

# AGENDA

## CABINET MEETING



Date: Wednesday 13 July 2011  
Time: 6.30 pm  
Venue: Town Hall, High Street,  
Maidstone

Membership:

Councillors Garland (Chairman), Greer, Hotson,  
Mrs Ring and J.A. Wilson

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Page No.

1. Apologies for Absence
2. Urgent Items
3. Notification of Visiting Members
4. Disclosures by Members and Officers
5. Disclosures of lobbying
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information
7. Minutes of Previous Meeting

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**Continued Over/:**

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**Issued on 5 July 2011**

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

## **KEY DECISION REPORTS**

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| 8. Annual Governance Statement | 4 - 17  |
| 9. Channel Shift Strategy      | 18 - 35 |
| 10. Housing Strategy 2011-2015 | 36 - 72 |

## **NON-KEY DECISION REPORTS**

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| 12. Local Code of Corporate Governance   | 74 - 110  |
| 13. Revenues and Benefits Shared Service Update                                    | 111 - 123 |
| 14. Forward Plan   | 124 - 126 |

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

#### **MINUTES OF THE MEETING HELD ON WEDNESDAY 8 JUNE 2011**

**Present:** Councillor Garland (Chairman), and  
Councillors Greer, Hotson, Mrs Ring and J.A. Wilson

**Also Present:** Councillors Burton and Paine

13. **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

14. **URGENT ITEMS**

There were no urgent items.

15. **NOTIFICATION OF VISITING MEMBERS**

Councillor Stephen Paine indicated his wish to speak on Agenda item 11 – Report of the Director of Change, Planning and the Environment – Local Development Scheme Priority Documents and item 12 – Report of the Leisure and Prosperity Overview and Scrutiny Committee – Rural Economy Review.

Councillor David Burton was in attendance.

16. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no Disclosures by Members and Officers.

17. **DISCLOSURES OF LOBBYING**

There were no Disclosures of lobbying.

18. **EXEMPT ITEMS**

**RESOLVED:** That the item on Part II of the Agenda be taken in private as proposed.

19. **MINUTES**

**RESOLVED:** That the Minutes of the Meeting held on 18 May 2011 be approved as a correct record and signed.

20. BID TO THE HOMES & COMMUNITIES AGENCY'S TRAVELLER PITCH FUND

DECISION MADE:

1. That it be agreed in principle to seek to provide additional public Gypsy and Traveller pitches, subject to the availability of funding.
2. That, working in partnership with Town & Country Housing Group, it be agreed to:-
  - a) Develop a bid to the Homes & Communities Agency's Traveller Pitch fund, and
  - b) Implement new pitches in the borough by 2014/15, if the bid is successful.
3. That delegated authority be given to the Director of Regeneration and Communities to finalise the details of the bid by 20th June 2011 and to progress contractual and financial arrangements with Town & Country Housing Group.

To view full details of this decision, please click here:-

<http://meetings.maidstone.gov.uk/mgConvert2PDF.aspx?ID=13813>

21. PERFORMANCE TARGETS 2011-15

DECISION MADE:

1. That changes to specific indicators following the agreement of the Strategic Plan 2011-15 be agreed.
2. That targets for performance indicators 2011-15 set out at Appendix A of the report of the Head of Change and Scrutiny for publication as part of the Strategic Plan 2011-15 be agreed.
3. That the Performance Indicator Explanations set out at Appendix B to the report of the Head of Change and Scrutiny be noted.
4. That the indicators that have been deleted within Appendix C of the report of the Head of Change and Scrutiny be noted.

To view full details of this decision, please click here:-

<http://meetings.maidstone.gov.uk/ieDecisionDetails.aspx?AIId=8931>

22. PERFORMANCE OUT-TURNS 2010/11

DECISION MADE:

1. That the Performance Out-turns for 2011-15 for inclusion with the Annual Report be agreed.
2. That the performance out-turns and narrative for 2010/11 be noted.

3. That the areas where data has not been provided as requested (KPI 013 and 050) or is currently unavailable be noted.

To view full details of this decision, please click here:-

<http://meetings.maidstone.gov.uk/ieDecisionDetails.aspx?AIId=8929>

23. LOCAL DEVELOPMENT SCHEME PRIORITY DOCUMENTS

DECISION MADE:

1. That it be agreed that the Core Strategy DPD, Development Delivery DPD and Central Maidstone AAP comprise the key documents in a review of the Local Development Scheme.
2. That it be agreed that priority be given to preparing a Parking Standards SPD, a Landscape Character Assessment Guidelines SPD and an Affordable Housing SPD to provide the detail necessary for the implementation of Core Strategy policies.

To view full details of this decision, please click here:-

<http://meetings.maidstone.gov.uk/ieDecisionDetails.aspx?AIId=8952>

24. RURAL ECONOMY REVIEW

The Cabinet considered the report of the Leisure and Prosperity Overview and Scrutiny Committee regarding the Rural Economy Review.

RESOLVED: That the recommendations in the Scrutiny Committee Recommendation Action and Implementation Plan relating to the Rural Economy Review report of the Leisure and Prosperity Overview and Scrutiny Committee be reviewed and a report thereon submitted to the next Cabinet Meeting on 13 July 2011.

25. REPORT OF THE LEADER OF THE COUNCIL - FORWARD PLAN

The Cabinet considered the report of the Leader of the Council regarding the Forward Plan for the period 01 July to 31 October 2011.

RESOLVED:- That the Forward Plan for the period 01 July to 31 October 2011 be noted, subject to the following amendments:-

Review of Neighbourhood Forums	Cabinet	New for 10 August 2011
Maidstone Local Bio Diversity Action Plan	Cabinet Member for Community & Leisure	Moved from May to July 2011

26. DURATION OF MEETING

6.30pm to 7.09pm

# Agenda Item 8

## MAIDSTONE BOROUGH COUNCIL

### CABINET

13 JULY 2011

### REPORT OF THE CHIEF EXECUTIVE

Report prepared by Paul Riley  
Head of Finance & Customer Services

#### **1. ANNUAL GOVERNANCE STATEMENT**

##### 1.1 Issue for Decision

1.1.1 To consider the draft Annual Governance Statement for 2010-11 to be signed by the Chief Executive and the Leader, and accompany the Statement of Accounts. This is as required by the revised Accounts and Audit (England) Regulations 2011, which came into force on 31<sup>st</sup> March 2011.

1.1.2 The Statements will be submitted to Audit Committee for approval following the annual external audit in September 2011. It is also intended to present a draft report to the Committee in July 2011.

##### 1.2 Recommendation of the Chief Executive

1.2.1 It is recommended that Cabinet:

a) Consider and endorse the Annual Governance Statement attached at **APPENDIX A**.

b) Refer the Statement to the Audit Committee.

##### 1.3 Reasons for Recommendation

1.3.1 The Accounts and Audit (England) Regulations 2011 recognise the Annual Governance Statement as a key statement in its own right. To this end it is no longer required to be "included in" the Statement of Accounts. From 31<sup>st</sup> March 2011 the regulations require that the Annual Governance Statement "accompanies" the Statement of Accounts instead.

- 1.3.2 The Annual Governance Statement will be signed by both the Chief Executive and the Leader of the Council. The statement must identify the key controls in operation in the Council to facilitate the effective exercise of its functions.
- 1.3.3 It should be noted that the June 2007 CIPFA/SOLACE publication entitled Delivering Good Governance in Local Government (Framework) is considered 'proper practice'. Therefore, the production of the Annual Governance Statement is based on this publication.
- 1.3.4 The Accounts and Audit (England) Regulations 2011 make only minor changes to the internal control requirements of the 2006 regulations. These are that:-
- a) The regulations now use the term "Annual Governance Statement" as the statement produced as a result of the necessary annual review of internal control.
  - b) The Annual Governance Statement should remain a statement in its own right and accompany the Statement of Accounts rather than be included within it.
- 1.3.5 The review of the system of internal control covered by the Annual Governance Statement required by Regulation 4 is dealt with by this report. Members are reminded that the Audit Committee will be considering the Annual Governance Statement and, in particular, the response to the Statement itself and the view taken by the Executive. If the Audit Committee feels that there are any errors or omissions then they will have a responsibility to refer this back to the Cabinet for consideration, and if they feel strongly that any issues have not been sufficiently addressed then the matter may be referred to Council.
- 1.3.6 With reference to Regulation 6, the Audit Committee, at its meeting in June 2011, considered the report of the Head of Internal Audit and Risk Management which included a review of audit work during 2010/11 with a recommendation that the Audit Committee consider the effectiveness of internal audit. This annual review is backed up by a three yearly review of Internal Audit by the external auditors which took place in 2008/09 and confirmed that Internal Audit meet all 11 standards of the CIPFA code of Internal Audit.
- 1.3.7 Best practice has identified that the Annual Governance Statement should be considered separately from and before consideration of the Statement of Accounts. The Statement of Accounts will be submitted for final approval in September 2011.

1.3.8 The Annual Governance Statement covers arrangements to:-

1. Establish principal statutory obligations and organisational objectives
2. Identify principal risks to achievement of objectives
3. Identify key controls to manage principal risks
4. Obtain assurance on the effectiveness of key controls
5. Evaluate assurances and identify gaps in control/assurances
6. Prepare an action plan to address weaknesses and to ensure continuous improvement of the system of internal control

1.3.9 Attached at **APPENDIX A** is the draft Statement for 2010-11 which has been compiled and updated based upon the Statement approved in June 2010 for the financial year 2009-10.

1.3.10 Officers' views have been obtained on the revised Statement along with external validation, particularly through external audit assessment, but it would be helpful to have Cabinet's views prior to signing the Statement for submission to Audit Committee with the Statement of Accounts.

1.3.11 Best practice has identified that the auditors should be presented with a Statement of Evidence to back up the Annual Governance Statement and this has been produced and is available as part of the Local Code of Corporate Governance.

1.3.12 An action plan has been prepared including proposals to address those areas where the Statement identifies that further work would be beneficial to the overall governance arrangements. The actions will be subsumed into the overarching Corporate Improvement Plan.

1.3.13 If Cabinet are minded to endorse the Statement it will then be considered by the Audit Committee, which will be asked to approve it, after appropriate updates if necessary, along with the Statement of Accounts in September 2011.

1.4 Alternative Action and why not Recommended

1.4.1 The Annual Governance Statement is a necessary part of the Statement of Accounts and must, therefore, be ultimately agreed by Audit Committee. However, it is possible for members to disagree



with the detail of the Statement, to ask for further details to be included or evidence to be produced. However, it must be acknowledged that the Accounts and Audit Regulations require the full Statement of Accounts to be agreed by Audit Committee before the end of September 2011.

1.5 Impact on Corporate Objectives

1.5.1 The Statement incorporates best practice as anticipated by the Core Values included in the Strategic Plan.

1.6 Risk Management

1.6.1 The Statement incorporates the essential elements of a well managed Council which ensures that many elements of the Strategic Risk Register are addressed.

1.7 Other Implications

- 1. Financial
- 2. Staffing
- 3. Legal
- 4. Equality Impact Needs Assessment
- 5. Environmental/Sustainable Development
- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management


1.7.1 None.

1.8 Relevant Documents

1.8.1 Appendices

**APPENDIX A – Annual Governance Statement**

1.8.2 Background Documents

*Minutes of the Corporate Governance Officer Working Group  
Local Code of Corporate Governance  
Accounts and Audit Regulations 2003 (as amended in 2006)  
Evidence to support the Annual Governance Statement*

**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

.....

This is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....

**MAIDSTONE BOROUGH COUNCIL**  
**DRAFT ANNUAL GOVERNANCE STATEMENT**  
**2010/11**

**1. SCOPE OF RESPONSIBILITY**

- 1.1 Maidstone Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Maidstone Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Maidstone Borough Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.
- 1.3 Maidstone Borough Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE framework "Delivering Good Governance in Local Government". A copy of the Code is on the website at [www.maidstone.gov.uk](http://www.maidstone.gov.uk) or can be obtained from the Council at Maidstone House, King Street, Maidstone, Kent ME15 6JQ. This statement explains how Maidstone Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit (England) Regulations 2011.

**2 THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Maidstone Borough Council's policies, aims and objectives. It evaluates the likelihood of those risks being realised and the impact should they be realised then provides

a means of managing the risks efficiently, effectively and economically.

- 2.3 This governance framework has been in place at Maidstone Borough Council for the year ended 31 March 2011 and up to the date of approval of the annual report and Statement of Accounts.

