

You are hereby summoned to attend a meeting of the

## MAIDSTONE BOROUGH COUNCIL



Date: Wednesday 29 February 2012

Time: 6.30 p.m.

Venue: Town Hall, High Street,  
Maidstone

Membership:

Councillors B Mortimer (The Mayor), Ash, Barned, Beerling, Black, Mrs Blackmore, Brindle, Burton, Butler, Chittenden, Collins, Cox, Cuming, Daley, English, Field, FitzGerald, Garland, Mrs Gibson, Mrs Gooch, Greer, Ms Griffin, Mrs Grigg, Harwood, Hinder, Mrs Hinder, Hogg, Hotson, Mrs Joy, Lusty, D Mortimer, Naghi, Nelson-Gracie, Newton, Paine, Parvin, Mrs Parvin, Paterson, Pickett, Mrs Ring, Robertson, Mrs Robertson, Ross, Sams, Sharp, Springett, Mrs Stockell, Thick, Verrall, Vizzard, Warner, de Wiggondene, J A Wilson, Mrs Wilson and Yates

Continued Over/:

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**Issued on 21 February 2012**

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*Alison Broom*

**Alison Broom, Chief Executive, Maidstone Borough Council,  
Maidstone House, King Street, Maidstone, Kent ME15 6JQ**

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## **AGENDA**

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1. Prayers
2. Apologies for Absence
3. Disclosures by Members and Officers
4. Disclosures of Lobbying
5. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
6. Minutes of the meeting of the Borough Council held on 14 December 2011 1 - 5
7. Mayor's Announcements
8. Petitions
9. Question and Answer Session for Members of the Public
10. Questions from Members of the Council to the
  - (a) Leader of the Council
  - (b) Cabinet Members
  - (c) Chairmen of Overview and Scrutiny Committees
  - (d) Chairmen of other Committees
11. Current Issues - Report of the Leader of the Council and Response of the Group Leaders
12. Report of the Cabinet held on 8 February 2012 - Refresh of the Strategic Plan 2012-13 6 - 36
13. Report of the Cabinet held on 8 February 2012 - Budget Strategy - Corporate Revenue and Capital Budgets 2012/13 Onwards 37 - 52
14. Report of the Cabinet held on 8 February 2012 - Treasury Management Strategy 2012-13 53 - 65
15. Report of the Member and Employment and Development Panel held on 23 January 2012 - Pay Policy Statement 66 - 92
16. Notice of Motion  
Notice of the following motion has been given by Councillor Parvin:-

That the Mayor, on behalf of Councillors and citizens of the Borough of Maidstone, the County Town of Kent, send a message of loyal greetings and congratulations to Her Majesty Queen Elizabeth II on the occasion of the Diamond Jubilee of her reign.

17. Appointment of Mayor Select 2012/13

18. Appointment of Deputy Mayor Select 2012/13

**NOTE: MEMBERS ARE REQUESTED TO BRING WITH THEM TO THE MEETING THE FOLLOWING DOCUMENT WHICH HAS BEEN CIRCULATED SEPARATELY:-**

**APPENDIX A TO THE REPORT OF THE CABINET RELATING TO THE BUDGET STRATEGY – CORPORATE REVENUE AND CAPITAL BUDGETS 2012/13 ONWARDS.**

# Agenda Item 6

## **MAIDSTONE BOROUGH COUNCIL**

### **MINUTES OF THE MEETING OF MAIDSTONE BOROUGH COUNCIL HELD AT THE TOWN HALL, HIGH STREET, MAIDSTONE ON 14 DECEMBER 2011**

**Present:** Councillor B Mortimer (The Mayor) and Councillors Ash, Barned, Black, Mrs Blackmore, Brindle, Burton, Butler, Chittenden, Collins, Cox, Cuming, Daley, English, Field, FitzGerald, Garland, Mrs Gibson, Mrs Gooch, Greer, Ms Griffin, Mrs Grigg, Harwood, Hinder, Mrs Hinder, Hogg, Hotson, Mrs Joy, Lusty, D Mortimer, Naghi, Nelson-Gracie, Newton, Paine, Parvin, Mrs Parvin, Paterson, Pickett, Mrs Ring, Sams, Mrs Stockell, Thick, Verrall, Vizzard, Warner, de Wiggondene, J A Wilson, Mrs Wilson and Yates

57. MR JOHN HOOPER

The Council stood in silence for one minute in memory of Mr John Hooper, a former Civic Officer, who died in November 2011.

58. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors Beerling, Robertson, Mrs Robertson and Springett.

59. DISCLOSURES BY MEMBERS AND OFFICERS

All Members present disclosed a personal interest in the report of the Standards Committee relating to the Members' Allowances scheme by virtue of being potential recipients.

Councillor FitzGerald disclosed a personal interest in the question he was to ask of the Leader of the Council relating to the Kent County Playing Fields Association by virtue of being the Council's representative on the Association.

Councillor Hotson disclosed a personal interest in the question to be asked of the Leader of the Council relating to the Kent County Playing Fields Association by virtue of being a life member of the Association.

60. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

61. EXEMPT ITEMS

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

62. MINUTES OF THE MEETING OF THE BOROUGH COUNCIL HELD ON 21 SEPTEMBER 2011

RESOLVED: That the Minutes of the meeting of the Borough Council held on 21 September 2011 be approved as a correct record and signed.

63. MAYOR'S ANNOUNCEMENTS

The Mayor announced that it gave him great pleasure to welcome staff and students from St Augustine Academy to the meeting. On behalf of the Council, he would like to thank the staff, students, parents and governors of Astor of Hever School for their hard work in recent years, culminating in a superb Ofsted result, making Astor of Hever one of the most improved schools in the country, and to congratulate Woodard Schools on their successful reopening of the School as the new St Augustine Academy.

On behalf of the Mayor of Beauvais, Councillor Parvin then presented a silver plaque to the Mayor to celebrate fifty years of twinning links between the two towns.

64. PETITIONS

There were no petitions.

65. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from Members of the public.

66. QUESTIONS FROM MEMBERS OF THE COUNCIL

Questions to the Leader of the Council

Councillor FitzGerald asked a question of the Leader of the Council.

The Leader of the Council responded to this question.

Councillor Mrs Wilson asked a question and a supplementary question of the Leader of the Council.

The Leader of the Council responded to these questions.

Question to the Cabinet Member for Economic Development and Transport

Councillor Sams asked a question of the Cabinet Member for Economic Development and Transport.

The Cabinet Member for Economic Development and Transport responded to this question.

67. CURRENT ISSUES - REPORT OF THE LEADER OF THE COUNCIL AND RESPONSE OF THE GROUP LEADERS

The Leader of the Council submitted his report on current issues.

After the Leader of the Council had submitted his report, Councillor Mrs Wilson, the Leader of the Opposition, and Councillor FitzGerald, the Leader of the Independent Group, responded to the issues raised.

The Leader of the Council then responded to the points raised by Councillors Mrs Wilson and FitzGerald.

68. REPORT OF THE AUDIT COMMITTEE HELD ON 19 SEPTEMBER 2011 - AMENDMENT OF THE CONTRACT PROCEDURE RULES

It was moved by Councillor Nelson-Gracie, seconded by Councillor Burton, that the recommendation of the Audit Committee relating to the proposed amendment of the Contract Procedure Rules within the Constitution be approved.

Councillor Parvin, the Vice-Chairman of the Standards Committee, advised the Council that, in accordance with Article 15.02 (a) of the Constitution, the Standards Committee had evaluated the proposed amendments to the Contract Procedure Rules within the Constitution and had no comments to make.

RESOLVED: That the Contract Procedure Rules within the Constitution be amended in accordance with the proposed wording set out in Appendix A to the report of the Assistant Director of Environment and Regulatory Services.

69. REPORT OF THE STANDARDS COMMITTEE HELD ON 30 NOVEMBER 2011 - MEMBERS' ALLOWANCES SCHEME

It was moved by Councillor Parvin, seconded by Councillor Garland, that the recommendation of the Standards Committee relating to the Members' Allowances Scheme be approved.

RESOLVED: That the recommendations of the Joint Independent Remuneration Panel on Members' Allowances for Maidstone Borough Council, as set out in the report attached as an Appendix to the report of the Standards Committee, be approved.

70. REPORT OF THE STANDARDS COMMITTEE HELD ON 30 NOVEMBER 2011 - STANDARDS COMMITTEE - EXTENSION OF TERMS OF OFFICE OF INDEPENDENT MEMBERS AND PARISH COUNCIL REPRESENTATIVES

It was moved by Councillor Parvin, seconded by Councillor English, that the recommendation of the Standards Committee relating to the extension of the terms of office of the Independent Members and Parish Council representatives on the Standards Committee be approved.

RESOLVED: That the terms of office of the existing Independent Members and Parish Council representatives on the Standards Committee be extended until the Annual Meeting of the Council in May 2013 or until such time that the arrangements in relation to the new ethical standards regime have been finalised.

71. REPORT OF THE GENERAL PURPOSES GROUP HELD ON 30 NOVEMBER 2011 - POLLING PLACE REVIEW

It was moved by Councillor Mrs Hinder, seconded by Councillor Vizzard, that the recommendations of the General Purposes Group arising from the polling place review be approved.

RESOLVED: That no changes be made to Polling Stations, except for the following:-

Ward	Current Polling Station	Recommendation
Coxheath & Hunton Parish: West Farleigh	The Cricket Pavilion	That the electors be transferred to vote at All Saints Church, Church Lane, West Farleigh
Heath	St Andrews Church Hall	That the polling station be changed to Beechwood Community Hall on the grounds of locality
South	Loose Bowls Club	That the polling station be transferred to the YMCA.
Headcorn Parish: Headcorn	Hawkenbury Public House	That there be no change but if the public house becomes unavailable, electors be transferred to vote at Headcorn Village Hall
North Downs Parish: Bicknor	Hucking Parish Church	That the electors of Bicknor be transferred to vote at the Cardwell Pavilion, Hollingbourne
North Downs Parish: Frinsted	Frinsted Village Hall	That the electors of Frinsted transfer to vote at Wormshill Village Hall
North Downs Parish: Hucking	Hucking Parish Church	That the electors of Hucking be transferred to vote at the Cardwell Pavilion, Hollingbourne
North Downs Parish: Wichling	St Margarets Church	That the electors of Wichling be transferred to vote at the Harrow Inn, Lenham

72. REPORT OF THE HEAD OF DEMOCRATIC SERVICES - CALENDAR OF MEETINGS 2012/13

It was moved by the Mayor, seconded by Councillor Nelson-Gracie, that the recommendation contained in the report of the Head of Democratic Services relating to the calendar of meetings for the forthcoming Municipal Year be approved.

RESOLVED: That the calendar of meetings for 2012/13, attached as Appendix A to the report of the Head of Democratic Services, be approved.

73. REPORT OF THE HEAD OF DEMOCRATIC SERVICES - COMMITTEE MEMBERSHIP

The Head of Democratic Services advised the Council that he wished to make the following amendment to his report to reflect the wishes of the Leader of the Liberal Democrat Group:-

**Maidstone Joint Transportation Board**

Substitute Members

Insert Councillor Mrs Robertson.

It was moved by the Mayor, seconded by Councillor English, that the recommendation contained in the report of the Head of Democratic Services relating to the membership of Committees, as amended, be approved.

RESOLVED: That the wishes of the Leaders of the Conservative and Liberal Democrat Groups with regard to the membership of Committees, as set out in the report of the Head of Democratic Services and as updated at the meeting, be approved.

74. REPORT OF THE HEAD OF DEMOCRATIC SERVICES - URGENT DECISIONS TAKEN BY THE EXECUTIVE

The Mayor announced that this report was for information only.

75. DURATION OF MEETING

6.30 p.m. to 7.15 p.m.



## **MAIDSTONE BOROUGH COUNCIL**

### **REPORT OF THE CABINET HELD ON 08 FEBRUARY 2012**

#### **REFRESH OF THE STRATEGIC PLAN 2012-13**

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

To consider the refreshed Strategic Plan 2012-13.

##### **Recommendation Made**

That the refreshed Strategic Plan 2012-13, attached at Appendix A, be adopted subject to delegated authority being given to the Chief Executive, in consultation with the Leader of the Council, to make minor amendments as required.

##### **Reasons for Recommendation**

The vision for Maidstone in the Sustainable Community Strategy is "We want Maidstone Borough to be a vibrant, prosperous 21st century urban and rural community at the heart of 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." The essence of this message can be distilled as "Great place, great people, great opportunity" and this is what the Strategic Plan sets out to achieve.

Key objectives in the Strategic plan are developed alongside the Medium Term Financial Strategy. The service planning process then allows these objectives to be translated into actions for each team in the Council.

In September 2011 Cabinet agreed that the Strategic Plan 2011-15 would be retained for 2012/13 but refreshed to reflect key changes including work that Cabinet would undertake on the future shape of the organisation and the planning and prioritisation of actions needed to achieve the outcomes set out in the Strategic plan. In December 2011 Cabinet agreed the targeted approach to be taken in the Strategic Plan. This approach was also agreed at the Corporate Services Overview and Scrutiny Committee in January 2012. This refreshed document is included at Appendix A.

There are some aspects of the plan that require further information that is not yet available before they can be updated. These are;

- Resident satisfaction, where the results of the most recent survey are expected back in mid February
- 'How the Council Works' which can be updated following the review of the Scrutiny function and
- Performance information which is not available until year end.

The Cabinet agreed that the Refreshed Strategic Plan be amended to reflect that the Leisure and Culture Strategy is now integrated with the Economic Development Strategy and that all reference to Neighbourhood Forums be deleted.

### **Alternatives considered and why not recommended**

It could be decided not to refresh the Strategic Plan. However, this would lead to out of date information being publicly available and make it difficult for officers to maintain the 'golden thread'. The Council also needs to be able to demonstrate how it is reacting to changes in the local and national context.

The development of a new plan could be requested, however, this is not recommended as the development of a new plan would require additional resources and would risk not being produced in time for the new financial year.

### **Background Papers**

Strategic Plan 2011-2015

Corporate Planning Timetable Cabinet report September 2011

## **From the Leader**

Over the next four years the council will have to work harder than ever before to meet the needs of Maidstone residents, as we confront the financial challenges arising from the coalition government's determination to reduce Britain's annual deficit. The Strategic Plan and the Medium Term Financial Strategy is Maidstone's approach to living in the new financial and political culture of local government.

To deliver our savings targets we will need to change the way in which services are delivered. We will continue to prioritise activities which will deliver our priorities.

The financial position of the council is strong however. We have balances of around £3.2m, which is substantially more than our requirement to maintain balances of 10% of the annual budget. We have a deliverable and sustainable capital programme for the implementation of the Council's three flagship projects – the High Street, museum and Mote Park. All three will bring about substantial positive change to Maidstone.

In order to provide focus to our efforts we have identified three priorities for the Council:

1. For Maidstone to have a growing economy.
2. For Maidstone to be a decent place to live.
3. Corporate & Customer Excellence.

By focusing on three priorities we can establish a clear direction of travel for this Council. This is especially important in the current financial climate.

Looking ahead, a new Kent Forum will help us work with others to achieve our goals for residents. This new system will establish Locality Boards in each of Kent's twelve districts to deliver the aims and objectives of the forum.

I also see the creation of the Locality Boards as an opportunity to deliver Maidstone's ambitions. The Local Strategic Plan undertook a Resource Mapping exercise last year which identified public spending of £600m in our borough. The key spenders were Kent County Council, the Primary Care Trust, Maidstone Borough Council and the Police. I would like these agencies represented on the Maidstone Locality Board to commission work and share services to avoid duplication.

## **Introduction from the Chief Executive**

Maidstone borough has many attractive urban and rural places, a relatively robust economy and diverse communities. With both a rich heritage and an ambition for growth we want to make the best of our past and the future to support people, strengthen the economy and develop the public realm to build vibrancy and prosperity.

Our Strategic Plan for 2011-15 focuses on three strategic priorities and seven key outcomes. We are striving to achieve these in circumstances of economic recession and significant change. These have an impact on the Council and the daily lives of every resident and business in the borough. We have consulted widely on this plan, to focus on what matters most to Maidstone.

We cannot make our vision a reality without working with our partners. The past few years have seen many successes from working closely with public, private, voluntary and community sector partners from the borough and across Kent.

As a community leader, we must strive even harder to harness the energy, support and commitment of our partners to overcome the challenges ahead. We must support our partners where we can and challenge them where necessary. Our Community Strategy sets a bold and challenging vision for the borough and we must play a leading role in the Maidstone Locality Board to turn that vision into reality.

To bring this plan to fruition we must be open about the design of services and who delivers them. In this plan we have described seven principles for how we do things at Maidstone. We will equip our staff with the skills, knowledge and technology to make these a reality.

Among the challenges ahead is to interpret localism in a way that enables local people and their Councillors to take charge of how their neighbourhoods develop. This will focus our resources and efforts on those issues that matter most to the community.

We must also strive for continuous improvement in the services used by Maidstone people and businesses. The improvements for Maidstone set out in this plan will ensure that our Council does what our communities need in the most efficient and effective way. Delivery against our strategy is reviewed bi-annually and the strategy itself is reviewed annually to make sure we adapt to changes in our environment.

Maidstone is an ambitious place and we are an ambitious Council. There will always be new challenges and competing priorities. This is what makes our Council and what we do so exciting and fulfilling. We will need to make difficult decisions about how we prioritise and deploy our resources. In doing so we must remember to put our customers and our communities first, improving efficiency, promoting innovation and striving for continuous improvement.

Your community is our priority.

## **National Context**

### **New Political Leadership**

Britain has been going through a state of change having just come out of a recession and entering a new political environment. The election in May 2010 resulted in a hung parliament and a subsequent coalition government forming between the Conservative and Liberal Democrat Parties. The coalition government has stated their top priority is cutting Britain's budget deficit, "with the main burden of deficit reduction borne by reduced spending rather than increased taxes".

In May 2010, the Government published 'The Coalition: our programme for government' which outlined the key policy areas, with an emphasis on 'freedom, fairness and responsibility' creating the Big Society and giving citizens, communities and local government a central role in enabling a new approach to sustainable, low carbon economic growth.

### **Localism Act**

The Localism Act is designed to enable many of these changes. It received Royal Assent in November 2011 and will mainly come into effect in April 2012. The Act introduces new freedoms and flexibilities for local government, and new rights and powers for communities and individuals.

The Act gives councils a general power of competence, whereby as long as an activity is not unlawful, they are empowered to carry it out if they wish. It increases the flexibility of councils to structure themselves in the way they think best. The Act also increases local control over housing decisions and business tax rates.

Community groups and social enterprise organisations are encouraged to take an active role, and are given the right to bid to deliver public services themselves. Local people are also given greater influence over council taxes, community assets and planning decisions. Councils will need to be transparent about their policies on pay.

### **Comprehensive spending review**

In October 2010, the Government presented its Comprehensive Spending Review (CSR) which determined the spending budgets until 2014-15.

For local government this means a reduction in funding by an average of 28% over the four year life of this plan, with larger savings having to be achieved in the first year. Maidstone Borough Council has started a programme of reviews, to consider how services are delivered and the potential impact of these changes in policy on other services.

### **Local Enterprise Partnerships**

Local Enterprise Partnerships (LEPs) are local partnerships between local authorities and businesses. The Government's aim is that LEPs will play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs. Maidstone is committed to playing a full role in the Kent, Essex and East Sussex Partnership to ensure the Borough and its businesses benefit from regeneration opportunities.

