2019-2024 ICT Strategy be approved.

Timetable	
Meeting	**Date**
Policy and Resources Committee	27th March 2019
Corporate Leadership Team	19th March 2019

ICT Strategy 2019-2024

1. INTRODUCTION AND BACKGROUND

1.1 The first partnership strategy in 2013 covered the period 2013-2018 and focussed on preparing the technical and operational foundations for working in partnership. In most respects, it successfully delivered on these goals.

1.2 The first five years of the ICT partnership journey has been one of successful collaboration and consolidation. A single employer and staffing structure, a shared technical infrastructure and 75% of all software jointly procured.

1.3 This has enabled us to benefit from a wide range of cost-efficient modern council services ranging from fast and timesaving communications technologies such as Skype for Business right through to our shared state-of-the-art data centre.

1.4 This strategy for 2019-2024 sets out how ICT can support the partner authorities to meet their future ambition, goals and objectives. Technology changes are increasing rapidly but it is essential that key systems are resilient, robust and fit for purpose.

1.5 Within this context it is important that the strategy provides those working in the partnership with the tools to work effectively and efficiently, supports the desire to continuously improve service delivery and reduce the threat of cyber-attacks.

1.6 Following consultation with the partner organisations a number of key requirements were captured. These have been grouped within the strategy as a set of broad themes centred around service and operational outcomes.

- Enabling a modern and flexible workforce: more easily connecting people to partnership systems using any device at any time from wherever they choose to be.
- Supporting the delivery of our digital strategies: ICT and Digital teams working together to transform our online and back office services to improve the customer experience and improve engagement.
- Resilient solutions: Protecting our technical resources from external threats.
- Improving customer support: Distributed workforces and flexible working requires a change in how we support that workforce.
- Information management: Big Data and GDPR are changing how we need to collect, store, manage, protect and share our information.
- Innovation: Highlights some of the potential applications new advances in technology will offer.

2. AVAILABLE OPTIONS

2.1 The Committee is asked to approve the proposed strategy, and agree that work progresses on the proposed action plan.

2.2 The Committee could amend the direction of the strategy, substitute alternative actions, add to the existing ones or decide that a strategy is not required.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

3.1 That the Committee approves the Strategy (2.1). Whilst ICT is a fast changing environment with new technology constantly entering the market, it is important that Maidstone the other MKS Partners have a shared view as to the future direction of the service and priorities on which it should focus.

4. RISK

4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The ICT Strategy has been developed following consultation with the Council's corporate leadership team, Heads of Service, Service Managers and staff forum.

5.2 To ensure it represents the needs of partner authorities, similar consultation has been undertaken with each partner authority.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 An annual action plan will be created to support delivery of the objectives set out within the ICT Strategy. Progress against that plan will then be monitored and reported through the Council's performance management process as well as through the MKS Shared Services Board.

6.2 Proposed action plan for 2019/20 is included as Appendix A within the ICT Strategy.

7.   CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council's overall achievement of its aims.	Chris Woodward, Head of ICT Shared Service
Risk Management	The associated risks are within the Council's risk appetite and will be managed as per the Policy.	Chris Woodward, Head of ICT Shared Service
Financial	The proposals set out in the recommendation are either within already approved budgetary headings or will be subject to a separate business case.	Paul Holland, Senior Finance Manager
Staffing	We will deliver the recommendations with our current staffing.	Chris Woodward, Head of ICT Shared Service
Legal	Best value is a statutory framework that ensures that councils are required to plan, deliver and continuously improve local authority services. Each local authority has a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The Council's Strategic Plan taken together with the ICT Strategy demonstrates compliance with the statutory duty.	Keith Trowell, Team Leader (Corporate Governance), MKLS