### **3 THE GOVERNANCE FRAMEWORK**

- 3.1 The following elements represent the key elements of the corporate governance and internal control environment:
- 3.2 The Borough vision is set out within the Sustainable Community Strategy. The Strategic Plan then reflects that vision and establishes complimentary priorities. Monitoring against the key measures of success is reported quarterly to Cabinet. Key Performance Indicator outturns are subject to review by Cabinet, Overview and Scrutiny committees and, ultimately, by the full Council.
- 3.3 The Council's Constitution specifies the roles and responsibilities of Members and Officers and lays down financial and contract procedural rules for the efficient and effective discharge of the Council's business. The Constitution includes the roles and responsibility of the Standards and Audit Committees.
- 3.4 The Council has wide ranging arrangements to consult and work with both partners and the public on issues directly related to Corporate Governance. These parties are consulted on the Council's long term vision, the key priorities of the Council and on resource issues relating to the budget strategy for the delivery of these key priorities. The major partnership is the Local Strategic Partnership (LSP) which delivers the requirement of the Sustainable Community Strategy and partner objectives. Partners and the public receive reports on the actual performance of the Council in delivering its priorities and there is also consultation on the effectiveness of these reporting arrangements.
- 3.5 Policy and decision-making is facilitated through reports from Officers to Cabinet and individual Cabinet Members. Each Cabinet Member has a specific portfolio and will take decisions on matters relevant to the portfolio. The Overview and Scrutiny Committees which broadly mirror the specific Cabinet portfolios have the opportunity to 'call-in' the decisions of Cabinet and recommend changes to decisions or policies.
- 3.6 The Audit Committee reviews all aspects of Corporate Governance and Risk Management. In particular, it considers regular reports from Internal and External Audit and gives observations and recommendations to Cabinet. It also considers the Annual Statement of Accounts and recommends them to Council and now considers and monitors the progress of the annual Treasury Management Strategy and the risk assessment of the Medium Term Financial Strategy.

- 3.7 Compliance with established policies, procedures, laws and regulations is achieved through:
- a) The monitoring of Corporate Governance by the Corporate Management Team, which meets weekly and is chaired by the Chief Executive. Corporate Governance is a standing item on the agenda.
  - b) A well established and effective Internal Audit section which works to an approved three year audit plan. Individual audit reports are produced for the relevant managers, with a copy to the Chief Executive, the Responsible Finance Officer and appropriate Director, and six monthly reports to Audit Committee which evaluate the overall internal control environment tested through the audit work. An annual review of audit work and effectiveness, supported where appropriate by a Peer Review or a review by External Audit every three years, is produced for Audit Committee.
  - c) External Audit, who produce a number of reports which are reported to management and Members. Recommendations and comments are considered and, where necessary, action is taken to address any issues raised.
  - d) The Council has a Treasury Management Code of Practice and Strategy and Prudential Indicators which are monitored on a daily basis.
  - e) Financial Monitoring with regular reporting to Officers authorised to spend, Management Team and Cabinet which facilitates the effective control of the budget.
  - f) An Annual Corporate Planning Cycle approved by Cabinet which facilitates the effective planning of service delivery, including the identification of risks, and budgeting.
  - g) Quarterly meetings held with each Head of Service to monitor performance and ensure compliance with a range of corporate policies with summaries of each meeting cycle being reported to Management Team.
  - h) The Council's established complaints system backed up by a database linked to the Council's Customer Relationship Management System (CRM) which monitors action taken in relation to individual complaints through an audit trail, facilitates the escalation of complaints to Stage 2 and provides a mechanism for managers to ensure that complaints are dealt with within the prescribed timescales. The system also provides strategic information on complaints which is reported regularly to Management Team and Standards Committee.

- i) An agreed Risk Management Strategy with identified corporate strategic risks and Management Action Plans. The Strategic Risk Register is subject to regular review. Risks to service delivery (operational risks) have been accepted as the responsibility of individual authorised officers and incorporated into Service Plans. Heads of Service are responsible for ensuring that their service managers retain an effective operational risk register. Risk management is a standard heading for consideration of all reports to Management Team and Members. A formal risk assessment is required for reports which require decisions on strategic issues or which seek approval for significant projects.
- j) Effective professional relationships between the Council and its external auditors and inspectors.
- k) Service delivery by trained and experienced people. Further details of human resources related initiatives are set out in an approved People Strategy. Members receive regular planned training and have received a Members' Training Charter. The Council has had an Investors in People (IiP) award for a number of years, which involves regular appraisals, service and training planning, training evaluation forms, recruitment and selection procedures and initiatives such as Work/Life Balance. The Council was re-accredited with IiP early in 2011.
- l) Performance Management, which is achieved through 'Reach the Summit' and the Council's Performance Plan. Procedures are in place to regularly review the performance of the Council across all sections and in a timely manner. Regular reports are presented to Management Team and Cabinet and Overview and Scrutiny Committees.
- m) The Council's policy of early closure of the accounts which enables presentation of the statutory Statement of Accounts to Members to meet the statutory timetable. This facilitates good financial management and allows the historic accounts to be an effective influence to future financial planning and management.
- n) The Council's effective overview and scrutiny process which has a nationally recognised reputation. This contributes significantly to the internal control environment.
- o) Standards and Audit Committees that monitor and improve the arrangements for Corporate Governance within the Council.
- p) The governance arrangements for the Local Strategic Partnership (LSP). Governance has been reviewed in 2010/11 and the board of the LSP has been amended and refocused. The structure now includes small, focused delivery boards for each key outcome.
- q) Service level agreements which are in place for all major grants to the voluntary sector. The medium term financial strategy for

2011/12 commenced a review of parish funding, in consultation with parish councils, to agree an appropriate focus on council priorities and to develop a robust arrangement for future funding.

- r) The Cabinet agreeing a Local Code of Corporate Governance which is reviewed and reported to Cabinet on an annual basis by the Corporate Governance Officer Working Party.
  - s) The Council appointing a Monitoring Officer and Head of Legal Services to oversee its compliance with laws and statutory obligations. The Monitoring Officer, who is a Member of Management Team, reports on a regular basis to the Council's Standards Committee.
- 3.8 Corporate Governance is at the heart of everything the Council does, for staff this is incorporated into the six core values (STRIVE) in the delivery of services. This incorporates key elements such as customer service, delivery of targets, integrity in high standards of Corporate Governance, Value for Money and efficiency and equality.

#### **4 REVIEW OF EFFECTIVENESS**

- 4.1 Maidstone Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of corporate governance and internal control. This is undertaken by the Corporate Governance Officer Working Party. An internal review was undertaken during 2010/11. The review of effectiveness of the system of corporate governance and internal control is informed by the work of the internal auditors and the Council's executive officers who have responsibility for the development and maintenance of the overall governance environment, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The Council is keen to allow itself to be the subject of external scrutiny, challenge and peer review and has an effective internal mechanism for regularly reviewing governance controls.
- a) The Council responds positively to the annual audit opinion and value for money conclusion. The comments from the annual audit letter and any comments made during the work of the Auditor in reaching the conclusions contained in the letter are incorporated into improvement plans and have been and continue to be acted upon.
  - b) During 2010 the Council undertook a staff survey through Times Best Companies. Feedback from the survey showed, as an overall measure, that staff engagement had improved since 2008. The Council plans to facilitate a leadership development programme in 2011 in response to some of the feedback received.

- c) In 2010 the Audit Committee, in partnership with the other three authorities within the Mid Kent Internal Audit Partnership, commissioned a cross borough peer review of the committees by Local Government Improvement and Development. This review has identified a number of areas where improvements can be made including:
    - a. The members' training programme
    - b. The tracking of recommendations
    - c. The expansion of the committee's role regarding governance and partnerships.
  - d) During 2010/11 the Council was reviewed and re-accredited with Investors in People. Along with recognition for wide ranging strengths and good practice a small number of improvements were recommended in the report for action in 2011/12.
  - e) In December 2010 a review of the Mid-Kent Improvement Partnership (MKIP) was commissioned by the partner members, which includes Maidstone Borough Council. The Audit Commission was engaged to consider MKIP's governance structure and its ability to achieve the objectives of the partnership. In addition this Council's Audit Committee commissioned a review of the efficiencies identified by MKIP and the delivery of those efficiencies on the ground.
  - f) Other examples of external challenge are the regular reviews of benefit processes by the Audit Commission and other assessments, such as those involved in the Chartermark and Beacon status. Benchmarking and other comparisons are also regularly used.
- 4.3 Following the productivity peer review completed for the Council in 2009/10, the Council has produced a completely new strategic plan for 2011 onwards. This has been developed with a refocus of the Council's priorities on its three key objectives moving forward. In doing this it has identified the priority of all service areas and the method of efficiency to be targeted to each area.
- 4.4 Six monthly internal audit reports have been presented to the Audit Committee. The Annual Internal Audit Report gave the Head of Internal Audit's view on the overall internal control environment, which has subsequently been agreed. The annual internal audit report includes an analysis showing the 'internal control/assurance level' that was given for each audit review at the time of the audit and the reassessed assurance level that was given at the time of the follow up. Improvements in control are therefore demonstrated individually for each review and collectively as an overall "direction of travel" improvement.
- 4.5 The effectiveness of the system of Internal Audit for 2010/11 was confirmed by a combination of an internal self-assessment, customer satisfaction survey, a three yearly review by external audit and an earlier comprehensive peer review. The results of the exercise were reported to



the Audit Committee in May 2011 and concluded that the Internal Audit section was effective in operating an internal audit service for 2010/11.

- 4.6 Risk Management is included in service planning, project planning and decision making. A significant update and refocus of the Strategic Risk Register to more closely address the key objectives contained in the Council's Strategic Plan occurred during 2010/11. In addition the LSP undertook a similar review of their strategic risks and developed a risk register linked to the objectives of the Sustainable Communities Strategy.
- 4.7 Management Team and Cabinet receive regular reports on performance across the Council and also take the opportunity to review processes and procedures. This has resulted in resources being redeployed to areas of concern. In 2009/10 the Council acquired a new performance management system. The new system has been implemented for reporting in 2010/11. Along with the development of links between the LSP, SCS and the strategic risk register, the Council has developed new performance scorecards based on the balanced scorecard approach. This approach will be implemented for reporting in 2011/12.
- 4.8 A new project management toolkit has been introduced along with a project overview board. The board considers the major projects currently being undertaken by the Council at a strategic level and ensures resources are applied and actions taken to maintain control over all such projects.
- 4.9 The Responsible Financial Officer and the Monitoring Officer periodically review the Constitution, procedures for internal financial control, application of the various Codes of Conduct and, within Management Team, have specific responsibility for the relevant aspects of Corporate Governance.
- 4.10 The Cabinet has agreed a Local Code of Corporate Governance which is reviewed and reported to Cabinet on an annual basis.
- 4.11 The Corporate Governance Working Group has advised on the implications of the results of the review of the effectiveness of the corporate governance system and a plan to address the issues identified and ensure continuous improvement of the system is in place.

## 5 **SIGNIFICANT GOVERNANCE ISSUES**

- 5.1 The Statement of Internal Control for 2009/10, considered in May 2010, contained a small number of issues which were to be addressed during 2010/11 and these are detailed below:-
- a) Audit reports with a level of assurance lower than substantial – two areas were outstanding at March 2010 relating to IT Disaster Recovery and the Business Transformation Programme. The six monthly follow-up reviews by Internal Audit on these areas have confirmed that the level of control assurance increased during the year to substantial.

- b) Consideration of and improvements to the role of the Audit Committee were commencing at the end of 2009/10. The role of the committee has now been agreed to include the approval of the annual statements of accounts, consideration of the treasury management strategy and monitoring of progress against that strategy along with the risk assessment of the medium term financial strategy. The committee took responsibility for these matters during 2010/11.
- c) The organisational Productivity Peer Review undertaken by the IDeA in 2009/10 identified a number of actions that have been incorporated into the Council's Corporate Improvement Plan. The key action to focus the strategic priorities has been completed through the approval of the Strategic Plan 2011-2015.
- d) Partnership Working – the Council's partnership protocol has been reviewed during 2010/11. The governance arrangements for the LSP have also been reviewed.

5.2 During the review of the effectiveness of Corporate Governance in 2010/11 the following areas have been identified for further work in 2011/12:-

- a) Audit reports with a level of assurance that are lower than substantial at the end of 2010/11, where follow up reviews have not been completed are Licensing, Housing Improvement Grants and Control of Capital Projects (Crematorium). The six month follow up reviews on these audits are yet to take place and if they do not confirm a substantial assurance level at that time further action will be recorded and reported through agreed procedures.
- b) To align with other changes throughout Kent and as part of the government's localism agenda the Council will need to work closely with its LSP partners to develop the Locality Board for Maidstone.
- c) As part of the work on the new strategic plan and reduced strategic priorities, the Council has commenced a review of funding arrangements with parish councils. This review is intended to identify the most appropriate method of funding priority work at a local level through the parish councils.
- d) Actions from Times best companies staff survey
- e) The Investors in People review report recommended a small number of areas for focus in the coming year. These are in line with the actions from the Times Best Companies staff survey. The actions are to strengthen the approach to coaching in the organisation, to enable a better follow through of objectives after a restructure to ensure good practice remains embedded and the development of a more consistent approach to team meetings within the organisation.