## **Transport**

The Department for Transport grant to local authorities has been reduced by 28%. However, the Government sees transport as a key driver of growth nationally and in the regions, stating that for every pound spent on Highways

Agency schemes, on average £6 of benefits are achieved and in many cases, there are higher returns for local authority schemes. Following the Comprehensive Spending Review the Government committed to a £1.5 billion programme of major local authority transport schemes. 41 transport schemes have been approved and evidence is being gathered for a decision on a further four, with a total investment so far of £1.4 billion, partly from Department for Transport contributions and partly from local funding.

## **Transparency and Inspection**

The Government sees Local Authorities as having a crucial role to play in ensuring that services are efficient and effective, offer good value for money and deliver what people want. The Government announced the abolition of the Comprehensive Area Assessment (CAA) with immediate effect from 25 June 2010, with the intention of clearing the burden of assessment from local authorities. Alongside the reduction in inspection, councils will be moving to increased transparency in the data held by publicising more information such as spending, contracts and tenders above £500.

## **Planning and Housing**

The Localism Act will allow for the opportunity for local people to plan for new development within the strategic framework provided by the Council's Core Strategy. The Community Right to Build will allow a development to go ahead where there is overwhelming community support.

Regional Planning Strategies will soon be abolished and decision making on matters such as housing and general planning policy are now made by local Councils in the Core Strategy and related documents.

The Government is proposing fundamental reforms for the planning systems in a consultation document – 'The National Planning Policy Framework.' This is supposed to replace all existing central government planning guidance (i.e. PPS, PPGs. Circulars etc) but, more fundamentally, seeks to introduce a presumption in favour of sustainable development. This has met with some criticism and the Government's response is awaited.

The Government's response to its own consultation papers on gypsies and travellers and, secondly the decentralisation of planning fees is awaited.

## Local Context

### Maidstone the place

Maidstone is an exceptionally green Borough with a number of parks, the largest of which is Mote Park, which is Grade II on the English Heritage Register of Historic Parks and home to thriving rugby and cricket clubs. There are numerous smaller parks and squares within the town and villages which have benefited from a major playground and sports facility investment programme in recent years. We recognise the importance of maintaining a quality environment for residents including our heritage and conservation areas. The attractive countryside offers high quality landscape and biodiversity and a wide range of informal recreation opportunities.

Maidstone Borough is considered a good place to live and work with high rates of employment, relatively low levels of adults claiming incapacity benefits and a higher proportion of residents who have a degree than the South East average. Larger numbers of people commute into than out of the Borough. The Borough has a very mixed business sector with large numbers of small and medium size businesses with particular strengths in professional services (law and accountancy) and construction. There is a growing media industry led by Maidstone Studios and the Kent Messenger Group. Maidstone has an extensive further education campus (Mid Kent College) and a higher education offer with both the University for the Creative Arts and Mid Kent College seeking to increase their range of courses and facilities. Mid Kent College is widening the range of courses and facilities it provides as part of a £23 million redevelopment of Maidstone's Oakwood Park Campus. This major project is due to commence in 2012/13 and the College is one of just a handful of UK further education colleges currently investing in a major capital scheme. Over the next three years the University for Creative Arts will be expanding the broadcast media courses being delivered at Maidstone Studios.

Residents living in the Borough have relatively high wages (although many higher earners commute out of the Borough to achieve these). Maidstone came out as the top destination for business in the 2010 study of locations for business in Kent.

Transport links are generally good although rail travel could still be improved. 2011 saw the introduction of High Speed services from the Maidstone west to St. Pancras. Rail journey times to London from some of the smaller rural towns (Staplehurst and Marden) are as low as 40 minutes. The Borough is well served by the motorway network with the M20 and M2 both providing links to the M25 and the Channel Ports. The international high speed railway stations at Ebbsfleet (15 mins) and Ashford (25 mins) are also extremely accessible. The Council is pleased that an extension to the Thameslink network is being proposed to provide a direct link to London from Maidstone. With regard to travelling in and around the Borough by car, congestion is an issue particularly at peak time in the town centre. The bus transport network serving Maidstone town is relatively strong whilst rural transport presents distinct challenges. Road safety is a concern for Maidstone, with the poorest record in Kent. Following a scrutiny review of road safety, the Council will be supporting the Safer Maidstone Partnership in taking initiatives forward to address this issue.

Maidstone's Local Strategic Partnership carried out work in 2010 looking at how public money is spent locally. It has identified that £602 million has been spent in Maidstone in 2010 by various bodies including Kent County Council, Maidstone Borough Council,

Kent Police and the local Primary Care Trust. Just over 35% of the money is spent on health and social wellbeing, nearly 17% is spent on education and 15% on housing.

In November 2011, the Maidstone Local Strategic Partnership (LSP) was replaced by the Maidstone Locality Board, which draws together local public services for greater effectiveness and efficiency to oversee and shape the local delivery of services. The key difference between the LSP and Locality Board will result in a greater input from county and district councillors, but with representation from the wider public sector, including Kent Police, Kent Fire and Rescue Service, NHS, the voluntary and community sector and the business community. The first formal meeting of the Maidstone Locality Board was held on 20 January 2012.

### **What matters to Maidstone residents**

The Council carried out extensive consultation when developing the Sustainable Community Strategy for Maidstone 2009-2020. Residents were asked to identify what was good and bad about living in the Borough as well as their dream for Maidstone. The top three positive comments related to Maidstone included shopping, parks and the river. Other positive comments related to cleanliness, the countryside and nightlife. The top three negative comments related to traffic congestion, public transport and the quality of roads. The top three dreams for Maidstone residents related to resolving transport issues, improving the river and an improved theatre/concert facility.

In the 2008 Place Survey, the top five factors identified by residents as making an area a great place to live were level of crime, health services, clean streets, affordable decent housing and education provision. The Place Survey also asked what factors required most improvement: road and pavement repairs and the levels of congestion came out top closely followed by activities for teenagers and public transport. As a Council, we have little control over many of these factors. We will however seek to influence outcomes in these areas through working with our partners and residents.

During this refresh of the Strategic Plan, residents were consulted on the budget to find out what mattered most to them. Residents were asked for suggestions for savings, to consider the importance of seven statutory services which are not a high priority, and to consider levels of customer service. The results were factored into the Cabinet's prioritisation of spending and services. Licensing, Building Control and Environmental and Regulatory Services are all areas where budget strategy has had some focus for 2012-13 onwards. The council will be reviewing the options for an automated telephone answering system for switchboard calls and the opening hours of the Gateway. More detail is reported on this in the prioritisation section of the plan.

### **About the Council**

The Council has a strong record of improvement based on previous inspection results as an excellent rated Council. We are now looking at how we improve residents' satisfaction with the Council, as we turn our attention outwards to residents rather than up to central government.

When the Council conducted the Place Survey in 2008, 44% of respondents said they were very or fairly satisfied with the way the Council runs things. This was just below the national average of 45%. 32% strongly or tended to agree that the Council



provides value for money. The Council is looking to improve resident satisfaction and increase value for money as a priority going forward.

### **The services we deliver**

- Housing
- Benefits including housing and Council Tax
- Spatial Planning and Development Management
- Council tax and non-domestic rates collection
- Waste collection
- Electoral registration
- Local land charges
- Food and safety
- Environmental enforcement
- Building control
- Museum
- Theatre
- Crematorium and cemetery
- Leisure centre
- Parks and open spaces
- Street cleaning
- Abandoned vehicles
- Community safety
- Arts and sports
- Parking Services
- Licensing
- Economic development

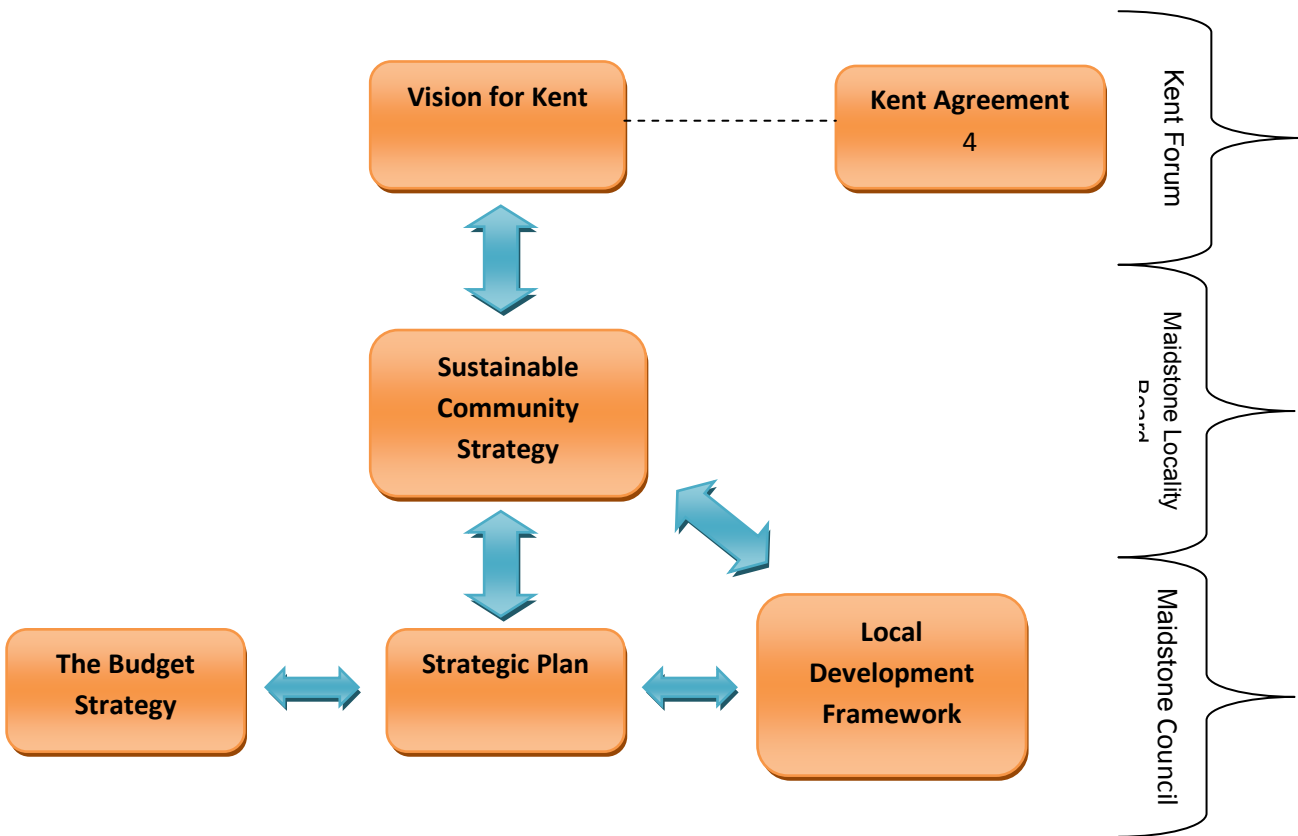
### **How the Council works**

The Council has 55 Councillors who are elected by thirds. Since May 2008, the Conservative party has held the majority of seats on the Council. The Council appoints a Leader who appoints the Cabinet; the Cabinet makes key decisions on Council services, which must be in line with the overall policy and budget framework set by the Council. Each Cabinet Member has their own portfolio area which they make decisions on. Matters that concern two or more portfolios are generally dealt with by the whole Cabinet, which meets monthly.

The Cabinet is held to account by Overview and Scrutiny committees. These committees ensure the decisions of the Cabinet are properly monitored and examine the Council's policies, services and expenditure. They also carry out investigations and research into relevant topics and make recommendations to Cabinet based on their findings to inform and shape the policy of the Council.

The Council also operates several Committees who take regulatory decisions including Licensing and Planning. These are an integral part of the Council's operation. The Council also has an Audit Committee and a Standards Committee in place which act as checks and balances on the Council and its services to ensure we adhere to our high standards of corporate governance.

**Strategy map - how we work with others**



**Our Vision, Priorities and Outcomes for Maidstone**

The Council is committed to and shares the vision for Maidstone, identified in the Sustainable Community Strategy 2009-2020:

“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.”

The essence of this can be described in six words- Great people, great place, great opportunity.

The Council has three priorities and seven outcomes for Maidstone over the next four years. Over 2011 these outcomes have been defined to show which areas the Council will concentrate on, taking into account the needs of the Borough and the budget reductions the Council has to find. The Council will continue to use its influence wherever possible to encourage partners to invest in Maidstone in both the priority and non priority areas.

**Priorities**

**1. For Maidstone to have a growing economy**

In essence, Maidstone will be a good place to work and do business. The economy will continue to grow with a wide range of employment and business opportunities.

### **Outcomes by 2015:**

- a transport network that supports the local economy, with a focus on the delivery of an integrated transport strategy in conjunction with Kent County Council and other stakeholders.
- a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy, with a focus on the following areas;
  - Creating the right planning environment
  - Developing key infrastructure
  - Business expansion
  - Inward investment
  - Developing stronger business relationships
  - Tackling worklessness

### **2. For Maidstone to be a decent place to live**

Maidstone already has a clean, attractive and well designed and built environment. We wish to maintain this and ensure that proper respect is paid to its diverse and valuable assets so that Maidstone is a place where people want to live. We will continue to support our most vulnerable residents and seek to reduce the different forms of deprivation across the Borough in both urban and rural areas.

### **Outcomes by 2015**

- Decent, affordable housing in the right places across a range of tenures, with a focus on
  - Developing sustainable communities
  - Increasing choice and improving the quality of life for vulnerable people
  - Improving existing homes
  - Improving access to housing and working to prevent homelessness and rough sleeping in Maidstone
- Continues to be a clean and attractive environment for people who live in and visit the borough by;
  - Implementing new waste management arrangements
  - Implementing a new cleansing model
  - Reducing the Council's energy consumption
  - Implementing an Air Quality Action Plan
- Residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced, focussing on two key areas; early intervention work with young children and their families to tackle disadvantage and undertaking work to help families who have multiple needs.

### **3. Corporate and Customer Excellence**

The Council will have a productive workforce with people in the right place at the right time, delivering cost effective services. Services will be affordable, delivered on time and to agreed standards in an accessible way.

### **Outcomes by 2015**

- Customer focused services that residents are satisfied with
- Effective, cost efficient services are delivered across the borough

## Delivering Priorities and Outcomes

**Outcome: By 2015 Maidstone has a transport network that supports the local economy**

### Why it matters for Maidstone

Transport plays an important role in supporting economic development and creating opportunities for growth. Businesses need an effective and well connected transport system to access the town and to connect with London, other centres in Kent, the southeast and internationally in order to thrive. Residents need to be able to get to places directly and quickly. We recognise that to do this we need to work closely with transport authorities and operators including business leaders, Kent County Council and the Highways Agency. We also seek to have an improved rail network for residents and business and will continue to lobby and work with partners to achieve this ambition. We recognise that the transport network has to be effective across the Borough and will be a key component in supporting our rural areas and ensuring our rural economies prosper.

Public consultation consistently reveals transport as a major concern. For example, that carried out for the Sustainable Community Strategy showed that a large proportion of Maidstone's local people view the transport system and particularly the accessibility of public transport, as inadequate. Links are generally good although rail travel could still be improved with journeys to London mostly taking over an hour and none of the main stations having full disabled access. There are proposals to put in place a new train line direct to the City and to other London destinations, which we will support. In 2011 a fast link from Maidstone West to London was introduced and the Council will seek to encourage use and see the service continued. The Borough is well served by the motorway network with multiple accesses to the M20 and M2 both providing links to the M25 and the Channel Ports. In terms of town centre congestion, during the morning peak time it takes 3 minutes and 28 seconds to drive one mile. Peak congestion is a problem and projected to get worse, the town is also vulnerable to 'operation stack'. There is a park and ride scheme which serves the town centre.

What we plan to do	Milestones	Ownership
Deliver an integrated transport strategy (alongside the Core Strategy) in partnership with the transport authorities and operators which will result in joint working to improve and develop an effective and integrated transport network to meet future needs	<b>2011-Mid 2012</b> - Develop Integrated Transport Strategy alongside the Core Strategy <b>2012-15</b> - Milestones as set out in the Integrated Transport Strategy	The Council & Partners
Implement an infrastructure delivery plan with partners utilising available funding including S106/CIL, new homes bonus, Local Transport Plan 3, other grant funding and potentially tax incremental	<b>2012-13</b> - Develop Infrastructure Delivery Plan <b>2012-15</b> - Milestones as set out in the Infrastructure Delivery Plan	The Council, KCC and partners

financing		
Create and deliver a Local Development Framework including a Core Strategy and related documents that create good conditions for prosperity whilst still providing balance with environmental protection.	Mid 2012 – Core Strategy adopted	The Council

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Percentage of parking spaces used (NEW)	Annual	67%	66%	64%	62%	60%
Percentage change in bus usage on services from Maidstone depot (NEW)	Annual	5,916,605	Contextual – partner data			
Average journey time per mile for key routes (Congestion)	Annual	3.28	Contextual – partner data			
Number of Park and Ride transactions	Quarterly	442,318	450,000	455,000	460,000	465,000
Income from pay and display car parks per parking space (NEW)	Quarterly	£1,191.04	£1,115.37	Will be set as part of the budget process each year		

**Outcome: By 2015 Maidstone has a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy.**

### Why it matters for Maidstone

As a Borough we want Maidstone to be a place where the conditions are in place for businesses to flourish. The Council is committed to growth that is sustainable and will create the conditions which enable local businesses to start up, expand and attract new business to the borough. We will also support business growth and development across the Borough through our planning policies and land allocation including the management of the green and blue infrastructure network. Our Development

Management service will ensure the relevant Council services provide an effective pre-application service and will process planning applications in a cost effective and timely manner. Maidstone also has significant rural business economies our Local Development Framework will include the rural areas.

Maidstone has the largest economy of all Kent Districts and Boroughs. More people commute into the Borough each day than commute out. The Borough is an economic hub providing employment for a large part of Kent. However, despite its natural location advantages, Maidstone's growth rate was the 4th lowest in Kent between 1998 and 2008 and behind the South East and Great Britain averages. It is a diverse economy with reliance on town services, 30% of businesses are located in the rural area. Moreover much of this employment growth has been public sector employment. Whilst around 10,000 jobs were created in the service sector during this period, the Borough lost over 3,000 jobs in manufacturing. Neighbouring areas have been able to provide a greater choice and range of employment sites in both quality and quantum and in some cases at more competitive prices. If the planned cuts in public sector expenditure of 30% result in jobs losses in the sector in the same proportion, nearly 6,000 people who work in Maidstone could lose their jobs. We also have a low wage local economy and the national changes to education and skills development will impact on our residents and employment. We will be seeking to address these local issues through our land allocations, planning policy and work with the education and skill sector.