Privacy and Data Protection	Although there may be specific actions arising out of the Strategy that impact on data protection, there is nothing identified in the plan overall that will have data protection implications.	[Legal Team]
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment. The ICT requirements of individual members of staff with additional needs would be identified at a team manager level.	Equalities and Corporate Policy Officer
Public Health	The recommendations will not negatively impact on population health or that of individuals.	Chris Woodward, Head of ICT Shared Service
Crime and Disorder	The recommendations will not negatively impact on crime and disorder.	Chris Woodward, Head of ICT Shared Service
Procurement	Although there may be specific actions arising out of the Strategy that impact on procurement, there is nothing identified in the plan overall that will have procurement implications.	Chris Woodward, Head of ICT Shared Service

8. REPORT APPENDICES

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

- Appendix 1: ICT Strategy 2019-2024

9. BACKGROUND PAPERS

None

Mid Kent Services

ICT Strategy 2019-2024

Date:	December 2018
Version:	4.1
Status:	Consultation draft 3

Contents

Executive Summary

This strategy sets out how Mid-Kent ICT can support the Mid Kent Services (MKS) partner authorities to meet their ambitions, goals and objectives. Technology changes increasingly rapidly. It is essential that key systems are resilient, robust and fit for purpose. Within this context it is important that the strategy provides those working across the Partner Authorities with the tools to work effectively and efficiently, supports continuous service delivery improvement and helps reduces the threat of cyber-attack.

Following consultation with the partner organisations a number of requirements were captured which have been grouped into a set of broad themes.

- Enabling and supporting a modern, flexible workforce: more easily connecting people to partnership systems using any device at any time from wherever they choose to be.
- Supporting the delivery of our digital strategies: ICT and Digital teams working together to transform our online and back office services to improve the customer experience and engagement.
- Resilient solutions: Protecting our technical resources from external threats.
- Information management: Big Data and GDPR are changing the way that ICT needs to support the partner authorities to collect, store, manage, protect, share and analyse customer data.
- Innovation: Highlights some of the potential applications new advances in technology will offer.

The annual service planning process will be used to both review the aims set out within the strategy and set out the actions planned for their delivery. An initial programme of work is included as Appendix A.

Introduction

Serving our communities relies on well designed and delivered services and this in turn has become heavily dependent on technology. The public and staff are all more technically aware and demanding of the best technology than ever before. It is important that we recognise that there is a balance between being 'always-on' and the need to maintain the well-being of the organisation. Many of the strategy's themes seek to address this.

In a shared ICT service, a partnership-wide strategy needs to capitalise on the opportunity to share expertise, infrastructure and development costs whilst recognising and respecting the sovereign nature of each partner. The latter is critical given that each partner has its own unique culture, priorities and political mandate. These differences are reconciled through the collaborative nature of Mid Kent Services and strategic direction set through the MKS Board.

Recognising that nine out of ten UK adults are now online, the three Mid Kent partners are each independently developing and resourcing their own digital strategy. Whilst there are subtle differences in emphasis (Digital by Default or Digital by Choice) between the digital strategies there is much common ground.

Objectives and Vision

The Strategy has been developed around 6 broad themes, each of which will deliver several outcomes.

Enabling a modern, flexible workforce

Is about securely connecting to the ICT network and services using any approved device at any time at any location,

- … providing devices that meet the needs of the individual and the way that they work,
- … making remote working easier,
- … making logging in simpler for everyone,
- … improving performance.

THE CASE FOR CHANGE:

We understand that accessing systems, authentication and restrictions limiting access to council-owned equipment can be a source of frustration. This has of course to be balanced by our need to keep data secure.

Collaborative working can be improved. Already screens can be shared in real-time using Skype for Business. However, generally documents are shared via email and multiple copies accumulate with little in the way of version control and ownership. Accessing documents when away from the office is only possible using council-owned equipment.

WHAT SUCCESS LOOKS LIKE:

We will begin to embrace the use of personal devices to safely and securely connect to the council's network, creating choice and flexibility.

Where the device supports it, logging in will be simpler using biometric authentication to remove the need for staff to remember multiple complex passwords. This will be as simple as opening your device and presenting yourself to an infrared camera or applying a finger or palm to a special reader. When away from the office applications will be delivered wherever the internet is available, and a new remote access system will be introduced to support this new way of working.

