

**MAIDSTONE BOROUGH COUNCIL**  
**RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

**STRATEGIC PLANNING PROCESS**

**Issue for Decision**

To consider the timetable and additional proposals associated with strategic planning for 2010-11.

**Decision Made**

1. That the Council produces a 2010-11 update to the Strategic Plan 2009-12.
2. That the strategic planning process and timetable be agreed.
3. That the approach to the Strategic Plan be reviewed on an annual basis.

**Reasons for Decision**

The corporate planning process within the Council ensures the overall vision for the borough is delivered. The medium term key objectives in the Strategic Plan are developed alongside the medium term Financial Strategy to ensure a consistent approach between service delivery and budgets. Service planning allows the Council to convert high level objectives from the Strategic Plan into actions for each directorate, service or team across the authority, which then feeds into individual staff appraisals.

The Strategic Plan 2009-12 was developed alongside the Sustainable Community Strategy for Maidstone. To ensure that the Council's objectives were clearly aligned with those for the borough, the Council adopted the vision for Maidstone which was set out in the Sustainable Community Strategy.

As part of the 2009-12 Strategic Plan the Council agreed five new priorities:

- A place to achieve, prosper and thrive;
- A place which is clean and green;
- A place which has strong, healthy and safe communities;
- A place to live and enjoy; and

- A place with efficient and effective public services.

These themes have also been reflected in the Council's Performance Plan for 2009-12.

#### Proposed process for the development of the Strategic Plan 2010 onwards

The Strategic Plan is a rolling three year document and over the past three years the Council has opted to produce a new Strategic Plan each year. This approach was adopted to ensure that the Strategic Plan took account of any important developments annually and to ensure that every administration's priorities were properly reflected in the document.

Cabinet has highlighted that its overall priorities are prosperity and regeneration.

This year it is proposed that an update to the existing 2009-12 plan for the year 2010/11 is produced. This will have the following benefits:

- Whilst a three year plan demonstrates continuation and stability the annual update will enable Cabinet to take account of changes in circumstances and shifts in priorities e.g. the economic downturn;
- This will be more cost effective as the document doesn't need to be reproduced in its entirety; and
- It will be less resource intensive for officers and members.

The update will include:

- A review of all the key objectives and associated actions;
- An update of what we achieved in the year (in 2009/10 we...);
- An update to any local or national context where relevant; and
- An update to the foreword;

The update will not include:

- A change to design of the document;
- A change to the structure of the document; or
- A re-writing of the document.

At its meeting in July 2009, Cabinet requested a full review of the Medium Term Financial Strategy to ensure that it is in line with currently accepted best practice and fit for the future corporate objectives of the Council.

A simple definition of the medium term Financial Strategy is that it is a financial translation of the Strategic Plan. The future developments of the medium term Financial Strategy will need to include feedback from the development of the Strategic Plan. The two documents have always been produced alongside each other however, this year the Policy and Performance Manager and the Head of Finance will be working together to further improve this process.

The Policy and Performance Manager and the Head of Finance will be working with officers to ensure that the medium term Financial Strategy and the Council's key objectives reflect the Cabinet's priorities. Outcomes from these meetings will be discussed with members and an outline timetable is shown below.

A strategic planning training session was also carried out with members in July 2009. Following suggestions made by members at this session, it is proposed that a special working group of eight members is set up to consider the key objectives.

The group will be made up of two members of each Overview and Scrutiny Committee to ensure a good cross section of knowledge and political balance.

The member working group will help ensure that members are able to have a greater involvement in the strategic planning process. The recommendations from this group will be presented to the Corporate Overview and Scrutiny Committee in December before being presented to the Cabinet in the draft Strategic Plan Report in December.

Timetable for developing the Strategic Plan 2010-11 update

The following timetable is proposed for the development of the 2010-11 update.

<b>Date</b>	<b>Action</b>
12 August 2009	Cabinet consider the strategic planning proposals
August - November 2009	Development of the draft Strategic Plan and Medium Term Financial Strategy: <ul style="list-style-type: none"> <li>• Assessment of progress against key objectives in 2009 (report presented to Cabinet October 2009)</li> <li>• Informal discussions with Cabinet</li> <li>• Meetings with Heads of Service and officers</li> <li>• Identification of savings and growth</li> <li>• Development of supporting performance indicators</li> <li>• A working group of Councillors to look at the key objectives</li> </ul>
December 2009	Recommendations from member working group presented to Corporate Overview and Scrutiny
December 2009	Cabinet consider recommendations from the member working group and Corporate Overview and Scrutiny and agree the draft Strategic Plan and Medium Term Financial Strategy
December - January 2010	Consultation with members, residents and partners

January 2010	Overview and Scrutiny consider Strategic Plan and Medium Term Financial Strategy
February 2010	Cabinet consider Strategic Plan and Medium Term Financial Strategy
March 2010	Council agree and adopt the Strategic Plan and Medium Term Financial Strategy
April 2010	Implementation of the Strategic Plan 2010-11 update

### **Alternatives considered and why rejected**

Cabinet could decide to produce a full new Strategic Plan for 2010-13. This is not recommended due to the additional staff time and financial costs associated with this approach.

Alternatively, Cabinet could decide that the Council already has a three year plan in place and that therefore there is no reason to produce either an update or another full document. This is not recommended as the local and national context is constantly changing and the Council needs to be able to demonstrate how it is planning and managing these issues.

### **Background Papers**

The Following are useful background documents and are available on request from the Policy and Performance team, via email on [policyandperformance@maidstone.gov.uk](mailto:policyandperformance@maidstone.gov.uk) , by phone on 01622 602253 or on the Council's website .

- The Strategic Plan 2009-12
- The Sustainable Community Strategy

<p>Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: <b>21 August 2009</b></p>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

#### **COMMUNITIES IN CONTROL - IMPROVING COMMUNITY ENGAGEMENT**

##### **Issue for Decision**

To consider the Council's approach to improving Community Engagement as a result of the Communities in Control White Paper and the work of the Communities in Control Group, including what actions to take in order to improve the engagement of the public with the Council and its services, respond to the Communities in Control White Paper and strengthen the Council's discharge of its Duty to Involve.

##### **Decision Made**

That the action plan (attached as Appendix A to the report of the Director of Prosperity and Regeneration), including the significant Neighbourhood Forums element, be agreed, subject to the following amendment:-

Action No. 23 – Wording to be amended to:-

Strengthen the role of Councillors to help identify and promote community issues – refer to Corporate Services Overview and Scrutiny Committee

##### **Reasons for Decision**

###### Background

The Communities in Control: Real people, Real power White Paper was published on 9 July 2008. Its stated aims were to:

"...pass power into the hands of local communities. We want to generate vibrant local democracy in every part of the country and to give real control over local decisions and services to a wider pool of active citizens".

The white paper put forward a number of approaches to try to achieve its aims. These have been broadly categorised as:

- Local Councils – Duty to Involve
- Support for becoming a more active citizen or volunteer
- Providing more access to information
- Making sure petitions are acted upon
- Increasing influence on council budgets and policies
- Having more say in your neighbourhood

- Giving older and young people a stronger voice
- Enabling those with power to be held to account
- Providing redress when things go wrong
- Making it easier to stand for office
- Community ownership and control

Arguably the most important outcome from the White Paper for Councils is the introduction of a 'Duty to Promote Democracy' and extension of the 'Duty to Involve'. However, the recommendations in this report seek to address all the above topics in order to ensure that the Council discharges its duty effectively and improves Community engagement across the Borough.

The Duty to Involve applies to all best value organisations, including local authorities, and came into effect from 1 April 2009. The stated purpose of the duty is to: *'embed a culture of engagement and empowerment. This means that authorities consider, as a matter of course, the possibilities for provision of information to, consultation with and involvement of representatives of local persons across all authority functions'*

#### What do we do now?

Provision of Information – Examples of methods the Council currently uses are its website, the Borough Update, electronic notice boards and provision of information on elections and registration through its poll cards.

Consultations - Examples of consultations are on specific service changes and how the authority spends its money, e.g. through focus groups and on-line interactive exercises.

Involvement - A large amount of work has been undertaken on youth engagement through initiatives such as Youth Scrutiny, the Youth Forum and Voting Days and activities held with local schools to engage the students in the political process and increase awareness of decision making. In addition, events such as the Big Debate have been held in the past to invite public opinion and involvement.

#### Where does this put us?

For all the individual actions on engagement and empowerment the introduction of the Duty to Involve prompts us to re-examine our approach on a corporate level. The evidence and research undertaken by officers to date suggests that performance needs to be improved if Maidstone is to achieve a top quartile position. In turn this means that our current approach to informing, consulting and engaging needs to be critically examined and that options for change considered (subject to the usual parameters of affordability and value for money).

Analysis of the place survey indicators in a Kent context, that are relevant to the Communities in Control White Paper, are listed in the table Table A - Place Survey 2008 below. Of the National Indicators NI4 is of particular concern with the Council ranked 9<sup>th</sup> of the Kent districts. The Council

ranks well in NIs 1, 5 and 6 but poor to average in the direct questions asked in the survey.

Table B – National Context provides the wider picture of the Council's performance against other authorities nationally and sets out the upper quartiles.

**TABLE A - PLACE SURVEY 2008**

<b>LOCAL AUTHORITY</b>	<b>Authority Type</b>	<b>strongly or tend to agree local council provides value for money?</b>	<b>very or fairly satisfied with how council runs things</b>	<b>Generally speaking would you like to be more involved in the decisions that affect your local area</b>	<b>% who agree that their local area is a place where people from different backgrounds get on well together (NI 1)</b>	<b>% who feel they belong to their immediate neighbourhood (NI 2)</b>	<b>% who have been involved in decisions that affect the local area in the past 12 months (NI 3)</b>	<b>% who agree that they can influence decisions in their local area (NI 4)</b>	<b>% who are satisfied with their local area as a place to live (NI 5)</b>	<b>% who have given unpaid help at least once per month over the last 12 months (NI 6)</b>
Medway Council	UA	27.4	39.5	31.5	70.4	55.0	14.7	23.4	67.8	20.6
Ashford Borough Council	DC	35.0	44.2	25.3	77.6	56.1	13.2	28.7	84.3	24.0
Canterbury City Council	DC	34.6	49.4	26.3	81.7	56.1	12.2	28.2	84.6	22.4
Dartford Borough Council	DC	34.9	49.1	29.9	71.2	52.8	9.1	27.6	71.8	18.3
Dover District Council	DC	31.9	43.1	25.7	74.6	61.8	13.7	27.8	80.8	23.0
Gravesham Borough Council	DC	34.0	49.8	27.6	74.3	57.2	15.7	30.4	72.3	23.8
<b>Maidstone Borough Council</b>	<b>DC</b>	<b>32.0</b>	<b>44.0</b>	<b>27.3</b>	<b>80.5</b>	<b>59.3</b>	<b>12.7</b>	<b>25.4</b>	<b>85.2</b>	<b>24.6</b>
Sevenoaks District Council	DC	34.6	48.8	27.8	78.1	66.3	14.6	30.2	87.0	27.7
Shepway District Council	DC	25.5	34.6	27.5	76.6	59.0	11.8	22.1	79.3	22.9
Swale Borough Council	DC	26.5	36.2	24.4	73.0	58.5	10.7	24.4	73.2	21.6
Thanet District Council	DC	25.3	33.6	29.8	65.8	55.4	10.1	21.1	70.2	20.7
Tonbridge and Malling Borough Council	DC	36.7	50.8	23.9	77.0	61.7	11.2	29.4	83.8	23.5
Tunbridge Wells Borough Council	DC	30.3	42.4	25.9	77.3	59.4	15.8	26.4	85.6	26.8
Kent County Council	CC	31.6	43.7	26.7	75.8	58.7	12.5	26.7	80.2	23.3
Maidstone Borough Council	DC	32.0	44.0	27.3	80.5	59.3	12.7	25.4	85.2	24.6
Kent District Average (Excl KCC, Med)		31.8	43.8	26.8	75.6	58.6	12.6	26.8	79.8	23.3
Maidstone Kent Rank (Excl KCC, Med)		7	7	7	2	5	6	9	3	3

TABLE B – NATIONAL CONTEXT

**Overall Perception**

Indicator	Maidstone	Best in Kent	Top Quartile England	Top Quartile Districts
Strongly or tend to agree local council provides value for money?	32%	T& M 36.7%	37.5%	39.1%
Very or fairly satisfied with how council runs things	44.0%	T&M 50.8%	50.1%	51.4%
Would you like to be more involved in the decisions that affect your local area	27.3%	Dartford 29.9%	27.5%	26.7%

**18 National Indicators**

Indicator	Maidstone	Best in Kent	Top Quartile England	Top Quartile Districts
their local area is a place where people from different backgrounds get on well together (NI 1)	80.5%	Canterbury 81.7%	81.7%	82.9%
they belong to their immediate neighbourhood (NI 2)	59.3%	Sevenoaks 66.3%	63.9%	66.2%
% who have been involved in decisions that affect the local area in the past 12 months (NI 3)	12.7%	Tunbridge Wells 15.8%	15.9%	16.0%
% who agree that they can influence decisions in their local area (NI 4)	25.4%	Gravesham 30.4%	30.8%	30.6%
% who are satisfied with their local area as a place to live (NI 5)	85.2%	Sevenoaks 87.0%	86.5%	88.2%
% who have given unpaid help at least once per month over the last 12 months (NI 6)	24.6%	Sevenoaks 27.7%	27.0%	28.9%
% who think that anti-social behaviour is a problem in their local area (NI 17)	14.1%	Ashford 10.9%	13.2%	11.3%
% who agree that the police and other local public services are successfully dealing with anti-social behaviour and crime in their local area (NI 21)	25.7%	Dover 27.7%	29.1%	29.5%
% who agree that in their local area parents take enough responsibility for the behaviour of their children (NI 22)	30.1%	Sevenoaks 35.1%	34.5%	36.5%
% who think there is a problem	27.7%	Sevenoaks	23.4%	21.2%