What we plan to do	Milestones	Ownership
Create and deliver a Local Development Framework documents including a Core Strategy with the policies and land allocations that will create the right conditions for economic development*	<b>March 2013</b> - Core Strategy adopted	The Council
Update the Council's Economic Development Strategy and Regeneration Statement and deliver actions to support the Council's priorities.	<b>2012- 2015</b> Milestones in accordance with the updated Economic Development Strategy and regeneration statement	The Council
Assist businesses who want to develop or locate to the Borough through our pre-application planning advice service and ensuring that the planning committee continues to be effective in supporting the Council's priorities	<b>April 2011- August 2011</b> - Review the operation of the planning committee <b>2011-12</b> Introduce a training schedule for Members and officers	The Council
Review Park Wood Industrial Estate and implement a strategy for its regeneration	<b>November 2010</b> - Strategy review <b>2011-2015</b> Implement strategy actions	The Council and relevant partners

Work with partners through the worklessness forum to assist people into training and employment	Milestones to be set and agreed by the Worklessness Forum	The Council and relevant partners
-------------------------------------------------------------------------------------------------	-----------------------------------------------------------	-----------------------------------

\* The local development framework and core strategy set out the Council's planning policies for the Borough, as well as where it wishes to see housing and commercial development

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Number of business enquiries to Locate in Maidstone (NEW)	Quarterly	100	120	130	140	150
Percentage of commercial planning applications completed within statutory timescales (NEW)	Quarterly	89%	89.5%	90%	90.5%	91%
Percentage of people claiming Job Seekers Allowance (KPI 006)	Quarterly	2.4%	2.4%≤	2.4%<	2.3%<	2.3%<
Percentage of vacant units within the town centre (NEW)	Annual	13.25%	12.25%	11.50%	10.75%	10%
Percentage of economically active people in Maidstone	Annual	80.10%	80.00%	80.20%	80.30%	80.40%
Value of business rateable floor space (NEW)	Annual	£140,001,901	£141,401,920	1% increase year on year		
Supply of business rateable floor space (NEW)	Annual	4414	4458	1% increase year on year		
a) Percentage of major business planning applications taking up pre-application advice	Bi-annual	93.75%	94.00%	94.50%	95.00%	95.50%

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
b) Percentage of those taking pre-application advice where the applications were approved (NEW)			80%	82%	84%	86%
Gap between median wage of employee (residents) and the median wage of employees (workplace) (salary differences)	Annual	£82.50	£82.50	>£80.00	>£80.00	<£80.00
16- 18 year olds not in employment, education or training (NEW)	Annual					

**Outcome: By 2015 Maidstone has decent, affordable housing in the right places across a range of tenures**

### Why it matters for Maidstone

We want Maidstone to be a place where people enjoy living and a key part of this will be having access to affordable and decent housing. We understand that good housing promotes educational attainment, better health outcomes and employment opportunities. The provision of choice and affordability in housing for the citizens of Maidstone, including rural communities, which meets their needs and aspirations are addressed within this outcome. Decent means housing that meets residents' needs in terms of availability and size as well as meeting the national decent homes standard.

In terms of affordable housing, we are referring to a range of tenure that includes socially rented, intermediate or affordable rent and a variety of shared ownership products. Maidstone Borough Council works to ensure that all new developments of 15 homes or over contain at least 40% affordable housing, which in 2009/10 led to 399 affordable homes becoming available. Due to Council intervention, 83 empty private sector homes were brought back into use or demolished - the majority being let to households from our housing list. We also have a role to play in improving the quality of private housing through grants for improvements to insulation and heating. The Council has completed a Strategic Housing Market Assessment to help us build the right kind of homes in the right places.

Housing in Maidstone town has traditionally been considered relatively affordable compared to the south east average, but this is not the case in rural Maidstone and for those on average or low incomes. The recent recession has resulted in an increase in home repossession and homelessness generally has risen across the UK. . Whilst Maidstone has seen a rise in the numbers of households requiring temporary



accommodation provided under the homelessness legislation this remains comparably low compared to the other Boroughs in Kent and a significantly lower level than the worst affected areas in England. Maidstone continues to perform above targets for homelessness prevention and is seeking to find new ways of encouraging people to seek housing advice at an earlier stage than when the crisis point of homelessness is reached.

What we plan to do	Milestones	Ownership
New Housing: Enable the delivery of a range of high quality homes that are desirable and affordable to all sections of the community	<b>2011-2015</b> Implement Housing Strategy	The Council
Existing Housing: Ensure our existing housing is suitable and able to meet future challenges; providing sought after homes now and into the future	<b>2011-2015</b> Implement Housing Strategy	The Council
Homelessness & vulnerable groups: Commission and provide services with partners that meet identified needs, reduce inequalities, are responsive and timely, promote stable, strong communities, self-reliance and encourage positive aspirations	<b>2011-2015</b> Implement Housing Strategy	The Council

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Percentage of residential planning applications processed within statutory timescales (NEW)	Quarterly	85%	85.5%	86%	86.5%	87%
Percentage of planning applications determined within statutory timescales a) Majors	Quarterly	86.36%	86.50%	87.00%	87.50%	88%
Percentage of planning applications determined within statutory timescales b) Minors	Quarterly	84.79%	85.00%	85.50%	86.00%	86.00%

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Percentage of planning applications determined within statutory timescales c) Others	Quarterly	95.09%	95.50%	96.00%	96.50%	97.00%
Number of households prevented from becoming homeless through intervention	Quarterly	567	400	400	350	350
The Council provides help for all households presenting as homeless and will use the appropriate means to resolve the situation. It should be noted that intervention is not an appropriate option in all cases. It is expected that the performance of this indicator will improve as the economy recovers from the recession.						
Average time taken to process and notify applicants on housing register	Quarterly		4 weeks	4 weeks	3.5 weeks	3.5 weeks
Number of residents participating in Neighbourhood Planning as a percentage of the ward population	Annual	11.6%	15%	20%	25%	30%
Number of affordable homes delivered	Quarterly	228	100	Targets for future years will be agreed as part of the budget process.		
Number of homes occupied by vulnerable people made decent	Quarterly	302	150	Beyond 2012 the Council will no longer have the funds to carry out the survey that informs this body of work.		
Percentage of new homes built on previously developed land	Annual	78%	60%	60%	50%	50%
The targets for this indicator have been profiled to take into account the reducing amount and type of previously developed land.						

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Average grant per MBC funded affordable home unit (NEW)	Annual		Less than £60,000			

**Outcome: By 2015 Maidstone continues to be a clean and attractive environment for people who live in and visit the Borough**

### Why it matters for Maidstone

Maidstone is an exceptionally green Borough with a number of well maintained parks and open spaces. As Maidstone will continue to be a place for development the challenge will be to continue to maintain and enhance our 41 conservation areas. Work is being undertaken to make the Borough more attractive, such as the Mote Park improvement project and the Museum East wing project. An attractive environment means a well built and designed environment: under the outcome related to the economy we have committed to an effective planning process to ensure we have a well designed environment.

Cleanliness has improved across the Borough and CO<sup>2</sup> emissions have been decreasing. We are committed to increasing social responsibility to ensure the new development is of high quality and the Borough's varied and valued landscape and heritage assets are respected and the environment remains clean and attractive. We want Maidstone to continue to be a place where people enjoy living and would choose to live. As stated in the earlier section on the economy, we will also be encouraging green business in Maidstone. As a Council we will lead with our carbon management programme: over the next four years we will be seeking to reduce carbon emissions from Council buildings and vehicles.

What we plan to do	Milestones	Ownership
Deliver focused enforcement activity to ensure high impact on the cleanliness of the Borough	<b>April 2012</b> - Area Based Enforcement being implemented	The Council
Work with partners to ensure that all areas of the Borough are clean and well-maintained	<b>April 2012</b> - Deep Cleaning Programme in place 2012/13 Tendering of mechanical sweeping linked to new waste contract.	The Council and Partners
Ensure provision of timely specialist advice and services on heritage and landscape design to protect and enhance Maidstone's environment	<b>Ongoing</b> - Provide quality pre-application advice services for heritage and landscape design	The Council

Deliver the Carbon Management Plan to ensure that the Council reduces it's carbon footprint by 3% per annum	<b>Ongoing</b> - Reduce carbon emissions across the Borough and improve air quality <b>Ongoing</b> - Reduce the Council's carbon footprint and improve the use of other natural resources whilst ensuring the Council is planning to adapt to Climate Change	The Council with others
Maximise our leisure and cultural offer to enhance the quality of life for our residents whilst attracting visitors, new residents and businesses	<b>March 2012</b> - Complete the redevelopment of the Museum's East Wing <b>June 2012</b> - Complete a review of play areas and produce a strategy for future provision <b>June 2012</b> - Complete Mote Park regeneration project capital works	The Council
New waste contract	<b>April 2013</b> -New Waste Contract in place	The Council

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Percentage of waste recycled (NI 192)	Quarterly	32.62%	43%	45%	48%	50%
Percentage of fly-tipping reports responded to within 1 working day (NEW)	Quarterly		95%	95%	95%	95%
Although there is no baseline currently for this indicator the service manager has set a performance standard that he would like the team to achieve.						
Cost of maintaining the Borough's parks & green spaces per hectare (NEW)	Annual	£7,008	Targets for future years will be agreed as part of the budget process.			
Cost of waste collection (per household)	Annual	£54.58	<£59	<£59	<£57	<£57
Cost of street cleaning per head of population (NEW)	Annual	£10.38	£10.50	Targets for future years will be agreed as part of the budget process.		
Percentage reductions in	Annual	5247 (2009)	-3%	-3%	-3%	-3%

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
CO <sub>2</sub> emissions from local authority operations (tonnes)						
The target for this indicator has been set as a 3% reduction year on year as set out in the Carbon Management Plan.						
Residual waste per household						

**Outcome: By 2015 residents in Maidstone are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced**

### Why it matters for Maidstone

This outcome refers not only to our deprived areas but those individuals who are most vulnerable wherever they are in the Borough including our rural communities. National policies on welfare reform and public sector budget cuts will have an impact for our deprived areas and our most vulnerable residents. Our economic and housing strategies that feature under other outcomes will be crucial to achieving this outcome. This will not be an easy area to address as 11% of Maidstone's population live in areas considered to be in the 20% most deprived in the country. Our rural areas also contain households suffering deprivation. These areas have lower standards of health and lower life expectancy than average. The disadvantaged wards have the highest numbers of young people not in education, employment or training and significantly higher numbers of youth offenders.

Following an internal review on the issue of disadvantage and having regard to the findings of the Marmot Review the Cabinet has determined to tackle disadvantage in the long-term through improving early years' development. This will be achieved through giving every child the best possible start in life; maximising their capabilities; and creating fair employment and good work for all, the result of which will be to break the cycle of deprivation and disadvantage. This cannot be achieved overnight but the positive gains will have generational benefits. The Marmot Review concluded that effective local delivery requires residents to be involved in the decisions that affect them. Local authorities are best placed to enable and co-ordinate this approach by empowering individuals and local communities.

We will continue the work on Planning for Real in our deprived areas to engage communities in identifying and resolving local issues and problems and helping others to help themselves.

As community leaders, we will convene resources to reduce the number of young people not in education, employment or training and reduce the number of adults out of work. We will seek to do this through working with local businesses and supporting social enterprise start ups. We will be working to prevent disadvantage and will seek to participate in a pilot with KCC to address the needs of complex families in our Borough.

What we plan to do	Milestones	Ownership
Reduce inequalities within communities through preventative action	<b>April 2012 – March 2016</b> Pilot completed with KCC on complex families <b>April 2012-16</b> - Deliver Community Development Strategy milestones	In Partnership
Promote active citizenship – to facilitate and support increased involvement by local people in decision making and involvement in their neighbourhoods	<b>April 2012</b> - Localism Boards in place	The Council, KCC and Partners
Review the Park Wood Planning for Real activity to inform further work and activities supporting communities in identifying and meeting their needs, opportunities, rights and responsibilities	<b>2011-2016</b> - Neighbourhood Action Plans in place for Park Wood, Shepway North, Shepway South, Tovil and Mangravet	The Council and Partners
Increase targeted support for families with children aged 0-3, particularly the most vulnerable and deprived	<b>December 2015- developed robust partnerships to support and improve early years development and services</b>	The Council, KCC and partners

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Number of residents participating in Neighbourhood Planning as a percentage of the ward population	Annual	11.6%	15%	20%	25%	30%
Average time taken to process new benefit claims and changes of circumstances (NI 181)	Quarterly	7.66 days	15 days	15 days	10 days	10 days
In setting the above target at 15 days we have worked on the basis that the focus going forward will be on reducing cost of delivery, whilst maintaining the level of service expected by customers and allowing for some short term impact on performance during the shared service implementation. This is supported by the BTP review of the service which looked specifically at processing times to establish whether it was a driver for satisfaction and concluded that within certain boundaries, it was quality of service as opposed to speed of assessment that was key.						

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Achievement gap between those eligible for free school meals and their peers	Annual					
% change in number of first time entrants to the youth justice system	Annual					

**Outcome: By 2015 the Council will ensure that cost effective, efficient services are delivered across the borough**

### Why it matters for Maidstone

This outcome is related to ensuring that services received by residents are delivered in the best way to ensure that the most value is received for every pound spent. We will deliver fewer services directly ourselves and commission and enable more, through social enterprise, public and employee run services.

The Council provides many different services which are used by different types of people. It is essential to ensure that people can access services they need in a way that suits them and provides value for money. We recognise that the internet provides the only way people can access our services and get information at any time of day and on any day of the year. Therefore, we are improving the Maidstone Borough Council website to make sure information is clear and have as many services as possible online. Using the Council website also provides good value for money: it costs least for people to get information, apply for things and make payments online (about £0.32 per visit to the website), a little more if people telephone the Council (about 1.86 per phone call) and most for people to visit the Gateway (about £9.66 per visit). As we know that not everyone can or wants to get information or services online, we will continue to provide high quality telephone and face to face services.

The Council is currently researching the ways people prefer to find out information and access services like parking, housing and planning. We will use this information to look at our services and decide how they should be delivered. We will look to provide services in ways that meet the needs of the people who use them, preferably through the least expensive options where this is possible. This will help us cut the cost of delivering services to the public.

What we plan to do	Milestones	Ownership
Seek out and implement new ways of delivering services that are not our core business, such as the Theatre and the Museum	<b>March 2012</b> – Plans in place for cost neutral Museum and Theatre service	The Council

Progress the shared services programme for those services that it is practical to do so and savings can be achieved	<b>April 2011 – March 2015</b> - progress shared services	The Council and Partners
Undertake a programme of business improvement service reviews to ensure services are customer focused and delivered efficiently and effectively	<b>April 2011- April 2013</b> - Undertake programme of reviews	The Council
Ensure that the authority has a productive, proactive and flexible workforce	<b>July 2011</b> - Produce and implement a Workforce Plan incorporating a skills audit for current resources and a plan to develop the workforce for future needs <b>March 2014</b> - Gain Investors in People re-accreditation (Assessment) <b>2011-2015</b> - Manage the change initiatives through a strategic approach to organisation development in line with Strategic Plan milestones	The Council

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Percentage of business rates collected	Quarterly	97.03%	97.00%	97.00%	97.00%	97.00%
Percentage of Council tax collected	Quarterly	98.70%	98.70%	98.70%	98.70%	98.70%
Savings delivered through reviews (Value for Money)	Quarterly	£491,750	Contextual			
Value of fraud identified (housing benefits)	Quarterly	£1,190,546	£500,000	£500,000	N/A	N/A
Future targets have been set to take into account previous two years' performance which totals £1.7 million.						

Outcome: **By 2015 the Council will ensure that services are customer focused and residents are satisfied with them**

This outcome is related to ensuring that residents are satisfied with the services they receive and the way the Council spends money. We will conduct regular satisfaction



surveys and carry out regular consultation with residents, using the information gathered to inform service design.

We will be changing the role of the Council to ensure that our services have a positive impact on the lives of people who live and work in the Borough. As a Council, we will seek to enable residents, encourage responsibility and grow our communities.

What we plan to do	Milestones	Ownership
Ensure we use performance management data, customer satisfaction and customer feedback to improve services	<p><b>February 2012</b> - Introduce a new correspondence system and use complaints and compliments to inform service delivery and improvements</p> <p><b>Ongoing</b> - Cabinet &amp; Scrutiny to monitor performance quarterly</p> <p><b>Ongoing</b> - Ensure there are robust audit and overview and scrutiny arrangements in place</p>	The Council
Review the way we interact with our customers	<b>April 2012-September 2012?</b> Conduct review	The Council

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Satisfaction with the way the Council runs things (biennial survey)	Biennial	44%	46%		48%	
Satisfaction with Council's recycling service (biennial survey)	Biennial	51.3%	55%		57%	
Satisfactions with Council's refuse collection service (biennial survey)	Biennial	85.5%	85%		85%	
Satisfaction with Council's parks and open spaces	Biennial	73%	75%		77%	

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
(biennial survey)						
Satisfaction with street cleansing (biennial survey)	Biennial		60%		62%	
Satisfaction with the Leisure Centre (biennial survey)	Biennial		60%		62%	

### Service Principles – How we will design our services

1. Residents and businesses are the starting point for services; every service must be considered from the perspective of the citizen and delivered at the lowest possible level – a bottom-up approach.
2. We will enable service delivery and seek to commission services rather than deliver them ourselves wherever appropriate.
3. We will work with partners where there are economies of scale and to identify common solutions and shared services.
4. Services must achieve our priorities.
5. We will manage our services so no-one is disadvantaged because of where they live.
6. We will concentrate on delivering our core services, whilst recognising that there are areas we need to influence and work with others on to bring about change.
7. We will work together as one Council and with our partners to deliver change and manage expectation.

### Values - How we will deliver our services

The Council has developed and agreed six core values which will define how we deliver our services:

- Superb customer service – It is important to understand that everything we do impacts on our customers, both internal and external. We will listen to and understand their needs, then take action to provide the right service in a professional manner.
- Teamwork - working together to achieve our objectives and goals in away that utilises the talents and creativity of everyone within our organisation.
- Responsibility for delivering on our promises
  - being focussed on the Council’s vision and priorities. Leadership and management that respond and take the organisation through change.
- Integrity and high standards of corporate governance – being transparent and accountable. Having the courage to act on our convictions to build trust and honesty within the organisation. Working with our partners and customers to create a feeling of openness and transparency in all that we do.

- Value for money – taking care and weighing up our options, aiming to get maximum effect for every penny of public money we spend. Promoting ownership to ensure that all of us feel responsible for providing value for money in all that we do and making suggestions for improvements.
- Equality within a diverse organisation - valuing our differences for the enrichment and betterment of our working environment. Having the courage to question our own reactions and mindset in order to be open to new ideas and concepts.

### How we have prioritised and funded services

The Council has to make £ 4.7m of savings between 2011 and 2015. In order to identify savings, the Council has focused on the delivery of core services which meet our priorities and asked the public to determine what matters to them in relation to the Council’s discretionary services.

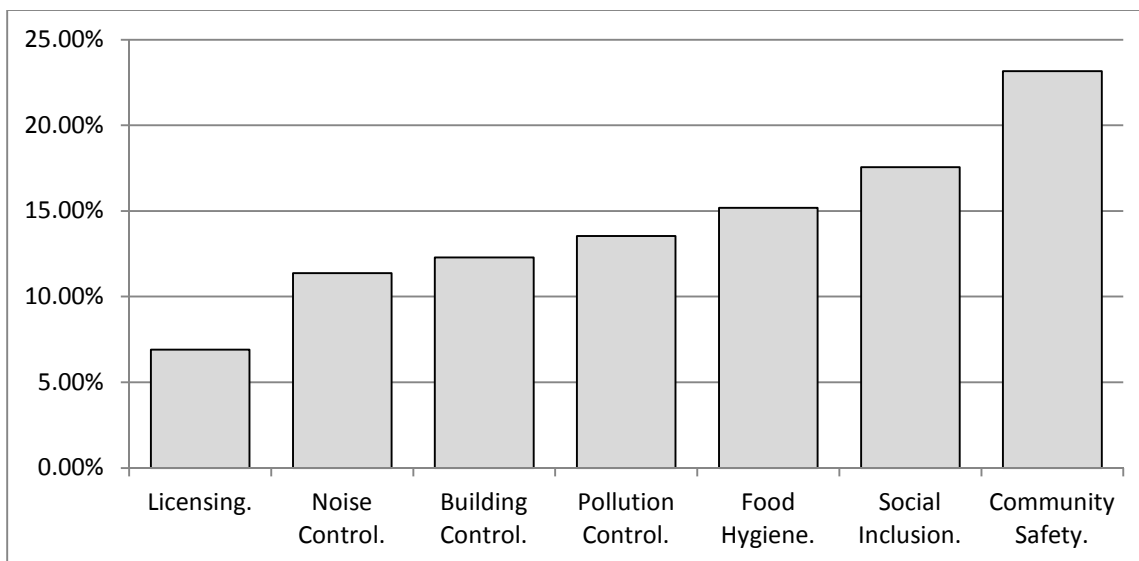
The Cabinet, as a first stage in determining budgets, prioritised the Council’s front line services into low, medium and high, by identifying which services would best achieve their priorities through a paired analysis. A paired analysis is where each service is compared in a pair with every other service and one is chosen above the other as being more important in achieving the Council’s priorities. Services were ranked from 1 to 12 and then as high, medium or low.