With growing demand for mobile working and home working systems and processes will be reengineered with a digital focus, enabling information to be captured, shared and processed in a seamless way to provide real time information and decision making. With reduced dependence on paper processes and the re keying of data, services will be able to respond quicker to customer demand, improve efficiency and benefit from greater flexibility.

Supporting the digital strategies

Is about using technology to improve the quality of interaction with the public

- … supporting service improvement and transformation methodologies ranging from intranet and website development to the introduction of new systems capable of meeting the demands of a digital age.
- … supporting the chosen digital platforms that deliver each authority's digital transformation Strategy to provide a secure and convenient way for services to be accessed 24/7.
- … providing the ICT systems development resource and expertise required to link the customer online interface with our back-office applications.

THE CASE FOR CHANGE:

The move to a digitally focused customer service has already begun but there is always more that can be done. The successful Transformation Challenge Award committed partners to developing better online services over the next ten years and this has been reflected in the three digital strategies. To achieve end-to-end integration requires a combination of skills and knowledge provided by both the ICT and Digital teams.

WHAT SUCCESS LOOKS LIKE:

There is a clear programme of work leading to the successful delivery of all three digital strategies.

True end-to-end integration which could for example completely remove the need for any officer intervention often requires technical engineering to integrate customer forms with legacy systems. ICT has the skills to engineer these solutions and has an important role to play in helping the Councils achieve their digital ambitions.

Resilient solutions

Is about ensuring that the risk of interruption to our services is minimised and recovery, when needed, is swift so that the public receive continuity of service

- … reducing the recovery time from total loss, malware or cyber-attack,
- …ensuring we have the best counter measures in place,
- … encouraging and maintaining cyber awareness.

THE CASE FOR CHANGE:

Our shared 'on premise' data centre has become a single-point-of-failure with an external network connection failure in the data centre impacting on all partners simultaneously. It is vital that these are made as resilient as possible.

The global cyber-security threat will not go away. Local authorities cannot hope to match the private sector's funding levels to address this issue and will need external dedicated and highly specialised skills from our partners and the private sector to help.

WHAT SUCCESS LOOKS LIKE:

Cloud based systems are inherently more resilient although the threat still remains albeit that it doesn't result in the total loss scenario. We will be undertaking an evaluation as part of a cloud-readiness assessment due to begin in 2020. If adopted, the systems relied on will reside in a more resilient and accessible place; one that is far less susceptible to physical loss.

We will put in place business continuity arrangements including access to internal and external specialists to implement improved cyber-security on both the local infrastructure and cloud-hosted systems enabling the service to better identify cyber security risks and respond quickly where service is disrupted to limit the impact to staff and service users.

The service will have a rolling programme of work to ensure that staff across MKS Partnership remain aware of the cyber risk and actions they can take to reduce the risk. They will continue to play an active role in supporting the business continuity arrangements across the partnership with regular testing of contingencies both at a corporate and service level.

Improving customer support

Is about an effective ICT service desk whilst providing members and officers with more opportunities to help themselves both in and out of normal working hours,

- … building a Service Desk that can operate from any location whilst still providing local presence wherever it is needed,
- … better understanding the requirements of the business,
- … better understanding the technical problems experienced day-to-day and designing them out of our systems wherever possible – reducing demand on the service desk

With over one hundred line-of-business applications across the partnership, it is not surprising that on occasions engagement between the service areas and suppliers has sometimes been difficult. This tends to occur predominantly in managing the relationship with suppliers once systems have been implemented.

Whilst the Service Desk has provided customers with a very good level of service during office hours assistance is currently not provided outside normal business hours.

We will introduce self-service platforms that provide assistance outside of normal working hours. The Service Desk will continue to provide a local physical presence to support local needs but with a capacity to support anyone from any location.