Indicator	Maidstone	Best in Kent	Top Quartile England	Top Quartile Districts
with people not treating each other with respect and consideration in their local area (NI 23)		25.2%		
% who agree that the police and other local public services seek people's views about anti-social behaviour and crime in their local area (NI 27)	25.8%	Dover 27.2%	26.9%	26.5%
% who feel informed about what to do in the event of a large-scale emergency (NI 37)	15.0%	Dover 23.0%	17.3%	18.7%
% who think that drunk and rowdy behaviour is a problem in their local area (NI 41)	22.7%	Ashford 14.3%	22.6%	20.8%
% who think that drug use or drug dealing is a problem in their local area (NI 42)	20.8%	Ashford 14.0%	21.8%	19.8%
% who say their health is good or very good (NI 119)	78.1%	Sevenoaks 82.5%	79.8%	80.1%
% people aged 65 and over who are satisfied with both home and neighbourhood (NI 138)	87.0%	Dover 87.9%	88.2%	89.4%
% who think that older people in their local area get the help and support they need to continue to live at home for as long as they want to (NI 139)	28.5%	Shepway 33.5%	33.4%	34.1%
% who would say that they have been treated with respect and consideration by their local public services in the last year (NI 140)	75.6%	Sevenoaks 79.4%	77.5%	78.8%

**Percentage of residents very or fairly well satisfied with the following service**

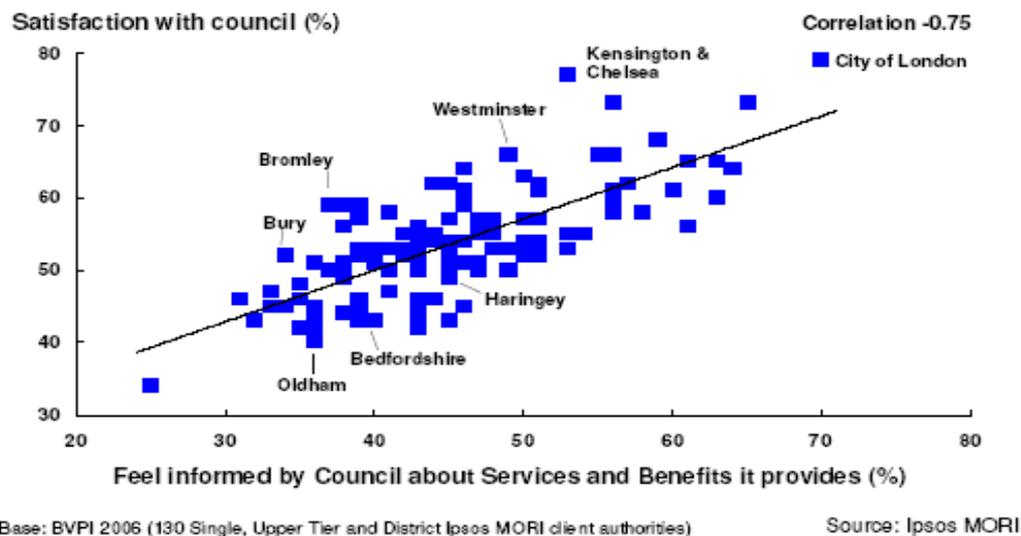
	Maidstone	Highest in Kent	Top Quartile All England	Top Quartile Districts
<b>Keeping public land clear of litter and refuse</b>	59.5%	Sevenoaks <b>66.3%</b>	62.7%	64.0%
<b>Refuse collection</b>	85.5%	Sevenoaks 90.0%	83.4%	84.7%
<b>Doorstep recycling</b>	51.3%	Dartford 81.2%	75.5%	76.1%
<b>Local tips / household waste recycling centres</b>	67.0%	Dartford 78.5%	77.5%	78.6%
<b>Local transport information</b>	40.7%	Canterbury 49.1%	51.0%	48.1%
<b>Local bus services</b>	42.6%	Thanet 65.3%	59.4%	54.1%
<b>Sport leisure / facilities</b>	42.5%	Gravesham 56.9%	51.2%	51.7%
<b>Libraries</b>	69.3%	Tonbridge & Malling 70.8%	72.5%	73.1%
<b>Museums / galleries</b>	58.0%	Maidstone	47.4%	46.5%
<b>Theatres / Concert halls</b>	43.8%	Tunbridge Wells 63.2%	50.3%	50.4%
<b>Parks and open spaces</b>	73.0%	Tunbridge Wells 81.9%	73.7%	74.6%

Clearly, there is room for improvement across all areas of the survey. The Council is best in Kent for only one of the measures (Museums/galleries) and does not fair well against the District top quartile figures nationally, which we clearly, as an Excellent Council, should be aiming for. Of particular relevance to community engagement; for NI 3 we are lower median quartile, for NI 4 we are bottom quartile for all England.

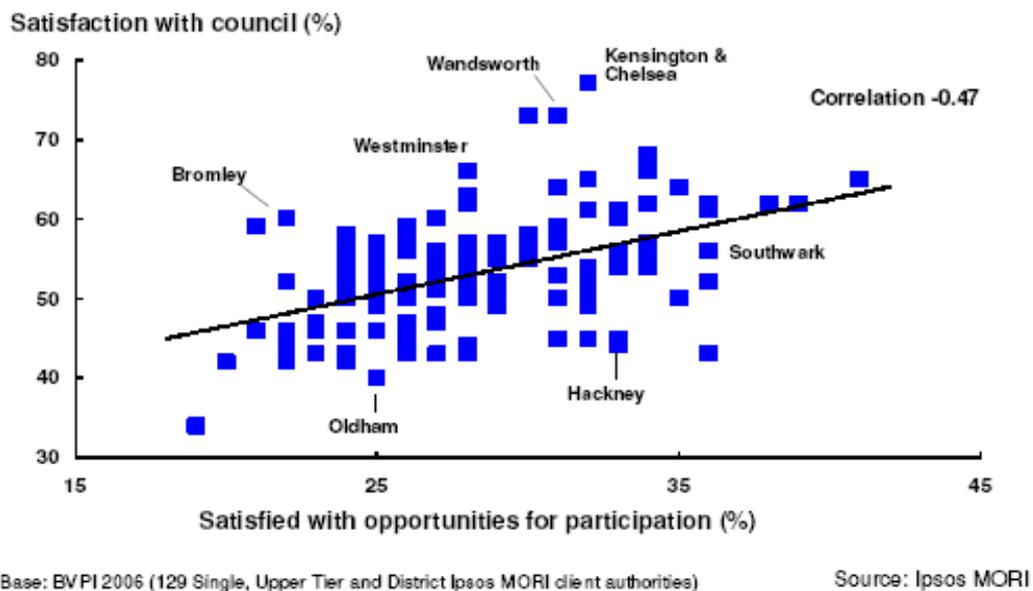
## Why is this Important?

From the BVPI 2006 survey data a correlation was drawn between two important areas – feeling informed and opportunities for participation – and levels of satisfaction with Councils:

### Satisfaction and Feeling Informed



### Opportunities for Participation and Satisfaction with the Council



The outcome of the Place Survey will form an important part of the Council's Comprehensive Area Assessment increasing the importance of getting community engagement, including providing opportunities for participation and informing residents, right.

It is important to not only consider the Council's duty to involve the community but also the ethos behind the White Paper, which is not just about finding out what the Community thinks, but also transferring 'real power' to them. In practical terms this means where appropriate, passing decision making, financial control and assets to the community.

#### How do we address this?

In response to the Communities in Control White Paper, and utilising work already done on the Councillors Commission recommendations (which the White Paper was in part a response to) a project approach was taken to consider the implications of the White Paper and how the Council could implement its aims for community engagement and involvement (and the subsequent Duty to Involve).

Two workshops were held involving senior managers and Members with the objective of identifying and prioritising areas of work to improve information and involvement. Once the priority list of topics was established the Group split into workstreams to concentrate on the different areas.

#### 1. Parishes, Neighbourhoods and Communities

Topics: Devolution of power to parishes, parish/urban councils, define and identify communities, neighbourhood management – improvement and engagement

#### 2. Partnerships

Topics: LSP (incl. governance), community scrutiny of partnerships, partnership decision making with local people

#### 3. Finance and Assets

Topics: Devolved budgets, community ownership of assets, participatory budgeting

#### 4. Quality of Service

Topics: Informed staff, standards of service, access to information and communication, customer service and complaints, role of councillors

#### 5. Engagement

Topics: Youth engagement, encouraging voting, community engagement in planning, incentivised participation

In addition to the work undertaken by the Group a number of initiatives that had an impact on Community Involvement and Engagement were started elsewhere in the Council these have been considered and brought into the work done by the Group. For example Community Asset Transfer is a strong idea in the White Paper and a priority topic from the focus days; this work was already underway at the Council. Another major

example is the work on Neighbourhood Forums that has been undertaken with Kent County Council.

The three main objectives covered by the actions have been classified as:

1. Customer Service and Information
2. Improving Engagement
3. Community Ownership

Each of the actions in the action plan relates to one or more of the priority topics and each has had a recommendation template completed for it. The purpose of the templates is to explain the recommendations, their objective, how they relate to the white paper, options appraisals, costings and an estimate of the time and work involved. These templates are attached to the action plan as Appendix B to the report of the Director of Prosperity and Regeneration.

Three significant areas of change proposed are Neighbourhood Forums, Community Neighbourhood Engagement and Community Asset Transfer.

### Neighbourhood Forums

The introduction of Neighbourhood Forums is a major step towards the objective of improving engagement. The options and considerations outlined under Neighbourhoods and Communities in Appendix B to the report of the Director of Prosperity and Regeneration are still under discussion with Kent County Council and are the specifics of the proposal are therefore subject to change. The principle of moving ahead with the forums is still recommended regardless of any changes made to the specifics.

### Community/Neighbourhood Engagement

As part of the Communities in Control work MAPs and PACTs were looked at to see if any lessons could be learned from them. Evaluations of MAPs and PACTs formed background documents to this report and informed the action plan. From the lessons learned it is proposed to produce an Engagement Charter that will form part of the Council's Customer Service Charter.

Appendix C to the report of the Director of Prosperity and Regeneration sets out the evaluation of the effectiveness of Multi-Agency Partnerships (MAPs) and Partners and Communities Together (PACT). The evaluation sets out a number of recommendations arising from the work. Not all of these have been included in the action plan but will inform the content of the Engagement Charter that is proposed.

The Planning for Real initiative is of particular interest and will be explored as part of the work on Community/Neighbourhood Engagement.

### Community Asset Transfer

Work is underway on Community Asset Transfer and the expected products are:

- A Community Asset Transfer Strategy
- A Community Asset Audit

This topic will be covered by a separate report at a later date in the Autumn.

A concern was raised regarding the wording of No. 23 of the Action Plan (attached as Appendix A to the report of the Director of Prosperity and Regeneration) and it was agreed that this needed to be amended.

### **Alternatives considered and why rejected**

Other actions and options could be considered in order to improve the Council's engagement with its community and steps towards improving community involvement in decision making. However, this is not recommended as the options in this report are the result of prioritization by Members and senior officers of the Council.

### **Background Papers**

Communities in Control White Paper

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: <b>21 August 2009</b>
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**MAIDSTONE BOROUGH COUNCIL**  
**RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

**REGENERATION STATEMENT**

**Issue for Decision**

To consider the Council's approach to regeneration as set out in the Regeneration Statement attached as Appendix A to the report of the Director of Prosperity and Regeneration.

**Decision Made**

1. That the approach set out in the Regeneration Statement (attached as Appendix A to the report of the Director of Prosperity and Regeneration) be endorsed.
2. That the new organisational structure set out in the appendix to the Regeneration Statement attached as Appendix A to the report of the Director of Prosperity and Regeneration) be agreed.

**Reasons for Decision**

In 2001 Maidstone's approach to regeneration was rated by the Audit Commission as poor, but with promising prospects for improvement. Since that time, regeneration policy and activity has been developed in a range of work streams but remains somewhat fragmented. The creation of the Prosperity and Regeneration Department in February 2009 signalled the Council's intention to place greater emphasis on regeneration. This new focus, together with the economic downturn, has prompted the drafting of a Regeneration Statement for the Borough.

The purpose of the Regeneration Statement is to:

- Define what is meant by regeneration.
- Set out the existing Strategies and Policies that promote regeneration.
- Put forward a structured approach to regeneration which suggests initially for the development of public land first
- Identify an organisational structure to bring forward regeneration.