Revenue	High	Medium	Low
<b>Invest</b>	Economic Development		
<b>Maintain</b>	Parking and Transport Housing		Environmental Health
<b>Reduce</b>	Planning and Building Control	Community Safety Waste Collection and Recycling Community Development Recreation, Sport and Open Spaces	Culture and Heritage Tourism Street Cleansing

Once Cabinet had carried out this exercise, they reviewed the services to determine which should receive investment, which should be maintained and where investment should be reduced. It should be noted that maintaining services will not necessarily mean maintaining the cost of the service. Also, where the service has been identified for reduction, this refers to the cost of the service. For example, it was identified that for the planning service the service level should be maintained but the service should be more efficient and costs reduced. The prioritising of services was followed up with meetings between senior managers and the Cabinet and, where appropriate, the

shadow Cabinet to identify how savings could be made in accordance with the prioritisation. As a consequence, the Council is now reviewing how we deliver our cultural services and considering alternative options to reduce costs and deliver the services that residents want and need.

The public were consulted with regard to a range of services categorised as low priority in the table above where there is a statutory requirement for the Council to provide the service. This consultation complements the consultation carried out last year into discretionary services. The three services rated by the public as lowest priority were Licensing, Noise Control and Building Control. As a consequence of the public consultation, the Council will be reviewing our budgets for these areas.

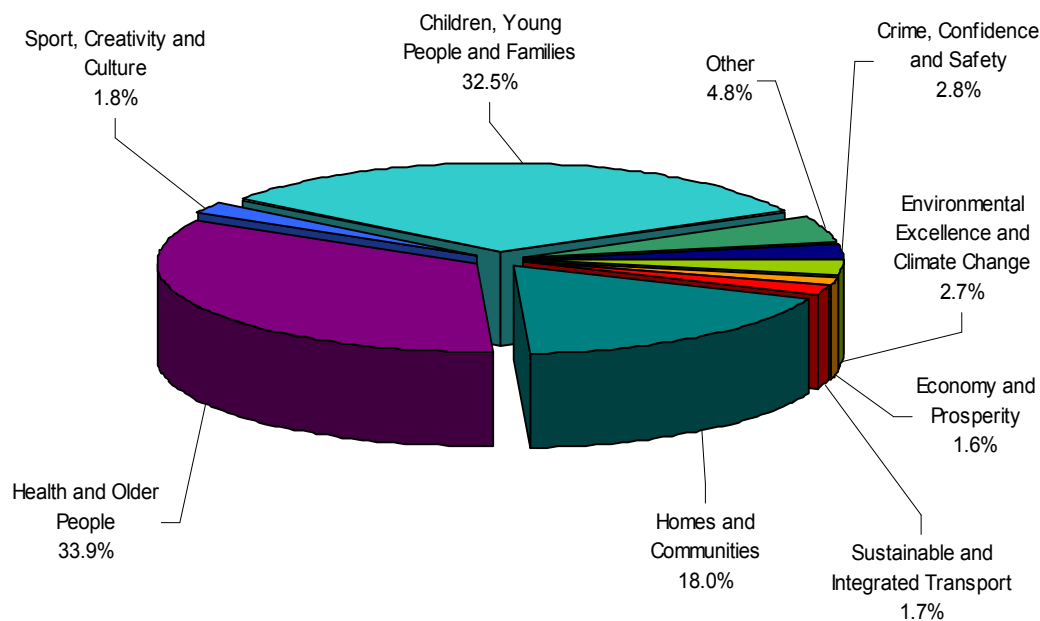


During the consultation the public were also asked their views on a series of potential changes to customer service provision and as a result of these initial responses the Council will review opening hours of the Gateway and options for an automated switchboard. The Council has already taken action that will reduce management costs and will take further action to reduce staffing costs in the future years of this strategic plan. This will include reviewing the back office functions to make savings which will include shared services.

### **Working in Partnership: How Resources are Spent in Maidstone**

The Council has taken part in the [a](#) study of how resources are allocated locally.

The study used data from different public bodies and agents in Maidstone to find out where money is spent locally by those bodies and what it is spent on. Information was submitted by a variety of agencies including the Council, KCC, Kent Police, the PCT and the Homes and Community Agency. Golding Homes, the local NHS trust and Kent Fire and Rescue’s spending is not included in the data. It is estimated that £611 million was spent by the public sector across the Maidstone borough in 2009-10, equating to £ 4,062 being spent per person. The biggest area of spending locally is on health and older people, followed closely by children, young people and families.



### Performance Management – Doing what we say we will

We are committed to being open and transparent and we will publish performance data on our website so that we are accountable to the public.

Furthermore, the Council’s performance will be managed by the Corporate Management Team and Cabinet as well as held to account through overview and scrutiny. We have sought to review and reduce the number of performance indicators we use to measure and monitor success and target performance. The last performance plan contained 162 indicators covering 6 priorities and 22 key objectives. For the period 2011-15, we propose to use 60 indicators to measure performance.

Indicators have been outlined for each outcome so we can measure and monitor our success.

### Risk Management

The Council has reviewed the outcomes we hope to achieve by 2015 to identify any risks to those outcomes. Six strategic risks have been identified. Action plans to mitigate these risks will be put in place and reported to Management Team and Cabinet. Strategic risks and actions will be linked to the Council’s service delivery plans. The actions set out to achieve each outcome in this plan will also be a key part of the risk mitigation. The performance on these will be reported regularly through our performance management processes to Management Team, Cabinet and Scrutiny.

## Glossary

**Local Development Framework (LDF) including the Core Strategy** – The Local Development Framework documents including the Core Strategy set out the Council's planning policies for the Borough, as well as where it wishes to see housing and commercial development.

**Local Strategic Partnership (LSP)** – the LSP is a group of private and public organisations in Maidstone who work together to deliver the Sustainable Community Strategy.

**Neighbourhood Planning** – In the Plan we refer to the Park Wood Planning for Real activity and Neighbourhood Plans. Neighbourhood Action Plans have been developed across the UK to address local issues and improve the quality of life for residents. They are plans developed with and by our communities to identify and address local issues.

**Performance Indicators** – These are set out in the strategic plan as a means of measuring the Council's progress and performance against our outcomes.

**Social Return on Investment** – This is a means by which we can measure and account for a much broader concept of value. It incorporates social, environmental and economic costs and benefits into decision making, providing a fuller picture of how value is created or lost.

**Sustainable Community Strategy (SCS)** – The Local Government Act 2000 placed a duty on every local authority to prepare a community strategy "for promoting or improving the economic, social and environmental well-being of their area and contributing to the achievement of sustainable development in the United Kingdom." The SCS is the overarching community plan for the area.

## **Customer care and engagement**

We want to ensure that you can access our services easily and in a way which suits you. We also know it is important that you are able to tell us how we can improve our services. To help us to do this we carry out regular customer satisfaction reviews and where we can, make improvements that you have asked for.

We have a customer care policy that tells you what standards you can expect from us and a corporate complaints system so that you can tell us when we get things wrong. We always try to get things right first time, but when this does not happen we make sure we learn lessons to improve customer service in the future.

For a number of years, the Council has helped parish councils to develop parish plans that have led to improved services and facilities for rural residents. Last year the Council and its partners worked with over 600 residents in Park Wood to develop a pilot urban Neighbourhood Action Plan. New projects to help unemployed people back into work and provide more activities for young people as well as campaigns to tackle litter and dog mess have come out of this. The Council intends to fully evaluate the project before rolling it out to other priority urban wards.

We will be holding various consultation events through the year where you can come and give us your views on the issues that affect you.

These will be advertised on our website [www.maidstone.gov.uk](http://www.maidstone.gov.uk)

# Agenda Item 13

## MAIDSTONE BOROUGH COUNCIL

### REPORT OF THE CABINET HELD ON 8<sup>th</sup> FEBRUARY 2012

#### BUDGET STRATEGY – CORPORATE REVENUE & CAPITAL BUDGET 2012/13 ONWARDS

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

To consider the proposed Revenue and Capital Budgets for all portfolios for 2012/13, including service savings and growth previously agreed, in accordance with the agreed budget strategy and to consider the proposals for 2012/13 in the context of the draft Medium Term Financial Strategy and the Medium Term Financial Projection.

To calculate and approve the Council Tax requirement for 2012/13.

##### **Recommendations Made**

1. That the revised revenue estimates for 2011/12 be agreed as set out in **Appendix A** (circulated separately).
2. That the minimum level of General Fund Balances be set at £2m for 2012/13.
3. That the proposed Council Tax of £222.39 at Band D for 2012/13 (a second year freeze at 2010/11 values) be agreed.
4. That the revenue estimates for 2012/13 incorporating the growth and savings items set out in **Appendix A** be agreed.
5. That the Statement of Reserves and Balances as set out in **Appendix A** be agreed.
6. That the Capital Programme, as set out in **Appendix A** be agreed.
7. That the funding of the Capital Programme as set out in **Appendix A** be agreed.
8. That the Medium Term Financial Strategy as set out in **Appendix A** be agreed.
9. That the Medium Term Financial Projection, as set out in **Appendix A** as the basis for future financial planning be endorsed.
10. That it be noted that, at the meeting of the General Purposes Group on 14<sup>th</sup> December 2011, the Group calculated the Council's Council Tax base for the year 2012/13 in accordance with regulations made under Section



33 (5) of the Local Government Finance Act 1992, as 60,985.3 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) regulations 1992.

11. That it be noted that, as detailed in **Appendix B**, the Council Tax Base for each of the Parish Areas, calculated in accordance with Regulation 6 of the Regulations, are the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which a special item relates (Parish precepts).
12. Calculate that the Council Tax requirement for the Council's own purposes for 2012/13 (excluding Parish precepts) is £13,901,596
13. That the following amounts now be calculated by the Council for the year 2012/13 in accordance with Section 31A, 31B and 34-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:-
  - (a) £94,194,616 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - (b) £79,516,251 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £14,678,365 being the amount by which the aggregate at 13(a) above exceeds the aggregate at 13(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
  - (d) £240.69 being the amount at 13(c) above (Item R), all divided by the figure state at 10 above (Item T in the formula in section 31A(4) of the Act), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - (e) £1,115,812 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B).
  - (f) £222.39 being the amount at 13(d) above less the result given by dividing the amount at 13(e) above by the tax base given in 10 above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
14. That it be noted that for the year 2012/13 Kent County Council, the Kent Police Authority and the Kent and Medway Towns Fire Authority have stated the following amounts in precepts issued to the Council, in

accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<b><u>Valuation Bands</u></b>	<b><u>KCC</u> £</b>	<b><u>KPA</u> £</b>	<b><u>KMTFA</u> £</b>
A	698.52	92.45	45.30
B	814.94	107.86	52.85
C	931.36	123.27	60.40
D	1,047.78	138.68	67.95
E	1,280.62	169.50	83.05
F	1,513.46	200.32	98.15
G	1,746.30	231.13	113.25
H	2,095.56	277.36	135.90

15. That, having calculated the aggregate in each case of the amounts at 13 (d), and 14 above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets out in **Appendix C**, the amounts of Council Tax for the year 2012/13 for each of the categories of dwellings shown.

### **Reasons for Recommendation**

At its meeting on 8<sup>th</sup> February 2012 Cabinet considered the latest details on the Budget Strategy for 2012/13 onwards. This was considered alongside response to consultation with Corporate Services Overview and Scrutiny Committee and Audit Committee.

From that consideration, Cabinet agreed the recommendations to Council that are set out in this record. The recommendations are based upon the factors considered by Cabinet on 8<sup>th</sup> February 2012 as set out in the Cabinet consideration below, the requirements of the Local Government Finance Act 1992 as amended by the Localism Act 2011 and the precept levels notified to the Council since the Cabinet meeting.

Following notification of the precept for each major preceptor and parish, the tables given in Appendices B and C show the actual value of Council Tax that will be charged in each area, subject to agreement of the recommendations in this record.

### **Cabinet Consideration**

At its September 2011 meeting Cabinet considered the initial budget strategy for 2012/13 onwards. It agreed a strategic revenue projection, a level of council tax for use in planning and consultation on the budget and the method by which consultation would be carried out.

The Corporate Services Overview and Scrutiny Committee considered this budget strategy at its meeting on 1<sup>st</sup> November 2011.

The strategy and strategic revenue projection were then updated to take note of all consultation responses.

At its meeting on 21<sup>st</sup> December 2011 Cabinet considered a corporate review of fees and charges. This review was in line with the Council's policy. The agreed increases produced an estimated increase in income of £0.14m which was incorporated into the budget strategy report considered later on the same agenda.

At that same meeting, on 21<sup>st</sup> December 2011, Cabinet reconsidered the budget strategy and agree a strategy for formal consultation with Corporate Services Overview and Scrutiny Committee in January 2012. Combined with the agreed increase in fees and charges discussed above, Cabinet agreed the following:

- a) That the revised strategic revenue projection at Appendix B to the report of the Corporate Leadership Team, which incorporates the review of strategic projection, be agreed.
- b) That the proposed savings for 2012/13 Onwards, as detailed at Appendix C to the report of the Corporate Leadership Team be agreed, subject to an additional saving of £10,000 from adjustments to the support service budget within the Corporate Services portfolio.
- c) That the proposed use of the New Homes Bonus as outlined below be agreed. [*For use in funding the Capital Programme thus reducing the current level of risk*]
- d) That no capital programme be set for 2015/16 at this time, awaiting a report from officers on prioritisation of options once the infrastructure delivery plan is sufficiently detailed for evaluation.
- e) That the issues relating to revenue resources, including the council tax levels, the tax base and the provisional revenue support grant be noted.
- f) That the results of the budget consultation and the issues identified for future years of the medium term financial strategy and the strategic plan be noted.
- g) That the utilisation of a one-off £100,000 from general balances to support the concurrent functions grant process during 2012/13 to allow for consultation to be completed and the delivery of the new parish services scheme be agreed.

The Budget Strategy has been developed in parallel with the Cabinet's consideration of a number of other plans. It is the intention of the Budget Strategy to address the financial consequences of the government's actions to reduce the budget deficit in a sustainable manner. This has required a significant level of budget savings over the five years of the medium term financial strategy. However the proposals in this report deliver a balanced

budget without the use of balances to finance long term commitments. In particular the Budget Strategy incorporates the following:

- a) The Strategic Plan/The Sustainable Community Strategy – the budget strategy has been developed in parallel with the revisions to the strategic plan. The medium term financial strategy has been produced to ensure the efficient use of the Council’s resources in delivering the strategic objectives.
- b) The People Strategy – budget provision is included for employee costs. Some changes to the pay structure have been proposed to the Employment and Development Panel and funding exists for any pressure this places on employee costs in the 2012/13 estimates. Provision to meet the conditions of the Government’s proposed pay freeze has also been included.
- c) The Asset Management Strategy – the budget requirements identified in the strategy have been previously included within the budget strategy and have been maintained for 2012/13 onwards. The asset management strategy recognises the pressure on the capital programme from the need for future funding and assesses options for the appropriate utilisation of assets, the pressures upon the capital programme are considered as a complete package and not as individual schemes.
- d) ICT Strategy – the resources for this strategy are limited due to available funding however resources for invest to save developments in ICT remain available and the ICT steering group promote projects of this nature.
- e) Strategic Risk Register – the strategic risks are reviewed regularly by Audit Committee and Cabinet. The responses to the risks are, where appropriate, incorporated into the budget strategy.
- f) Other Plans and Strategies – appropriate resources to aid other plans and strategies are also incorporated into the budget strategy. These include Climate Change, Equalities, Regeneration, Integrated Transport, Community Development and the Improvement Plan.

#### Corporate Services Overview and Scrutiny Committee

The committee, at its meeting on 10<sup>th</sup> January 2012, debated both the budget strategy decision and the fees and charges decision made by Cabinet on 21<sup>st</sup> December 2011. The committee considered all aspects of both reports and the Council’s ability to produce a balanced budget.

The committee’s conclusion was that the decisions were a comprehensive assessment of the current situation and represented an effective means of producing a balanced budget.

## Audit Committee

The committee, at its meeting on 16<sup>th</sup> January 2012, debated the operational risk analysis of the budget strategy. This risk analysis forms part of the Finance Section's service plan. The individual elements do not represent strategic risks. The committee debated the risks and felt they were a comprehensive list. However for some risks minor amendments were identified:

- a) An amendment was made to the risk score for capital financing, where the score had not been amended to reflect the reduced risk following the decision of Cabinet on 21<sup>st</sup> December 2011.
- b) The committee believed the risk relating to Council Tax levels did not consider fully the medium term consequences of a possible Council Tax freeze.
- c) The committee also felt that the future risks surrounding the localisation of business rates and the changes to council tax benefit should be given greater prominence.

These issues have been adjusted in the risk assessment.

## The Strategic Revenue Projection

The strategic revenue projection is incorporated in **Appendix A** of this record of recommendation and has been updated to account for agreed amendments and other changes that have been identified since the Cabinet meeting on 21<sup>st</sup> December 2011.

For 2012/13 the strategic revenue projection remains consistent with the figures reported and approved at the Cabinet meeting on 21<sup>st</sup> December 2011. As Cabinet chose to include in their recommendations to Council a Council Tax freeze, the projection has received minor modification to show a reduction in income from Council Tax of £0.34m and an increased level of income generation from other grants with no effect on the balanced budget proposed.

There has been one major change to future years of the strategic revenue projection to allow for additional information regarding the localisation of business rates in 2013/14. From that year the resources from business rates will replace the formula grant (or revenue support grant) in the Council future funding calculations. The income for 2013/14 and 2014/15 have both been reduced for the reasons detailed below.

Since the Cabinet meeting on 21<sup>st</sup> December 2011, the Council has received an analysis of the potential levels of business rates that it may be able to retain under the system that will replace formula grant in 2013/14. This information has come from a consultant who has been commissioned through the Kent Finance Officers Association to provide a Kent wide analysis.

The additional detail this provides, does not affect the production of a balanced budget for 2012/13, but does affect the strategic revenue projection in the medium term and hence the financial stability of the Council in the medium

term. It is therefore important for Cabinet to be aware of this analysis.

This initial analysis suggests that the Council's share of the baseline will be £4.93m. Compared to the assumption in the strategic revenue projection reported to Cabinet on 21<sup>st</sup> December 2012 of £5.64m. The reduction from the previous grant expectation to the predicted baseline is £0.71m.

The major reason for this reduction is that the baseline will be set at the level of resources available nationally for formula grant in 2014/15 as set out in the October 2010 spending review. The excess taken in 2013/14 is expected to be returned to local government as a one off grant in 2013/14. The consultant estimates this grant to be £0.46m for this Council.