- f) Actions from the Peer Review of the Audit Committee
- g) In line with the work completed on the strategic plan and key priorities, the Council will review the committee and cabinet structure within the organisation during the early part of 2011/12 with the intention of commencing the new structure at the commencement of the municipal year.

5.3 Over the coming year it is proposed that steps to address the above matters will be taken to further enhance the Council’s governance arrangements. These steps will address the need for improvements that were identified in the review of effectiveness and their implementation and operation will be monitored as part of the next annual review.

.....  
Chief Executive

.....  
Leader

# Agenda Item 9

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

**13 JULY 2011**

## **REPORT OF HEAD OF BUSINESS IMPROVEMENT**

**Report prepared by Paul O'Grady, Business Analyst**

### **1. Channel Shift Strategy 2012-2015**

#### 1.1 Issue for Decision

1.1.1 To consider the adoption of a channel shift strategy which identifies ways in which the Council can 'shift' customer contacts to more efficient channels and provide a better, more convenient service to the customer.

#### 1.2 Recommendation of the Head of Business Improvement

1.2.1 It is recommended that Cabinet adopts the Channel Shift Strategy 2012-2015, included as Appendix A.

#### 1.3 Reasons for Recommendation

1.3.1 The 2011/12 MBC Strategic Plan highlights the benefits of providing services on line both for the customer and for the Council. This strategy is designed to enable the growth of these on line services.

1.3.2 A sizable proportion of residents are unable to contact the Council when they want because our traditional contact channels are either not easily accessible or not open at an appropriate time. This assumption is born out by analysis of visits to our website and where they have originated from. Computers located in London account for 15% of site visits, which would suggest commuters who are not able to access our services by traditional means due to work commitments. On line services are 24/7 and can be accessed 365 days a year.

1.3.3 A growing number of customers choose on line channels over other means of contact in all aspects of their lives, but especially when requesting services. These customers increasingly expect organisations to be able to deal with their requests on line.

- 1.3.4 Service areas have to make savings, in order to preserve service levels new way of working will have to be found. Delivering services on line, or by automated means, can deliver savings without the customer even being aware of any significant change. The move to on line service delivery is actually seen by a growing majority of customers as a service improvement and has very few negative connotations.
- 1.3.5 Moving services on line and allowing the customer to do more for themselves benefits the service area. Because of the increased efficiency of requests being delivered direct to the appropriate officers, but also because the customer will have done some of the work themselves. If the customer becomes responsible for the data entry then mistakes should be reduced and officer time freed up to deal with the more specialist/detailed part of the request.
- 1.3.6 Nationally central government is moving toward a position where by services are 'digital by default'. The Direct Gov website is being re-engineered so that it is purely a customer transaction site. The necessity for channel shift will increase across the public sector due to the continued need to find savings. This strategy outlines what we could achieve over the next few years.
- 1.3.7 This strategy also outlines how by working with service areas we will be able to take a fresh look at the way services are delivered and ask could it be done better. Integral to this work is putting the customer at the centre, by understanding what they want and how they would like to receive it. A top 6 list of service areas that have a customer base more inclined to transact on line has been drawn based on analysis of contact s to the Council and Mosaic types. (see section below)
- 1.3.8 Customer contacts as well as being shifted can also be reduced. One of the aims of the strategy is to work with departments to reduce the amount of avoidable contact through, for example better/easier to understand correspondence.
- 1.3.9 The strategy also outlines plans for greater automation. This would initially be focused on payments, but could be extended to the handling of switchboard calls or even the taking of parking appeals.

#### Customer insight and priorities for channel shift

- 1.3.10 The table below shows the 4 most likely Mosaic groups to transact on-line, this information is based on national data compiled by Experian from various sources including on-line banking and shopping.

K & M Segment	Type Description	% of Households	% of MBC Contacts *	Most appropriate method of transaction **
1	Kent's most highly educated and financially successful citizens, living in sought after locations	20.50%	16.04%	Internet
3	Young singles and families in steady employment, who enjoy a prosperous lifestyle in relatively small houses	16.24%	22.9%	Internet
4	Young, full nest families that have recently bought modern, spacious housing	10.02%	5.8%	Internet
6	Well qualified young students, singles and couples, working in professional occupations and living in urban locations	2.76%	4.2%	Internet
	Total	49.5%	49%	

\* The contact % is taken from Gateway visits and cases logged in our CRM system, they are not all contacts with the Council.

### Table 1 – Mosaic groups most likely to want to transact on-line

1.3.11 As you can see from the table about half of borough residents and customers who contact us belong to the groups who are more likely to transact on-line. This analysis is also born out nationally, those more socio economically prosperous groups and those with a younger demographic have higher levels of broad band access and are more confident when using the internet<sup>1</sup>. K and M Segments 1 and 2 above are more affluent and 4 and 6 tend to be younger, so mirror the national picture.

1.3.12 There is no doubt a large scope for channel shift, if we were able to 'shift' only a third of the contacts by the four groups outlined above it would equate to nearly 40,000 contacts based on overall contact figures for 2010/11. The figure of 40,000 is based on a reduction of contacts via the 'traditional' channels of phone and face to face. The

<sup>1</sup> Ofcom Communications Market Report August 2010

table below shows by service area the numbers and percentages of contacts that could be reduced from the Gateway and Contact Centre if one third of the contacts from K&M groups 1, 3, 4 and 6 were carried out on line instead.

- 1.3.13 The table below shows the services that would most benefit from the shift of contacts outlined above. The % reduction is a reflection of the usage of the service by the most likely groups to transact on line (see table above)

<b>Department</b>	<b>% Reduction</b>	<b>Total Contact Reduction (Gateway + Contact Centre)</b>	<b>Contact Reduction Gateway</b>	<b>Contact Reduction Contact Centre</b>
Parking	23%	<b>5158</b>	1265	3893
Environmental Health/Enforcement	18%	<b>1028</b>	22	1005
MBS	17%	<b>4998</b>	46	4952
C Tax	17%	<b>8461</b>	589	7872
Planning	16%	<b>4457</b>	336	4122
Waste Management	16%	<b>3544</b>	107	3437
Benefits	16%	<b>6789</b>	2790	3999
Housing Options	14%	<b>3604</b>	1564	2040
Bereavement Services	12%	<b>639</b>	0	639
		<b>38677</b>	<b>6718</b>	<b>31959</b>

**Table 2 – Percentage and number of contacts that could be shifted on-line from telephone and Gateway visits**

#### 1.4 Financial Implications

- 1.4.1 The development of on line forms does not require a capital investment. Development of new forms will require a strong commitment of resources from the IT development team, over the period of the strategy

1.4.2 The largest capital out lay would be if the decision was made to invest in greater automation, such as an automated switchboard based on speech recognition, or greater integration such as on line integration with our revenues and benefits system. Any investment should be recouped by capital savings and could be made using an invest to save bid.

1.4.3 The financial implication of not doing anything is hard to quantify, but would certainly be considerable. As resources within departments get scarce and existing processes come under increasing pressure, the need for re-engineering will become paramount if savings are to be made.

#### 1.5 Alternative Action and why not Recommended

1.5.1 The 'do nothing' option and would mean that the current channel position would remain. No new on line forms would be developed and no systems for greater automation would be considered. This option would still see an increase in the use of on line, though at a far slower pace.

1.5.2 The negative impact of this option would only really be seen in time as customers became increasingly frustrated by the lack of channel choice offered by the Council.

1.5.3 Organisationally the negative impact would be that processes would not evolve to become more efficient. Service areas would find themselves having to use existing processes, but with fewer and fewer resources.

#### 1.6 Impact on Corporate Objectives

1.6.1 The recommendations described in this report support the Council's priorities to 'ensure that people can access the services they need in a way that suits them and provides value for money'. This is a stated aim in the Strategic Plan 2011-12.

#### 1.7 Risk Management

1.7.1 Customers do not use the new on line forms  
Likelihood – Low; impact – critical  
Management of risk: Form development should be heavily customer focused and forms developed based on what customers are visiting our site for. Customer surveying should also be used.

1.7.2 The inability to deliver technically the improvements required, such as a new on line form or better integration  
Likelihood – significant; impact – critical



Management of risk: A realistic approach to project scoping and by involving and working with IT from the early stages of a project.

- 1.7.3 The lack of cooperation from departments  
Likelihood – Low; impact – critical  
Management of risk: Involve departments early in any change process and adopt a practical, inclusive development process.

1.8 Other Implications

1. Financial	X
2. Staffing	X
3. Legal	
4. Equality Impact Needs Assessment	X
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

Financial

- 1.8.1 IT resource cost for the development of new online forms and the improvements needed to existing forms.
- 1.8.2 Large capital outlay for automation projects or greater integration
- 1.8.3 The cost of not improving our channel options. This could be high, both in terms of reputation and the inability to meet savings targets.

Staffing

- 1.8.4 IT development resources will be required to develop and maintain on line forms and the Business Analyst will implement and monitor the Strategy.

Equality Impact Needs Assessment

1.8.5 An equality impact needs assessment of the recommendation has been carried out and is attached in Appendix B of the report.

1.9 Relevant Documents

1.9.1 Appendices

- i. Appendix A – Channel Shift Strategy 2011-2015
- ii. Appendix B – Equality impact needs assessment

1.10 Background Documents

None.

**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

June 2011.....

This is a Key Decision because: It is a Strategy.....

.....

Wards/Parishes affected: All.....

.....

# Channel Shift Strategy 2011-2015





## Our Vision

**Maidstone Borough Council wants residents to be able to access services they need, when they need, in ways that suit them and that provide the best value for money.**

This means understanding our customers, continuing to provide good telephone and face to face services, but also making better use of our website so more residents use it for information and to access as many services as possible 24 hours a day.



## Introduction

Maidstone Borough Council is committed to providing value for money services that residents can access and are satisfied with. This is set out under the priority of 'Corporate and Customer Excellence' in the Council's Strategic Plan 2011-15. The Council has also adopted service design principles to ensure that the wants and needs of those who use the service must be central to the way the service is designed and delivered: it is important to ensure that the right services are delivered in the right ways.

The Council provides many different services which are used by different types of people. 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 must ensure our website is fit for purpose, information is clear and as many services as possible are 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 to do these things (about £1.86 per phone call) and it costs most for people to visit the Gateway (about £9.66 per visit). We know that not everyone can or wants to get information or services online and will continue to provide high quality telephone and face to face services.

Using customer insight tools like Mosaic Public Sector we have identified the types of people who are more likely to want to access services online and the services they use. We will look to provide services in ways that meet the needs of the people who use them, preferably through the least expensive option where this is possible. This will help us cut the cost of delivering services to the public.

Central government are increasingly designing services that are 'digital by default' and have a policy to increase the numbers of people who have access to and use the internet. Nationally over the last 5 years broadband access has more than doubled and currently 83% of people in the south east have access to a broadband internet connection, which compares to 71% nationally.

This does vary across age groups: recent figures show 80%+ of 15-55 year olds have broadband access, compared to just over 50% of 65-74 year olds. Of those who do go online, 90% describe themselves as confident in using the internet, although again this varies from 95% of 16-24 year old to 75% of over 65s. People's behaviour has also changed. Online shopping sites like Amazon have been very successful and other private sector organisations like banks and credit card companies also encourage their customers to manage their money online.

People expect to be able to do things online and it is important that local government recognises this and responds, whilst ensuring those who prefer more traditional methods of telephone and face to face can still access services through these routes.

Improvements are also possible by reducing the amount of contacts to the Council that could have been avoided. This can be as simple as making sure that letters are accurate and clear, or dealing with more customer contacts at the first point of contact.



## What is Channel Shift?

Channel Shift is the process by which we seek to encourage customers to access, or interact with, services via channels other than those they normally choose. This includes offering new ways of accessing services, particularly through the Council's website.

Deliberate channel shift is the design and marketing of effective and efficient channels because they are the most appropriate for the type of contact, customer and organisation in question. If implemented well it can lower costs, build reputation, empower the citizen and improve the overall service proposition.

Shifting customers to particular channels involves behaviour change on the citizen's part, but once they are aware of the channels available, they will use the one that works best for them. Channel shift is not just about online services, it is about customer choice, and it is also about better service design.



## Our objectives

In order to achieve the vision we have set the following objectives:

- To increase the proportion of online transactions by 20% by 2015.
- To reduce unnecessary face to face and telephone contacts, shifting around 40,000 contacts to the web by 2015.
- Increase the use of online forms by 200%.
- To monitor and increase customer satisfaction with all contact channels, and in particular the website.
- To help ensure that savings targets can be delivered by 2015 whilst ensuring key services are still delivered to our residents' satisfaction.
- To improve efficiency by increasing the number of fully automated services available to our residents.



## Where are we now?

Total traffic on the Council's website has increased by 23% in the last year and the number of online forms completed by customers has doubled. Unique visits to the website now make up nearly 62% of total contacts to the Council. Customers can currently request any Environmental Service on line and most Waste Services. These Environmental Service requests such as fly tipping reports are completely automated, with the report going straight to our service teams.