Capital funding for Regeneration activities is set out in the Capital programme. Revenue expenditure, including staff, will be met from Growth Point revenue funding. The additional cost over a period of 3 years is estimated at £245,000; this assumes the addition of a limited term (3 year) post to undertake a range of economic development work supporting the Economic Development and Regeneration Manager and provision for additional project management capacity to be achieved

according to the skills demanded by the specific projects being progressed through either short term secondment or procurement of specific expertise. The total revenue grant for 2008-11 is £579,640 of which £100k is already spent or committed; hence the proposed staffing arrangements are affordable with headroom for project delivery costs.

The delivery of the Regeneration Statement will require a commitment across all Council services and possibly new ways of working to ensure successful implementation. A new organisation structure is proposed as part of the Regeneration Statement. The structure shows the activities to be carried out by the proposed Economic Development and Regeneration Team. The structure is an evolution of the current Economic Development and Tourism teams. It is proposed to change the reporting line for the Community Engagement post from a direct line to the Assistant Director for Development and Community Services to the team leader for Economic Development and Regeneration and increase capacity for economic development work and project management as described above. Proposals for introducing administrative support will be brought forward as part of overall Business Support within the Prosperity and Regeneration Department. All changes will be achieved through the Council's procedures for Organisational Change.

### **Alternatives considered and why rejected**

The Council could choose to not engage in regeneration activities or try to engage in a much broader range of activities than set out in the Regeneration Statement.

The Council has clearly set out in a number of policy documents the importance of regeneration to secure the long term prosperity of the Borough. Sites within the urban area have been vacant or underused for some time and demonstrate that without public intervention positive change will not happen if left to market forces. Some of the Borough's neighbourhoods continue to fall within some of the most deprived areas in country. Intervention at the neighbourhood level is required to begin to tackle the underlining causes of social, physical and economic exclusion. Whilst the Council cannot do this alone and must work in partnership with other agencies, no other organisation is better placed to lead regeneration at the Borough level.

Regeneration requires resources to fund activity and close the funding gap between non viable and viable development. Whilst significant resources are available thanks to Growth Point funding, it is still necessary to prioritise the Council's approach and try to tackle all aspects of regeneration at the same time.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: <b>21 August 2009</b>
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**MAIDSTONE BOROUGH COUNCIL**

**RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

**PROJECT PROPOSAL FOR THE SUSTAINABLE COMMUNITY STRATEGY 2009-2020 ACTION PLAN IMPLEMENTATION AND PERFORMANCE MANAGEMENT**

**Issue for Decision**

To agree as a corporate project the future implementation and performance management of the Sustainable Community Strategy Action Plan.

**Decision Made**

That the performance management arrangements for the Sustainable Community Strategy action plan as set out below be agreed.

**Reasons for Decision**

The SCS 2009-2020 adopted by full council on 22<sup>nd</sup> April needs to be monitored and performance managed to ensure it is implemented in full.

It is proposed to utilise the new LSP structure to performance manage the SCS, allocating the eight SCS Topics across the sub-groups as set out here.



## Objectives

The performance management of the SCS will be based upon the following principles or objectives:

- Utilise a single universal performance management system (Excelsis) to monitor the objectives, actions and targets in the SCS.
- Utilise the sub-groups of the LSP to monitor and manage performance utilising the council's Red/Amber/Green (RAG) system (see Figure 2).

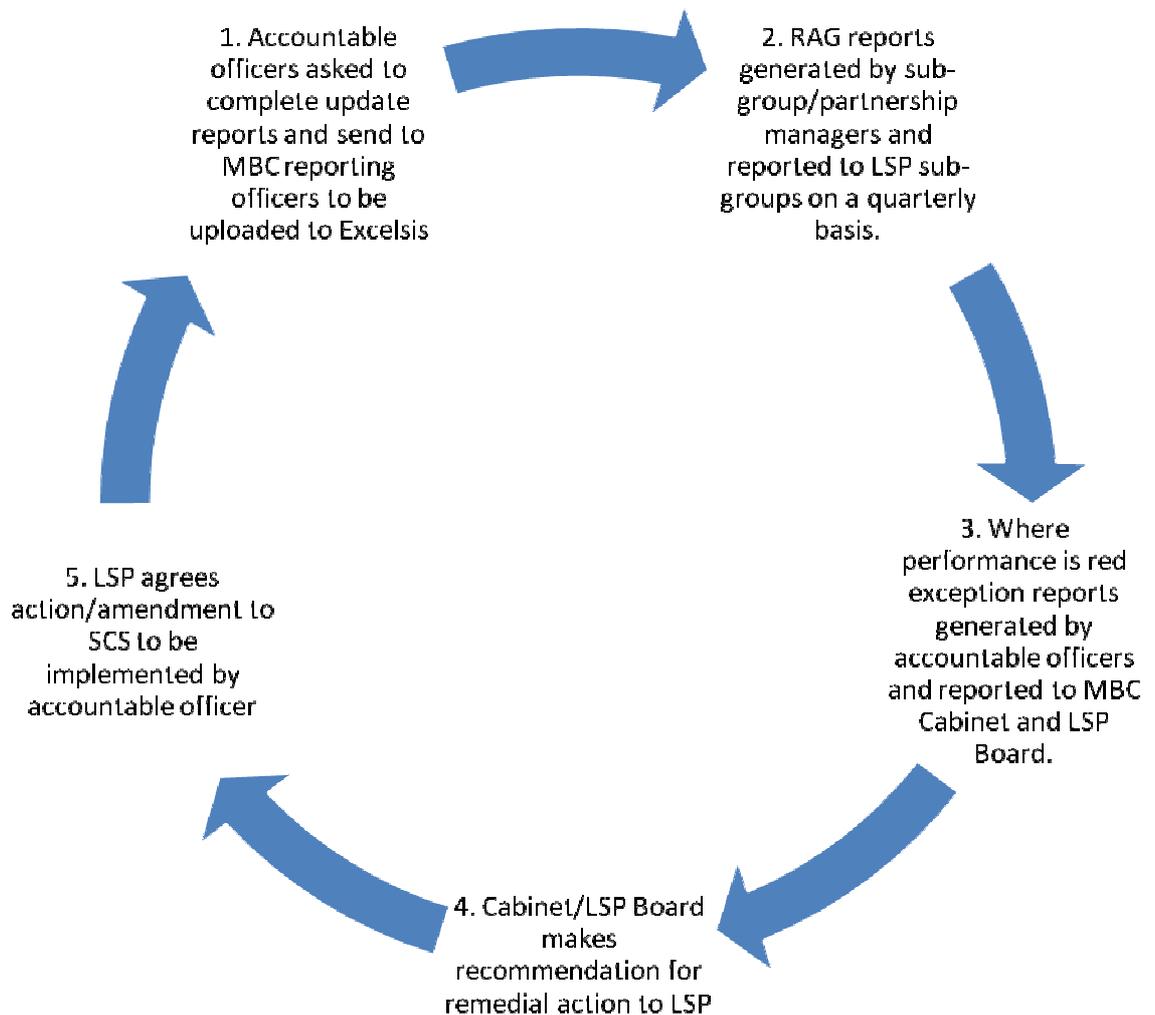
**Figure 1**

Performance is	
<b>Green</b>	On target and projected to meet annual target
<b>Amber</b>	Within 10% variance and projected to meet the annual target
<b>Red</b>	Target not met nor projected to meet annual target

- Where performance is poor (red), exception reports will be prepared by the sub-groups for Cabinet and the LSP board for action and/or recommendations for action to the full LSP. In exceptional cases, this may require an amendment to the SCS, which will be taken into account in the annual refresh of the SCS.
- Report overall progress on the SCS to the general public in the form of a 'report card' on a half yearly basis, in the LSP's Annual Report and at its annual general meeting.

The following diagram (Figure 3) sets out in outline how the performance management process will work. The process will be overseen by the Community Planning Co-ordinator with the support of the sub-group/partnership managers and the Policy and Performance Unit. Data will be uploaded to Excelsis by named MBC officers identified in the Technical Action Plan.

**Figure 3**



### **Alternatives considered and why rejected**

Another approach would be to provide RAG reports on all the targets and indicators directly to Cabinet and the LSP Board. However, there are 52 separate objectives in the SCS, some of which have more than one target/indicator and this is considered unwieldy for one group to effectively monitor and manage. By dividing the responsibility between four groups, which combine a strategic operational/commissioning role, this will be reduced to manageable levels. However, as Figure 1 demonstrates, the Health and Well-being Sub-Group has the highest number of Topics, Objectives and Targets to monitor. Therefore this process, which hasn't been tested, will need to be kept under review and amended as necessary.

## **Background Papers**

Maidstone 2020, 'the strategy for the community', The Sustainable Community Strategy for Maidstone Borough 2009-2020 – [http://www.digitalmaidstone.co.uk/community/community\\_strategy.aspx](http://www.digitalmaidstone.co.uk/community/community_strategy.aspx)

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: **21 August 2009**

## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

#### **CARBON FOOTPRINT 2008/09**

##### **Issue for Decision**

To consider the Council's carbon footprint for 2008/09, its progress towards the carbon reduction targets adopted in November 2008 and actions to further reduce carbon emissions.

##### **Decision Made**

1. That the reported figures for CO<sub>2</sub> emissions from the Council's operations during 2008/09 are noted as indicating a 3.48% increase from the previous year but a 10.16% decrease since the baseline year, 2006/07.
2. That a Carbon Reduction Action Plan be established to reduce energy and fuel use in order to reduce costs and achieve at least 3% reduction in CO<sub>2</sub> emissions from Council operations.
3. That bids are put forward for the new Salix Energy Efficiency Loans Scheme, to fund some early actions on carbon reduction.
4. That the data used for the report of the Assistant Director of Development and Community Strategy comes from a variety of sources, and is mostly generated or collected for purposes other than carbon reporting be noted.

##### **Reasons for Decision**

###### **Background**

The report of the Assistant Director of Development and Community Strategy presented the Council's 2008/09 carbon footprint, comparing it with the 2007/08 carbon footprint and examines it against the target of an annual 3% reduction in carbon emissions.

Three years of emissions data have been analysed in this way. Having done this, Maidstone Borough Council is ahead of many Kent authorities (some of which are only beginning the process) in measuring and managing its carbon footprint and in being prepared for NI 185. Appendix A to the Assistant Director of Development and Community Strategy provides a fuller picture of direction of travel over this 3 year period.

The original carbon footprint report, November 2008, was prepared using the NI 185 methodology. Data was gathered from all parts of the Council operations and input into the NI 185 spreadsheet toolkit (provided by DEFRA). The NI 185 baseline year is 2008/09. However data was

collected relating to 2006/07 (the Baseline year) and 2007/08 to provide a comparison and a direction of travel, and to inform internal target setting.

Since then, understanding of the guidance on what is to be included and excluded from NI 185 calculations has improved, and the data set has changed.

In June 2009 Internal Audit reviewed the carbon footprint data, sampling the data for accuracy and assessing the assumptions and conclusions. While they concluded that the data is generally sound and adequate for performance management purposes, they recommended a realignment of the data reported internally with that reported externally, for NI 185, to avoid the confusion of having two slightly different carbon footprints running side by side.

Therefore the report of the Assistant Director of Development and Community Strategy amends the previous reported footprints to bring them more fully in line with improved guidance and understanding of National Indicator 185 methodology. The changes are small and, while they increase the previous CO<sub>2</sub> tonnage figures, they do not change the previous direction of travel. Neither do they require amendments to targets set by Members in November 2008.

The new data set removes certain buildings or sites from the stationary sources of carbon, such as buildings that are no longer owned or managed by the Council. It also includes certain sources of carbon that were missing from the original such as a number of vehicles used in delivering Council functions. These changes have been backdated to amend the baseline, in order to make comparisons meaningful. The following sections are based on the new data set.

### The Council's Carbon Footprint

Table 1: Carbon Emissions (tonnes)

		Annual Emissions		Comparison	
		2007/08	2008/09	Change	% Change
<b>Buildings</b>	<i>Examples:</i>				
	<i>Mote Park Leisure Centre Gas</i>	1,395.97	1,194.52	↓ -201.45	↓ -14.43%
	<i>Mote Park Leisure Centre Electricity</i>	271.01	184.87	↓ -86.13	↓ -31.78%
	<i>Hazlitt Theatre Gas</i>	135.93	120.59	↓ -15.35	↓ -11.29%
	<i>Hazlitt Theatre Electricity</i>	108.22	118.24	↑ 10.02	↑ 9.26%
	<i>Maidstone Museum Gas</i>	97.38	84.64	↓ -12.74	↓ -13.08%
	<i>Maidstone Museum Electricity</i>	87.20	82.99	↓ -4.20	↓ -4.82%
	<i>Public Conveniences Electricity</i>	67.94	69.41	↑ 1.47	↑ 2.16%
	<i>Main Offices Gas</i>	192.18	175.67	↓ -16.51	↓ -8.59%
	<i>Main Offices Electricity</i>	191.72	594.37	↑ 402.65	↑ 210.02%
Total Emissions from electricity use		1,863.85	2,216.64	↑ 352.79	↑ 18.93%
Total Emissions from fossil fuel consumption		2,111.08	1,831.69	↓ -279.39	↓ -13.23%
<b>Total Emissions from buildings</b>		<b>3,974.40</b>	<b>4,048.33</b>	<b>↑ 73.94</b>	<b>↑ 1.86%</b>
<b>Vehicles</b>	<i>Examples:</i>				
	<i>Waste Collection Service</i>	975.23	1,092.71	↑ 117.48	↑ 12.05%
	<i>Maidstone Borough Services</i>	448.62	499.96	↑ 51.35	↑ 11.45%
	<i>Pool Cars</i>	2.62	3.19	↑ 0.57	↑ 21.62%
	<i>Casual, Essential and Lease Car users</i>	61.63	60.35	↓ -1.28	↓ -2.08%
	Total Emissions from service vehicle fleet		1,825.73	1,956.78	↑ 131.04
Total Emissions from business travel		67.76	67.05	↓ -0.71	↓ -1.05%
<b>Total Emissions from vehicles</b>		<b>1,893.49</b>	<b>2,023.82</b>	<b>↑ 130.33</b>	<b>↑ 6.88%</b>
<b>Total Emissions</b>		<b>5,867.89</b>	<b>6,072.16</b>	<b>↑ 204.27</b>	<b>↑ 3.48%</b>

Table 1 shows the carbon footprint in 2008/09 and compares it with the previous year. The carbon footprint is expressed in terms of emissions (in tonnes) of carbon dioxide. The sources of CO<sub>2</sub> are divided between buildings and vehicles, and a number of examples are extracted for information.