In addition the Government has announced its intention to "top slice" the unfunded cost of the new homes bonus scheme from the baseline for business rates. The consultant has estimated a figure for this top slice as £0.25m. The Government has also stated that the unused balance of this "top slice" will be returned as a one off grant to local government. By using a formula linked to previous new homes bonus receipts, the consultant has calculated a one off grant to the Council of £0.29m. This is greater than the top slice and may not be a prudent and sustainable assumption as it is based on historic national performance levels and, as this is a new programme, the historic data is only available for two years.

The Government consultation on localisation of business rates does propose the return of these resources taken in advance of need. It also proposes the development of a fund to help balance the inter year variations in the scheme. It does not specify the mechanism by which the money will be returned to local government or whether some will be retained to develop the fund. It is important to be aware of two risks:

- That the Council may not benefit from the proposal in the way modelled by the consultant; and
- That to continue with the assumption, in the strategic revenue projection, that there will not be a further reduction in overall funding in 2013/14 as a result of the move to localised business rates, relies on the use of one off grant to sustain the revenue account and balance the budget.

The strategic revenue projection, given in Appendix A, uses the calculated baseline business rates for each year. It does not include the potential return of excess "top slice" as one off grant. This could be equal to the calculated reduction in resources but is subject to the risks outlined in paragraph 1.6.9 above. The work on the budget strategy for 2013/14 will consider the risk and options in further detail.

For years beyond 2014/15 the consultant suggests the Council could receive a benefit from RPI increases in the business rate poundage. If this is correct, it would only occur until the Government's next business rates revaluation.

## Revenue Estimates

A summary of the revenue estimate by portfolio is incorporated in **Appendix A** of this record of recommendation. This also summarises the proposed use of balances. This estimate assumes the final approval of all growth and savings identified and approved at Cabinet on 21<sup>st</sup> December 2011. The estimate is based upon the funding available from either a 2.5% Council Tax increase or a Council Tax freeze that provides government grant of an equivalent value. Any alternative decision will require amendment to the revenue estimates.

Detailed portfolio estimates are incorporated in **Appendix A** of this record of recommendation. Included within these estimates are tables of growth and savings incorporated within each portfolio's estimate.

## Revised Estimate 2011/12

The revised estimate 2011/12, given in Appendix A, totals £25.5m which compares to an original estimate of £20.8m as approved by Council in March 2010. This increase reflects the decisions of Cabinet to approve the carry forward of resources from 2010/11 and the use of balances during 2011/12. The changes are detailed below:

	<b>£,000</b>
Cabinet Agreed Carry Forward	2,845
Fleming resources to capital	1,541
Hazlitt Theatre Heating System	310
Age Concern – Bus Service Grant	46
Local Development Framework	203
Reversal of Concessionary Fares	-150
VAT Fleming refund	-82
<b>IN YEAR MOVEMENT IN BALANCES</b>	<b>4,713</b>

## Original Estimate 2012/13

The estimate 2012/13, given in Appendix A, shows a cost of service estimated at £20m. After planned use of balances of £0.1m, the budget requirement for 2012/13 will be £19.9m if a council tax freeze is agreed.

The budget, as proposed in this report, has been based on a number of initiatives completed during the year. These include:

- a) A refresh of the strategic plan that includes a clearer analysis of the outcomes deliverable in the medium term and a prioritisation of the actions required.
- b) A budget consultation exercise to identify public opinion on the importance to the public of services considered low priority to Cabinet and the importance of a range of customer service levels.
- c) A longer term focus from the recognition that the financial year 2013/14 will see the commencement of a number of major initiatives from central government. The effect these initiatives will have upon the Council and its readiness to react once sufficient detail is known is essential to this medium term strategy.

The items of growth and savings incorporated in the estimate for 2012/13 are given in Appendix A following each portfolio of services.

### Statement of Balances

Incorporated in **Appendix A** of this record of recommendation is a statement of the General Fund Balances. The statement identifies in detail the agreed use of balances arising from the 2011/12 budget, approved by Council in March 2011, and subsequent Cabinet decisions. The statement also shows that the estimate of unallocated balances at 31<sup>st</sup> March 2013 is £3.2m.

On 17<sup>th</sup> January 2012 the Council received further confirmation from HM Revenue and Customs regarding the VAT reimbursement claimed under the Fleming arrangements two years previous to this date. The letter confirms a further £0.23m will be paid to the Council, plus interest. It is estimated that interest will mean this sum is in excess of £0.7m when received. Whilst Cabinet have an opportunity to consider the potential future uses of this money, the statement incorporated in Appendix A of this record of recommendation shows this further receipt as a contribution to balances in year and is combined with the receipt of £0.08m received earlier in the year.

During the development of the medium term financial strategy for 2012/13 onwards there has been one proposal for the future use of balances. In addition there are proposals from previous years where funds have not yet been committed and are expected to carry forward into 2012/13. The proposal approved at the Cabinet meeting on 21<sup>st</sup> December 2011 was to utilise £0.1m to retain the current level of resources in the Concurrent Functions Grant system for a further year to allow additional time for consultation to be completed and a new scheme agreed before Parish Council's see a further reduction in funding.

Elsewhere on the Cabinet agenda two reports consider the estimate for the provision of events to celebrate the arrival and departure of the Olympic flame in Maidstone. The statement given in Appendix A includes a contribution of £0.17m has received approval of Cabinet.

It is necessary at this time to consider the level of working balances that Cabinet wish to set for operational purposes in 2012/13. In the past Cabinet



has set this level at approximately 10% on net revenue expenditure. However, for 2011/12, the Government's spending review removed a significant amount of expenditure from the Council's budget through reductions in grant and transfer of responsibilities to other organisations. When considering the level of working balances for 2011/12 Cabinet took the view that the reduction in working balances, that would occur by continuing to set the value at 10% of net revenue spend, would create additional risk to the financial stability of the Council at a time of economic uncertainty. Cabinet decided to hold the level of working balances at £2.3m. As the economic circumstances have not improved since the decision for 2011/12 it is recommended that Cabinet set a similar level of working balances for 2012/13.

At the same time it is necessary to recommend a practical minimum level of revenue balances, below which Cabinet cannot go without the approval of Council. In previous years that maximum limit has been set at £2m. In line with the above recommendation regarding working balances, Cabinet has to recommend continuance of a £2m limit to Council.

In reviewing the pressure on the strategic revenue projection given in Appendix A, the maximum savings requirement for 2013/14 following a zero percent council tax increase in 2012/13 is £1.9m. Savings have been identified for that year that total £0.6m. This leaves a net budget pressure of £1.3m. If funding for that remaining pressure is not identified, unallocated balances will not be sufficient to produce a balanced budget in that year and retain the agreed set aside for the Museum East Wing Extension overspend. This is based on an assumption that £0.9m would be available from general balances and £0.8m would be available from the additional Fleming VAT reimbursement.

### Council Tax Levels

The following guidance was provided to, and was fully considered by, Cabinet in reaching the recommendation for a zero percent Council Tax increase in 2012/13. The strategic revenue projection included in Appendix A to this record has been updated to show the projection following the recommended zero percent increase and the acceptance of the one year Council Tax freeze grant.

The strategic revenue projection given in the Cabinet report was developed in accordance with the previous planning decisions of Cabinet, to include a 2.5% increase in Council Tax charged.

Acceptance of the government offered Council Tax freeze grant by recommending a zero percent increase in Council Tax is an option available to Cabinet without the need to consider changes to the 2012/13 estimates as set out in the report. This is due to the fact that the grant available equates to the income foregone from not recommending the 2.5% increase used as a planning assumption.

The consequences of accepting the Council Tax freeze grant in 2012/13 would create an additional budget pressure for all future years. In order to adequately display the consequences of this option Appendix A to the Cabinet report, whilst

developed assuming a 2.5% Council Tax increase, displayed the savings requirement of the option to accept the Council Tax freeze grant.

Whilst the budget pressure arising from the acceptance of the Council Tax freeze grant of £0.34m is reported in 2013/14, future years display only the incremental increase that has been foregone. The long term consequences of the Council tax freeze can be evidenced by considering the ten year reduction in resources to the Council which has been calculated as £3.4m. In addition a number of regeneration and housing schemes currently stalled due to resource issues could be brought forward to support Council priorities if additional resources were available.

### Strategic Assessment of the Revenue Estimate

The revenue estimate for 2012/13 as detailed in this report requires net resources of £19.94m. This can be balanced by either a 2.5% increase in the Council Tax charged or by acceptance of the government offered Council Tax freeze grant, as detailed in the table below:

	<b>£,000</b>
Revenue Support Grant / NNDR	6,038
Council Tax at £222.39 (Band D), tax base 60985.3	13,563
2.5% Council Tax Increase or equivalent grant	339
<b>TOTAL AVAILABLE RESOURCES</b>	<b>19,940</b>

Should an alternative approach be considered, a 1% change in Council Tax charged is equivalent to a change in the resources available of £135,000. A 1% change, for a Band D property, is equal to a change of £2.22 in a full year or 19p per month. Council Tax freeze grant is absolute and offered only where no increase occurs. It cannot be claimed proportionate to any increase that is less than 2.5%.

This report outlines a series of issues facing the Council in the medium term and the strategic revenue projection incorporated in Appendix A of this record of recommendation identifies the current estimated financial consequence. If, in future years, additional savings are not identified to resource the budget pressures identified, the current level of general balances will not sustain the Councils financial stability beyond 2013/14.

## Capital Programme

The budget strategy incorporates estimates for both revenue and capital expenditure. Incorporated in **Appendix A** of this record of recommendation is the capital programme as currently approved, for the period 2011/12 to 2014/15.

Elsewhere on the Cabinet agenda of 8<sup>th</sup> February 2012 the Budget Monitoring Report to December 2011 included a recommendation on slippage of scheme budgets between 2011/12 and 2012/13. As the proposal in that report was agreed by Cabinet, the programme incorporated in **Appendix A** to this record of recommendation has been amended to take account of the slippage.

It is normal at this time to bring forward proposals to extend the programme into a fifth year, 2015/16. A significant number of the likely schemes that would be brought forward for amendment or extension to the programme are under consideration as part of the infrastructure delivery plan (IDP) as a component part of the Core Strategy.

The work on ensuring the accuracy of the IDP must be completed as an essential first stage. Funding of any schemes, arising from the IDP and forming elements of any future capital programme, will be partly achieved by the setting and charging of a community infrastructure levy. In order to set this levy accurately the work on the IDP must be completed and approved. This work is underway and the expected timescale for consideration of any amendments to the programme is July 2012.

Following the decision of Cabinet on 21<sup>st</sup> December 2011, the capital programme is presented with the inclusion of the use of £1.62m from the 2012/13 new homes bonus awarded to this Council. This has enabled the programme to be reported as fully funded by resources that do not represent the risk carried by the last major asset sale. This asset sale is now assumed to slip into later years and is available to support any programme that is agreed for 2015/16 or future years.

At this time it is recommended that no further changes to the programme be made but to note that extensive work on prioritisation of schemes and the identification of funding will be required in 2012/13 to prepare the Council to charge the community infrastructure levy required to make the IDP affordable.

## Future Actions to Set the Council Tax

As Members will be aware, it is a statutory requirement of this Authority to resolve the level of Council Tax for the area. To achieve this objective the recommendations detailed in this report need to be addressed. In addition the precepts of Kent County Council, the Police Authority, the Fire Authority and Parishes are required. These have been incorporated into this resolution to Council.

At the Council meeting it will be necessary for Council to formally agree the Council Tax requirement. This is a change from previous years where the resolution of Council was to agree the budget requirement. This has been

brought about by amendments to the Local Government Finance Act 1992 by the Localism Act 2011.

In addition it is necessary for the section 151 Chief Finance Officer to give her opinion to Council, when setting the above requirements, that the budget calculations are based upon robust estimates and that the level of reserves is sufficient for the purposes of the budget exercise. Based upon the process undertaken this year, and the information contained within this report, it is not anticipated that this opinion will include any adverse comments.

### Medium Term Financial Strategy

Incorporated in **Appendix A** is the Medium Term Financial Strategy (MTFS).

The MTFS may require amendment following Cabinet's consideration of this report and following consideration by Council on 29<sup>th</sup> February 2012. The final version will be published as part of the budget documents on the Council's website following the Council meeting.

### **Alternative Action and why not Recommended**

Cabinet could recommend to Council the setting of a Council Tax level greater than that used as a planning assumption in the strategic revenue projection. The Department for Communities and Local Government has announced that the level of increase that would be expected to trigger a local referendum on Council Tax increases is 3.5% for 2012/13. Allowing for the influence of minor preceptors, the Council could agree an increase up to 3.4% without triggering a referendum. This is below both RPI and CPI inflation measures and would increase Council Tax resources by a total of £0.46m or £0.12m more than assumed in the current strategic revenue projection.

Any increase above the level of 3.4% would most likely trigger the need to carry out a referendum and result in a reduction in the level of Council Tax and additional cost to the Council.

The setting of a balanced budget is a statutory obligation. To choose not to set a budget and a Council Tax level for 2012/13 is not an option.

### **Impact on Corporate Objectives**

The capital and revenue budgets developed from this budget strategy provide resources for the achievement of corporate priorities and have been developed in conjunction with the refresh of the Strategic Plan.

### **Risk Management**

The budget process is a strategic risk and the robust process followed, along with the Council policy to deliver a balanced budget, ensures that the budget produced is appropriate for the delivery of council services.

The policy on balances addresses the strategic risk of budget pressures arising from unbudgeted spend or the financial consequences of unplanned costs.

The key risks identified during the budget strategy process and in this report are detailed in the risk assessment attached as **Appendix G**. The risk assessment has been considered, amended and approved by Audit Committee in the format given in the appendix.

MAIDSTONE BOROUGH COUNCILCOUNCIL TAX 2012/2013Schedule of Council Tax Base and Additional Basic Amounts ofCouncil Tax in parts of the area with Parish Precepts

PARISH	TAX BASE	PRECEPT £	BAND 'D' TAX £
Barming	749.50	16,500	22.01
Bearsted	3,681.50	95,000	25.80
Boughton Malherbe	228.90	2,100	9.17
Boughton Monchelsea	1,312.00	40,672	31.00
Boxley	3,902.10	81,916	20.99
Bredhurst	179.40	8,500	47.38
Broomfield & Kingswood	730.70	33,000	45.16
Chart Sutton	427.10	17,000	39.80
Collier Street	359.20	9,814	27.32
Coxheath	1,629.40	54,550	33.48
Detling	382.00	19,074	49.93
Downswood	861.80	23,500	27.27
East Sutton	144.50	5,000	34.60
Farleigh East	694.90	26,574	38.24
Farleigh West	222.20	12,000	54.01
Harrietsham	924.10	25,750	27.86
Headcorn	1,546.00	81,070	52.44
Hollingbourne	466.20	16,000	34.32
Hunton	321.90	15,000	46.60
Langley	524.70	18,406	35.08
Leeds	362.50	21,800	60.14
Lenham	1,436.90	58,762	40.89
Linton	260.60	8,775	33.67
Loose	1,105.20	51,390	46.50
Marden	1,638.60	69,500	42.41
Nettlestead	357.60	8,602	24.05
Otham	224.70	7,400	32.93
Staplehurst	2,378.80	96,100	40.40
Stockbury	330.90	11,000	33.24
Sutton Valence	665.40	28,000	42.08
Teston	324.60	18,000	55.45
Thurnham	544.70	13,918	25.55
Tovil	1,346.00	62,940	46.76
Ulcombe	398.00	12,199	30.65
Yalding	1,030.30	46,000	44.65

## MAIDSTONE BOROUGH COUNCIL

## COUNCIL TAX 2012/2013

## Schedule of Council Tax Levels for all Bands

and all Parts of the Area including District Spending and all Precepts.

	Band A Total Rate £	Band B Total Rate £	Band C Total Rate £	Band D Total Rate £	Band E Total Rate £	Band F Total Rate £	Band G Total Rate £	Band H Total Rate £
Barming	999.20	1,165.74	1,332.27	1,498.81	1,831.88	2,164.95	2,498.01	2,997.62
Bearsted	1,001.73	1,168.69	1,335.64	1,502.60	1,836.51	2,170.43	2,504.33	3,005.20
Boughton Malherbe	990.64	1,155.75	1,320.86	1,485.97	1,816.19	2,146.41	2,476.61	2,971.94
Boughton Monchelsea	1,005.20	1,172.73	1,340.27	1,507.80	1,842.87	2,177.94	2,513.00	3,015.60
Boxley	998.52	1,164.95	1,331.37	1,497.79	1,830.63	2,163.48	2,496.31	2,995.58
Bredhurst	1,016.12	1,185.47	1,354.83	1,524.18	1,862.89	2,201.60	2,540.30	3,048.36
Broomfield & Kingswood	1,014.64	1,183.74	1,352.85	1,521.96	1,860.18	2,198.39	2,536.60	3,043.92
Chart Sutton	1,011.06	1,179.58	1,348.09	1,516.60	1,853.62	2,190.65	2,527.66	3,033.20
Collier Street	1,002.74	1,169.87	1,336.99	1,504.12	1,838.37	2,172.62	2,506.86	3,008.24
Coxheath	1,006.85	1,174.66	1,342.47	1,510.28	1,845.90	2,181.52	2,517.13	3,020.56
Detling	1,017.82	1,187.45	1,357.09	1,526.73	1,866.01	2,205.28	2,544.55	3,053.46
Downswood	1,002.71	1,169.83	1,336.95	1,504.07	1,838.31	2,172.55	2,506.78	3,008.14
East Sutton	1,007.60	1,175.53	1,343.47	1,511.40	1,847.27	2,183.14	2,519.00	3,022.80
Farleigh East	1,010.02	1,178.36	1,346.70	1,515.04	1,851.72	2,188.40	2,525.06	3,030.08
Farleigh West	1,020.54	1,190.63	1,360.72	1,530.81	1,870.99	2,211.17	2,551.35	3,061.62
Harrietsham	1,003.10	1,170.29	1,337.47	1,504.66	1,839.03	2,173.40	2,507.76	3,009.32
Headcorn	1,019.49	1,189.41	1,359.32	1,529.24	1,869.07	2,208.91	2,548.73	3,058.48
Hollingbourne	1,007.41	1,175.31	1,343.22	1,511.12	1,846.93	2,182.73	2,518.53	3,022.24
Hunton	1,015.60	1,184.86	1,354.13	1,523.40	1,861.94	2,200.47	2,539.00	3,046.80
Langley	1,007.92	1,175.90	1,343.89	1,511.88	1,847.86	2,183.83	2,519.80	3,023.76
Leeds	1,024.62	1,195.40	1,366.17	1,536.94	1,878.48	2,220.03	2,561.56	3,073.88
Lenham	1,011.79	1,180.42	1,349.06	1,517.69	1,854.96	2,192.22	2,529.48	3,035.38
Linton	1,006.98	1,174.81	1,342.64	1,510.47	1,846.13	2,181.79	2,517.45	3,020.94
Loose	1,015.53	1,184.79	1,354.04	1,523.30	1,861.81	2,200.33	2,538.83	3,046.60
Marden	1,012.80	1,181.61	1,350.41	1,519.21	1,856.81	2,194.42	2,532.01	3,038.42
Nettlestead	1,000.56	1,167.33	1,334.09	1,500.85	1,834.37	2,167.90	2,501.41	3,001.70
Otham	1,006.48	1,174.23	1,341.98	1,509.73	1,845.23	2,180.73	2,516.21	3,019.46
Staplehurst	1,011.46	1,180.04	1,348.62	1,517.20	1,854.36	2,191.52	2,528.66	3,034.40
Stockbury	1,006.69	1,174.47	1,342.26	1,510.04	1,845.61	2,181.17	2,516.73	3,020.08
Sutton Valence	1,012.58	1,181.35	1,350.11	1,518.88	1,856.41	2,193.94	2,531.46	3,037.76
Teston	1,021.50	1,191.75	1,362.00	1,532.25	1,872.75	2,213.25	2,553.75	3,064.50
Thurnham	1,001.56	1,168.49	1,335.42	1,502.35	1,836.21	2,170.07	2,503.91	3,004.70
Tovil	1,015.70	1,184.99	1,354.27	1,523.56	1,862.13	2,200.70	2,539.26	3,047.12
Ulcombe	1,004.96	1,172.46	1,339.95	1,507.45	1,842.44	2,177.43	2,512.41	3,014.90
Yalding	1,014.30	1,183.35	1,352.40	1,521.45	1,859.55	2,197.65	2,535.75	3,042.90
Basic Level of Tax	984.53	1,148.62	1,312.71	1,476.80	1,804.98	2,133.16	2,461.33	2,953.60

# Agenda Item 14

## **MAIDSTONE BOROUGH COUNCIL**

### **REPORT OF THE CABINET HELD ON 08 FEBRUARY 2012**

#### **TREASURY MANAGEMENT STRATEGY 2012/13**

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

To consider, in accordance with CIPFA's Code of Practice on Treasury Management 2009 (Revised), the Draft Treasury Strategy for 2012/13 including a series of Treasury and Prudential Indicators, as recommended by Audit Committee.