Despite our successes there are significant gaps in our on line form provision. Council Tax for example is our largest service area in the Contact Centre when measured by call volume, yet there are currently no on line forms for this service. Customers are not able to upload documents and this will restrict the depth of automation that is possible. We also know from our customer insight work that some Council services like Planning and Parking Services have customers that are more likely to want to transact online, but that they have to contact us in other ways because of our processes.

There are legislative issues with regards to uploading documents via our website, but for services such as Parking there could be an opportunity to fully automate the application for parking permits if proofs were uploaded by a customer. The uploading of documents means a customer can transfer scanned copies of proofs, such as those proving residency for a parking permit application, from their computer to the Council via our website.

The Contact Centre handles the majority of customer calls to the Council and all customer calls for the larger service areas, such as Council tax and Waste Services. In 2010/11 the Council received over 680,000 contacts (see table below). Over 60% of these were via the website. However, it should be noted that switchboard calls, which account for about 60% of the calls into the Contact Centre, have been excluded so as to avoid double counting. This is because a high proportion, between 40% and 50%, of calls to switchboard are transferred within the Contact Centre to the appropriate departmental queue.

<b>Channel</b>	<b>No. Contacts</b>	<b>% of Overall Contacts</b>
<b>Face-to-Face Services (Gateway)</b>	<b>69870</b>	<b>10.16%</b>
<b>Telephone (Contact Centre only)</b>	<b>193965</b>	<b>28.19%</b>
<b>Web *</b>	<b>424124</b>	<b>61.65%</b>
<b>Total</b>	<b>687959</b>	

\*Web contacts are calculated by deducting 1 page visits from the total number of unique visits. Unique visit are complete customer interactions or sessions on the website, it does not matter how many pages were visited or if the customer visited them more than once. One page visits are deducted because it is not possible to know whether the customer really wanted our site.

Avoidable contact is currently estimated at about 10% of our contacts to customer services. This figure would almost certainly be higher if all contacts to the Council were being measured. Therefore, more work is needed to measure and reduce avoidable contact across the Council.



## How are we going to do it?

### Understanding our customers

Mosaic customer profiling data has been combined with as much customer interaction data as possible to give an indication of what type of customers are using Council services. We will develop an on line customer survey and use customer journey mapping to better understand how customers feel about their interactions with the Council and to gather their views on how they could have been improved. All this will help us make sure we shift the right contacts to the right contact methods, so that we get maximum uptake of any new service channel that is developed.

We will look at ways to widen the use of our on line services so that no part of the community will be disadvantaged or left behind. This will involve understanding why some people currently do not access on line services and how they can be developed so they are used by the greatest number of people. It will also involve looking at accessibility, issues such as limited broad band access and computer availability for some residents.

### Identifying key services and working to shift appropriate contacts

We will look at all customer transactions across all departments to make sure these transactions are using the most appropriate channel and as efficient as they could be. We will look at our processes and change them where we can to make them more efficient.

A priority list of departments that have a customer base most predisposed to transact on line has been established, these departments are:

- Parking
- Environmental Health/Enforcement
- Maidstone Borough Services
- Council Tax
- Planning
- Waste Management

The list above highlights the service areas where channel shift will have the largest impact in the shortest amount of time. We will also look at ways to move contacts from the other high volume service areas, such as Housing Benefits, as even a small amount of shift in these areas will equate to a significant number of contacts.

### Making our website more customer friendly and transactional

We will design the website with serving the customer as the central theme. The most popular on line services will be highlighted and accessing them will be made easier. The site will also be made more interactive so that customers can get updates on their requests. More on line services will be introduced and will be designed to be as efficient as possible, so that customer requests are dealt with quickly and using the optimal amount of resource. We will also slim down the website so that the content is easier to manage and relevant to the customer.

### Communicating and promoting the website and other contact channels to residents

We will try to ensure that when any publication is produced and it is appropriate, the website address will be more prominent than any other contact method.

We will support the widest possible collection of customer email addresses across the organisation and



customers should be asked if this is an acceptable method for future communications. A central database, currently our CRM system, will be maintained and accessed by all service areas.

The promotion of the website, in particular our online forms, should form part of any closing of a transaction be it face to face, telephone or email. Scripts will be developed for the Contact Centre and Gateway to keep advisors aware of the latest on line services. We will also use other methods to promote our on line services such as internal publications like Wakey Wakey. There is also the opportunity to use our database of email addresses to encourage customers to use alternative contact methods.

### **Enabling customers to do more**

We will expand the number of payments that can be made by using the self service payment kiosks in the Gateway, starting with the introduction of payments that would normally have been taken at the Crematorium.

We will make sure that our website has more up to date and customer relevant information, in the hope that the website will become the first point of contact for any customer needing to find out about the Council and its services. The customer will be empowered to do as much of the data entry for themselves as they can. This will increase the accuracy of our records and ensure the customer reports exactly what they require from us.



## **Financial implications**

The opportunity to save both resources and time for both the customer and Council are huge if contacts can be shifted to alternative channels. As well helping service areas meet their savings targets, there is also an opportunity to offer a better more convenient service to the customer. This allows services to be protected because they are being delivered in a more efficient and rationalised manner.

The cost of 'shifting' some customer interactions could be high. For example, investment in new automated systems such as speech recognition call handlers would require a sizable up front investment. These investments should be able to show real revenue savings and would be considered as invest to save proposals.

The investment required for more on line form development tends to be more staff resource based as the systems required to develop these forms have already been purchased. The staff time required should not be under-estimated however. It can take several months to develop fully integrated on line forms that pass information directly to the service area and then return an update to the customer. It is hoped, through working in partnership with neighbouring boroughs, that some of the cost can be shared in the future.



## **Monitoring**

The progress of this strategy will be measured quarterly by analysis of the contact figures for each contact channel as well as measuring the use of on line forms. We will also look at customer satisfaction with the different methods of contact. Progress and outcomes from the strategy will be reported as part of the quarterly monitoring reports, with a detailed annual review at the end of each year.

## Equality Impact Assessment

<b>1 Identify the aims of the policy/service/function and how it is implemented.</b>				
	<b>Key questions</b>	<b>Response</b>	<b>Additional Notes and proposed action</b>	<b>By When</b>
1.1	Is this an existing or a new policy/service/function ?	Channel Shift has been taking place but has never had a strategy		
1.2	What is the aim, objective or purpose of the policy/service/function ?	To encourage customers to use more channels that are more efficient and convenient for them whilst offering better value for money		
1.3	What outcomes do you want to achieve with this policy and for whom?	More customers choosing to use on line and automated services, fewer contacts by telephone and visits to the Gateway		
1.4	Who is the policy/service/function being aimed at?	All residents/customers		
1.5	Who defines or defined the policy/service/function ?	Strategic Plan/Council priorities		
1.6	Who implements the policy/service/function ?	Business Improvement, though all Council departments will be involved to some degree		
1.7	How do these outcomes meet or hinder other policies, values or objectives of the Council	Channel shift is a stated objective in the Strategic Plan and will help deliver value for money		
1.8	What factors or forces are at play that could contribute <b>or</b> detract from the outcomes identified earlier?	Departmental cooperation will be important as will customer appetite both will contribute to the success of the strategy or could cause major set backs.		
1.9	Taking the nine strands of equalities is there	No, our website is AA compliant so can be		

	anything in the policy that could discriminate or disadvantage any of these groups?	accessed by people with disabilities and is translatable. The other 7 remaining groups with protected characteristics should not have accessibility issues. The strategy overall should offer an improved service to those with disabilities as it will hopefully provide more convenient contact methods. No currently available access channels are being removed so for customers who are unable to use the new methods, such as those with literacy issues or mental disabilities, alternative will still be available.		
1.10	From your perspective, how is the policy/service/function actually working in practice for each equalities group?	All of the alternative channels that are proposed are currently being offered by the Council though on a far smaller scale and have not been seen to disadvantage any of the groups with protected characteristics		
1.11	How does the local authority interface with other bodies in relation to the implementation of this policy/service/function ?	Through county wide groups such as Kent Customer Services Managers. Nationally through groups such as the Electronic Service Delivery Group		
<b>2</b>	<b>Consideration of available data, research and information</b>		<b>By When</b>	
	<b>Key questions</b>	<b>Response</b>	<b>Notes</b>	
2.1	What do you already know about who uses and delivers this service/policy/function ?	We have a good picture of who is contacting us through customer profiling and their preference or not to transact on line. We know the services they request and we have name and address data for the majority of them.		
2.2	What additional	We need to monitor the		

	information is needed to ensure that all equality groups' needs are taken into account?	use of all contact channels and any complaints that arise from them. The same for any automation. We will be looking to see if any groups are not using alternative channels and will then seek to help where appropriate		
2.3	How are you going to go about getting the extra information that is required	It would be a good idea to get organizations such as RNIB to test our website	Contact RNIB re testing	Pre launch of new website
<b>3</b>	<b>Formal consultation</b>			
	<b>Key questions</b>	<b>Response</b>	<b>Notes</b>	<b>By When</b>
3.1	Who do we need to consult with?	Those who will be using the services, customers primarily.		
3.2	What method/form of consultation can be used?	On line surveys, such as an exit survey on the website, or specific questions with the form itself.	These surveys should be ongoing	To be introduced with the on line forms.
<b>4</b>	<b>Assessment of impact</b>			
	<b>Key questions</b>	<b>Response</b>	<b>Notes</b>	<b>By When</b>
4.1	Have you identified any differential impact and does this adversely affect any groups in the community?	No		
4.2	If there is an adverse impact can it be avoided, can we make changes, can we lessen it etc?	N/A		
4.3	If there is nothing you can do, can the reasons be fairly justified?	N/A		
<b>5</b>	<b>Consideration of measures that might mitigate any adverse impact as well as alternative policies that might better achieve the promotion of equality of opportunity.</b>			
	<b>Key questions</b>	<b>Response</b>	<b>Notes</b>	<b>By When</b>
5.1	Do any of the changes in relation to the adverse impact have a further adverse affect on any other group?	Possibly older or more disadvantaged members of the community. These groups have lower take up rates for on line form	Priority list for on line forms has been based on	Assessment of the probable use of an online form

		use.	those most likely to transact on line	and who it would be aimed at will be part of the planning process
5.2	Further explore, if necessary, the changes following the questions in section 4.	n/a		
<b>INTERNAL PROCESSES FOR THE ORGANISATION – TO BE FURTHER EXPLORED AT THE END OF THE MENTORING PROCESS.</b>				
<b>6</b>	<b>Making a decision in the light of data, alternatives and consultations</b>			
	<b>Key questions</b>	<b>Response</b>	<b>Notes</b>	<b>By When</b>
6.1	The organizations decision making process	CMT and Cabinet		
<b>7</b>	<b>Monitor for adverse impact in the future and publication of results of such monitoring</b>			
	<b>Key questions</b>	<b>Response</b>	<b>Notes</b>	<b>By When</b>
7.1	What have we found out in completing this EqIA? What can we learn for the future?	That some changes can have a positive impact for certain protected characteristic groups		
7.2	Who will carry out monitoring?	Business Improvement/Appropriate serve area		
7.3	What needs to be monitored?	Usage, complaints/comments and the overall contact picture for the Council		
7.4	What method(s) of monitoring?	Surveys and web stats as well as call rates and footfall		
7.5	How will the monitoring information be published?	Quarterly reports to management and a refresh of the strategy every year.		
<b>8</b>	<b>Publication of results of the impact assessment</b>			
	<b>Key questions</b>	<b>Response</b>	<b>Notes</b>	<b>By When</b>
	How will this be published	Intranet – CMT reports		

# Agenda Item 10

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

**13 JULY 2011**

#### **REPORT OF HEAD OF HOUSING AND COMMUNITY SERVICES**

**Report prepared by Ellie Kershaw**

#### **1. DRAFT HOUSING STRATEGY 2011/12-14/15**

##### 1.1 Issue for Decision

1.1.1 To consider and comment on the draft Housing Strategy 2011/12-2014/15.

##### 1.2 Recommendation of the Head of Housing and Community Services

1.2.1 That Cabinet approves the draft Housing Strategy 2011/21-2014/15 for public consultation and then on to Council.

1.2.2 That the Cabinet Member for Community and Leisure Services and the Head of Housing and Community Services be delegated to amend the strategy as required following consultation.

##### 1.3 Reasons for Recommendation

1.3.1 In Maidstone, People Matter and so do the homes and communities where they live. The Housing Strategy is an overarching plan that guides the Council and its partners in tackling the major housing challenges facing the borough. The Strategy contributes to the key aim stated in the Sustainable Communities Strategy of "Developing Maidstone borough's urban and rural communities as models for 21<sup>st</sup> century quality and sustainable living."