The Council's carbon footprint in 2008/09 was 6072 tonnes of CO<sub>2</sub>. 67% percent of emissions came from buildings with the remaining 33% from vehicles.

### Buildings

55% of emissions from buildings were due to electricity use and 45% from the consumption of gas and oil. The Council's main offices accounted for 22% of emissions from buildings (15% of total emissions).

The buildings that emitted the largest amount of CO<sub>2</sub> are shown in Table 2.

Table 2: Top CO<sub>2</sub> Emitters (buildings) 2008/09

<b>Source of Emissions</b>	<b>CO<sub>2</sub> (Tonnes)</b>
Mote Park Leisure Centre (Gas)	1,194.52
MBC Offices Maidstone House (Electricity)	498.36
King Street Multi Storey Car Park (Electricity)	147.40
Vinters Park Crematorium (Gas)	146.56
Hazlitt Theatre (Gas)	120.59

Total annual CO<sub>2</sub> emissions from buildings increased by 1.86% from last year. Emissions from fossil fuel consumption in buildings fell by 13.23% while emissions from electricity use increased by 18.93% compared to 2007/08.

A more detailed analysis shows that at Mote Park Leisure Centre (managed by Serco), emissions fell by 14% from grid electricity use and by 32% from gas use. The Hazlitt Theatre saw an 11% reduction from gas use but a 9% increase from electricity use. Carbon emissions from electricity use at public conveniences rose by 2%.

Much of the increase in emissions from buildings is related to main office accommodation. The effect of moving from the old set of offices (Tonbridge Road and London Road) in June 2008 has reduced emissions from those buildings by 235 tonnes compared to last year. However occupation of Maidstone House has added a further 498 tonnes of emissions from electricity use alone.

The overall impact is that carbon emissions from Council office accommodation have doubled from 384 tonnes in 2007/08 to 770 tonnes in 2008/09. The majority of this change is in electricity use, which has risen by 210%.

The Internal Audit review of the data concluded that: "Significant heating/cooling and lighting problems are being encountered within the Councils new head office accommodation which has had a major negative impact on planned efficiency saving assumptions. Professional advice is

being taken to resolve the issues as a matter of urgency to ensure that deficiencies are resolved promptly and do not impact on 2009/10."

### Vehicles

97% of emissions from vehicles were from the service fleet, including the street cleansing and waste collection services, with only 3% due to business travel such as driving to make site visits.

The highest emitting vehicle sources of CO<sub>2</sub> are shown in table 3.

Table 3: Top CO<sub>2</sub> Emitters (vehicles) 2008/09

<b>Source of Emissions</b>	<b>CO2 (Tonnes)</b>
Waste Collection Service	1,092.71
Maidstone Borough Services	499.96
Park & Ride Service	359.05

Total annual CO<sub>2</sub> emissions from Council vehicle use has increased by 6.88% from last year. Emissions from fleet vehicles increased by 7.18% while emissions from business travel decreased by 1.05% compared to 2007/08.

### Development of an Action Plan

The buildings and vehicle uses that emit the most CO<sub>2</sub> are likely to be suitable for early action to reduce energy and fuel use. It is often in high energy and fuel use situations where simple low cost measures are best focussed, and where these measures can have the most effective impact, driving down CO<sub>2</sub> and costs.

It is not just high energy users that should be tackled. Indeed some, such as Mote Park Leisure Centre, may already be examples of very good energy management practices. However, other buildings may be using more energy than necessary, regardless of their over all usage. DEFRA provides benchmarks of energy use per m<sup>2</sup>, which describe typical energy use in certain building types. Any properties that exceed the benchmark for that type of building will be flagged up red in the NI 185 spreadsheet. This provides an indication of buildings where staff behaviour, operation control and technical issues may be tackled to reduce emissions.

Examples of buildings highlighted in this way are shown in Table 4.

Table 4: Buildings exceeding DEFRA energy use benchmarks 2008/09

<b>Source of Emissions</b>	<b>kWh</b>	
	<b>Actual</b>	<b>Benchmark</b>
Cobtree Golf Course Club House	211,948	22,059
Penenden Heath Pavilion	15,001	7,359
Senacre Community Hall	22,285	19,734
Shepway Green Pavilion	4,259	3,993
Fant Hall	8,443	7,755
MBC Armstrong Road Depot	109,744	37,440
MBC Offices Maidstone House	952,886	776,988
Old Palace Gardens Information Office	9,761	8,820
Town Hall	120,022	90,576
King Street Multi Storey Car Park	281,844	135,360

However, DEFRA's benchmark criteria are not fine enough to make this comparison robust. Instead it simply indicates where further investigation and action should be directed.

From previous carbon footprint data, a number of sections and buildings have been identified as high priority for carbon reduction activity. The latest data (presented here) doesn't change this list (tables 2, 3 & 4) except for adding Maidstone House.

A Carbon Reduction Action Plan will prioritise these areas and then implement environmental audits to identify physical (such as old/faulty technology) and behavioural (such as improved/environmental driving techniques training) opportunities to make changes. These changes will take the form of Environmental Management Plans and Operational Controls.

Due, in part, to the requirement for reporting NI 185 to Government this year, resources have not been sufficient, as yet, to undertake this more detailed work on specific sites and sections. The Carbon Reduction Action Plan is the next step, now that the data has been reviewed by Internal Audit and internal and external reporting of the carbon footprint are aligned. The Plan will be supported, with external expertise, by the Energy Saving Trust Local Authority One-to-One Support Programme.

#### Performance Against Targets

In November 2008 Cabinet set annual 3% carbon reduction targets, aiming for a 20% reduction by 2016 and 30% by 2021.

Based on the revised baseline data set the target tonnages of CO<sub>2</sub> have been amended. Table 5 shows the targets, based on a 3% reduction from the baseline, compared to the actual emissions.

Table 5: Target CO<sub>2</sub> emissions (from baseline).

<b>Year</b>	<b>Tonnes of CO<sub>2</sub></b>	
	<b>Target</b>	<b>Actual</b>
Baseline 2006/07	6759	6759
2007/08	6556	5868
2008/09	6359	6072

As can be seen, despite failing to achieve the 3% annual reduction this year, the previous year's over achievement means the Council has met the original target tonnage for 2008/09 of 6359 tonnes.

While the over achievement in 2007/08 means that the 20% and 30% targets are still achievable without changing the annual targets, action is required swiftly to manage emissions downwards in order to avoid the risk of a further increase next year.

Targets are based on a 3% reduction from the previous year, rather than cumulative reductions from the baseline. In this way years of increased emissions can occasionally be accommodated within the over all reduction plan. There will be times when increase is unavoidable.

An example is the initial problems with Maidstone House. If these problems are solved the anomalies in recorded CO<sub>2</sub> emissions caused should correct themselves, and this will impact favourably on reduction targets next year. In addition the impact of occupying all buildings (old and new) over the handover period will be removed next year.

As it is a newly refurbished building, an "expected norm" of energy use in Maidstone House is only available by utilising DEFRA's benchmark data within the NI 185 toolkit. This can be seen in Table 4, above. If carbon emissions from buildings are recalculated, with Maidstone House at the benchmark figure, a reduction of 0.48% from 2007/08 is seen, as opposed to the 1.86% increase shown.

As environmental data is now being systematically recorded, patterns in energy consumption and greenhouse gas emissions can be plotted against changes in operations. In this way unavoidable increases can be explained, and avoidable increases can be identified and tackled through environmental management programmes, training, and operational controls.

It was therefore recommended that a Carbon Reduction Action Plan is established, and reported to Cabinet for approval as part of the next planned 6 monthly Carbon Report in November 2009. This will establish, in the first instance, the action necessary to achieve the low and no cost quick wins identified from high emitting services, vehicles and buildings, such as education, behaviour change and policy. It will also highlight opportunities for longer term actions that may require investment, such as replacement of inefficient boilers, increased insulation, or renewable technologies.

A number of projects are already in place that will show a improvement in the Council's carbon emissions next year. Problems experienced at Maidstone House are currently being resolved. The planned new Depot includes energy efficient measures, such as solar hot water and improved insulation. These actions, plus projects to be established under the Salix scheme (see below) should reduce CO<sub>2</sub> emissions.

More detail of the direction of travel over the three years of this data collection is provided in Appendix A to the report of the Assistant Director of Development and Community Strategy.

#### The Salix Energy Efficiency Loans Scheme

In the 2009 Budget, Government made £51.5m of loan funding for energy efficiency measures available to the public sector. The Energy Efficiency Loans Scheme allows public sector bodies to apply for an interest free loan to finance 100% of the costs of energy saving projects, repayments to be paid from the savings made in energy costs.

Environmental Audits and specialist consultancy may be required in order to produce successful bids that will show real energy efficiency, and therefore cost and carbon saving, gains. The costs of these services can also be included in the Scheme.

Officers are putting together a number of potential bids, including projects at the Hazlitt Theatre, Cobtree Golf Course Club House, Whatman Park

Public Conveniences, and extending the Museum project. Options will go before Corporate Management Team, with a view to applying to the Scheme in September 2009.

### Data Limitations

The limitations of using the collected data to establish a carbon footprint have been explained in previous reports. Much of the data used has not been recorded for this purpose and in some cases data has had to be estimated.

However Internal Audit, in their June 2009 review, concluded that the data is "generally sound and adequate" for performance management purposes. Internal Audit's guidance on interpreting the NI 185 guidance on what is to be included and excluded from the footprint, has been taken, and the footprint has been brought in line with NI 185 reporting.

### **Alternatives considered and why rejected**

The Council could decide not to devise a Carbon Reduction Action Plan. However, such an approach is very unlikely to achieve its stated aims of carbon reduction in this way. A robust plan is needed to ensure carbon reduction actions are appropriate and results are measurable.

### **Background Papers**

Record of Decision of the Cabinet, dated 12th November 2008, "Reducing The Council's Carbon Footprint"  
[http://www.digitalmaidstone.co.uk/pdf/081112\\_rod\\_cab\\_carbonfootprint.pdf](http://www.digitalmaidstone.co.uk/pdf/081112_rod_cab_carbonfootprint.pdf)

Record of Decision of the Cabinet, dated 11th February 2009, "Review of the Environmental Sustainability of the Waste Collection Service"  
[http://www.digitalmaidstone.co.uk/pdf/090211\\_cab\\_rod\\_sustain\\_waste.pdf](http://www.digitalmaidstone.co.uk/pdf/090211_cab_rod_sustain_waste.pdf)

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: <b>21 August 2009</b>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

#### **SOUTH EAST PLAN REVIEW: PROVISION FOR GYPSIES, TRAVELLERS AND TRAVELLING SHOWPEOPLE**

##### **Issue for Decision**

To respond to a 12-week public consultation on the South East England Partnership Board's Preferred Option for setting pitch provision targets at the county and district levels and take into account the recommendations from the Local Development Document Advisory Group.

##### **Decision Made**

1. That the council reaffirms its view that the setting of numerical pitch requirements for Gypsies and Travellers should be underpinned by sustainability and planning criteria and that officers request GOSE to allocate sites on an environmentally sustainable basis and that the South East Plan Policy should require that Local Authorities put forward sustainability criteria for the provision of sites in their Development Plan Documents;
2. That the council reaffirms its view that there should be an element of redistribution of future pitch requirements for Gypsies and Travellers across the region and that this is best achieved through a 50% redistribution element, rather than the 25% element inherent in the Preferred Option, resulting in a requirement for Maidstone borough of 31 pitches;
3. That, in view of Travelling Showpeople's specific site requirements future pitch provision is best met through a needs based approach. This would result in there being no requirement for additional pitches in Maidstone borough;
4. That the approach of joint-working at a county level on transit site provision be supported, acknowledging that the county level advice which does not identify a need for transit provision in Maidstone borough continues to be supported; and
5. That all advice areas (counties and county groupings) in the region be required to collect the relevant data on transit site needs and to act to address the identified requirement, as the Kent and Medway Advice area has done already.

6. That delegated authority be given to the Assistant Director of Development and Community Strategy to make the Council's case at the Examination in Public, in association with other Kent authorities as appropriate.
7. That the Cabinet seek all opportunities to maximise public support for the Council's position in the run up to the Examination in Public.

### **Reasons for Decision**

The Local Development Document Advisory Group considered the report of the Assistant Director of Development and Community Strategy regarding the partial review of the Regional Spatial Strategy for Gypsies, Travellers and Travelling Showpeople at their meeting on 3 August 2009.