##### **Recommendation Made**

That the Treasury Management Strategy for 2012/13, as detailed below, be approved including the Counterparty List attached at Appendix A, the Prudential Indicators attached at Appendix B and the Specified and Non-Specified Investments attached at Appendix C.

##### **Reasons for Recommendation**

The Council has adopted CIPFA's Code of Practice on Treasury Management and this requires that the Council sets out a treasury management strategy on an annual basis. This report considers the proposed strategy for 2012/13 onwards along with current guidance from CIPFA and the DCLG.

The primary requirements of the Code are as follows:

- a) Receipt by full Council of an annual Treasury Management Strategy that includes the annual Investment strategy and Minimum Revenue Provision Policy for the year ahead.
- b) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- c) Delegation by the Council of the role of scrutiny of treasury management strategy and policies, a Mid Year Review Report and an Annual Report covering activities during the previous year to Audit Committee.

The agreed process for approval at this Council is:

- a) Audit Committee will consider, as part of their monitoring role, the initial draft and make recommendations to Cabinet.
- b) Cabinet will consider the draft and any recommendations from Audit Committee and recommend to Council



- c) Council will approve the strategy each March for the forthcoming financial year.

### 2011/12 Strategy

The Strategy for 2011/12 set out the following objectives:-

- a) Keep investments short term (up to 1 year) to help fund the existing capital programme when needed and to make funds available to invest if rates increased;
- b) Use up to £3m from core cash balances to be invested for 1 year or above if rates are at a premium over predicted base rates and funds are available for the term;
- c) No planned borrowing, other than for short-term cash flow purposes. The council is currently debt-free;
- d) Group limits placed on institutions within the same ownership group;
- e) The Head of Finance & Customer Services be given delegated responsibility to add or withdraw institutions from the counterparty list when ratings change, either as advised by Sector Treasury Management (the Council's advisors) or from another reliable market source.

### Current Cashflow Performance

At the November 2011 Audit Committee meeting the mid-year performance report included details for 2011/12 of the position as at 30<sup>th</sup> September 2011. Listed below is an update on that position.

The Council's current investment position is given in the table below.

	<b>£m</b>	<b>%</b>
<b>Investments as at 1<sup>st</sup> April 2011</b>	<b>21.0</b>	
<b>Investment Balance as at 31st Dec 2011</b>	<b>33.6</b>	
<b>Investment Income as at 31st Dec 2011</b>	<b>0.23</b>	
<b>Ave Balance/Rate of Investments during year</b>	<b>27.0</b>	<b>1.1</b>
<b>Est. Investments as at 31<sup>st</sup> March 2012</b>	<b>17.0</b>	

All investments have been on a short-term basis to be used, as agreed within the Strategy.

£3m of core cash funds were invested for 1 year with Lloyds TSB (part nationalised bank).

The average rate of interest received on the council's investments over the period was 1.1% compared to a forecast level of 1.0%. Investment income as at 31<sup>st</sup> December 2011 is £230,000 compared to a budget of £185,000.

There has been continued concern with all financial institutions within the UK having their credit ratings reduced. This is mainly due to the current economic situation in Europe. It is Sector's view that the semi nationalised banks, e.g. RBS and Lloyds groups, will be safe but there is uncertainty with other UK institutions. With this in mind, the Head of Finance and Customer Services (in line with his delegated authority) has reduced the exposure to these other institutions down to a maximum of three month term deposits, as recommended by Sector, and the use of building societies down from top 10 to top 5. This ensures that the greater part of the Council's finances will be very liquid and placed with higher rated institutions.

Based on the current cash flow projection the Council has anticipated cash balances at 1<sup>st</sup> April 2012 available for investment totalling £17m.

#### Cash Flow Projection to 2014/15

A cash flow projection up to March 2015 has been created reflecting the spending proposals in the Budget Strategy 2012/13 onwards. The cash flow projection shows that anticipated investment income will be consistently £0.25m per annum over the period from 2012/13 to 2014/15. This is based on the anticipated sales of Council fixed assets and interest rates remaining as forecast.

There is no planned borrowing to fund the capital programme up to March 2015.

#### Annual Investment Strategy

In formulating and executing the strategy for 2012/13, the Council will have regard to the DCLG's guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectional Guidance Notes.

CIPFA's Treasury Management Code of Practice states that "in balancing risk against return, local authorities should be more concerned to avoid risks rather than maximising return". Therefore the underlying principles of the strategy are to ensure absolute security of Council funds, and to minimise large variations in annual investment returns, which would impact upon the budget.

The Council will also achieve optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to on lend and make a return is unlawful and the Council will not engage in such activity.

The Council, in conjunction with its treasury management advisor, Sector, will use Fitch, Moodys and Standard and Poors ratings in combination to derive its credit criteria. All credit ratings will be monitored daily. The Council is alerted to changes in ratings of all agencies through its use of the Sector creditworthiness service.

If a downgrade means the counterparty or investment scheme no longer meets the Council's minimum criteria, its use for further investment will be withdrawn immediately.

If a body is placed under negative rating watch (i.e. there is a probability of a rating change in the short term and the likelihood of that change being negative) and it is currently at the minimum acceptable rating for placing investments, then no further investments will be made with that body.

In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in a downgrade of an institution or removal from the Council's lending list.

The use of leading building societies for investment purposes has already been reduced by the Head of Finance & Customer Services from top 10 down to top 5 ranked on asset size of the society. In considering the effectiveness of this decision an alternative ranking system has been identified that uses a combination of management expenses of the group, as shown within the Income and Expenditure Account, as well as the asset size. This is a better indication of how the group would bear within stressful economic times. The draft strategy for 2012/13 proposes the use of this measure. This has been discussed with the Council's treasury management advisors.

Other market intelligence will also be used to determine institutions' credit worthiness, such as financial press, financial broker advice and treasury management meetings with other authorities, e.g. Kent Treasury Management Forum. If this information shows a negative outcome, no further investments will be made with that body.

The Head of Finance & Customer Services has previously been given delegated authority to use alternative forms of investment, should the appropriate opportunity arise to use them, and should it be prudent and of advantage to the Council to do so. This delegated authority is subject to prior consultation with the Cabinet Member for Corporate Services on any possible use of these instruments. This delegation has not been exercised to date.

The following table shows the balance of investments which will mature during 2012/13 and the total of this balance which will be needed to fund the revenue/capital expenditure.

<b>Investment</b>	<b>2012/13 £m</b>
Short Term Investments at start of Year	17.0
Use of Balances/Capital receipts	12.0
<b>Total Core Cash</b>	<b>5.0</b>

These maturities will therefore cover the anticipated use of cash balances for the period and leave £5.0m available for investment, along with day to day cash flow management funds.

### Interest Rate Forecast

As part of their service Sector Treasury Management assist the Council to formulate a view on interest rates. Below is a table which forecasts short term (Bank Rate) and longer term fixed interest rates that reflects their current view on the future.

Annual Average %	Bank Rate	Money Rates		PWLB Borrowing Rates		
		3 month	1 year	5 year	25 year	50 year
March 2012	0.50	0.70	1.50	2.30	4.20	4.30
June 2012	0.50	0.70	1.50	2.30	4.20	4.30
Sept 2012	0.50	0.70	1.50	2.30	4.30	4.40
Dec2012	0.50	0.70	1.60	2.40	4.30	4.40
March 2013	0.50	0.75	1.70	2.50	4.40	4.50
June 2013	0.50	0.80	1.80	2.60	4.50	4.60
Sept 2013	0.75	0.90	1.90	2.70	4.60	4.70
Dec 2013	1.00	1.20	2.20	2.80	4.70	4.80
March 2014	1.25	1.40	2.40	2.90	4.80	4.90
June 2014	1.50	1.60	2.60	3.10	4.90	5.00

Growth in the UK economy is expected to be weak in the next two years and there is a risk of a technical recession (i.e. two quarters of negative growth). Bank Rate, currently 0.5%, underpins investment returns and is not expected to start increasing until quarter 3 of 2013 despite inflation currently being well above the Monetary Policy Committee inflation target. An export led recovery appears unlikely due to the Eurozone sovereign debt crisis depressing growth in the UK's biggest export market. The Comprehensive Spending Review, which seeks to reduce the UK's annual fiscal deficit, will also depress growth during the next few years.

This uncertain economic outlook has several key treasury management implications:

- The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2012/13;
- Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully.

### Strategy for 2012/13

Based on the issues outlined and following consultation with the Council's Treasury Management advisors the following strategy is recommended:

The counterparty list – attached as Appendix A.

- a) Use the Council's Treasury Management Consultant's scheme for rating of institutions for creditworthiness which uses a sophisticated modelling approach with credit rating agencies, Moody's, Fitch and Standard & Poors, along with Sovereign ratings, CDS spreads and credit watches.
- b) Group limits placed on institutions within the same group and not separate for each institution. This is an added security measure as there is a burden upon the parent company. The group limit will be the highest individual credit criteria for the group.
- c) An institution will never have a higher credit rating than the sovereign country it operates within. If the sovereign is downgraded below the rating of an institution, the institution is downgraded to the same level.
- d) A reduction in overseas institutions due to the uncertainty of Sovereignty status', with the exception of Svenska Handelsbanken, a AAA rated Swedish Organisation with whom the Council currently has funds.
- e) The top 5 Building Societies, ranked using the management expenses and asset size ranking.

### Focus on Treasury Management 2012/13

- a) Invest funds short term (up to one year) so that funds are available to invest when rates increase.
- b) Use up to £3m from core cash balances to be invested for 1 year or above if rates are at a premium over predicted base rates and funds are available for the term. This would leave a balance of £2m if there were to be any unexpected events.
- c) There is no borrowing assumed within the 2012/13 strategy.

### Treasury Indicators

The Indicators are detailed at Appendix B, the most important of which are listed below. The upper and lower limits are set with reference to the peaks and flows of cash flow throughout the year. There always exists the possibility of the limits being approached at the start and end of each financial year when the income stream is at its lowest:

- a) Authorised Limit for External Debt

This places an upper limit on the Authority's borrowing by indicating a level of debt that the authority calculates is affordable and relevant.

Along with the debt held for the financing of capital expenditure and other long term liabilities, this limit includes provision for day to day cash flow needs. Borrowing above this limit should not occur.

b) Operational Boundary for External Debt

This provides a limit for day to day cash flow management. It is the equivalent of the Authorised Limit for External Debt without the allowance for cash flow purposes. It is intended that Treasury Management on a day to day basis should use this limit as a focus. Borrowing to exceed this limit should only occur for short periods of time for cash flow management purposes.

c) Actual Debt

The closing balance of actual gross borrowing plus other long term liabilities. This considers a single point in time and is only directly comparable to the authorised limit and operational boundary at that point in time.

d) Upper Limit for Fixed Rate Exposure

This places a limit on the proportion of borrowing and investment that can be at a fixed rate of interest. Due to the nature of the Council's cash flows it is likely that this limit will only be approached at the start and the end of the financial year when there are less surplus funds available for surplus investment. (Fixed rate is defined as any borrowing or investments where the rate is fixed but only where the period is in excess of one year.)

e) Upper Limit for Variable Rate Exposure

This places a limit on the proportion of borrowing and investment that can be at a variable rate of interest. The limit set reflects the fact that during the year there can be excess surplus funds available for short term investment. These arise from timing differences between receipts received and payments made. (Variable rate is defined as any borrowing or investments for a period up to a maximum of 364 days, irrespective of whether the rate is fixed or not.)

f) Upper Limit for Total Principal Sums Invested over 364 days

This limit has been set in consultation with the Council's Treasury Management Advisers, and the background to this is dealt with in more detail in the proposed investment strategy earlier in this report.

g) Maturity Structure of New Fixed Rate Borrowing during 2012/13

This indicates the assumed maturity structure for any borrowing that may occur at a fixed rate of interest, during 2012/13. As any borrowing

is expected to be for cash flow purposes only it will be short term borrowing at variable rates.

Investment instruments identified for potential use in the financial year are listed at Appendix C under the 'Specified' and 'Non-Specified' investments categories, as per DCLG's guidance. Specified instruments are those investments which are sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum high rating criteria. Non-specified investments are included at the Council's discretion, based on guidance from our treasury management advisors.

### **Alternatives considered and why not recommended**

The Council is required to endorse a Treasury Management Strategy and monitor and update the strategy and Prudential Indicators as necessary. The Council could endorse a simple strategy for Treasury Management. However this would be contrary to best advice from the Council's advisors and likely to produce a reduced income stream from investments.

External Fund Managers – by appointing external managers local authorities may possibly benefit from security of investments, diversification of investment instruments, liquidity management and the potential of enhanced returns. Managers do operate within the parameters set by local authorities but this involves varying degrees of risk. This option has been discounted on the basis of the risk to capital receipts which would make it difficult to ascertain a suitable sum to assign to an external manager.

### **Background Papers**

Working papers held in the Corporate Finance office.

**Bank Grouping Key**

Santander Group, UK	1
Lloyds Banking Group, UK	2
Royal Bank of Scotland plc, UK	3

Institution Name	Country	Group	Deposit	Suggested Term
<b>UK INSTITUTIONS MEETING MINIMUM RATING CRITERIA</b>				
Alliance & Leicester	UK	1	£3,000,000	6Months
Cater Allen	UK	1	£3,000,000	6Months
Bank of Scotland Plc	UK	2	£5,000,000	1yr
Barclays Bank plc	UK		£3,000,000	6Months
HSBC Bank plc	UK		£5,000,000	1yr
Lloyds TSB	UK	2	£5,000,000	1yr
National Westminster Bank	UK	3	£5,000,000	1yr
Royal Bank of Scotland plc	UK	3	£5,000,000	1yr
Santander UK	UK	1	£3,000,000	6Months
Ulster Bank Ltd	UK	3	£5,000,000	1yr
<b>OVERSEAS INSTITUTIONS MEETING MINIMUM RATING CRITERIA</b>				
Svenska Handelsbanken	SWE		£5,000,000	1yr
<b>UK BUILDING SOCIETIES</b>				
	<b>RANK BY ASSET SIZE</b>	<b>RANK BY MAN EX</b>	<b>TOTAL</b>	
Coventry	3	1	4	£2,000,000 6Months
Yorkshire	2	4	6	£2,000,000 6Months
Nationwide Building Society	1	6	7	£2,000,000 6Months
Leeds	5	2	7	£2,000,000 6Months
West Bromwich	6	5	11	£2,000,000 6Months
<b>OTHER PUBLIC BODIES</b>				
UK Government			£8,000,000	2yrs
UK Local Authorities (Inc.Police & Fire Authorities)			£8,000,000	2yrs
<b>MONEY MARKET FUNDS (AAA RATED)</b>				
Goldman Sachs			£8,000,000	2yrs
Prime Rate Capital Management			£8,000,000	2yrs



PRUDENTIAL INDICATORS**PRUDENTIAL INDICATORS****Ratio of Financing Costs to Net Revenue Stream**

2011/12 %	2012/13 %	2013/14 %	2014/15 %
-1.3	-1.1	-1.6	-2.3

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure.

**Incremental Impact of Capital Investment Decisions on the Council Tax**

	2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000
i) Forecast of total budgetary requirement no changes to capital programme	7,340	4,476	2,018	1,820
ii) Forecast of total budgetary requirement after changes to capital programme	7,490	4,626	2,018	1,820
iii) Additional Council Tax Required	2.49	2.46	0.00	0.00

Demonstrates the affordability of the capital programme. It demonstrates the impact of the proposed capital programme upon the Council Tax.

**Current Financial Plan**

2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000
7,490	4,626	2,018	1,820

This is the estimate of capital expenditure taken from the Corporate Revenue and Capital Budget 2011/12 Onwards .

**Capital Financing Requirement**

2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000
0	0	0	0

This indicator measures the underlying need to borrow for capital purposes.

PRUDENTIAL INDICATORS**TREASURY MANAGEMENT INDICATORS****Authorised Limit for External Debt**

	2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000
Borrowing	8,000	8,000	8,000	8,000
Other Long Term Liabilities	6,684	6,294	5,891	5,463
Total	14,684	14,294	13,891	13,463

This limit is the main limit set as a maximum for external borrowing. It fulfils the requirements under section 3 of the Local Government Act 2003.

**Operational Boundary**

	2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000
Borrowing	4,000	4,000	4,000	4,000
Other Long Term Liabilities	6,684	6,294	5,891	5,463
Total	10,684	10,294	9,891	9,463

This limit should be the focus of day to day treasury management. It is similar to the Authorised Limit but excludes the allowance for temporary cash flow borrowing as perceived as not necessary on a day to day basis.

**Upper Limit for Fixed Interest Rate Exposure**

2011/12 %	2012/13 %	2013/14 %	2014/15 %
100	100	100	100

This is the maximum amount of net borrowing and investment that can be at a fixed rate. Variable rate call accounts may be cleared during periods of high payments eg Precept so fixed rate can peak during these periods.

**Upper Limit for Variable Interest Rate Exposure**

2011/12 %	2012/13 %	2013/14 %	2014/15 %
80	80	80	80

This is the maximum amount of net borrowing and investment that can be at a variable rate. The limit set reflects the fact that during the year there can be excess surplus funds available for short term investment. These arise from timing differences between receipts received and payments made.

**Maturity Structure of New Fixed Rate Borrowing during 2011/12**

	Upper Limit %	Lower Limit %
Under 12 months	100	0
12 months to under 24 months	100	0
24 months to under 5 years	100	0
5 years to under 10 years	100	0
10 years and over	100	0

It may be necessary to borrow that at fixed term rates during 2012/13. This will be monitored as the year progresses and a decision will then be made.

PRUDENTIAL INDICATORS**Principal Invested for more than 364 Days**

2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000
3,000	5,000	3,000	3,000

This indicator is set to reflect current advice from our Treasury Management Advisors.