Customers will be engaging with ICT to identify projects that will need ICT participation through the councils' service planning process and working together to review technology options. ICT will encourage customers to engage with ICT much earlier in their project lifecycles and liaising with procurement, finance and other teams as needed.

The Joint ICT Commissioning Group will support prioritisation of work to enable ICT to produce a programme of projects that reflects the priorities of partner authorities and identifies opportunities for collaboration.

Where it is required, ICT will have taken responsibility for managing the upgrades, patching and product roadmaps for line-of-business applications.

Information management

Is about ICT providing the tools to support effective information governance,

- …. making it easier to share information securely with external parties,
- … balancing the need to secure our data without imposing unnecessary burden on services,
- … encouraging the use of Business Intelligence,

Whilst responsibility for Information Governance rests with individual partner authorities, the ICT Service plays a key role in the storage, sharing and protection of that data.

Documents have historically been stored in an unstructured manner making it difficult to locate and share information.

It is necessary for Councils to share information securely with external parties. This carries a risk with sensitive information being uploaded beyond the scope of our network. We will work with the Information Governance Groups to ensure that risks is minimised.

Business Intelligence (BI) looks for correlations in disparate data sets to provide insights and solutions to a broad range of problems. The full potential of this technology is yet to be realised.

WHAT SUCCESS LOOKS LIKE:

Tools such as Office 365 will enable data classification rules and retention policies to be applied whilst also providing a GDPR-compliant and effective collaborative workspace. The parameters will be agreed in consultation with the information Governance groups.

A file sharing solution will have been introduced that allows the business to safely and securely share data with suppliers and other public sector bodies. With information captured and shared electronically and reduced reliance on paper files there will be greater control over data access and reduced risk of data being lost or shared inappropriately.

We will implement the tools and skills to create a central, corporate view of the data held by each partner. This will equip partners with the information, evidence and analysis skills that they need to gain a deeper understanding of service issues and allow for better use of data in decision making.

We will increase the management resource dedicated to helping the Information Governance Groups improve Information Management.

Innovation

Is about identifying new ideas and solutions to support delivery of continuous service improvement,

- …improving quality of service and responsiveness to customers,
- ...reducing the cost of service delivery
- …enhancing sharing and collaboration between councils and their partners.

WHAT SUCCESS LOOKS LIKE:

The Partnership operates in an era of technological change. ICT will work with the transformation teams to identify and bring forward the opportunities that this provides for continuous service improvement for partner authorities to consider.

WHAT SUCCESS LOOKS LIKE:

Whilst it is almost impossible to predict the technological changes that may occur over the next five years, ICT will work with service departments to bring their knowledge of the changing technological landscape and match it against the service ambition and changing customer demand to optimise service delivery.

Examples of emerging technologies that the business may consider include:

- Robotic Process Automation offers the possibility of reducing repetitive, routine and high-volume tasks, freeing up valuable officer time to respond to more complex cases.

- Virtual and Augmented Reality as a means of public engagement and education within cultural and recreational centres. Real environments will be enhanced by AR to make it easier for people to interpret and understand data in the real world.

- Voice recognition and text-to-speech to capture public service requests using home and mobile digital assistants with AI to collect data and resolve issues automatically.

- Artificial Intelligence and optical character recognition (OCR) to automatically extract information from within electronic and paper-based documents that have been stored historically.

- Virtual desktops using fully immersive 360-degree augmented reality built into glasses and headsets.

In order to take full advantage of the opportunities that technological innovation and transformation provide the MKS Partners will work towards achieving the principles set out within the MHCLG Digital declaration, with a focus on:

Leadership – Recognising that 'digital doesn't belong in the basement, it belongs in the boardroom' with the greatest successes happening where digital transformation and service design principles are led at a senior level, with digital expertise central to decision-making

Procurement – 'Fixing the Plumbing' by changing our approach to technology procurement and aligning procurement guidance to the Technology Code of Practice (TCoP).   Reducing dependence on third party suppliers with a move towards Open source as a way of developing, sharing and maintaining our own technological future

Collaboration - Sharing knowledge about digital projects where there is an opportunity for potential reuse or collaboration within MKS (facilitated through the ICT Joint Commissioning Group) and more widely across the wider public sector network.