1.3.2 The ambition behind this strategy is to ensure that all people in the Borough have access to good quality homes that are affordable for them and meet their needs. Every council has a responsibility to understand what matters most to its local communities and to respond to this through investment, service planning and delivery. We also have to take into account national and regional aspirations and sometimes this requires a balance with local priorities

- 1.3.3 Our Strategic Housing Role: The transfer of our housing stock to Golding Homes (formerly Maidstone Housing Trust) in February 2004 has enabled the Council to develop its strategic housing role. Over the past 15 years, central government legislation and guidance has encouraged local authorities to take a more strategic approach to the provision of housing, so encouraging better 'place-shaping', and developing a deeper understanding of the relationship between housing, planning and the economy.
- 1.3.4 The Housing green paper, *Homes for the Future: More Affordable, More Sustainable* emphasised the strategic role that housing services play in delivering new affordable housing and in 'place shaping'. High performing local authorities (3 and 4 stars and 'excellent') such as Maidstone are currently exempt from the duty to renew their housing (and homelessness) strategies, although there is an expectation that such authorities will wish to keep them valid and up to date. Given the economic climate, and the changes in grant funding regimes and mechanisms, there is a compelling case for ensuring that all housing authorities have a housing strategy which is kept up to date.
- 1.3.5 In the 5 years since our last Housing Strategy was published many new or revised central and regional Government housing and social policies have been issued for consultation and implementation. These include recent Acts of Parliament, Government sponsored reviews, regional and sub-regional policy changes and have been taken into account in the creation of this strategy.
- 1.3.6 Research and consultation: As well as a review of our existing council plans and strategies, several pieces of research were undertaken to provide evidence for the Strategy:

Strategic Housing Market Assessment (SHMA);  
Strategic Housing Land Availability Assessment (SHLAA);  
Gypsy and Traveler Accommodation Assessment (GTAA);  
Private House Condition Survey (PSH).

Extensive consultation took place with housing stakeholders, providers, developers and clients, including Housing Sounding Board, a local housing conference and a domestic violence awareness event. All of this information was used to inform the draft Strategy.

Since the draft Strategy was created consultation has been undertaken with the Housing Consultative Board, the Communities Overview and Scrutiny Committee and relevant teams within MBC and changes made according to their feedback.

Members of the Housing Sounding Board and the LSP have been asked for their comments regarding the content of the Strategy. It is also

intended, if Cabinet approves, that the Strategy is released for public consultation. Results of all feedback will be collated and a decision taken as to whether changes are required as a result.

### 1.3.7 Our Housing Challenges – Summary

From the analysis of the SHMA, the SHLAA, the stock condition survey, a review of regional, county and local policy and input from stakeholders and partners, the key housing challenges in Maidstone were identified and translated into the following priorities, each of which contains one or more outcomes to be reached by 2014/15;

Priority 1- Increase choice and improve the quality of life for vulnerable people;

Priority 2-Develop sustainable communities;

Priority 3-Improve our existing homes;

Priority 4-Improve access to housing advice and work to prevent homelessness and rough sleeping in Maidstone.

1.3.8 The Council can only achieve the priorities contained in this Strategy by working in partnership with other statutory and voluntary organisations. This strategy has been developed with the Housing Sounding Board that comprises a broad range of stakeholders from housing providers, elected Members, KCC Supporting People & Adult Services, the Primary Care Trust and voluntary sector.

### 1.3.9 Our achievements 2005-10

During the 5 year life of the previous Housing Strategy much was achieved which made a real difference to peoples' lives. These achievements are described at Appendix A. Achievements that relate to the new priorities and outcomes will be used in the new strategy to demonstrate work that has been successfully carried out.

### 1.4 Alternative Action and why not Recommended

1.4.1 The Council could choose not to adopt a new Housing Strategy and instead continue to refresh the 2005-10 strategy. However, the 2010 election and the subsequent forming of the Coalition Government have led to a number of housing reforms which need to be addressed. A new Council Strategic Plan has been written to take these changes into account and new corporate priorities agreed. It is important that the Housing Strategy aligns with these priorities.

1.4.2 If a new Housing Strategy were not agreed this would adversely affect our community leadership and strategic housing roles and would make effective engagement with our partners much more difficult. In



addition the Housing Strategy supports the Core Strategy for planning by providing additional information and policy direction that will assist developers in choosing Maidstone as an area to invest in.

1.4.3 The Homes and Communities Agency would be unlikely to direct funds to Maidstone if they could not clearly see an up to date and coherent vision for the area.

#### 1.5 Impact on Corporate Objectives

1.5.1 The Housing Strategy forms part of Priority 2, For Maidstone to be a decent place to live and Priority 3, Corporate and customer excellence.

1.5.2 The strategy also contributes to the vision and long term objectives stated in the Maidstone 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".***

#### 1.6 Risk Management

1.6.1 In developing this strategy we have taken into account our research and consultation to develop a broad-based document that takes account of the present economic situation, whilst looking ahead to recovery.

1.6.2 The delivery of this strategy will depend upon effective partnership working between the statutory and voluntary sector and listening to and involving service users. Housing is a cross-cutting issue, affecting many areas of wellbeing and new partners need to come on board and recognize the importance of tackling the challenges identified. This will require an effective strategic partnership that focuses on delivery of successful outcomes across services, combined with robust risk assessment.

1.6.3 There are a number of risk factors that could impact on the delivery of the Housing Strategy. These include:

- **The effects of the public sector grant reductions and continued economic downturn:** the resulting reduction in number of affordable houses delivered, increase in unemployment with mortgages more difficult to obtain and increase in mortgage arrears and house repossession actions;
- **The long-term future of the CLG homelessness grant** which funds our rent deposit scheme and other tenancy sustainment activities. Currently we receive £80,000 per year

which in 2010/11 enabled the Council to assist over 100 households into private rented accommodation. The removal of this grant would severely compromise the Council's ability to prevent homelessness and increase our costs in related areas e.g. use of bed & breakfast;

- **Recruitment and retention of staff:** The need to recruit and retain experienced and effective staff remains an issue across agencies and the high cost of housing locally has a bearing upon this. In addition the Housing Options team relies on voluntary workers through the Vision Project in order to meet the increasing demand for our services. Should this source of assistance no longer be available the Housing Options Team would have difficulty in providing the same level of service with its salaried establishment;
- **The contraction of the private rented** sector as landlords are unable to service more expensive loans;
- **Population and household growth** in line with Maidstone's changing demographics of an ageing population;
- **Supporting People funding** in the longer term and concern that under the funding arrangements for Local Area Agreements the budget will no longer be ring-fenced to housing support and could result in budgets being used for non-housing services resulting in current supported-housing projects contracting;
- **Pressure from the increasing prison population** – Maidstone having a high number of prisons and the County's only probation hostel;
- **Complexity of the client base:** This is likely to be a major factor as support and other services are stretched across agencies to meet the needs of vulnerable families and people with special needs such as alcohol, mental health, learning disability, young people and ex-offenders;
- **Diversity:** The impact of immigration and changing ethnic mix has had only a limited impact on services to date but this can be expected to change over the next few years and appropriate responses need to be developed;
- **Pressures on the ability of the Council to continue to fund** the affordable housing capital programme due to interest rate changes or lower than forecast capital receipts.

## 1.7 Other Implications

### 1.7.1

1.	Financial	X
2.	Staffing	
3.	Legal	
4.	Equality Impact Needs Assessment	X
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.7.2 Financial – The main financial implications arise through the level and availability of grant funding from two Government bodies – the Homes and Communities Agency and the Department for Communities and Local Government, across the following three service areas:

1. Affordable housing
2. Housing advice and homelessness
3. Private sector housing improvement

The Council’s ability to fully address our housing challenges is dependent on the level of Government grant received – see Risk Assessment section 1.6.

1.7.3 Equality Impact Needs Assessment – The Housing Strategy potentially affects all population sections and groups. An EQIA will be completed following consultation with relevant stakeholder groups.

## 1.8 Relevant Documents

### 1.8.1 Appendices

Appendix A- Housing Strategy 2011/21-2014/15

Appendix B- SCRAIP from the Communities Overview and Scrutiny Committee

Appendix B- Our achievements 2005-2010

1.8.2 Background Documents

Housing Strategy 2005-2009

Housing Strategy Review 2007

Homelessness Strategy 2008-13

Maidstone Sustainable Community Strategy 2009

Maidstone Economic Strategy

Affordable Housing DPD

Strategic Housing Market Assessment 2009

Strategic Housing Land Availability Assessment 2009

Gypsy and Traveler Accommodation Assessment 2007

Private House Condition Survey 2009

Kent and Medway Housing Strategy 2011

Kent Supporting People Strategy 2010

Draft West Kent Local Investment Plan 2011-15

**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

September 2010

This is a Key Decision because: It affects residents in all wards in the borough.

Wards/Parishes affected: Potentially all wards could be affected.





**Building Safe, Sustainable Communities:  
HOUSING STRATEGY  
2011/12 to 2014/15**



## **C O N T E N T S**

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**i Foreword**

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**By Councillor John A Wilson, Cabinet Member for Community and Leisure Services and Alison Broom, Chief Executive**

To be inserted after completion of the consultation process.



## **1. About this Strategy**

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### What is the Purpose of the Housing Strategy?

The Strategy contributes to the key aim stated in the Sustainable Community Strategy of "Developing Maidstone borough's urban and rural communities as models for 21<sup>st</sup> century quality and sustainable living". It is an overarching plan that guides the Council and its partners in tackling the major housing challenges facing the borough. The Housing Strategy is also The Strategy looks ahead for four years, covering 2011-2015 to coincide with the Homes and Community Agency's 4 year development framework and the Council's Strategic Plan.

Our ambition is to ensure that everyone in the Borough has access to good quality homes that are affordable for them and meet their needs. People should be able to live in communities that are clean and healthy, pleasant to live in and where they feel safe. In order to achieve this aim our actions will be directed not only at the affordable housing sector but on influencing the whole of the housing market. Every council has a responsibility to understand what matters most to its local communities and to respond to this through investment, service planning and delivery. We also have to take into account national and regional aspirations and sometimes this requires a balance with local priorities.

The Council cannot achieve all of the priorities contained in this Strategy without working in partnership with other statutory and voluntary organisations, including the Housing Sounding Board, elected Members and a broad range of stakeholders and partners. (A list of our partners can be found at [www.maidstone.gov.uk](http://www.maidstone.gov.uk))

## **2. National Context**

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### **New Political Leadership**

Britain has been going through a state of change, having come out of a recession and entered a new political environment. The election in May 2010 resulted in a hung parliament and a coalition government being formed 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, giving citizens, communities and local government a central role in creating a new approach to sustainable, low carbon economic growth. To enable some of these changes, the Government has introduced the Localism Bill to devolve greater powers to Councils and neighbourhoods and give local communities greater influence over budgets, housing and planning decisions.

Whilst in financial terms the UK is no longer in recession it is true to say that it can often take the housing market a substantial amount of time to recover from the effects.

### **Planning and Housing**

The Government is reforming the planning system with the aim of giving neighbourhoods more ability to decide what their local area in should look like, within a strategic framework provided by the Local Development Framework, including the Core Strategy. It is anticipated that once the bill is passed this will lead to a number of reforms; Local people will decide where best to build the new homes and the local facilities they know are necessary to make their communities successful; the Community Right to Build will allow an application for planning permission to go ahead where there is overwhelming community support for the project; Regional Strategies will be abolished and decision making on matters such as housing targets and planning will be made by local Councils in the Core Strategy and related documents. Changes to the national planning framework for planning policies are also to be introduced in the future.

A range of significant changes are proposed to social housing tenure and other reforms to existing housing legislation, including access to affordable housing. As a result it is anticipated that changes will be made to the way social housing is delivered with public investment in affordable housing being more targeted.

### **Localism Bill**

The Localism Bill has been introduced to enable many of the changes proposed above. The bill proposes to give councils a general power of competence, meaning that as long as an activity is not unlawful, they are empowered to carry it out. Community groups and social enterprise organisations will be encouraged to have an active role, including taking over and delivering public services.

The bill also proposes changes to social housing, giving Local Authorities more freedom to set their own lettings policies and for housing providers to offer tenancies on a fixed term basis rather than the previous policy of a home for life. This would allow Local Authorities to ensure that the housing supply is used where it is most needed. The Bill will also allow Local Authorities to meet their homelessness duty by placing someone in suitable private rented housing.

The Community Right to Build would give groups of local people the right to bring forward small developments including new homes, businesses and shops, the profits from which remain in the community. The Bill also introduces a requirement for developers to consult communities before submitting planning applications for large scale developments, giving local people a real say in their area. **In Maidstone the Council's Statement of Community Involvement already makes this a requirement.**

### **3. Local context**

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#### **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 growing higher education offer with both the University for the Creative Arts and Mid Kent College seeking to increase their range of courses and facilities. 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 Perception Study of locations for business in Kent carried out by Locate in Kent ([www.locateinkent.com](http://www.locateinkent.com))

Maidstone's Local Strategic Partnership has carried out work in 2010 looking at how public money is spent locally. They have 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 well-being, nearly 17% is spent on education and 15% on housing.