**Actual External Debt for 2011/12**

	2010/11 £,000
Actual Borrowing	0
Other Long Term Liabilities	6,684
Total	6,684

Actual point in time of external borrowing

**LIST OF SPECIFIED & NON-SPECIFIED INVESTMENTS**

<b>SPECIFIED INVESTMENTS (SHORT TERM ONLY)</b>	<b>Minimum 'High' Credit Criteria</b>	<b>Use</b>
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies *	Short-term F1, Long-term A, Individual B, Support 3	In-house
Certificates of deposits issued by banks and building societies *	Short-term F1, Long-term A, Individual B, Support 3	In-house
UK Government Gilts	Long term AAA	In-house
Bonds issued by multilateral development banks	Long term AAA	In-house
Bonds issued by a financial institution which is guaranteed by the UK government	Long term AAA	In-house
Sovereign bond issues (i.e. other than the UK govt)	AAA	In-house
<i>* Only credit-rated building societies in top 5 ranked by asset size/man exp are included</i>		
<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -</b>		
1. Money Market Funds	AAA	In-house

<b>NON-SPECIFIED INVESTMENTS (UP TO 1 YEAR MAXIMUM)</b>	<b>Minimum Credit Criteria</b>	<b>Use</b>
<b>Fixed term deposits with variable rate and variable maturities: -</b>		
Term deposits with unrated Building Societies	Top 5 Building Societies, excluding Nationwide as highly credit rated.	In-house
Commercial paper issuance by UK banks covered by UK Government guarantee	UK Government explicit guarantee	In-house
Corporate Bonds issued by UK banks covered by UK Government guarantee : the use of these investments would constitute capital expenditure	UK Government explicit guarantee	In-house
Corporate Bonds other : the use of these investments would constitute capital expenditure	Short-term F1, Long-term A, Individual B, Support 3	In-house
Other debt issuance by UK banks covered by UK Government guarantee	UK Government explicit guarantee	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies *	Short-term F1, Long-term A, Individual B, Support 3	In-house
Certificates of deposits issued by banks	Short-term F1, Long-term A, Individual B, Support 3	In-house
UK Government Gilts	AAA	In-house
Bonds issued by multilateral development banks	AAA	In-house
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house
Sovereign bond issues (i.e. other than the UK govt)	AAA	In-house
<i>* Non credit-rated building societies in top 5 ranked by asset size/man exp are included</i>		

## **MAIDSTONE BOROUGH COUNCIL**

### **COUNCIL**

**29 FEBRUARY 2012**

### **REPORT OF THE MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL**

#### **1. PAY POLICY STATEMENT**

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

1.1.1 To approve the Pay Policy Statement for publication.

##### **1.2 Recommendation Made**

1.2.1 That the attached Pay Policy Statement be agreed.

1.2.2 That the Chief Executive, in consultation with the Chairman and Political Group Spokespersons, be given delegated authority to make minor amendments to the Pay Policy Statement, if required, prior to publication, including any amendments required following the negotiations with trade unions on the annual pay review.

##### **1.3 Reasons for Recommendation**

1.3.1 On 19 January 2012, the Member and Employment and Development Panel considered the report of the Chief Executive regarding a section of the Localism Act 2011 which requires English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after that and agreed to recommend the Pay Policy Statement to Council as amended by the Head of HR Shared Service.

1.3.2 The Head of HR Shared Service informed the Panel that there are some areas, e.g. the pay multiplier, where clarification is still being sought and, therefore, minor changes may need to be made to the Pay Policy Statement before it is published.

1.3.3 The Panel asked a number of questions regarding, inter alia, definition of earnings, car allowances/mileage rates, market supplements and training of current staff.

1.3.4 The Head of HR Shared Service proposed a number of amendments to the following areas of the Pay Policy Statement, which were agreed by the Panel:-

- Pay multiplier (page 15)
- Car allowances and Bonuses (page 13)
- National Information (Appendix D)
- Explanation of information published (Appendix I(H))

1.3.5 The Panel felt that as there was currently no member of staff receiving a market supplement, then the Pay Policy Statement should say just that and that Paragraph 3.5 regarding Car Allowances should include the different mileage rates paid for the two levels of car allowance.

## 1.5 **Appendices**

1.5.1 Appendix A - Amended Pay Policy Statement

Maidstone Borough Council

Pay Policy Statement

1. Introduction

In 2006 the council agreed its Work Force Strategy with the three key themes being:

- **Developing and Leading a High Performance Organisation**
- **Resourcing a Responsive Organisation**
- **Managing, Motivating and Rewarding our People**

The Work Force Strategy was refreshed in 2008 but these overarching themes remained in place as they continued to be relevant to the achievement of the council's strategic objectives.

The work on pay and rewards began in 2006 with an equal pay audit resulting in significant changes to the council's terms and conditions. The work continued through the implementation of the Work Force Strategy and the development of a Total Rewards approach to remuneration for council staff.

Maidstone Borough Council has developed many of its own terms and conditions and undertakes local pay bargaining with trade unions. It reflects the Local Government Joint National Conditions (JNC) for terms such as the sickness and maternity schemes and those that apply for the dismissal processes of Statutory Officers (Head of Paid Service, Section 151 Officer or Monitoring Officer).

2. Terms and Conditions – Decision Making

Terms and conditions for employees are a non-executive function and the responsibility for decisions on these matters is delegated to the Member and Employment and Development Panel by full council. The terms of reference for this group are set out in the constitution as follows:

- a) to consider the applications received for the posts of Chief Executive and Directors and to compile a short list for interview and subsequently to interview and make appointments.
- b) to review annually the performance of the Chief Executive and Directors, to agree targets for the coming financial year, and agree any corrective action which may be required relating to the previous financial year.
- c) to consider all other matters concerning the terms and conditions of service of the post of Chief Executive, and to recommend Accordingly the Council.
- d) Power to determine terms and conditions on which staff hold office (including procedures for their dismissal.)

e) to hear and determine appeals under the disciplinary procedures for staff on the JNC Conditions of Service for Chief Officers of Local Authorities

f) to hear and determine appeals against decisions taken by the Chief Executive under the Disciplinary or Capability Procedures or to hear grievances raised against the Chief Executive under the Grievance Procedure

Where the decision of the Member and Employment and Development Panel has a budgetary implication beyond the agreed in year budget this will also require agreement from Cabinet.

### 3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff and Members and was agreed by the Employment and Development Panel on 5<sup>th</sup> April 2006. This was a very thorough piece of work that ensured the Council managed the terms of employees at all levels in the same way and applied the principles of equal pay and performance management to the scheme that was developed. The strategy has been refined over time but the principles have remained in place.

The principles for the reward strategy are to:

1. Support a **performance** orientated organisation;
2. Provide an **attractive** employment package at all levels;
3. Be relevant to a **modern** local government authority;
4. Have a pay structure that is **transparent** and straightforward;
5. Reward people **fairly** and consistently;
6. Move toward a **Total Reward** approach; and
7. To be **affordable** within the Medium Term Financial Strategy.

The reward strategy takes a 'Total Reward' approach to the benefits package received by employees at the council to ensure that maximum benefit is gained from all aspects of what is on offer to employees. The key elements of this package are set out below.

#### 3.1 Pay Scale and Pay Progression

Our policy for grades within the organisation is to apply an objective assessment of the relative 'size and value' of all our roles using a formal job evaluation process. Posts are graded through the HAY Job Evaluation Scheme and this process measures the requirements of the role against the key criteria of Know How, Problem Solving and Accountability when all the duties are being performed and the employee is fully effective in the role. Job evaluators are drawn from different parts of the organisation and trained to use the HAY scheme; every panel has one trade union representative as part of the panel. The **Lowest Paid** employees are defined as those whose posts have HAY points of 54 to 84 which place them into grade 1 of the pay scale, the same process is applied to Chief



## **APPENDIX A**

Officers whose roles are evaluated at the highest level of points. It is the policy of the organisation to refer to the HAY salary data for Local Government and to reflect the median salary for grades below Head of Service and upper quartile at Head of Service and above.

The pay scale has up to six increments which recognise that with development in a role over time an employee's skills are of more value to the organisation and therefore warrants a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy. The pay scale is at Appendix I(A).

Incremental progression is assessed against the agreed Competency Profile for the role and evidence of the necessary Performance Standards and agreed objectives. Assessment will be on an annual basis but will be linked to the clear and continuous performance at the level required at each incremental step. The rules for pay progression are set out in Appendix I(B).

Incremental progression is assessed by an employee's line manager in consultation with the Head of Service and Director who has to approve the recommendations within their Directorate; this is monitored by Corporate Management Team. The process and timetable for appraisals and incremental progression for the Chief Executive and Directors is set out at Appendix I(C).

### **3.2 Market Supplements**

Currently there are no employees in receipt of Market Supplements within the council. The policy that has been applied in times of recruitment difficulty is at Appendix I(D).

### **3.3 Pension**

The council offers access to the Local Government Pension Scheme (LGPS) which is a significant benefit to employees and is one of the aspects of the Total Rewards package.

The LGPS is a defined benefits scheme which requires contribution rates from employees of between 5.5% and 7.5% depending on earnings in accordance with the following table.

Full-Time Equivalent Pay Rate is:			Contribution rate:
£0	to	£12,900	5.5%
£12,900.01	to	£15,100	5.8%
£15,100.01	to	£19,400	5.9%
£19,400.01	to	£32,400	6.5%
£32,400.01	to	£43,300	6.8%
£43,300.01	to	£81,100	7.2%
More than £81,100			7.5%

The employer contribution rate is around 15 % although this does vary from year to year, this is the future service rate excluding past service deficit.

The pension scheme is standard between all local government employers and in broad terms offers a pension benefit equivalent to 1/60<sup>th</sup> of pensionable salary per year of service with a retirement age of 65 years of age. The government is currently consulting on changes to the benefits of the scheme.

Although most of the rules associated with the scheme are set centrally there are a few areas where local employers must define their own policy; the discretionary policy is attached at Appendix I(E). In broad terms it is not the policy of the council to increase pension benefits to employees through any form of enhancement.

Kent County Council is the administering authority for the Maidstone Borough Council scheme.

The provisions of the pension scheme are currently under negotiation with central government to make the scheme more affordable and this will change the terms of the scheme.

### 3.4 Pay Protection and Redundancy Payments

The council has a Redundancy Policy which sets out the approach that must be followed if posts are going to be affected because of organisational change. The procedure sets out the approval process and the consultation timetable, it also sets out the terms for redundancy and the pay protection policy, the pay protection policy is set out at Appendix I(F).

Any payments paid to an employee in relation to redundancy shall be in accordance with the statutory redundancy payments scheme and any other regulations applicable except that the Council will calculate a week's pay on actual earnings where this is in excess of the statutory maximum figure. (*Local Govt. (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2000*).

The policy of the organisation regarding re-employment following redundancy follow the NJC terms and conditions i.e. if a redundant employee is commences local government employment within one month of the redundancy then the redundancy payment must be returned. Any other re-employment will only be considered where all other council rules on recruitment or procurement have been followed.

### 3.5 Other payments.

#### Honoraria

The council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; this is often as a cost saving measure when there is a vacancy, maternity leave etc. In 2011/12 there were 5 people in receipt of Honoraria.

#### Cash and Non-cash Awards

As part of the Total Rewards package the council has mechanisms for recognising exceptional contributions both from individuals and teams. In 2011/12 these were received by six employees and there was a total of £1600 paid in cash awards.

#### Stand- By payments

These are paid to a small number of employees (twenty seven in 2011/12) who are on an out of hours on-call rota for specialist duties such as collecting stray dogs or attending noise complaints. The level of remuneration is approximately fifty pounds for each week of being on-call.

#### Car Allowances

In 2010 the council removed the facility for lease cars however a lease car allowance remains and in 2011/12 there were forty nine employees in receipt of this allowance, although four of these left the council's employment during the year. In 2010 there were two levels of cash allowance one for senior managers (£4452) and a lower one for other members of staff (£3085 per annum). In 2010 Members decided to cease the higher allowance and retain only the lower allowance. Senior officers are in the period of the allowance being reduced to the standard level. Mileage rates for those receiving this allowance are currently 28 pence per mile.

An essential user car allowance of £1239 is given to those employees that are required to have a vehicle for their role and in 2011/12 this was given to fifty eight members of staff, of which seven have left the council's employment during the year. The majority of those staff in receipt of this payment are within the statutory services which require external visits e.g. planning, environmental health and housing. Mileage rates for those receiving this allowance are at the HMRC level (in 2011 45 pence per mile)

#### Bonuses

The council does not make use of bonuses as part of its own remuneration package however there are currently 19 employees in receipt of regular bonuses as part of their TUPE (Transfer of Undertakings(Protection of Employment) Regulations 2006) transfer terms and conditions from a previous employer. These employees are all employed in the grounds maintenance teams and the productivity bonus tops up a lower basic wage. The TUPE regulations give protection to employees when their employment transfers and may only be changed through consultation.

### 3.6 Special fees and arrangements

Special fees may be paid for certain additional duties, in general these are connected to election duties and the funding for the allowance will not come from the council's own budget. An additional fee is paid for the role of Returning Officer for the District elections, this statutory role may be allocated to the Chief Executive or other officer within the council. Additional fees may be paid when an employee undertakes the role of

Returning Officer, Counting Officer or other similar role, on behalf of another authority or organisation.

The council has adopted the Kent schedule of fees which is attached at Appendix I(G).

### 3.7 Other employee benefits

The council provides access to an Employee Assistance Programme which gives both telephone and face to face counselling on a range of issues. The council has access to an Occupational Health Service which helps to ensure that employees are properly supported to avoid taking sick leave and to return to work as soon as possible.

The council supports employees in their role with a development plan and training opportunities to ensure they are fully qualified to give excellent service. The council has been recognised for its development focussed culture through the achievement of the Investors in People award.

On an annual basis the council has an Awards Ceremony which recognises the best achievements during the preceding year. The council also recognises long service and gives an award of £100 for 20 - 25 years service, £150 for 25 - 35 years and £250 for 35 + years.

Salary sacrifice schemes – the council offers a salary sacrifice scheme to employees for the purchase of bicycles and childcare vouchers. There is a small administration cost (£1325 in 2011) to the council of these schemes.

Buying annual leave – subject to agreement with their manager, employees are allowed to sacrifice some of their salary to buy more annual leave. In 2011/12 there were thirteen members of staff that used this benefit.

## 4. Monitoring

Salary budgets are monitored through the normal budget management processes by line managers. Members and senior officers regularly consider the Medium Term Financial Strategy and in particular to consider ways to reduce costs to the council.

As required by the Equality Act 2010 the council undertakes an equal pay audit of salaries annually which is published on the council's web site. This helps to identify whether there are significant differences in any employees that have the protected characteristics.

The Code of Recommended Practice for Local Authorities on Data Transparency 2011 required that salary data was published on the highest earning staff within the council; this was actioned by March 2011 as required by the code. There has now been further qualification of the salary threshold for publication which has been set at £58,200 and above. This information is at Appendix 1(H).

The Code of Recommended Practice for Local Authorities on Data Transparency September 2011 also requires that there is a process established to monitor the rate of growth of senior earnings compared to all other employees in the organisation. The formula required is to calculate the pay multiple of the Chief Executive compared to the average median earnings of all other employees and where there is any significant change year on year this should be explained. It is the council's policy to use this pay multiple to monitor the relationship between remuneration of chief officers and other employees.

The recommendation in the 'Hutton Review of Fair Pay' 2011 has been followed:

'the pay multiple should be calculated on the basis of all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind'

The earnings of the Chief Executive were £123,654 (this includes 6 months salary at £105,766 and 6 months at £108,698) plus election fees of £11,971 and £4452 car allowance.

The median earnings for all other employees were £18,610 and the mean (average) was £19,837.

The pay multiple for 2011/12 is therefore 6.64 against the median and 6.23 against the mean.

5. Contact for further information

If you require any further information regarding the salary policy of the council you should contact Dena Smart, Head of HR Shared Services on 01795 417391 or by email on [denasmart@maidstone.gov.uk](mailto:denasmart@maidstone.gov.uk)

**APPENDIX A**

Appendix I(A)

**Pay Scale 2012-13**

**SALARY SCALES APRIL 2011/2012**

Effective 1st April 2011

Grade	Know how	Hay Units								
		Min	Mid	Max	Point 1	Point 2	Point 3	Point 4	Point 5	Point 6
1	43/50/57	54	62	84	11,949	12,482	13,015	13,548		
2	66	85	90	97	12,621	13,186	13,751	14,316		
3	76	98	104	113	13,676	14,284	14,892	15,500		
4	87	114	125	134	14,434	15,084	15,735	16,385		
5	100	135	151	160	15,553	16,247	16,940	17,633		
6	115	161	173	191	17,505	18,283	19,062	19,840		
7	132	192	208	227	19,968	20,864	21,760	22,656		
8	152	228	252	268	21,958	22,960	23,963	24,965		
9	175	269	291	313	24,400	25,509	26,618	27,727		
10	200	314	342	370	27,855	29,124	30,393	31,663		
11	230	371	406	438	30,873	32,281	33,689	35,096		
12	264	439	479	518	34,883	36,472	38,061	39,650		
13	304	519	571	613	40,205	42,028	43,852	45,675		
14	350	614	677	734	47,456	49,611	51,765	53,919		
	PS 38%									
Head of Service 2	350				57,774	60,395	63,017	65,639		
	PS 43%									
Head of Service 1	400				65,547	68,751	71,956	74,091		
Asst Directors	400				65,547	68,751	71,956	74,091	76,062	78,032
					33.9752	35.6362	37.2973	38.4037	39.4255	40.4467
Directors	460				77,434	80,830	84,228	87,625	91,022	94,419
Chief Executive	608				102,836	105,766	108,698	111,628	114,560	117,490

Appendix I(B)

**Pay Progression**

1. Annual Inflation Award

Annual pay consultation will consider the cost of living, the position of MBC pay in comparison to the market but affordability will be the foremost consideration. Consultation will commence annually in September with the aim to reach agreement within the budget cycle so that payment can be made in April salaries.

The Chief Executive and Head of HR are responsible for undertaking pay negotiation with trade unions but the Cabinet takes ultimate responsibility for agreeing the budget.

2. Pay progression within grade

The pay scale has up to six increments which recognise that with development in a role over time an employee is of more value to the organisation and therefore warrants a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy.

Progress through the grade will be assessed annually. This will not be an automatic progression but will require an assessment against the agreed Competency Profile and Performance Standards for the position. Where the employee has progressed towards the full competency profile they will be awarded an increment. Assessment for incremental progression will take place by October each year. This will therefore not be linked to the annual appraisal but will take place mid year. Increased increments will be paid with effect from 1<sup>st</sup> October.

Employees must have six months service in their role by the 1<sup>st</sup> October to be eligible for assessment, if they are more recently appointed they will receive a review after six months in the position, thereafter they will be reviewed annually for the October increment.

Individuals will need to consistently demonstrate the behaviours required by the Competency Profile and Performance Standards for their role in order to maintain their incremental position. One off performance will not be sufficient to merit or maintain an increment.

Where individuals do not sustain the level of performance or where they have been assimilated to the top of the grade but are assessed as not having the full range of competencies they will be given time to improve but their pay will be frozen until they drop to the pay level that matches their performance, this includes any rise in annual pay as a result of pay inflation. This is outside the normal Pay Protection policy as it does not represent an organisational change. Where the individual is assessed as

not meeting the requirements of the grade their performance will be treated as a capability issue.

### 3. Career Grades and Incremental Progression

A Career Grade offers the opportunity of a long path of progression to a particular professional position. As such the nature of the role and the requisite competencies are likely to vary considerably between the entry point and final destination. This means that through Job Evaluation the Career Grade is likely to span several grades and have many steps. To enable this clear stepped progression there may be some need to have interim points between the normal incremental points e.g. in recognition of the achievement of some particular milestone. These half incremental steps will be allowed providing that there is prior agreement with the Head of HR and that they are applied equally to all those who meet the criteria and are set out as part of the agreed career grade structure.

Progress through the career grade will need to be evidence based and the Head of HR will need to agree to the progression if it is between grades.