Geographical Information System (GIS)

THE CASE FOR CHANGE:

GIS has the power to enhance our customers understanding of their locality/environment and provides a useful and informative means of engaging with public services. Its historical reliance on flat two-dimensional mapping with only limited interaction is in some cases now beginning to show its age.

WHAT SUCCESS LOOKS LIKE

Data creation and management will migrate from traditional desktop GIS to mobile working in the field. This will allow officers to collect, edit and manage data preventing error and duplication through data rekeying. Mobile working has the potential to form the foundation of asset management and contract management.

We will continue to explore the use of 3D technologies in key areas of the business e.g. planning and emergency planning. This will make it easier to interpret and understand data.

Artificial Intelligence/machine learning will also be used for discovering patterns and trends in spatial and non-spatial data.

Conclusion

ICT plays a key role in supporting service delivery and service improvement across the MKS partner authorities.

The first five years of our partnership journey has been one of successful transformation and consolidation of the ICT service. Today we enjoy a wide range of cost-efficient modern council services ranging from fast and timesaving communications technologies such as Skype for Business right through to our shared state-of-the-art data centre. We all share in the benefits and the savings of this collaboration.

Maidstone, Swale and Tunbridge Wells made a commitment to work together by pooling their technical resources for the benefit of their communities. MKS ICT Services will continue to honour that commitment by delivering a full programme of work.

Each partner is firmly committed to supporting the UK government's ongoing transformational agenda and ICT has a fundamental role to play in helping our Digital teams securely join up our many and varied services.

The advent of new and advanced technologies such as Artificial Intelligence and Robotic Process Automation are becoming more prominent. However, the possibilities they offer needs to be carefully balanced against customer preference, organisational culture and priorities of the partner authorities.

Our vision demands smart thinking, great design and a deep understanding of our more data-driven, interconnected world. We're only just beginning to explore the possibilities of the latest innovations in technology but we're also keenly aware of the dangers our new joined up world brings.

The next five years promises to bring more change, more innovation and new types of organisational risk.   While no ICT strategy can predict the future, particularly during such unpredictable times, there are many new ways we can help empower ourselves to serve our communities better.

Appendix A – Programme of work

Outcome	Action	Responsible Team	Timescale	Linked theme/cost	Funding method
Increase our security and resilience whilst making it easier for people to connect into our systems	Replace the primary security appliances.	Network	2019	Resilient solutions	Already funded
Faster, more secure desktop clients that support smarter ways of working and improved collaboration.	Upgrade to Windows10 and Office 365.	Service Desk	2019	Enabling a modern, flexible workforce, Innovation.	Already funded
Tunbridge Wells data centre will be removed resulting in reduced hosting cost.	Complete the decommissioning of the TWBC Data Centre and firewall.	Application Support and Development	2019	Resilient solutions	Already funded
Business data will be consolidated into a smaller less costly and more secure set of databases.	Consolidate all SQL Servers with upgrades to more current and secure versions.	Application Support and Development	2019	Resilient solutions	Already funded
Enable compatible applications to be delivered securely to approved managed and unmanaged devices.	Deploy desktops using a combination of EMS and RDS technology.	Application Support and Development	2019/23	Resilient solutions, Enabling a modern, flexible workforce.	Subject to business case being approved.
Improved performance and compliance through the delivery of a modern and secure server platform.	Decommission all Windows 2008 servers.	Application Support and Development	2019/20	Resilient solutions	Mostly funded. Business case may be required for specific applications.