The Group was informed that following the submission of comments from this consultation, an Examination in Public will be held in February 2010. The Examination Panel Report will recommend changes to the submitted document which will be subject to consultation and then the outcomes of that consultation will be reported to Government to make a final decision by the end of 2010.

The Group felt it was important to ensure that the Council has a plan to gain help from Parish Councils and other bodies who may wish to support the Council's position at the Examination in Public.

The Group were concerned about what would be deemed as 'sustainability criteria' and felt it was important that this Council agreed the sustainability criteria for the provision of sites.

### Background

The former South East England Regional Assembly (SEERA) commenced a Partial Review of the South East Plan to address the single issue of provision for Gypsies, Travellers and Travelling Showpeople. The Partial Review is now being carried forward by the South East England Partnership Board (SEEPB).

Between September and November 2008, SEERA undertook a consultation on the number of new pitches for Gypsies, Travellers and Travelling Showpeople that needed to be provided in the region for the period 2006 to 2016 and how this numerical requirement should be distributed to each local authority area in the region.

For Gypsy pitches, SEERA consulted on four distribution options

- Option A the need for pitches is addressed where it arises (i.e. based on the findings of Gypsy & Traveller Accommodation Assessments). The result is that new pitches would be provided only where Gypsies and Travellers currently live.
- Option B the distribution of pitches takes account of environmental and other constraints. This leads to a redistribution of pitch requirements within advice area groupings (i.e. Kent and

Medway). The total number of pitches to be provided in Kent and Medway would be the same as for Option A.

- Option C 50% of the requirement is distributed as for Option B, the remaining 50% is redistributed across the region (with an element therefore 'coming back' to the borough). The regional redistribution element is based on sustainability factors. This reduces the total numerical pitch requirement for Kent and Medway.
- Option D As for C but with the redistribution percentage reduced to 25%. This option is, in effect, a mid-point between Options B and C.

For Maidstone, as a borough with an existing high number of gypsy pitches, Option A would result in the highest future requirement. The generalised effect of Option B is to distribute the future pitch requirements away from authority areas within Kent and Medway with a higher level of existing provision. Options C and D enhance this redistributive effect by extending it on a region-wide basis.

For Travelling Showpeople pitches, SEERA consulted on three distribution options based on A, C and D. No Option B was given. Options C and D therefore use Option A as their starting point.

In respect of transit site provision, SEERA acknowledged that information at the regional level was incomplete making it impossible to allocate transit requirements to individual authorities in a robust manner. SEERA sought views on whether the South East Plan should indicate a general level of need from the available evidence and delegate final determination of need and location to local authorities.

Cabinet, at its meeting on 12<sup>th</sup> November 2008, resolved that the following be its response to the consultation:

- a. That for Gypsy and Traveller provision, Option C for a provision of 32 pitches be supported;
- b. That for Travelling Showpeople provision, Option A for no provision of pitches be supported;
- c. That, in addition, support be expressed for both the principle of taking account of sustainability factors and a degree of rebalancing, in determining the distribution of pitch requirements;
- d. That the Partial Review makes the best use possible of available evidence in determining the general level of need for transit pitches without further delaying the Review, and allow the exact location of the requirement to be determined at the local level. Furthermore, that SEERA be urged to undertake a regional scale study of transit patterns consistent with the above. The Kent advice did not propose a need for strategic transit sites in Maidstone borough and this advice continues to be supported.

Following the consultation, SEERA formally agreed its recommendations at its full Assembly meeting on 4<sup>th</sup> March 2009. The Assembly resolved that

Option D be followed as the basis for setting the requirement for both Gypsy pitches and Travelling Showpeople pitches. This option allows for 25% redistribution of pitches across the region. For Maidstone borough, this would equate to a requirement for the 10 year period of 35 Gypsy and Traveller pitches and 3 Travelling Showpeople pitches.<sup>1</sup>

This 'preferred option' was submitted to the Government Office for the South East (GOSE) by the South East England Partnership Board.

The outcomes of the Preferred Option requirements for the borough for Gypsies and Travellers and for Travelling Showpeople are shown in the tables below alongside the previous consultation options.

Table 1: Gypsy & Traveller Pitch Requirements 2006 – 2016

	Option A	Option B	Option C (revised) <i>MBC supported</i>	<b>SEEPB Preferred Option D (revised)</b>
Maidstone	48	39	31	<b>35</b>
Kent & Medway	320	320	262	290

Table 2: Travelling Showpeople Pitch Requirements 2006 – 2016

	Option A <i>MBC supported</i>	Option C (revised)	<b>SEEPB Preferred Option D (revised)</b>
Maidstone	0	4	<b>3</b>
Kent & Medway	10	30	23

### Current consultation

GOSE has now organised a consultation on the 'preferred option'. The consultation deadline is Tuesday 1<sup>st</sup> September. The proposals in the document will be tested at the Examination in Public (EiP) to be held between 2 and 5 February 2010. The current consultation will assist the Examination Inspectors identify the issues that need exploration at the EiP.

The document sets out the proposed wording for the new Policy H7 of the South East Plan as well as the supporting text for the policy.

### **Policy H7**

*Local Planning Authorities will make provision in Local Development Documents to deliver 1,064 net additional permanent residential pitches for Gypsies and Travellers in the period 2006 – 2016 and 302 for Travelling Showpeople, as set out in Table H7a which details pitch requirements by local authority. Local Planning Authorities will also*

<sup>1</sup> These figures take account of SEERA's updated data on land constraints which fed into the March 09 Assembly meeting consideration. This results in a reduction in Maidstone's requirement under Option D from 36 to 35 pitches.

*make appropriate provision in Local Development Documents to meet requirements for transit and temporary stopping purposes.*

## Consideration

### Gypsy & Traveller Pitch requirements

Two specific principles underpin SEEPB's Preferred Option for the setting of future pitch requirements. Firstly, that there should be an element of redistribution across the region and secondly that an assessment of planning and other sustainability considerations should be a starting point for the distribution of pitches. These are principles which this council supported in its response at the previous consultation stage.

With respect to regional redistribution, the document notes that this would serve to widen opportunities where currently provision is limited. The majority of respondents to the previous consultation favoured an element of regional redistribution, including a majority of Gypsy, Traveller and Travelling Showpeople respondents. Furthermore, CLG guidance on Regional Spatial Strategy (RSS) reviews for Gypsies and Travellers proposes that an element of redistribution should be considered to widen the responsibility between authorities. However, at the last consultation stage, more local authorities across the region opposed redistribution than supported it.

The second principle is that the Preferred Option has sustainability and planning criteria as its basis (Option B) before the regional redistribution is applied, rather than a needs-based starting point (Option A). In Kent and Medway, 6 criteria were agreed locally to form the basis for the distribution in Option B. This serves to ensure that the distribution of need revealed by the GTAA is refined to acknowledge the ability of local authorities to provide pitches in appropriate locations.

A meeting of the Kent and Medway authorities' Joint Member Steering Group was held on 13 July to consider the various aspects of the Preferred Option consultation relating to Gypsy and Traveller, Travelling Showpeople and transit site provision.

In respect of Gypsies and Travellers, the meeting agreed that the Region's Preferred Option does not provide for sufficient redistribution of pitch provision in the South East region and that there should be a greater degree of redistribution across the region comparable to that provided under Option C. Additionally a majority of members agreed that, in view of the economic recession and its impacts on the housing market generally, that the period within which the pitch requirements must be achieved should be extended to 2021.

Whilst the first point is consistent with this council's previously held view, it is considered that the recession has not demonstrably had an impact on the number of gypsy pitches coming forward, as evidenced through the continuing submission of planning applications, and that a clear link between housing market slowdown and gypsy site provision has not been made. On this basis, it is not recommended that this point form part of this council's response to the Preferred Option.

At the previous consultation stage, the views of the Kent and Medway authorities broadly divided between those who favoured a needs based distribution (Option A) and those who supported redistribution across Kent and Medway and across the South East (Options C and D). In an attempt to explore the scope for any commonality of view, the Joint Member meeting further considered a range of additional distribution options put forward by KCC officers as set out below.

		MBC pitches	K&M pitches
Option C1	Starts with Option A distribution within K&M. 50% of each authority's requirement is deducted to be redistributed across the region. The element of that redistribution that comes back to K&M, is distributed to the individual authorities on the basis of Option A ie need.	39	262
Option E	Starts with Option A distribution within K&M. 50% each authority's requirement is deducted to be redistributed across the region. The element of that redistribution that comes back to K&M, is distributed to the individual authorities on the basis of the Option B distribution pattern i.e. the 6 locally agreed planning and environmental criteria.	36	262
Option D1	As for C1 but with a redistribution of just 25%.	44	290
Option F	As for E but with a redistribution of just 25%.	42	290

All these additional options use the needs-based Option A as their starting point, albeit that two of the options (E and F) use sustainability criteria to distribute the reduced number of pitches that 'come back' to Kent and Medway through regional redistribution.

Whilst a majority of authorities supported Option C1 at the meeting, Maidstone and four others (Sevenoaks, Dartford, Gravesham and Swale) expressed support for Option C. Officers consider that Options C1 and D1 fail to take adequate account of sustainability factors, whereas Options E and F represent an unsatisfactory mix of approaches. Option C ensures that the majority of need arising in Kent and Medway would be met in Kent and Medway, whilst allowing for a degree of regional redistribution

and for the proper account of sustainability factors in setting individual authorities' numerical requirement.

In conclusion, the SEEPB's Preferred Option D aligns with the council's previously expressed view about the validity of regional redistribution and the need to incorporate sustainability considerations within the distribution setting process. However, an outcome of the Preferred Option is that the overall requirement for Kent and Medway (290 pitches) would reduce by only some 9.4% (30 pitches) compared with a wholly needs-based approach (320). The actual redistributive effect is therefore relatively marginal. A greater step-change would be achieved by an Option C redistribution which would result in a requirement for 262 pitches, a reduction of 18% compared with the needs-based position. It is considered that only through this more substantive move can progress be made towards the smoothing of the distribution of pitches across the region. This will serve to curtail the perpetuation of historic patterns of provision, thereby widening both choice for the Gypsy and Traveller communities and responsibility between local authorities, whilst still taking account of environmental constraints.

On this basis, it is recommended that Members continue to support an approach which affords greater regional redistribution in line with the previous consultation Option C.

The outcome of the Preferred Option and Option C for future pitch provision in the borough is set out below.

<b>Maidstone Borough</b>	Preferred Option D	Option C
RSS requirement	35	31
(less permanent consents in 2006/7, 07/08, 08/09)	(20)	(20)
Balance (09/10 to 15/16) <u>Travelling Showpeople</u>	15	11

#### Travelling Showpeople Pitch Requirements

The SEEPB's Preferred Option takes the same approach to the regional redistribution of future provision for Travelling Showpeople as for Gypsies and Travellers but takes Option A (needs) as the starting point in the absence of an Option B distribution. In contrast to Gypsies and Travellers, a redistributive approach increases the requirement for pitches in Kent and Medway as existing provision is low compared with other parts of the South East.

At the previous consultation stage, the council considered that the nature of Travelling Showpeople provision differed significantly from that for Gypsies and Travellers. Generally larger, mixed use sites for residential occupation, storage and repair are required, where a number of families/groups who travel together can be located. As such, the allocation of a very small number of pitches to individual authorities does not correlate with the pattern and nature of sites that are required. There is a risk that allocated pitches would not be taken up. Members previously resolved that a needs-based approach (Option A) is the most appropriate for Travelling Showpeople.

At the Joint Members meeting a majority of Members agreed that there was insufficient evidence to support the Preferred Option D proposed in the SEEPB submission. This was based on the view that there was a lack of robust research on demand and its location across the South East and a lack of verification of the figures produced.

In response, the findings of the 2007 Travelling Showpeople Accommodation Assessment (TSAA) for the nine North and West Kent authorities including Maidstone need to be treated with some caution in view of the small sample size that was achieved. However, in Maidstone's case interviews were achieved with Travelling Showpeople residing in the borough as part of the study and, on this basis its findings that there is no additional need for pitches can have some, if only limited, bearing.

The Preferred Option (and the other redistributive Option C previously consulted upon) also redistributes the pitch requirements of 42 households whose needs were not counted in any of the Accommodation Assessments undertaken in the region. The rationale for this is unclear and it further exacerbates the highly dispersed pattern of pitch provision that would result across the county.

On balance, and recognising the limitations of the evidence base, it is recommended that the council continues to support a needs-based approach to the provision of Travelling Showpeople pitches as set out in the previous consultation Option A.

#### Transit Site Provision

Proposed Policy H7 devolves responsibility to local authorities to make appropriate provision in Local Development Documents for transit sites and temporary stopping purposes. The supporting text states that the regional level evidence is inadequate to provide transit allocations to individual authorities. Councils are urged to work on a county-wide basis to assess locally available data on transit need.

SEEPB has recently commissioned a regional level study to identify patterns of movement in and through the region and to provide an indication of the scale, type and broad location of need or demand for transit provision. The study will help inform the work at the district and county levels and will also inform the Examination in Public if the Panel wishes to consider transit provision in more detail.