### **Maidstone Sustainable Community Strategy 2009-2020:**

The Sustainable Community Strategy (SCS) is the topmost level of policymaking in the Council. Our SCS was published in April 2009, and it contains the following vision and long term objectives for the Borough agreed with our partners:

***"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".***

In Maidstone sustainable communities mean places where people want to live and work, now and in the future. We involve the local community in a range of ways to ensure that people can share their views on housing services and priorities for service development. We already encourage our housing services customers to tell us what they think and suggest how we can do things better, for example through stakeholder meetings, community events (e.g. annual Housing Stakeholders Event) and public consultation events for policy changes e.g. choice based lettings, housing needs review. We keep looking for new ways to improve customer involvement, particularly where there may be communication barriers. It is important that we engage with our residents and customers to ensure our knowledge remains up to date and we can respond to changes in local issues.

### **Population and household change<sup>1</sup>**

Based on a dwelling target of 10,080 new homes between 2006 and 2026, projections indicate that Maidstone's population will increase by 15.2%, which represents an increase of 22,600 people (148,500 to 171,100)

Regeneration is vital to transform the economic, social and environmental wellbeing of the Borough and the need to integrate new developments with existing communities is critical. Two of our neighbouring authorities are the 'Growth Areas' of Ashford and the Thames Gateway: huge public and private investment in housing, the economy and the environment is being channelled into these areas and there is a risk that Maidstone will be left behind if its offer to investors and entrepreneurs does not improve.

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<sup>1</sup> Unless otherwise stated, all data in this section is derived from Maidstone Borough Council Strategic Housing Market Assessment (SHMA) 2010. Go to [www.maidstone.gov.uk](http://www.maidstone.gov.uk)

Estimates of housing need are provided by Strategic Housing Market Assessments (SHMAs)<sup>2</sup>. Maidstone's SHMA was published in April 2010 and following the methodology set out in SHMA practice guidance, there is estimated to be an annual need for 1,081 affordable units in Maidstone borough area.

<b>Summary of housing needs assessment model</b>	
<b><i>Element</i></b>	<b><i>Number of dwellings</i></b>
Current need	339
Current supply	237
<b>Net current need</b>	<b>102</b>
Future need	1531
Future supply	552
<b>Net future need</b>	<b>979</b>
<b>Total net annual need</b>	<b>1081</b>
Total gross annual need	1870
Total gross annual supply	789
<b>Total net annual need</b>	<b>1081</b>

### **Tenure mix**

Maidstone Borough Council has regularly kept up to date on the levels of housing need in the borough, with the most recent Strategic Housing Needs Survey being reported in March 2010. The supply and demand analysis that sits alongside the SHMA gives helpful information on mismatches between the supply of certain types of homes and the demand for them locally.

The housing market is considered balanced if the local population is adequately accommodated. A household is considered adequately housed unless:

- They are in unsuitable housing (as defined by CLG Guidance) and cannot resolve this unsuitability without moving to a new property;
- Their property is overcrowded (according to the bedroom standard).

Currently about 5.5% of households are classified as inadequately housed. Lone parent households are the household group least likely to live in adequate accommodation, with multiple pensioner households the most likely.

### **Affordable housing**

Affordable housing refers to a range of tenures that includes socially rented, intermediate or affordable rent and a variety of shared ownership products.

The SHMA suggests that there is a need for affordable housing of all sizes, and a significant need for rural homes. Smaller (one and two bedroom) units account for almost 45% of the need, but larger (three and four bedroom) homes

<sup>2</sup> SHMAs were introduced in November 2006, with final guidance on how to undertake a SHMA published in August 2007.

comprise over 55% of need. Opportunities for securing family sized accommodation (typically 3+ bedrooms) must be maximised where site and scheme particulars allow.

Currently the Maidstone Affordable Housing Development Plan Document requires developers to provide 40% affordable housing on sites of 15 units or 0.5 hectare or greater. Within the 40%, the tenure split is expected to be 60/40 socially rented/intermediate tenure accommodation. As the Core Strategy is developed further, more flexibility concerning the proportion of affordable housing may be needed to ensure development viability.

### **Flexible tenure**

Flexible tenure allows shared owners to decrease their equity in their home, potentially selling all their equity and becoming assured tenants. For landlords flexible tenure is optional but strongly encouraged. Flexible tenure is not a legal right and is pendant on a financial assessment. The money realised through decreasing equity can only be used to clear mortgage arrears.

Maidstone Council responded to the 'Local Decisions; a fairer future for social housing' consultation document and made the following comments in relation to flexible tenure: "MBC welcomes the ability to make better use of social housing stock which should promote mobility and help to reduce under occupation; however, this should not be at the expense of creating balanced and sustainable communities nor should it act as a disincentive to tenants obtaining employment and self improvement."

### **Lifetime Homes**

A Lifetime Home should be accessible and incorporate built-in or designed provision for a range of adaptations that will respond to the needs of any member of the household who has, or develops a disability or impairment, which could include the need to use a wheelchair within the home. Maidstone Council expects affordable homes to be constructed to full Lifetime Homes Standards.

Dwellings built to wheelchair housing standards are designed specifically to meet the diverse and changing needs of wheelchair users and the multiplicity of impairments that some wheelchair users experience. Lifetime Homes, while suitable and offering choice for some people with impairments will not have the additional spatial requirements all wheelchair users need to access every room and facility of the dwelling in order to maximise their potential for independence. Therefore the Council will seek a proportion of new affordable dwellings to be designed for full wheelchair use to respond to the needs of housing applicants who need them. The detailed design and specification requirements of wheelchair housing will be sourced from relevant specific guidance documents.

#### 4. The Corporate Priorities:

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The Council has identified the following three priorities and six outcomes to deliver the vision for Maidstone over the next four years:

<b>Priorities</b>	<b>Outcomes</b>
1. For Maidstone to have a growing economy	<ul style="list-style-type: none"><li>• A transport network that supports the local economy</li><li>• A growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy</li></ul>
2. For Maidstone to be a decent place to live	<ul style="list-style-type: none"><li>• Decent, affordable housing in the right places across a range of tenures</li><li>• Continues to be a clean and attractive environment for people who live in and visit to Borough</li></ul>
3. Corporate and Customer Excellence	<ul style="list-style-type: none"><li>• Residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced</li><li>• The Council will continue to have value for money services that residents are satisfied with</li></ul>

We want Maidstone to be a place where people enjoy where they live and a key part of this will be having access to affordable and decent housing that meets residents' needs in terms of availability, size and condition as we understand that good housing promotes educational attainment, better health outcomes and employment opportunities.

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. For those on average or low incomes, home repossession is likely to become more frequent as a result of the recent economic climate. Maidstone has a fairly low level of households living in temporary accommodation provided under the homelessness legislation compared to the other districts in Kent and a significantly lower level than the average for England according to the 2011 Health Profile. The numbers have dropped each year. Maidstone is consistently above target for homelessness prevention.

## 5. Delivery through Partnership

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Maidstone Borough Council is committed to working with key stakeholders to assist in meeting local housing needs. Partnership is the underlying principle of community planning and fundamental to the delivery of this strategy. Over the next four years we will ensure that partnerships continue to be developed, that they focus on priorities and make effective use of resources.

Three key partnerships are:

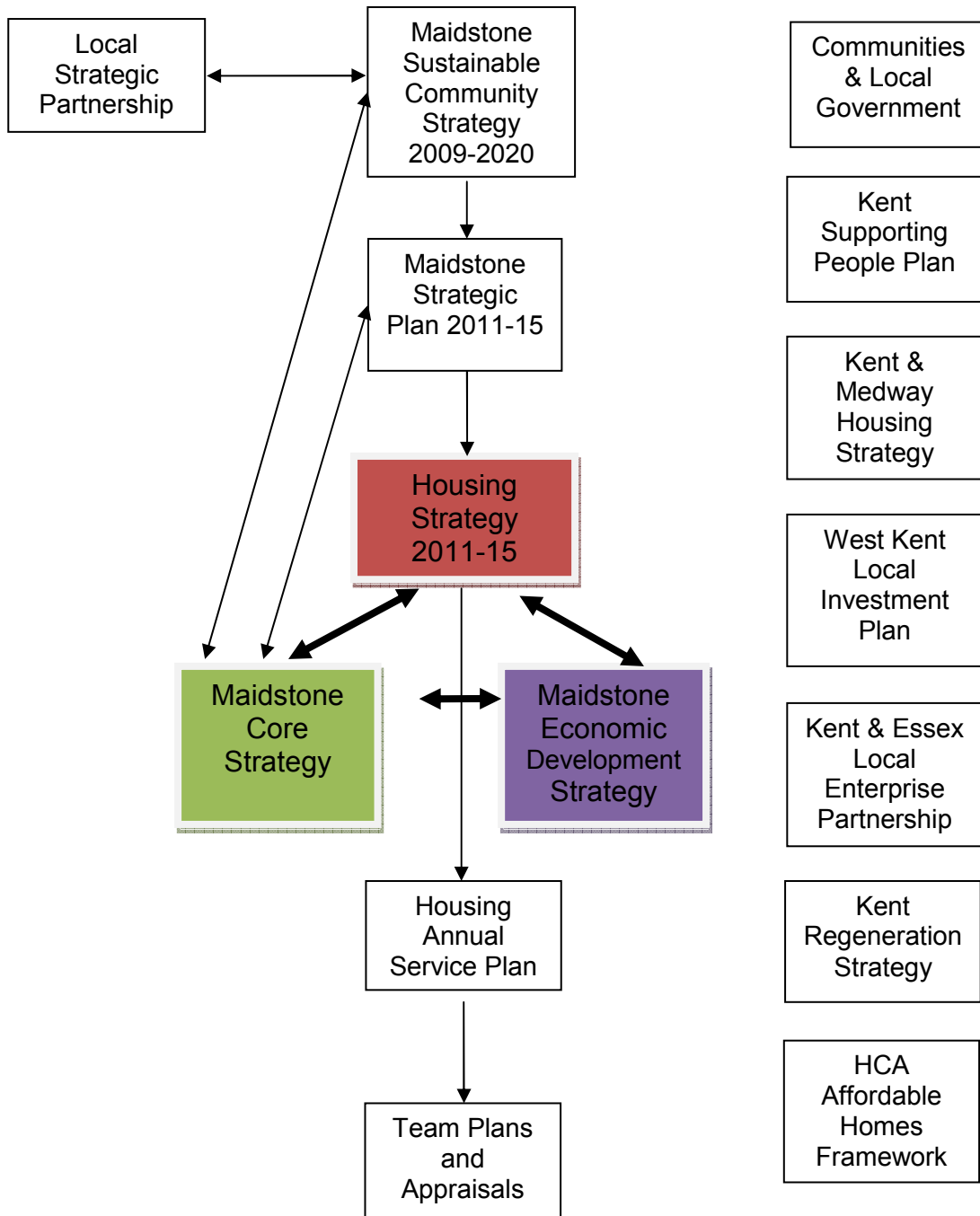
- The Kent Housing Group, set up to represent Kent's housing bodies, providing a 'Kent voice' to regional and national bodies. The aims of the Kent Housing Group are to:
  - **Provide strategic leadership - shaping and setting the housing agenda;**
  - **To build relationships and influence decisions for the benefit of Kent;**
  - **To draw in resources from both traditional and alternative sources.**
  - **To work together to improve the supply and quality of affordable homes.**
  - **To create sustainable communities in Kent.**
- the Kent Rural Housing Partnership, set up to enable borough and district Councils across Kent to work closely with Rural Housing Providers, and access Housing Corporation funding;
- West Kent Local Investment Plan - The Council, together with Tunbridge Wells, Tonbridge & Malling and Sevenoaks Councils and the Homes and Communities Agency (HCA) have progressed the West Kent Local Investment Plan (LIA). The LIP is an agreed sub-regional investment programme which will determine where HCA and LA investments and interventions will be made. The process has aimed to ensure that all the partners are joined up and working to the same objectives, and that these reflect the HCA's objectives. The West Kent LIP was agreed by all the partners in February 2011 and submitted in March 2011. The LIP was submitted in time to form the basis for the latest bidding round of the Affordable Homes Programme.
- The following schemes are firm bids that have been submitted to the HCA and will be delivered with partners. Some of these form part of the West Kent LIP.