Outcome	Action	Responsible Team	Timescale	Linked theme/cost	Funding method
Additional network capacity and improved resilience will be added to each partner circuit resulting in less downtime and improved service delivery.	Add resilience to all three wide-area network connections at each primary location.	Network	2019/20	Resilient solutions	Funded to main Data Centre. Subject to business case being approved for other sites.
Meet the needs for partnership working with third party organisations in new, modern, multi-tenancy workplace.	Design and implement ICT requirements at new office locations for specific partners.	Network. Service Desk.	2019/22	Enabling a modern, flexible workforce, Innovation.	Subject to business case being approved.
Simpler access to corporate devices using facial recognition, palm vein and fingerprint.	Enable biometric authentication on corporate devices.	Service Desk	2019/24	Enabling a modern, flexible workforce, Innovation.	Subject to business case being approved.
Solid relationship between the business and ICT to gain a better understanding of business needs.	Create an ICT Service Review plan.	Network, Application. Service Desk.	2019/24	Enabling a modern, flexible workforce.	No funding required
Simpler remote access and authentication using Auto-VPN and Microsoft Authenticator.	Replace the remote access system and authentication methods for mobile working.	Network	2019	Enabling a modern, flexible workforce.	Partly funded. Consultancy required to implement the technology.
Staff and Members working more flexibly with tools such as Teams, SharePoint and OneDrive.	Enable enhanced cloud-based Office 365 features for all staff and Councillors	Service Desk	2019/22	Enabling a modern, flexible workforce, Innovation, Information Management.	Already funded
More resilient and accessible Unified Communications and Email systems.	Move Skype and Exchange into the cloud.	Application Support and Development. Network	2019/20	Resilient solutions	Licences funded. Consultancy required to fully implement.

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Outcome	Action	Responsible Team	Timescale	Linked theme/cost	Funding method
Staff better able to collaborate and work in ways that suit them using modern equipment.	Define new ways of working.	Service Desk	2020/21	Enabling a modern, flexible workforce.	No funding required
Improved ability to respond to and defend against cyber-security incidents.	Refresh the web filtering, alerting, monitoring and event management systems and implement Data Leakage Prevention and Intrusion Prevention systems.	Network	2019/21	Resilient solutions, Information Management.	Subject to business case being approved.
Reduced dependency on cabled network connections and a shift to the use of high capacity and high-density Wi-Fi and 5G mobile data services.	Review and replace the current Wi-Fi service and cabled network connectivity.	Network	2020/22	Enabling a modern, flexible workforce, Resilient solutions.	Subject to business case being approved.
Improved performance and compliance through the delivery of a modern and secure server platform.	Decommission all Windows 2012 Servers.	Application Support and Development	2020/23	Resilient solutions.	Subject to business case being approved.
Managers better able to support and manage remote workers and address concerns over line-of-sight management.	Research and assess productivity tools to helping managers support their remote teams.	Network. Applications.	2021/22	Enabling a modern, flexible workforce.	Subject to business case being approved.

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Outcome	Action	Responsible Team	Timescale	Linked theme/cost	Funding method
Improved Security information and event management (**SIEM**)	Enable semi-automated service monitoring to reduce ICT staff time	Network & Application Support	2020/22	Resilient solutions. Reducing cost.	Partly funded. Enhancements subject to business case approval.

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Appendix B – Digital strategies

MAIDSTONE & TUNBRIDGE WELLS

CUSTOMERS

Customers will be able to use an online account for most of their service requests and information

Communications with the customer will be targeted and personalised

Customers will continue to be assured that the Council can be trusted with their personal information.

WORKFORCE

Staff will spend time with customers who have complex needs because everyday transactions and requests for information will be dealt with digitally

Staff will not be tied to a specific location, allowing them to operate from anywhere

TECHNOLOGY AND SERVICE RE-DESIGN

Technology will support collaboration across the Council and with our partners

We will standardise systems across the partnership

We will promote the most efficient methods of payment and service delivery

SWALE BOROUGH COUNCIL

"Acting as a council that embraces digital technology will mean putting our citizens at the centre of any digital change as well as evolving and maintaining an internal digital culture. We must be aware of those who cannot or choose not to use digital and ensure that there are non-digital channels for those who need them. We must also continuously improve the digital services we provide"

"The better our online services are, the faster our citizens will move away from choosing traditional methods of contact, like the phone, to digital interactions"

"There will be a reduced requirement for staff-supported transactions, offering the potential to reduce the size of our face-to face customer service centres"

"Staff will have technology that meets their role's requirements, which securely connects to our systems and provides the flexibility to operate from anywhere"

"We will use technology only where it improves our citizens' experience and will strive to get service right first time. By improving our services and incorporating digital tools we anticipate that our citizens will choose to move away from traditional methods of contact to digital interactions including how we communicate with our citizens."