Unlike other parts of the region, Kent has previously been able to provide SEERA/SEEPB with advice on the need for transit sites in the county, informed by series data on the incidence of unauthorised encampments (UE). This data revealed a need for a transit site or stopping place in seven authority areas: Tonbridge & Malling, Sevenoaks, Dartford, Gravesham, Swale, Canterbury and Dover.

An updated review of UE data for the Joint Members meeting revealed marked reductions in the number of UE 'caravan days'. The view at county level is that the raw demand for transit provision has reduced.

At the Joint Members meeting, the majority of Members supported the recommendations put forward by KCC officers as follows:

- a) Updated advice should be submitted to SEEPB based on the latest data and indications of demand;
- b) KCC should clarify the actual number of pitches required in the identified authority areas;
- c) Before the updated advice is submitted, further consideration should be given to whether the needs identified reflect needs for transit accommodation, temporary stopping places or permanent accommodation.;
- d) The RSS proposal for joint working at the county level with respect to transit needs be supported;
- e) Other South East authorities that have indicated that they cannot assess transit needs should be required to do so. Kent authorities should not be meeting the transit site needs that other authorities are failing to address;
- f) There should be close collaboration on the regional level study with authorities within and outside the county.

The way forward set out in a), b), c) and f) is supported and it is proposed that this be achieved by continuing joint working with KCC officers who have specific responsibility for UE monitoring and expertise in the issues associated with transit site provision.

In accordance with d) above, it is recommended that through the current consultation the council confirms its support for the devolved approach to transit site provision set out in Policy H7 as the most pragmatic way forward, acknowledging that data continues to show there is no requirement for such provision in the borough. Also, in line with e) above, all advice areas in the region should be required to collect the relevant data on transit site needs and to act to address the identified requirement.

### Next Steps

Authority is also sought to delegate responsibility for the preparation of evidence for the Examination in Public to the Assistant Director of Development and Community Strategy, working in partnership with other Kent authorities as appropriate. The EiP will be held in February 2010 after which the Examination Panel will make recommendations to Government on any changes it proposes should be made to the submitted proposals. A further government consultation will follow on any proposed modifications. The final government report is expected in late 2010.

The Council's Gypsy and Traveller Sites Allocation Development Plan Document (DPD) is progressing at the same time as the Partial Review. The work on the DPD to date will be the subject of a report to the next LDDAG meeting in September. The DPD will be submitted in October 2010, potentially before the Partial Review process is complete, although the Borough's pitch allocation should have been confirmed prior to the DPD Examination itself. Evidence being gathered for the DPD may also be used in developing the council's case for the Partial Review.

## **Alternatives considered and why rejected**

Cabinet could choose not to respond to this consultation, but by not doing so, the council would miss the opportunity to state its position and to influence the issues that may be considered at the EiP.

## **Background Papers**

Partial review of the RSS for the South East: Provision for Gypsies, Travellers and Travelling Showpeople:

<http://www.gose.gov.uk/gose/planning/regionalPlanning/824411/?a=42496>

<p>Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: <b>21 August 2009</b></p>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

#### **BUDGET CONSULTATION 2010/11**

##### **Issue for Decision**

To consider the options on the form of consultation on the 2010-11 Council Budget.

##### **Decision Made**

That an eight week consultation programme on the 2010-11 budget includes:-

- (i) A Borough Update and website feature and meetings with partners and stakeholders to inform people about the Council's budget and to encourage comments about the budget and options for spending levels and savings to remain within budget.
- (ii) A market research exercise to explore attitudes to fees and charges and elasticity of demand.

##### **Reasons for Decision**

###### Budget setting process

The process for developing the budget is set out in the Council's constitution:

- (a) In each year before a plan/strategy/budget needs to be adopted, the Executive will publish initial proposals for the budget and policy framework, having first canvassed the views of local stakeholders as appropriate, in a manner suitable to the matter under consideration. Details of the Executive's consultation process shall be included in relation to each of these matters in the Forward Plan and published at the Council's main offices and on its website. Any representations made to the Executive shall be taken into account in formulating the initial proposals, and shall be reflected in any report dealing with them. If the matter is one where an Overview and Scrutiny Committee has carried out a review of policy, then the outcome of that review will be reported to the Executive and considered in the preparation of initial proposals.

- (b) The Executive's initial proposals shall be referred to the relevant Overview and Scrutiny Committee, for further advice and consideration. The proposals will be referred by sending a copy to the proper officer who will forward them to the chairman of the relevant Overview and Scrutiny Committee. The Overview and Scrutiny Committee shall canvass the views of local stakeholders if it considers it appropriate, in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Executive. The Overview and Scrutiny Committee shall report to the Executive on the outcome of its deliberations. The Overview and Scrutiny Committee shall have one month to respond to the initial proposals of the Executive, unless the Executive considers that there are special factors that make this timescale inappropriate. If it does, it will inform the Overview and Scrutiny Committee of the time for response when the proposals are referred to it. If the response period covers a significant holiday period or election then the period may be extended in order to give the Overview and Scrutiny Committee sufficient time to consider the proposals.
- (c) Having considered the report of the Overview and Scrutiny Committee, the Executive if it considers it appropriate, may amend its proposals, before submitting them to the Council Meeting for consideration. It will also report to Council on how it has taken into account any recommendations from the Overview and Scrutiny Committee.

#### Previous budget consultations

The Council has consulted on all its budgets since 2002-03. Various qualitative and quantitative methods have been used including a citizens' panel, focus groups, road shows, meetings, questionnaires, a Simultaneous Multiple Attribute Trade Off exercise and an online budget simulator.

We have consulted to:

- inform residents of the budget setting process, the council's spending levels and its services;
- find out or check priority areas for spending;
- find out how best to fund schemes or options for specific service elements;
- find out preferences for the funding of service improvements – council tax, increased fees, cuts in services or a combination of all three;
- test support for levels of council tax.

A table of different consultation methods and the advantages and disadvantages of each is attached at Appendix A of the joint report of the Head of Communications and the Head of Finance. There are many choices and levels of involvement from information giving through to partnership and full engagement where decisions are delegated or shared with stakeholders.

The Cabinet needed to decide the topics, which could include – the level of council tax, service priorities or the level of fees and charges – and agree the level of involvement before deciding on the consultation programme.

### Recent Budget Consultations

For the 2005-06 Budget the Council carried out a Simultaneous Multiple Attribute Trade Off exercise. The SIMALTO modelling method asked respondents to make their priorities from a choice of defined alternative levels of each service. In effect they were informing the Council where services should expand or contract to better meet their needs. Their choices were 'realistic' since the relative savings/extra costs of each different service level were shown to residents, and they only had fixed, constrained budgets to allocate across the competing service levels.

For the 2006-07 Budget the Council consulted via its website and at road shows at several venues across the Borough. Budget consultation was combined with a general information programme to help people understand the cost of Borough Council services. This consultation included the Council's priorities, other important issues, suggestions for savings and attitude to charges.

For the 2007-08 Budget the Cabinet decided to seek views on its decision to limit any increase in the borough's Council Tax to 3% and its work on healthy living and lifelong learning. Suggestions for savings were also sought. The Cabinet decided that it would lead a number of consultation meetings with stakeholders and hard to reach groups. A survey, with a sponsored incentive, was included in Borough Update and on our website.

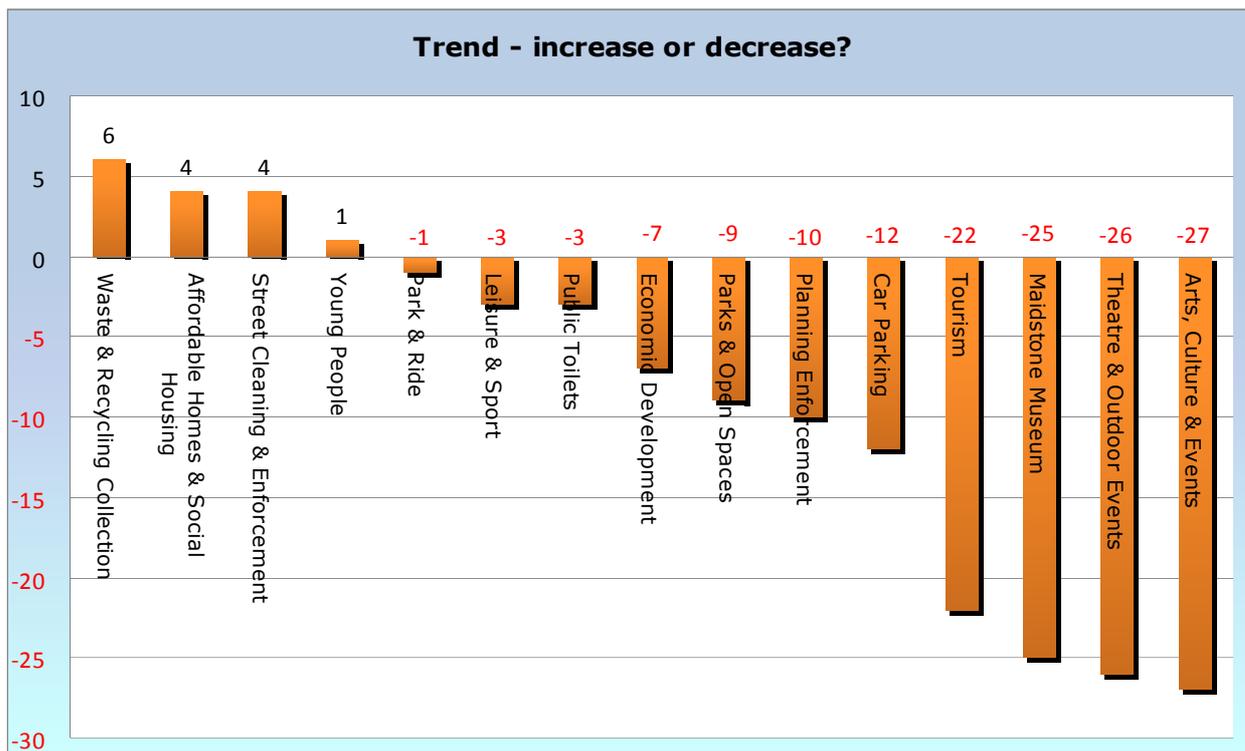
For the 2008-09 Budget the cabinet used a web based Budget Simulator backed up by a general information campaign and targeted focus groups. The simulator provided users with background information on specified budget headings. Users could see the consequences of adjusting budget items up or down on council tax and services. They compared their budget to the previous year's budget and their allocations were stored along with their comments.

In 2009-10 the cabinet used Budget Simulator to test residents' preferences for spending on services and overall spending. This was supported by a general information campaign and a programme of meetings to encourage participation and gain qualitative feedback.

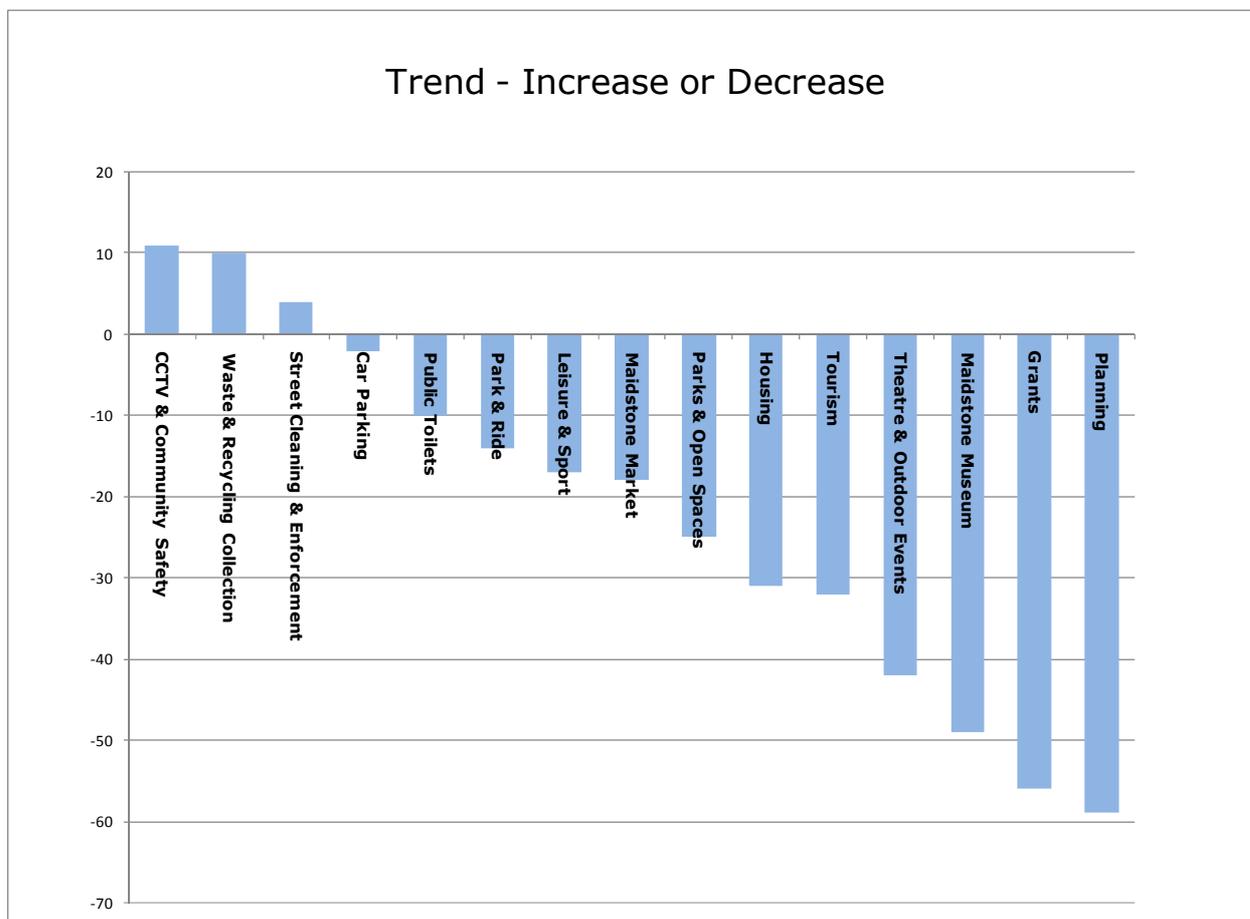
### What have we learned

Previous consultations about the priority of services have yielded consistent results and the Council can be confident that it has a good understanding of residents' priorities for spending on services.