Provider name	Individual Site Name	Number of New Homes on Site that are Part of Firm Element of Offer	Site Location Town	Site Location Postcode
Hyde Housing Association	George St	22	Maidstone	ME15 6NX
		<b>1</b>	<b>1</b>	<b>1</b>
Moat Homes Limited	Hayles Place	10	Maidstone	ME15 6TR
		<b>1</b>	<b>1</b>	<b>1</b>
Orbit Housing Group	Tovil Green	20	Maidstone	ME16 6RJ
		<b>1</b>	<b>1</b>	<b>1</b>
Paragon Community Housing Group	Bethersden Court	11	Maidstone	ME15 8SS
	Church Street	26	Maidstone	ME14 1DS
	Coombe Rd Ph 3	20	Maidstone	ME15 6UE
	York Road	12	Maidstone	ME15 7QX
		<b>4</b>	<b>1</b>	<b>4</b>
Town and Country Housing Group	Coxheath	32	Coxheath	ME17 4PB
	Hastings Road	10	Maidstone	ME15 7SG
	Harrietsham	20	Harrietsham	ME17 1HX
	Oakwood Park	20	Maidstone	ME16 8AG
		<b>4</b>	<b>3</b>	<b>4</b>

A full list of partners with whom the Council works on matters relevant to the Housing Strategy can be viewed at [www.maidstone.gov.uk](http://www.maidstone.gov.uk) .

## 6. How the Housing Strategy links with other plans and strategies



## 7. Our Housing Priorities and objectives

### Priority 1 – Develop sustainable communities

#### Outcomes- What we plan to achieve

- a) A local development framework is in place that delivers a range of market and affordable housing to meet a spectrum of need.
- b) The long-term balance of the housing market in the borough is improved to reflect local need and demand including an increase in the supply of affordable rented and shared ownership homes.
- c) The housing and related needs of people in rural areas are addressed
- d) The housing needs of the gypsy and traveller community are addressed

#### Why is this important to Maidstone?

The foundation of a sustainable community and a thriving economy is the supply of good housing that is attractive and desirable to existing households and those that are economically mobile.

We want Maidstone to be a place where developers want to invest and our SHMA has indicated that we need a range of housing as set out in the table below.

<b>Tenure</b>	<b>Number of households</b>	<b>Percentage of households</b>
Market	55,726	83.2%
Intermediate	2,053	3.1%
Social rented	9,234	13.8%
<b>Total</b>	<b>67,013</b>	<b>100.0%</b>

The table indicates that for the remaining period to 2026, to achieve the above tenure mix, around 62% of newly constructed dwellings should be market accommodation, around 21% social rented dwellings and around 17% intermediate housing, making a total of 38% affordable housing.

The right mix of high quality housing in the right places contributes to social mobility across and within tenures and helps generate inward investment. People have different housing needs at different stages of their lives, and we need to ensure that these changing needs are met. Good housing drives the economy both during and after construction.

The need for affordable housing is consistently a high priority in district-wide consultation. This is particularly important in the current climate where housing costs are high relative to income and large deposits are needed to purchase a property.

Nearly 28,000 households (45% of all households in Maidstone) live in our rural areas. The Council is committed to ensuring that the rural areas of the borough remain vibrant and sustainable places to live. Housing that is affordable to local people of all income levels is critical to achieving this. The 2010 SHMA showed that the highest income to purchase and private rental prices are in the rural areas in the borough and that levels of need for affordable homes are high in the rural parts of the borough, including the five main rural 'service centres'.

The affordable housing DPD incorporates the rural local needs housing policy and allows the development of affordable local needs homes outside the built confines of villages where open market homes would not normally be permitted. Homes are restricted to occupation by people with local connections.

Maidstone Borough contains 199 legally authorised gypsy pitches (June 2011). The most recent Gypsy and Traveller Accommodation Assessment (GTAA) for Maidstone Borough was published in 2006 and was carried out as part of a wider study involving three neighbouring Local Authorities. Allowing for a certain amount of turnover on the two gypsy sites the Council owns, the GTAA recommended that 32 new pitches should be built in Maidstone Borough in the 2006-2011 period. The GTAA also found that some gypsy households did not have the resources to purchase land privately. To help address the need for affordable as well as private pitches, the Council in partnership with the Town & Country Housing Group will pursue a bid to the HCA's Traveller Pitch Fund to help deliver a new public site by 2013/14. In addition, the emerging Core Strategy is proposing that affordable pitches should form part of the 40% affordable housing requirement. This will require developers to make an offsite contribution from housing developments.

**Actions- What we will do in order to achieve the stated outcomes**

<b>Outcome</b>	<b>What we plan to do</b>	<b>Key partners</b>	<b>Target date</b>
<b>1a</b>	Ensure LDF/Core Strategy provides an appropriate policy framework	Housing developers, land owners	2026. Reviewed on an annual basis to ensure progress is being made
<b>1a</b>	Engage with the Spatial Policy and Development Management teams to bring forward the delivery of new housing	Housing developers, land owners	2026. Reviewed on an annual basis to ensure progress is being made
<b>1b</b>	Draft a Tenancy Strategy for the Borough in full consultation with partner RPs and other stakeholders	West Kent LIP Partnership, RSLs, developers Action for	September 2011

		Rural Communities in Kent HCA, KHG, RSLs	
<b>1b</b>	Bring forward LIP Phase 1 sites	HCA RPs West Kent LIP Partnership West Kent Development Forum	2011-13
<b>1b</b>	Consider /research formation of housing delivery vehicle e.g. Local Housing Company link to Kent & Medway strategy	As above	December 2011
<b>1b</b>	Review the Affordable Housing DPD through the emerging Core Strategy	As above	September 2013
<b>1c</b>	Ensure LDF/Core Strategy provides an appropriate policy framework	Action for Rural Communities in Kent Registered Providers Parish Councils HCA	10 affordable homes on rural exception sites by June 2013
<b>1c</b>	Complete the programme of rural housing needs surveys	As above	Complete two surveys by April 2012
<b>1d</b>	Ensure LDF/Core Strategy provides an appropriate policy framework	Spatial Policy HCA RPs	December 2011
<b>1d</b>	Start development of a rural affordable housing scheme.	As above	December 2013
<b>1d</b>	Bid to the HCA's Traveller Pitch Fund	RP, HCA, KCC	April 2014

### Performance indicators

Number of affordable homes delivered (gross)

## **Priority 2 – Increase choice and improve the quality of life for vulnerable people**

### **Outcomes – What we plan to achieve**

- a) The elderly and disabled are able to live in their homes for longer rather than being admitted to hospital or nursing care.
- b) Homelessness in Maidstone is reduced.
- c) Housing solutions are implemented that help reduce incidences of offending and reoffending.
- d) The percentage of people suffering repeated incidents of domestic violence is reduced.

### **Why is this important to Maidstone?**

There are a considerable number of households in Maidstone that are unable to meet their immediate housing needs or who need support to enable them to live independently within the community. Overall there are an estimated 10,399 households in Maidstone Borough with one or more vulnerable people– this represents 17.0% of all households. The essential characteristics are households with support needs are:

- Housing need
- Low income
- Housing affordability
- Unsuitable housing
- Tenure

Households unable to access support when they need it are more likely to disengage with services and suffer ill health. This will have a negative affect on their education and employment opportunities, resulting in further inequality and isolation. We aim to make sure residents are supported to maintain their independence, minimising the need for more intensive institutional or residential type care.

Population projections indicate a significant increase in the retired population in Maidstone up to 2021 and beyond. Our ageing population will have an impact on private sector housing in the future and the Council has consequently identified the requirement to address the housing needs generated by an ageing population as a priority.

Key to meeting vulnerable peoples' needs is the Supporting People programme, which provides a range of services and supported accommodation. We play an active role in the development and delivery of the Supporting People Programme for Kent. As a member of the Commissioning Body and Core Strategy Group we helped develop the current Five Year Strategy, as well as increasing specialist housing such as the new teenage-pregnancy supported housing project.

The SHMA 2010 found that, when given the choice, an overwhelming majority of disabled persons would prefer physical adaptations to remain in their home.

Disabled Facilities Grants (DFG's) are mandatory for disabled residents regardless of tenure, to enable them to gain better access, move around freely or use the essential facilities within the home.

**Actions- What we will do in order to achieve the stated outcomes**

<b>Outcome</b>	<b>What we plan to do</b>	<b>Key Partners</b>	<b>Target date</b>
2a	Review DGF grant regime in order to ensure that the most value for money is gained from DGF grant	MBC Change & Improvement Team KCC OT Bureau	October 2011
2a	Review the role of the HIA in the delivery of Mandatory DFGs	HIA HCA Supporting People Team	October 2011
2b	Following the Southwark judgement work with Kent Social Services to jointly commission new forms of temporary accommodation and long-term solutions to youth homelessness	Joint Policy & Planning Board; KCC; housing providers	Review annually
2c	Work with the Offender Management Unit to implement their action plan to reduce reoffending	JPPB sub group on offenders & housing; Kent Probation; Youth Offender Service; outreach services	Review annually
2d	Assist the SMP in developing and delivering an action plan to support victims of domestic violence	Safer Maidstone Partnership	December 2011

**Performance indicators**

- Number of homes occupied by vulnerable people made decent
- Number of weeks taken to approve a disabled facilities grant
- Number of people helped through the staying put partnership

## **Priority 3 – Improve our existing homes**

### **Outcomes- What we plan to achieve**

- a) Homeowners and private landlords are encouraged and supported to maintain and repair their homes; the grant programme is targeted to achieve community benefit e.g. nomination rights
- b) Use of existing stock is maximised by empty homes being brought back into use.
- c) Energy efficiency and fuel poverty have improved across all tenures

### **Why is this important to Maidstone?**

Poor quality housing is known to have a detrimental effect on a household's health, educational and emotional wellbeing. With nearly 86% of Maidstone's housing stock in private ownership (both owner-occupied and privately rented), the borough has had to find ways to tackle poor conditions including inadequate heating, overcrowding, improving energy efficiency and enable vulnerable and disabled households to remain in their homes. At the same time we must ensure that standards are maintained in the existing private rented sector and that any investment results in a benefit to the Council and the residents of Maidstone.

The Council will take the appropriate action where a landlord's rented accommodation necessitates this. In the first instance the Council will attempt to assist the landlord in bringing the property up to a satisfactory condition but where the landlords fails to co-operate the Council will take enforcement action, regardless of whether the landlord has a small or large portfolio of property.

The SHMA indicates that over 70% of households are in the owner-occupied sector, Whilst overcrowding in Maidstone is not problematical (some 1.9% of households are overcrowded, lower than the latest national and regional estimates from the Survey of English Housing of 2.7% and 2.0% respectively), the household survey indicates that in Maidstone 39.5% of households are under-occupied. Under-occupation is not evenly spread, with nearly half (45.4%) of all properties in rural parts of Maidstone Borough under-occupied compared to 34.7% in the urban area.

All social housing landlords operate some form of incentive scheme to enable tenants in larger family accommodation to move to more suitable properties. However, there is little incentive or support for elderly owner occupiers who find that their houses are no longer suitable for their needs and who wish to move into smaller accommodation. The SHMA indicates that relatively few older owner occupiers are intending to move to alternative housing in the next two years, due mainly to a perceived lack of choice.



New housing has to make minimum impact on the environment. As well as national targets for carbon-neutral development, and regional plans and policies which include more specific requirements for ensuring sustainability, Maidstone seeks level 3 of the Code for Sustainable Homes on all new homes, or 'very good' under the EcoHomes Standard, and it is already a requirement for all new affordable homes.

In Maidstone around 4,230 properties (8.2%) are in fuel poverty. With an average household size of 2.32 persons, there are nearly 10,000 persons (1 in 15) living in fuel poverty in Maidstone. Fuel poverty is a result of the interaction of three factors – household incomes, energy prices and energy efficiency in homes. It is estimated that nationally a 1% rise in energy prices forces around 40,000 households into fuel poverty. A household is considered to be in fuel poverty if it needs to spend more than 10% of its income on energy costs to achieve an adequate level of warmth. Fuel poverty is strongly associated with single parent, elderly and economically vulnerable households.

**Actions- What we will do in order to achieve the stated outcomes**

<b>Outcome</b>	<b>What we plan to do</b>	<b>Key Partners</b>	<b>Target date</b>
3a	Engage small landlords to work with the council to improve the condition and management of their property through the accreditation scheme	MBC Change & Improvement Team KCC OT Bureau	October 2011
3a	Annual Landlords Forum	National Landlords Association	October 2011
3b	Update the Empty homes strategy	No Use Empty initiative CEN	March 2012

**Performance indicators**

Average number of days to respond to private sector housing enquiries  
 Number of empty private sector dwellings that are returned into occupation or demolished

## **Priority 4- Improve access to housing advice and work to prevent homelessness and rough sleeping in Maidstone**

### **Outcomes- what we plan to achieve**

- a) There is an improvement in the quality and range of information relating to advice services that results in more households being prevented from becoming homeless
- b) Work to prevent homelessness and end the need to sleep rough in Maidstone.
- c) Access to affordable housing is improved and the range of housing options available to applicants is increased.

### **Why is this important to Maidstone?**

The Council has a duty to provide free advice and information about housing, homelessness and the prevention of homelessness to anyone in the district. We want to ensure that everyone is able to access this advice when they need it in a way that is convenient for them.