Common themes

1. Technology that supports collaboration and flexibility.
2. Putting citizens at the centre of digital change.
3. Improvement of digital services whilst providing a choice where necessary.

| **Maidstone and Tunbridge Wells** *8	**Swale** *9
Online customer accounts [2]	Putting citizens and the centre of digital change and encouraging a choice to move to digital [2]
Targeted and personalised communications [2]	Evolving and maintaining an internal digital culture [3]
Trust with personal data [2]	Non-digital channels for those that need them [3]
Time for customers with complex needs [2]	Continuous improvement of digital services [3]
Staff not tied to a specific location [1]	Reduce requirement for staff-supported transactions and reduce size of *face-to-face* [3]
Technology to support collaboration across the partnership [1]	Technology that meets the role's requirement [1]
Promote efficient methods of payment and service delivery [3]	Secure and flexible to operate from anywhere [1]

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Appendix C – Key statistics

Table 1 illustrates several key statistics that highlight the size of the partnership that MKS ICT supports.

Table 1

	Maidstone	Swale	Tunbridge Wells	Mid Kent	Total
Number of staff & Members	397	344	341	264	1346
Number of servers	13	9	21	255	298
Number of connected sites	8	2	7	n/a	17
Number of Service Desk calls per annum	8883	5537	6072	4153	24645
Network devices	70	63	55	n/a	188

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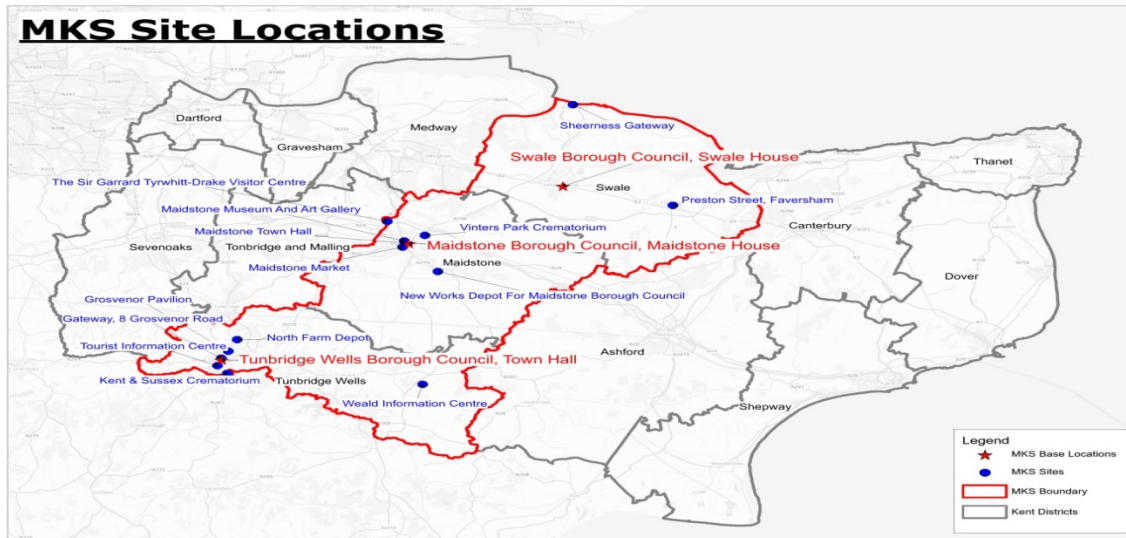
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