A summary of the 2008-09 consultation is shown below:



A summary of the 2009-10 consultation is shown below:



In both of these exercises, consultees found it very difficult to make savings in order to keep the Council's increase in its Council Tax to no more than 5% (about £10 a year for a Band D Taxpayer). For 2008-09 the average increase was 6.4%. For 2009-10 the average increase was 7.6%.

It is several years since we asked a specific question to test preferences for paying for services. For the 2002-03 budget we asked residents about options for service improvements and how they would like to pay for them. The results were:

	<b>Yes</b>	<b>No</b>	<b>Unsure</b>	<b>Blank</b>
Increase council tax?	21%	27%	5%	47%
Cutting other services?	14%	25%	5%	55%
Increase charges?	16%	18%	8%	57%
Combination of these?	44%	15%	7%	35%

During consultation on the 2006-07 budget we asked if the Council should increase charges to keep Council tax down to a 5% increase, 23% of respondents said we should. 67% of respondents said we should make savings to keep Council tax down to below a 5% increase.

### Other Consultation

Budget consultation should be viewed in the context of the council's overall consultation, for example on priorities for the strategic plan etc, and as such the Council can be confident that it has a good understanding of the main issues that concern our residents.

### The Place Survey

The Place survey was completed by 2,300 residents in October 2008. When asked what would make somewhere a good place to live, respondents' top choices were:

1. The level of crime;
2. Health services;
3. Clean streets;
4. Public transport; and
5. Affordable decent housing.

When given the same options and asked which most needed improving the most commonly selected options were:

1. Road and pavement repairs;
2. The level of traffic congestion;
3. Activities for teenagers;
4. Public transport; and
5. The level of crime.

The Council added a question asking people what they thought the most important issues were facing Maidstone today. Initial findings show the following tend to be most commonly identified by respondents:

1. Congestion, highways and road safety;
2. Parking and public transport;
3. Anti-social behaviour and crime;
4. Litter and clean streets;
5. Housing and planning;
6. Health services;
7. Waste and recycling; and
8. The Town centre.

### The Sustainable Community Strategy

During consultation on the draft Sustainable Community Strategy 2009 - 2020 people completed a short survey giving their views on the strategy's vision, their top three objectives and actions.

Overwhelmingly people agreed (81%) with the strategy's overall vision: 'We want Maidstone Borough to be a vibrant, prosperous 21st century urban and rural community at the heart of Kent, where its distinctive character is enhanced to create a safe, healthy, excellent environment with high quality education and employment where all people can realise their aspirations'. 16% weren't sure and 3% disagreed.

The top three objectives were:

- Build stronger and safer communities (50%)
- Make Maidstone Borough a place where people of all ages – children young people and families – can achieve their aspirations (47%)
- Develop a vibrant economy; create prosperity and opportunities for all (41%)

Closely followed by:

- Develop an efficient, sustainable, integrated transport system (40%)

Their top three actions were:

- Increase youth facilities and services as a means of tackling anti-social behaviour (43%)
- Regenerate the town centre and make more of the river (40%)
- Develop transport and parking strategies to reduce congestion (34%)

### Consultation topics

The Cabinet considered if any items from the Place Survey or Sustainable Community Strategy should be explored further in the consultation for next year's budget.

Residents could be asked to indicate their preference for paying for services – council tax increase, increased fees, cuts in services or a combination of all three.

However, as a result of our previous consultations, we can be confident that we have a good understanding of residents' preferences for service priority. We also know that when using Budget Simulator residents have found it difficult to make the necessary savings to achieve a balanced

budget.

So as it is some years since we explored residents attitudes to fees and charges the Cabinet might want to explore this area in detail. For 2010-11 this subject has additional relevance for two reasons. The Cabinet has recently adopted a policy on the development of fees and charges and the current economic downturn has had a significant effect on income generation. Cabinet may wish to focus some of its consultation on the policy for fees and charges and/or specific fees in order to fully inform consideration on the development of specific charges.

The Council has discretion on the fees and charges for a number of Council services including:

- Parking
- Park and Ride
- Crematorium/Cemetery
- Bulky Refuse and Green Waste
- Theatre

The museum, parks, sports and play and licensing yield only limited income. We can compare building control and corporate property prices with their direct competitors.

Elsewhere on this agenda is a revised medium term financial strategy that is intended to enhance the focus of the budget strategy process to encompass the medium term. From this emphasis on the medium term it follows that there should be a similar strategic period for the focus of the budget consultation. This should be achieved in two ways:

- (a) A partial shift in focus away from questions that consider the immediate future to ones that consider the medium term. This shift should not be complete as pressing issues that affect the immediate timeframe are relevant for consultation but part of the work should measure opinion on medium term plans.
- (b) A rolling programme of subject matter and consultation styles over the period of the strategy to ensure the best use is made of resources. During both 2008/09 and 2009/10 consultations the budget simulator has been used to good effect but provided the same conclusions.

### Who to consult

The Cabinet considered who to consult. This included stakeholders including staff and the LSP, the general public, businesses and hard to reach groups.

The general public can be reached through the website and through Borough Update. A prize Draw would increase responses.

### How to Consult

The consultation process has relied heavily on member and officer time to prepare for and support road shows and visits to forums. The major direct cost has related to the public consultation through the various

surveys either through SIMALTO or the budget simulator. Officers have approached a market research organisation to provide indicative costs of direct mail, telephone and face to face market research to look at attitudes to fees and charges as a way to limit any increase in Council tax. The Cabinet considered the continued use of the budget simulator, the use of a face to face or a telephone survey or a postal survey, and ensured that they remained within current budget.

### Conclusion

The Cabinet considered what to consult about including:

- the areas identified in the Place Survey and the Sustainable Communities Strategy;
- levels of council tax;
- preferences for funding services;
- residents attitudes to fees and charges.

The Cabinet considered the audiences that it wishes to consult and methods for consultation.

An eight week consultation was recommended. Cabinet considered starting with an event and multi media promotion including our website and social networking sites, followed by a Borough Update feature and focus groups to encourage general comments about the budget and the options for spending levels and savings to remain within budget. Market research could be employed to examine attitudes to fees and charges. The timetable would be:

- 28 September - Start of Consultation – event, website, news release.
- Market Research exercise to explore attitudes to fees and charges.
- October – Borough Update feature by the Leader of the Council with prize to encourage responses.
- October – November – Focus groups/meetings including with the Local Strategic partnership, Businesses, Youth Forum, Older Persons Forum, Transport Users Group and residents.
- 20 November – End of Consultation.
- 9 December 2009 - Cabinet considers results of consultation.

### **Alternatives considered and why rejected**

There are alternative approaches but the options above should complement previous consultations and provide valuable feedback for the council to consider in setting next year's budget.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: <b>21 August 2009</b>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

#### **MEDIUM TERM FINANCIAL STRATEGY 2010-2013**

##### **Issue for Decision**

The council's medium term financial strategy has existed in its current format for a number of years. Although updated annually in line with other strategies it has not been considered for full review since its development.

Cabinet, at its meeting in July 2009, requested a full review of the strategy to ensure that it is in line with currently accepted best practice and fit for the future corporate objectives of the council.

##### **Decision Made**

1. That the draft Medium Term Financial Strategy 2010 onwards attached at Appendix B to the report of the Head of Finance be approved.
2. That the proposed revised focus of both the Medium Term Financial Strategy and the Budget Strategy in order to assist in the development of medium term efficiency targets and the strategic plan be approved.

##### **Reasons for Decision**

###### Background

The Audit Commission recommends the development of a robust medium term financial strategy (MTFS) for all public sector organisations. The Audit Commission does recognise that a MTFS will vary in format for each organisation with the level of detail contained within the strategy being dependent upon the detail already available in other strategies and key documents.

A typical MTFS, like the council's, has two elements a narrative summary and a tabulated, high level, financial plan for the organisation. A simple definition of the MTFS is that it is a financial translation of the Strategic Plan.

The council's current MTFS is a combination of a brief narrative and a tabulated 5 year strategic projection. The narrative focuses on the

principles of the strategy and the strategic projection focuses on the financial consequences of the strategy in the medium term. The strategic projection is based upon an assessment of the objectives from the strategic plan and key factors affecting the finances of the council such as the strength of the economy and government policies.

The details of the link between the two elements of the council's MTFS are contained in the reports and debates on the budget strategy at Cabinet and Overview and Scrutiny as these finalise the factors and assumptions that produce the strategic projection each year. This work ensures that the 5 year strategy is annually reviewed and appropriately focused on the council's key objectives.

When compared to the best practice examples recommended by the Audit Commission the council's current MTFS consistently matches the direction and content of other documents. The greatest difference is that the Council's MTFS is brief by comparison and relies upon other council documents to provide details of the corporate objectives and factors built into the financial projection. In addition, although a five year plan, the document has a heavy focus on the following financial year in terms of the identification of growth and savings. Possible enhancements could include improved narrative to clearly relate this document to the strategic plan and a medium term focus to the development of efficiencies and targets in the strategic projection. This would aid development of longer term, sustainable, efficiency proposals.

When the council's MTFS is considered in isolation, without the benefit of the cabinet reports and debate, the factors and assumptions are unclear, making it difficult to comprehend the movement in the figures contained in the strategic projection. A possible enhancement could be to tabulate the main economic factors, key objectives and assumptions into the narrative element of the MTFS.

The strategic plan review will commence during September 2009. It is essential for the development of the MTFS that the Strategic Plan and the MTFS are harmonious documents. Future developments of the MTFS will need to include feedback from the development of the Strategic Plan and this issue is considered further in that report on this agenda.

Attached at Appendix B to the report of the Head of Finance is a draft proposal for an updated MTFS narrative. The strategic projection that forms part of this MTFS is the most likely scenario agreed at Cabinet in July 2009 and has not been reviewed.

The draft MTFS includes enhancements to improve the narrative, as discussed above, but does not consider the proposal to place a medium term focus on the development of efficiency targets. This proposal would be developed if cabinet were to agree this revised focus for the MTFS as it will also revise the focus of the annual budget strategy. Achievement of this objective would best form part of future integration of Strategic Plan and MTFS development.

This style of MTFS becomes a fluid document during the budget strategy and strategic planning process. As the plans and strategies develop changes to the MTFS ensure Cabinets current decisions are reflected. Possible developments during the 2010/11 process will include decisions

relating to fees and charges, consultation and shared services.

The MTFS is a reflection of the strategic plan and should identify the resources required to achieve corporate objectives whilst remaining within the policies it defines. These include the principles to produce a balanced budget and maintain a minimum level of balances.

### **Alternatives considered and why rejected**

Cabinet could retain the current MTFS as the Audit Commission makes it clear that, given the council's current financial position, that document is satisfactory.

This alternative would not provide a best practice version of the MTFS and would not provide a document that stands alone using other council strategies only as a source of in-depth information. In addition, the current MTFS would not be fit for the future financial circumstances currently predicted for the council.

### **Background Papers**

World Class Financial Management – Discussion Paper Audit Commission

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: <b>21 August 2009</b>
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**MAIDSTONE BOROUGH COUNCIL**  
**RECORD OF DECISION OF THE CABINET**

Decision Made: 12 August 2009

**BUDGET MONITORING - FIRST QUARTER 2009/10**

**Issue for Decision**

To consider the capital and revenue budget and expenditure figures for the first quarter of 2009/10 and any problems identified and to consider other financial matters with a material effect on the medium term financial strategy or the balance sheet.

**Decision Made**

1. That the current financial position be noted.
2. That the receipt of further reports, at least quarterly, during the financial year and in a similar format be agreed.
3. That the appropriate Cabinet Member receives reports on options for mitigating the major revenue budget issues raised in the report of the Head of Finance;
4. That the revised use of the balances set aside for KIG and LDF work be agreed.
5. That the proposals for slippage in the capital programme to and from later years be agreed.
6. That a further specific report on the possible solutions to the potential funding shortfall for the capital programme be received by Cabinet.

**Reasons for Decision**

During 2008/09 Cabinet received quarterly budget monitoring reports in line with best practice. This format has been agreed annually by successive Cabinets. It ensures that Cabinet is aware of matters relating to the current financial activity of the Council that may affect the medium term financial strategy or the current or future budget strategy.

The constitution delegates the financial responsibility for individual budgets to the relevant director and the overall responsibility to the Responsible Financial Officer. Previously Cabinet, whilst agreeing to receive reports in this format, has considered the level of significance for budget variations to be £30,000. Above this level individual analysis has

been reported in quarterly monitoring reports. This has not precluded the reporting of other matters where the projection is considered significant in the medium term.