Appendix I(C)

**Chief Executive and Director Appraisal Process**

The appraisal panel for the Chief Executive will comprise of a sub-committee of the Member and Employment and Development Panel..

This panel will also take a 'grandparent' role to review and comment on the full annual appraisal and objectives for the Directors as set by the Chief Executive.

An indicative timetable and process for the Chief Executive is set out below:

<b>Process</b>	<b>Dates</b>	<b>Papers Required</b>	<b>Deadlines</b>
Chief Executive Appraisal and Director review with MEDP	17 <sup>th</sup> March 2011		
Mid Year Review – CEO with Chair of MEDP and Leader;	By mid September 2011	Appraisal documents with agreed objectives and development plan – to be reviewed and up-dated	Paperwork to be ready and circulated to Leader, Leader of the Opposition & Chair of MEDP by 7 September 2011. Meeting on 14 September 2011 at 8.30 am in the Leader’s office
Mid Year Review - Directors with CEO	After 14 September 2011	Appraisal documents with agreed objectives and development plan – to be reviewed and up-dated	
Chief Executive preparation Documents complete for circulation to Sub Committee of MEDP	January 2012	Previous years appraisal & Mid Year Review Knowledge, Skills and Performance Standards Strategic Direction Competency Framework Appraisal Preparation document Briefing note on appraisal	Papers to be with Democratic Services by Noon on 31 January 2012 for circulation with Agenda

**APPENDIX A**

		preparation	
Chief Executives appraisal with Sub Committee of MEDP	w/c 6 <sup>th</sup> February 2012	Appraisal produced from the meeting	Meeting on Wednesday 8 February 2012 at 9am, Room B, Town Hall
Directors appraisals with CEO	Between 9 & 15 Feb 2012	Directors appraisals then CEO to write up and agreed by Directors by 21 February 2012	
MEDP Sub Committee review of Directors appraisals	2 March 2012 @ 9am	Previous years appraisal & Mid Year Review Knowledge, Skills and Performance Standards Strategic Direction Competency Framework Appraisal completed by Chief Executive & Director	Papers to be with Democratic Services by Noon on 22 February 2012 for circulation with Agenda  Meeting on 2 March 2012 starting at 9 am (9.30 am David Edwards, 11 am Zena Cooke), Town Hall

**MARKET SUPPLEMENTS FOR PAY****Introduction**

The Council will utilise a Market Supplement to ensure that competitive salaries will attract and retain key workers in skill shortage areas without distorting the pay structures for all other employees. A Market Supplement for recruitment or retention purposes will only be used where there are clear business reasons that cannot be better addressed through the total benefits package, the work environment or department skill mix. It is recognised that pay is only one factor contributing to our attractiveness as an employer and other aspects of employment, particularly those relating to development, should be applied rather than using just a Market Supplement.

All jobs are graded using the HAY Job Evaluation system and the defined pay policy of the Council is to pay at Market Median where the market used is the HAY Local Government salary data. This is also checked against local Kent salary surveys to ensure that it is robust for the geographical region. This approach ensures that the employees of Maidstone Borough Council are paid at a fair level in comparison to other workers in similar employment groups.

However there is recognition that in certain professions there are either national or regional skill shortages and Maidstone needs to be responsive to the competition for these skills. In the longer term our aim will be to train employees to move into these specialist areas and to ensure that the specialists' skills are used properly within the organisation. In the short term Market Supplements may be used.

**Identification of the Skill Shortage**

## Recruitment Campaigns

Where there is no anticipated shortage there will need to be a minimum of two appropriate external recruitment campaigns within a 12 month period to establish that it is not possible to fill a position before it is agreed there is a requirement for a market supplement.

## KPOG Salary Survey

The Kent Personnel Officer Group (KPOG) salary survey is conducted on an annual basis and gives details of the comparative salaries for defined positions in the Kent Districts. This clearly identifies the median salaries and is particularly relevant for local government roles. This will enable the identification of positions which may be vulnerable and where there is more than a 10% salary difference from the median there should be consideration of the need for a market supplement. The existence of this difference alone is unlikely to be sufficient justification and further analysis will be required to identify whether this has had an adverse impact on the Council's ability to recruit and retain.

## National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation. In 2010 these skills were listed as:

1. Children's social workers
2. Planning officers \*
3. Building control officers \*
4. Environmental health officers \*
5. Educational psychologists
6. School crossing patrol
7. Adult social workers
8. Trading standards officers
9. Solicitors and lawyers \*
10. Mental Health Social Workers

\* category of worker employed by MBC

This national picture is the first indicator of a shortage. Where there is an identified shortage nationally the manager will still be required to demonstrate that this applies to the local area. This proof can be gained through the outcome of a relevant recruitment campaign during the previous 12 month period or through information from agencies about the availability of particular skill sets.

### **Market Supplement for Recruitment Purposes**

The level of supplement will be agreed between the Director and the Head of HR in consultation with the Head of Finance. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary related enhancements eg overtime which will be paid at the normal salary rate.

The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in section 5.

The payment of a Market Supplement must be within the Directors agreed budget. Approval must be given by the relevant Director and the Head of Human Resources who will ensure that all alternative options have been explored.

### **Market Supplement for Retention Purposes**

Whilst the Market Supplement is principally to enable the Council to be able to compete in a highly competitive market to attract new employees, there may be exceptional cases where a supplement should be considered for existing employees. This may occur in situations where a new recruit is offered a supplement which would then cause equally mobile colleagues to

## **APPENDIX A**

leave and seek a similar salary elsewhere. There may also be occasions where an employee with a specialist skill needs to be retained to ensure business continuity.

The level of supplement will be agreed between the Director and the Head of HR in consultation with the Head of Finance. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary related enhancements eg overtime which will be paid at the normal salary rate. The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in section 5.

Agreement to the Market Supplement (or appointment above the bottom of the grade) will require the completion of the form at Appendix 1.

Payment of a Retention Supplement must only be considered in exceptional circumstances and particular attention must be paid to the Equal Pay issues.

### **Removal of the Supplement**

The availability of skills varies over time. As professions are identified as skill shortage areas and salaries rise they can attract an increased number of trainees. Where this is the case the Council would not wish to incur unnecessary costs ie paying more for a skill than the median rate if this would be sufficient to attract high quality applicants.

Management Team will review the posts attracting a supplement annually in January. When it is clear that a particular profession or skill area no longer necessitates a market supplement this will be withdrawn over a phased period of 2 years – with the withdrawal of 25% of the supplement every six months until the employee returns to the normal rate for the job. The assessment of the on-going need will relate to the national skills assessment combined with local salary reviews and the response to recruitment campaigns. When a market supplement is to be withdrawn the employee will be notified by the end of January and the phased withdrawal will commence in April of that year. In this way the annual pay award should help to offset any reduction.

**Appendix I(E)**

**Maidstone Borough Council  
Policy and Procedural Issues  
Local Government Scheme Regulations  
Employer Discretions**

This paper confirms the pension policy of Maidstone Borough Council as it relates to the exercise of discretions contained in the Local Government Pension Scheme Regulations 1997 (as amended), the Local Government Pension Scheme (Administration) Regulations 2007<sup>1</sup> and the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007<sup>2</sup>. Last updated July 2010.

- **Regulation 4 (1) (a)** <sup>2</sup>

The calculation of pensionable pay will include basic annual salary plus any other pensionable salary items from the following categories – Market Supplement/ Premium, Contractual Overtime, Contractual Bonus, Honorarium of greater than 12 month period, Salary Supplement eg for Emergency Planning responsibilities. The pensionable pay will be reviewed annually with effect from 1<sup>st</sup> April to identify the appropriate Band and Contribution percentage. If the Pay Award is not made on 1<sup>st</sup> April and the review of contribution rates will be delayed until the award is applied.

- **Regulation 11(2)** <sup>2</sup>

Where a scheme member's pensionable pay consists of fees, it is the policy of Maidstone Borough Council that, if this produced a higher figure, an average of all such fees for any 3 consecutive years ending 31 March within the period of 10 years ending with the last date of active membership may be used in the calculation of benefits.

- **Regulation 12 and 13** <sup>2</sup>

It is the policy of the Borough Council only to grant extra pension scheme membership to employees where there is a proven total benefit to the organisation which includes any costs that might be borne by the authority. Any such granting of extra scheme membership needs to be agreed between the Head of Human Resources and the relevant Director. Additional service will not be granted in respect of pre April 1972 service, which at the point of retirement has not been up rated.

- **Regulation 16 (4)ii** <sup>1</sup>

If a scheme member wishes to aggregate the most recent of their periods of previous scheme membership with their current membership, it is the policy of Maidstone Borough Council that the election must be made within 12 months of the Pension Section of Kent County Council being notified that the employee has again become an active member. If the 12 month

period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Head of Finance and the relevant Director.

- **Regulation 18(1)**<sup>2</sup>

It is Maidstone Borough Council's policy to only provide consent for flexible retirement and the immediate payment of benefits where there is no detrimental effect on the service. Any such consent requires the agreement of the Director of Human Resources and the relevant Director.

- **Regulation 18(3)**<sup>2</sup>

If consent has been given under Regulation 18(1), it is not Maidstone Borough Council's policy to waive, in whole or part, any actuarial reduction to the scheme member's benefits.

- **Regulation 22(2)**<sup>1</sup>

Employees who have the option to pay contributions in respect of a period of unpaid absence must elect to do so within 30 days of the date of the notice issued to them by the Human Resources Section stating the amount of contributions to be paid. This time limit may be extended by the Head of Human Resources if the employee can demonstrate exceptional circumstances so as to justify an extension of time.

- **Regulation 25(3)**<sup>1</sup>

It is not the current policy of the Borough Council to operate a shared cost Additional Voluntary Contribution Scheme for employees. However, this policy will be reviewed from time to time by the Head of Human Resources in conjunction with the Chief Finance Officer, subject to Member's approval.

- **Regulation 30(2) and (5)**<sup>2</sup>

It is not the policy of the Borough Council to give consent to the immediate payment of benefits to employees under this regulation unless there is a demonstrable benefit to the organisation which would take full account of any extra costs to be borne by the Authority. In circumstances where a request is made for an early payment of a deferred benefit this is unlikely to be granted except in the most extreme cases of hardship. Any such consent shall be agreed by the Head of Human Resources and the relevant Director taking account of all the details involved in the case.

Where a scheme member has previously been awarded a preserved benefit, it is not generally the policy of Maidstone Borough Council to give consent under this regulation to the early payment of benefits. However each request will be considered and full account taken of any costs to be borne by the authority. Any consent shall be agreed by the Head of

## **APPENDIX A**

Human Resources and the relevant Director taking account of all the details involved in the case.

Where consent is given on the grounds of compassionate circumstances, full consideration must be given to the Kent County Council guidelines, and only after agreement between the Head of Human Resources and the relevant Director. In compassionate circumstances the Borough Council will be responsible for any additional costs deriving from the decision to release benefits prematurely.

- **Regulation 83(8)**<sup>1</sup>

If a scheme member wishes to transfer any pension benefits they have built up in other schemes to the Local Government Pension Scheme, it is the policy of Maidstone Borough Council that the election must be made within 12 months of the Pension Section being notified that the employee has become an active member of the Kent Scheme. If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Head of Finance and the relevant Director.



**Appendix I(F)**

**Pay Protection Policy  
Introduction**

The Council believes that an integral feature of any successful organisation is its ability to identify the need for change and to manage that change, taking into account management's aspirations as well as the aspirations and well being of its employees.

Whilst the Council is committed to providing security of employment and to minimising the personal impact of organisational change there will be occasions when it will be necessary to reorganise services and the way in which they are delivered. In these circumstances the provisions of this policy will apply.

**Scope**

This policy applies to any employee who, as a consequence of organisational change, is required by management to move to a new post or suffers a reduction in basic hours worked within the standard working week. The provisions of this policy do not apply where an employee moves to another position as a result of:

action taken in accordance with the Council's disciplinary or capability procedures

the need for re-deployment on health grounds

unacceptable standards of work performance

a request from the individual or by mutual agreement between the individual and the Council

a voluntary application to another position within the Council

**Protection Period**

Protection of earnings will be given for a period of 36 months. The first twelve months will be protected at the full earnings of the role held by the employee prior to the change. The 13-24 month period will be with a 33% reduction of the difference between the new earnings and the earnings of the role held prior to the change. The 25-36 month period will be with a 66% reduction and after a period of 36 months the employee will move to the salary and earnings of the new post. The employee will be moved to the salary point of the pay scale for the grade of the new post that is closest to the salary of the previous post. In most cases this is likely to be the highest incremental point of the relevant grade.

In exceptional circumstances, and where there may be a cost advantage to the organisation (eg where redundancy costs would be very high) there may be agreement with the Chief Executive, the Head of Finance and

**APPENDIX A**

Head of Human Resources to extend this period to a maximum of five years.

### **Calculation of Protection**

Earnings protection will be calculated as an average of the earnings in the four months preceding the organisational change. This will include basic salary, essential car user allowance, lease car cash allowance, stand-by payments and an average of overtime and out of hours payments.

Earnings in the new post will be off-set against protected earnings and if for any particular pay period the earnings in the new post exceed the protected earnings then the higher earnings will be paid for that pay period.

Where the period of protection spans the annual pay award the protected earnings shall remain as they were prior to any pay uplift (ie on a mark-time basis) but the calculation of the new earnings will be at the increased rate.

### **Conditions of Protection**

Protection of earnings is conditional upon the employee undertaking any shift work or other duties which may be required in the new post up to the level at which the earnings in the new post equal the protected earnings.

Protection of earnings is also conditional upon the employee accepting any subsequent offer of a suitable alternative post which attracts a salary in excess of that of the new post.

Overtime will be paid at the new rate (ie the real rate attached to the post) not at the protected rate.

### **Pension Implication**

It is the Borough Council's policy to issue a certificate of protection of pension benefits to protect employees who suffer detriment by being required to take a cut in pay or who are prevented from having future pay increases by having their pay frozen due to reasons beyond their control. The decision to issue a certificate can be made at any time after the employee has suffered the pay cut or pay freeze.

### **Terms and Conditions other than Pay**

Annual Leave entitlements and length of notice period required from the employee will not be protected and those applicable to the new post will be effective from the date of transfer.

**Appendix I(G)****KENT ASSOCIATION OF ELECTORAL REGISTRATION  
OFFICERS AND STAFF****Proposed scale of fees for District/Borough and Parish Council  
elections held on or after 1st April 2012**

ITEM	Current 2011 £	Proposed 2012 £	% increase
1. For each Presiding Officer at a Polling Station – single election	197.25	197.25	nil
2. For each Presiding Officer at a Polling Station – combined election or difficult station due to local circumstances (at the discretion of the Returning Officer)	242.32	242.32	nil
3. For a Presiding Officer who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 9.56	(additional) 9.56	nil
4. Presiding Officer travel (see note 4 below)	13.52	13.52	nil
5. For each Poll Clerk at a Polling Station – single election	118.35	118.35	nil
6. For each Poll Clerk at a Polling Station – combined election (at the discretion of the Returning Officer)	146.52	146.52	nil
7. Poll Clerk travel (see note 4 below)	7.86	7.86	nil
8. Supervising Officer – for every 10 polling stations overseen	–	197.25	–
9. For each Presiding Officer, Poll Clerk and Supervising Officer attending training	43.78	43.78	nil
10. For each training session provided by the Returning Officer to Presiding Officers and Poll Clerks	169.09	169.09	nil
11. For the delivery of official Poll Cards by hand	0.34	0.34	nil
12. For the employment of persons in connection with the counting of votes, clerical and other assistance required by the Returning Officer – for each 500 electors (or part) in a			

**APPENDIX A**

ITEM	Current 2011 £	Proposed 2012 £	% increase
contested election	69.01	69.01	nil
13. For the employment of persons in connection with the preparation, issue and opening of postal ballot papers – for every 100 (or part) postal ballot papers issued. (Further resources may be needed to meet the effects of the Electoral Administration Act 2006)	67.63	67.63	nil
14. For each recount of the votes – for each 500 electors (or part) (see note 3 below)	3.97	3.97	nil
15. Travel of staff in connection with the counting of votes (at the discretion of the Returning Officer – see note 4 below)	7.86	7.86	nil
16. For clerical and other assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)	18.77	18.77	nil
17. Payment to the District/Borough for the use of Council staff to support the Returning Officer in the conduct of elections as follows:			
(a) contested election – (i.e. <b>without</b> District/Borough) for each 500 electors (or part)	53.45	53.45	nil
(b) contested joint election (i.e. <b>with</b> District/Borough) – for each 500 electors (or part)	26.72	26.72	nil
18. Payment to the District/Borough for the use of Council staff at an uncontested election – per uncontested election (see note 5 below)	14.74	14.74	nil
19. Returning Officer's fee for the conduct of elections as follows:			
(a) contested District/Borough OR Parish election – for each 500 electors (or part)	29.87	29.87	nil
(b) contested joint District/Borough AND Parish election – for each 500 electors (or part)	41.26	41.26	nil
(c) uncontested District/Borough election – single fee	51.15	51.15	nil
(d) uncontested Parish election – single fee	17.52	17.52	nil

**APPENDIX A**

## Appendix I(H)

**Salaries in excess of £58,200 per annum**

<b>Name</b>	<b>Job Title</b>	<b>FTE of minimum contracted hours</b>	<b>FTE pay floor</b>	<b>FTE Pay ceiling</b>
Alison Broom	Chief Executive	1	105000	109999
David Edwards	Director of Change, Planning and the Environment	1	90000	94999
Zena Cooke	Director of Regeneration and Communities	1	90000	94999
Brian Morgan	Assistant Director Regeneration & Cultural Services	1	75000	79999
Steve Goulette	Assistant Director Environmental & Regulatory Services	1	75000	79999
Brian Parsons	Head of Audit Partnership	1	65000	69999
Roger Adley	Head of Communications	1	65000	69999
Dena Smart	Head of HR Shared Service	1	70000	74999
Paul Fisher	Head of Legal Services	1	65000	69999
Angela Woodhouse	Head of Change & Scrutiny	1	60000	64999
Paul Riley	Head of Finance & Customer Services	1	65000	69999

This information is published in accordance with the guidance associated with The Code of Recommended Practice for Local Authorities on Data Transparency which requires the publication of senior salaries within a £5000 range.

**Organisational Scale: Employment - Headcount & FTE as at 31 December 2011**

	<b>Headcount</b>			<b>FTE</b>		
	<b>Full time</b>	<b>Part time</b>	<b>Total</b>	<b>Full time</b>	<b>Part time</b>	<b>Total</b>
<b>Permanent</b>	362	111	473	362	63.97	425.97
<b>Temp/Casual</b>	7	35	42	7	8.76	15.76
	<b>369</b>	<b>146</b>	<b>515</b>	<b>369</b>	<b>72.73</b>	<b>441.73</b>

**APPENDIX A****Individual Accountability: Staff under direct or indirect management responsibility**

<b>Name</b>	<b>Job Title</b>	<b>No. of staff under management responsibility</b>
Alison Broom	Chief Executive	514
David Edwards	Director of Change, Planning and the Environment	252
Zena Cooke	Director of Regeneration and Communities	214
Steve Goulette	Assistant Director Environmental & Regulatory Services	185
Brian Morgan	Assistant Director Regeneration & Cultural Services	73
Brian Parsons	Head of Audit Partnership	4
Angela Woodhouse	Head of Change & Scrutiny	6
Roger Adley	Head of Communications	2
Paul Riley	Head of Finance & Customer Services	49
John Littlemore	Head of Housing & Community Safety	35
Dena Smart	Head of Human Resources	18
Paul Fisher	Head of Legal Services	0