The financial year 2008/09 saw major economic problems develop internationally with an effect on the performance of the Council's budget. The majority of this effect was seen in income generating services, which saw a decline in demand, and support service, which saw an increase in demand. The quarterly monitoring reports during 2008/09 reported these issues to Cabinet in a timely and concise way, allowing Cabinet to take the necessary actions to ensure appropriate control of the Council's finances was maintained.

It is appropriate in this first quarter for Cabinet to consider the future use of the report and, if this method of reporting continues, the extent to which the report covers the areas required by Cabinet and the value of significant variations that warrant individual analysis. Due to the success of the reporting format used in 2008/09 to identify and control the effects of the economic downturn, it was recommended that Cabinet continue to receive these reports at least quarterly during 2009/10 in the current format.

### Revenue

The budget used in the report of the Head of Finance is the original estimate for 2009/10 as agreed by Council in February 2009, with the addition of the carry forward budgets agreed by Cabinet in May 2009. Actual expenditure to June 2009 includes all major accruals for goods and services received but not paid for by the end of the quarter.

Analysis at a summary level of the full year budget, the profiled budget and expenditure to June 2009 is attached at Appendix A of the report of the Head of Finance. The profiled budget shows the total amount expected to be spent by June 2009 after considering the expected pattern of spend throughout the year for each budget head.

Members will be aware that in 2008/09 there was a significant level of variance created by the economic downturn, during last year Cabinet action and management action together controlled potential variances of £1.5m. During 2008/09 Cabinet, through the budget strategy process, provided ongoing support into 2009/10 of £0.5m.

Appendix A to the report of the Head of Finance shows a favourable variance of £0.05m which could be compared to levels in excess of £0.2m in 2008/09 and as high as £0.4m in prior years. Past experience suggest that the first quarter of each year contains the most significant movement in variances for the year. Notwithstanding the potential issues regarding slippage levels, good budgetary control is evidenced by the levels of variance reported. This suggests the balance between cost of service and level of service is being handled effectively by managers. Considering current economic pressures there is a considerable amount of effort required on the part of managers to achieve this.

A detailed analysis of the variance shows a high number of budgets displaying favourable variances below the £30,000 threshold for significant. Of the 210 cost centres below the threshold two thirds are

reporting favourable variances. An analysis of employee costs shows a favourable variance across the Council of £0.1m after accounting for the cost of temporary and agency staff cover, this is reduced from previous years and is an expected reflection of the last review of structure.

Further analysis of income generating services shows some significant variances which are dealt with, in detail, in the paragraphs below. The majority of adverse variances are minor in value and it is assumed the normal financial management arrangements will enable Directors to control these.

It is good practice to continue to monitor issues that were reported as significant in the previous year through these quarterly reports. In 2008/09 the significant issues all related to reductions in income generation and increases in services providing support to residents. As these remain the significant issues for 2009/10 there are no unique issues to monitor as a consequence of 2008/09 reports.

There are no significant favourable variances that required reporting. The significant adverse variances that required reporting are as follows:

- a) Previous office accommodation – both of the offices owned by the council have been designated as surplus assets for sale. The Head of Business Improvement is actively marketing these properties at present, however the current situation in the property market has meant that no significant interest has been shown in either property. The council vacated these premises during May and June 2008 and they have remained vacant business premises since that date. As they are now long term vacant business premises, business rates become fully due for 2009/10. The cost is predicted to be £140,000 for a full year if no action is taken. At this time there is no provision in the 2009/10 estimate for this cost.
- b) Park Wood Industrial Estate – this property is the largest industrial estate in the council's portfolio and has an adverse variance of £36,000. This particular cost centre is indicative of a problem spread throughout the council's budgets that incorporate commercial rents as an income source. Arrears, although developing, are being monitored and chased and only make a small contribution to this problem. The most significant issue is vacant property where rental income has been included as a budget estimate but is not now due to the council as there is no tenant.
- c) Crematorium – the adverse variance reported for the crematorium is £35,000. The Crematorium is undergoing major refurbishment works and the effect on the service was considered when setting the 2009/10 fee structure however demand for the service is lower than expected, although this is reported as being a wider problem across the country. In addition to this, extra security work has been required to enable operations to continue at the Crematorium during the refurbishment and this has increased first quarter expenditure levels.
- d) Various parking related services – although no single parking cost centre has a significant adverse variance, the aggregate variance for all parking areas is in excess of £0.1m. The year end projection

suggests that the major problem area is the park and ride service. For two areas, pay & display and residents parking, indications are that delayed commencement of new schemes has temporarily influenced the variance and future reports should identify a reduction in the variance reported here.

The work completed to date on the Kent International Gateway (KIG) and the resulting influence this had had and the Local Development Framework (LDF), has placed a strain upon available resources. The initial resources, set aside from balances in earlier years, were £1m for LDF work and £0.4m for KIG work. At this time the £0.4m previously allocated to KIG work has been committed and recent developments have required further costs to be incurred. It is expected that the potential additional cost will be in the region of £0.5m for the appeal process to complete. Realignment of the priorities for the use of Housing and Planning Delivery Grant (HPDG) carried forward from 2008/09 has enabled officers to identify £0.15m that can be redirected to KIG resources. This leaves a balance of £0.35m to be found. A review of the likely costs of the remaining LDF work suggests a total cost at present between £0.6m and £0.8m leaving a balance of between £0.2m and £0.4m available.

In addition to the above items, the budget on which the report of the Head of Services was developed contained a requirement for savings from a number of services that have not been delivered at this early stage. Examples include savings from shared services; smarter procurement; and salary vacancies. These items will continue to be monitored and updates will be provided in future reports to Cabinet.

In overall terms the report of the Head of Finance identified a number of adverse variances that will require management action and careful monitoring. At this early stage the information suggests that corrective action by management could contain much of this variance within current budget. Whilst monitoring of all these issues will continue throughout the year and be reported to Cabinet in future monitoring reports, it is recommended that the relevant Cabinet Members receive individual reports on the four issues detailed above to consider any further action required.

### Balances

Balances as at 1<sup>st</sup> April 2009 are £7.2m as previously reported. The current medium term financial strategy assumes balances of £4.7m by 31<sup>st</sup> March 2010.

Within the overall balance given above the 2009/10 budget strategy assumes £0.8m remains of the resources set aside for LDF, no resources remain from the set aside for KIG and £0.9m remains in general balances by 31<sup>st</sup> March 2010. These figures are given after allowing for the minimum level of balances of £2.2m.

The balance of projected costs relating to KIG is detailed in section 1.4.9 at a net increase of £0.35m. Cabinet may wish to consider funding this additional cost from the amount remaining of the funds set aside for the LDF work as there is a natural interaction between LDF costs and KIG cost due to a number of common themes. At present officers believe that the

interaction between the two activities will mean that a new distribution of cost between the two is necessary but that the total sum of £1.4m from balances will be enough, subject to further unforeseen events, to cover the total cost requiring resources.

It was recommended that Cabinet agree to the realignment of the balances set aside for KIG and LDF work and receive a further report if future unforeseen events require a revision to officer's current analysis of the costs.

### Collection Fund

The collection rates achieved for the first quarter, and the targets set, are reported below. The rate is given as a percentage of the debt due for 2009/10.

	Target %	Actual %
NNDR	33.3	32.2
Council Tax	30.6	29.9

In both cases the rate achieved is slightly below target. At this stage in the year the value of this under recovery against target is £0.25m. It must be stressed this is against a first quarter target, which is higher than the remaining quarters due to the number of payments in full received at the beginning of the year. Part of this under recovery can be attributed to the move to instalment payments by businesses and individuals to improve cash flow.

Officers will continue to pursue payment of any developing arrears along with the arrears from prior years. Prior year arrears collection is on target.

The value of Council Tax to be collected is based upon an assumption about the number of properties in each band during the year. In February 2009 when the Council set the Council Tax the assumed band D tax base with 59,057.6 at the end of the June 2009 the tax base is 59,424.0. This level of tax base is a 0.6% increase over the assumption made for the estimate. This increase will provide additional resource to ensure the collection fund does not enter deficit at the year end.

### Capital Expenditure

Attached at Appendix B to the report of the Head of Finance is a summary of the current capital budget for 2009/10, as agreed by Cabinet on May 2009. This includes the initial capital programme plus amounts carried forward from 2008/09 as adjusted by the decision of Cabinet in May 2009 to ensure the current programme is fully funded. This is calculated as follows:

	£m
Budget agreed at Council (February 2009)	9.3
Add carry forward from 2008/09	7.5
Adjustment at Cabinet in May 2009	<u>0.5</u>

The table in Appendix B of the report of the Head of Finance gives the following detail:

	Detail
1.	Description of schemes, listed in portfolio order.
2.	Approved budget for 2009/10 after adjustments detailed above.
3.	Actual spend to the end of June 2009.
4.	Balance of budget available for 2009/10.
5 - 7.	Quarterly analysis of expected spend for the remainder of 2009/10.
8.	Balance of budget that will slip into or from 2010/11.
9.	Budget no longer required.

It is now anticipated that £1.1m will slip between 2009/10 and 2010/11, this is analysed in column 8 of Appendix B. Individual details on the reasons for these movements are as follows:

- a) Leisure Centre – delays to the completion of the contract arrangements for this work at the Leisure Centre means that this resource will be utilised later in the year than expected. It is possible that only 50% of the current resource for 2009/10 will be required in 2009/10;
- b) Leisure Centre roof – officers have considered a number of alternative arrangements for financing the necessary work. Best value for money can be achieved by financing the cost of the work directly. This will require additional resources over and above those available in the current years programme. The shortfall could be found from the late commencement of the main Leisure Centre works contract;
- c) Museum – slippage into 2009/10 to complete some preliminary work for the stage 2 HLF bid is required;
- d) Mote Park regeneration – slippage into 2009/10 to complete some preliminary work for the stage 2 HLF bid is required;
- e) Office accommodation – final costs of the office accommodation works are still being incurred these can be part financed from contributions from third parties that remain due. The balance of this additional cost will be the subject of a separate report to Cabinet;
- f) Corporate Leasing; Land & Property Acquisitions; Gypsy Site Improvements – officers currently expect no expenditure on these schemes in 2009/10. As they are all funded from specific resources

this will have no impact on the remainder of the Capital Programme.

Members will note that the movements between 2009/10 and 2010/11 have no consequence to the overall funding of the agreed programme, just the profile of individual schemes.

### Capital Financing

The agreed capital programme identifies funding from financial resources available to the Council without recourse to borrowing in 2009/10. The resources are grant aid, revenue contribution and capital receipts. The programme identifies the need for £1.3m of additional receipts during the year.

At this early stage in the year the activity relating to assets identified as surplus for sale is fluid. A significant level of interest in these assets exist but caution in the current economic climate has slowed the expected speed of transition from active interest through to sale and, apart from small scale receipts, only a refundable deposit has so far been received.

The recent pledge by the government to fund an extra 20,000 affordable homes across the country is expected to have a direct effect on the Council's capital programme for 2010/11. Recent information suggests the resources in the programme from the Government's growth fund grant are under threat. At present the Minister for Housing & Planning is consulting on a cut in the indicative figure for 2010/11 grant aid. The current indicative figure is £2.565m and the consultation figure is £1.452m, a reduction of £1.113m. The fact that the consultation considers changes for 2010/11 would suggest that the Council's assumptions regarding grant in years after 2010/11 are also at risk. In addition to this consultation the government has shifted the emphasis of the grant from general use to a specific prescription of use for housing and infrastructure.

The currently agreed financial projection for 2010/11 onwards assumes a need to borrow to complete the financing of this capital programme. If this became necessary in 2009/10 the first revenue consequence of the borrowing would occur in 2010/11, it is therefore considered prudent to prepare for this eventuality in the budget strategy 2010/11 onward rather than in the current financial year.

Cabinet will need to consider carefully the consequences of the funding problems facing the Council's capital programme and it was recommended that Cabinet receive a specific report considering this issue.

### Treasury Management

The level of investment income for the first quarter of 2009/10 is £17,000 in excess of the profiled budget. The full year budget is £0.7m compared to £1.8m achieved in 2008/09. Predicted rates for the remainder of the year are expected to average around 1.5% rather than the 2% achieved so far by the council's recent investments.

The 2009/10 investment income estimate is based on an average level of investment of £22.75m for the year. The first quarter average was

estimated as £18.87m and the actual average investment was £22.65m for the quarter.

The £17,000 additional income from interest is generated by the additional balances invested and the success at gaining an average rate on recent investments of near 2%. The current projections for income and expenditure plus the collection rates for council tax and non domestic rates all suggest that this level of interest generation will not be maintained throughout the year however the full year budget is expected to be achieved.

### **Alternatives considered and why rejected**

The budget monitoring process could be left to officers. The Constitution already requires officers to report budget variances to the relevant Cabinet Member in specific circumstances. The absence of any such reports would then suggest that no specific items have been identified for consideration.

If such an approach were taken, Cabinet Members would have a reduced financial awareness. This could restrict Cabinet's ability to meet service requirement and achieve the Council's corporate objectives.

### **Background Papers**

Electronic budget monitoring and performance reports within financial systems.

<p>Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: <b>21 August 2009</b></p>
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