In June 2010 the new Government announced changes to the housing benefits (HB) system, with the intention of saving £1.1b over 4 years. Housing Services monitor local market rent levels in respect of Local Housing Allowance payable, and will monitor the effects of these changes closely, including whether we experience an increase in applicants from London, or other more expensive parts of the South-East.

The Government is committed to tackling and preventing homelessness and so is Maidstone Borough Council. Activities aimed at the prevention of homelessness have a wide reaching benefit, including reducing the need for other agency services and costs to public finances as well as the obvious savings to the Council made from reduced use of Bed & Breakfast accommodation.

Our Choice Based Lettings scheme, Kent Homechoice, has allowed households on the Housing Register to state an interest and 'bid' for the social housing available for rent. Priority is then given to the household bidding that has the highest level of need who has been on the list longest. In addition to advertising social rented properties on the Kent Homechoice website, we now include homes available for low cost home ownership and new mobility indicators highlight those homes which are adapted or particularly suitable for wheelchair users. In the future we are also looking to include the private rented homes of accredited landlords through Home Choice to provide a greater range of housing to households seeking alternative accommodation. However, we need to review whether this system is working for those in the greatest need and continues to provide value for money. The Allocation Scheme will be reviewed following the enactment of the Localism Bill and this provides an opportune time to evaluate the choice based lettings approach.

**Actions- What we will do in order to achieve the stated outcomes**

<b>Outcome</b>	<b>What we plan to do</b>	<b>Key Partners</b>	<b>Target date</b>
4a	Review our use of IT in the provision of housing advice.	Kent Homechoice Housing DCLG stakeholders	September 2012
4a	Review how we can improve the accessibility of our housing options services.	Porchlight, Shelter, Connexions, Day Centre, Social services	December 2011
4b	Work with our partners to increase the effectiveness of the Rent Deposit Bond Scheme	Housing Benefit, CAB, National Landlords Association, Maidstone Landlords Forum	March 2012
4b	Develop and promote a Private Homeowner Incentive Scheme	KCC, KHOG	December 2011
4c	Review the housing allocation scheme	Kent Homechoice Housing stakeholders Service users	October 2011
4c	Develop Maidstone's approach to the Kent-wide Single Assessment Scheme	As above	October 2011
4c	Review whether Choice Based Lettings is still the best way of people accessing social housing	As above	October 2011

**Performance indicators**

Average time taken to process and notify applicants on the housing register  
 Number of households prevented from becoming homeless through the intervention of housing advice  
 Number of households living in temporary accommodation on the last night of the month

## **9. Implementation and Monitoring arrangements**

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The Housing Department operates within a Council-wide performance management system which is structured around effective political and managerial leadership, a clear vision, action centred service planning, regular performance reporting and constructive challenge

To ensure that the Housing Strategy is delivered, the Council will review and monitor the Action Plan through various methods:

- The Housing Consultative Board is a Member constituted body responsible for advising Cabinet on all housing issues.
- Housing Sounding Board (HSB). The HSB will review the Action Plans and produce an annual Position Statement.
- Housing Services performance indicators reported quarterly to Senior Management Team, Portfolio Holder and Cabinet.
- Satisfaction surveys – Housing Services seeks the views of our customers and stakeholders through questionnaires.

Changes in legislation often affect both social and market housing. This strategy will be updated annually to ensure any relevant changes are taken into account and that the action plans are updated.

## **10. Risk management**

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The Council has reviewed the outcomes we hope to achieve by 2015 to identify any risks to those outcomes. Action plans to mitigate these risks will be put in place and reported to Management Team and Cabinet. This information can be found in the strategic risk register and management action plan. The performance on these will be reported regularly through our performance management processes to Management Team, Cabinet and Scrutiny.

**SCRUTINY COMMITTEE RECOMMENDATION ACTION AND IMPLEMENTATION PLAN (SCRAIP)**

**Committee: Communities Overview and Scrutiny**

**Meeting Date: 14 June 2011**

**Minute No: 8**

**Topic: Housing Strategy 2011-15**

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Recommendation <sup>i</sup>	Cabinet Member <sup>ii</sup>	Response <sup>iii</sup>	Timetable <sup>iv</sup>	Lead Officer <sup>v</sup>
<p>a) The Draft Housing Strategy with the revisions recommended by the Committee be circulated to Committee Members and appropriate Substitute Members electronically for approval;</p> <p>b) Where a 'Target' is present in the document, this should be changed to read 'Target Date';</p> <p>c) The early creation of the document ahead of the Localism Bill becoming Law created a hiatus in the Committee's understanding of some of strategy's intentions. It is recommended that where the wording in the document can appear</p>		<p>Agreed- revised version sent to the Overview and Scrutiny Officer on 5 July</p> <p>Agreed and actioned</p> <p>Agreed and actioned</p>	<p>26 July</p>	<p>Ellie Kershaw</p> <p>Ellie Kershaw</p> <p>Ellie Kershaw</p>

<p>vague; the sentence should begin 'it is anticipated that'.</p> <p>d) The order in which information is presented to demonstrate how priorities will be actioned should be revised to the following for ease of read:</p> <ul style="list-style-type: none"> <li>o Priority</li> <li>o Why it is important to Maidstone</li> <li>o Outcomes (labelled a, b and c if multiple)</li> <li>o Actions</li> </ul> <p>e) Under Priority 3 in the document there should be an additional paragraph to cover large landlords, offering the assurance that there will be action taken against any landlord providing poor living conditions;</p> <p>f) The outcomes should be harder hitting in their wording, providing a powerful statement rather than a diluted explanation;</p> <p>g) The document provides a reference to risk factors</p>		<p>The order has been changed for ease of reading though following comments at Cabinet away day, to a slightly different format than advised here.</p> <p>Agreed and actioned</p> <p>Agreed and actioned</p> <p>Agreed and actioned</p>		<p>Ellie Kershaw</p> <p>Ellie Kershaw</p> <p>Ellie Kershaw</p> <p>Ellie Kershaw</p>
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**If the recommendation is accepted** an explanation of the action to be taken to implement the recommendation should be recorded in this box. Please also complete the 'timetable' and 'lead officer' boxes.

<sup>iv</sup> The Officer/Cabinet Member responsible for responding to the recommendation should indicate in this box when the action in indicated in the previous box will be implemented.

<sup>v</sup> The Officer/Cabinet Member responsible for responding to the recommendation should indicate in this box the Officer responsible for the implementation of the action highlighted in the 'response' box.



## Appendix B- Our achievements 2005-2010

### **Increasing the Supply of new Affordable Homes**

- Delivering 1,204 affordable houses of which 334 were directly funded by the Council,
- Successfully applying to become a Growth Point;
- Bringing forward our Affordable Housing Development Plan Document ahead of the Core Strategy to help deliver new housing at the earliest opportunity;
- Increasing the percentage of affordable housing expected through planning policy from 25% to 40%. In 2009/10, some 69% of all homes built in Maidstone were affordable;
- Committing significant resources from its own capital programme to deliver new affordable housing within its medium-term financial plan;
- Completing the following policy reviews: Housing Strategy Supplement Review, Homelessness Strategy, Strategic Housing Market Assessment and Gypsy and Traveler Housing Needs Surveys completed in partnership with Kent colleagues;
- Completing 10 Rural Housing Needs Surveys in partnership with the Rural Housing Enablers.

### **2. Tackling Homelessness**

- Over the period 2005-10, reducing the number of homeless applications from 312 to 55, and the number of homeless acceptances from 174 to 7;
- Over the same period, some 1,515 households have been prevented from becoming homeless through housing advice provided by the Housing Options Team and our partners;
- Reduced the number of households in temporary accommodation from 149 in December 2004 to 38 in March 2010. Our 2010 temporary accommodation target was met in September 2007, some two years early;
- Successfully housing 2,209 households from the housing register;
- Assisting 315 households through the Rent Deposit Bond Scheme;
- Lobbying the DCLG, resulting in a significant increase in our Homelessness Grant throughout 2007-10, when other authorities' grants were reduced or stayed the same.

### **3. Improving Existing Homes**

- Making 836 homes occupied by vulnerable households decent;
- In the last two years helped 3,344 households through the Staying Put Partnership;

- In five years, 230 vacant private sector dwellings were demolished or returned to occupation;
- Licensed 91 Units of houses in multiple occupation to ensure compliance with the 2004 Housing Act;
- Partnership arrangements with the Kent Energy Centre enabled 7,755 energy advice surveys to be completed since 2005;

#### **4. Addressing the Needs of Vulnerable Households**

- Hosting the newly formed Maidstone Mental Health Forum with partners from Health, Social Services and other stakeholders;
- Tumim House became operational to provide housing for ex-offenders in conjunction with the Kent Drug & Alcohol Action Team and service users successfully moving onto settled accommodation;
- Active participation in the East Sutton Park Women's Prison Vision Project;

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

#### **REFERENCE FROM HOUSING CONSULTATIVE BOARD**

##### **1. HOUSING STRATEGY 2011/12-14/15**

On 27 June 2011 the Housing Consultative Board considered the report of the Head of Housing and Community Services regarding the draft Housing Strategy 2011/12 – 2014/15.

In response to questions, Officers informed the Board that the consultation was undertaken in a variety of ways and therefore there was no “percentage return” available and that the Strategy does take into account migration into and out of the Borough.

##### **1.1 RECOMMENDED: That Cabinet recommend the draft Housing Strategy 2011/12-2014/15 to Council for adoption.**

# Agenda Item 12

## MAIDSTONE BOROUGH COUNCIL

### CABINET

13 JULY 2011

### REPORT OF CHIEF EXECUTIVE

Report prepared by Paul Riley

#### **1. LOCAL CODE OF CORPORATE GOVERNANCE**

##### 1.1 Issue for Decision

1.1.1 This report requests Cabinet to consider and approve an amended Local Code of Corporate Governance in line with the publication by CIPFA/SOLACE "Delivering Good Governance in Local Government".

##### 1.2 Recommendation of the Chief Executive

1.2.1 It is recommended that Cabinet:-

- a) Consider and approve the amended Local Code of Corporate Governance as set out in **Appendix A**;
- b) Seek the views of the Audit Committee.

##### 1.3 Reasons for Recommendation

1.3.1 The principles and standards of good corporate governance in local government were set out in a previous framework and guidance notes published by CIPFA/SOLACE in 2001. In August 2001, Cabinet agreed that the Council implements the recommendations of this publication "Corporate Governance and Local Government in England and Wales – A Keystone for Community Governance". Cabinet agreed a local code in September 2003 and has considered an annual update since then.

1.3.2 In 2007 CIPFA/SOLACE updated their guidance in the publication "Delivering Good Governance in Local Government". This publication set out a number of core principles and supporting principles, which may be summarised as follows:-

Core Principle 1 – will focus on the purpose of the Authority and on outcomes for the community in creating and implementing the vision for the local area:

Core Principle 2 – Members and officers will work together to achieve a common purpose with clearly defined functions and roles;

Core Principle 3 – promote values for the Authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour;

Core Principle 4 – take informed and transparent decisions which are subject to effective scrutiny and manage risk;

Core Principle 5 – develop the capacity and capability of Members and officers to be effective;

Core Principle 6 – engage with local people and other stakeholders to ensure robust public accountability.

In May 2008, Cabinet agreed a Local Code of Corporate Governance that was based on the new requirements and an annual update was also agreed in May 2009.

- 1.3.3 In 2010 CIPFA published guides to the role of the Chief Finance Officer and the Head of Internal Audit. Both guides considered the role of these officers in relation to the Local Code of Corporate Governance. Consideration has been given to these publications in updating the Local Code of Corporate Governance.
- 1.3.4 Since 2004, an officer working group has existed to review and monitor Corporate Governance issues. The working group is chaired by the Chief Executive and includes the Director of Regeneration & Communities, Director of Change, Planning & the Environment, Head of Legal Services, Head of Audit Partnership and the Head of Finance & Customer Services. This Working Group has considered the framework agreed last year and attached at **APPENDIX A** is the proposed updated Local Code of Corporate Governance and this includes a full analysis of the core principles, and the supporting principles and details the current practice of this Authority in delivering good governance.
- 1.3.5 It is intended that where there are areas of weakness or omission that this will be addressed in 2011.
- 1.3.6 During 2011 consideration will also need to be given to the impact of the proposed Localism Bill, and in particular suggested changes to the standards regime which will have an impact on this code.

- 1.3.7 As supporting evidence to allow Audit Committee to agree the Statement of Accounts, Audit Committee will be presented with an Annual Governance Statement. This will cover the whole range of Corporate Governance as set out in the framework. The Annual Governance Statement will detail the major elements of Corporate Governance, the review process, any weaknesses identified and an action plan to address those weaknesses. The Annual Governance Statement is included elsewhere on this agenda.
- 1.4 Alternative Action and why not Recommended
  - 1.4.1 The agreement to an Annual Code is now considered best practice and is necessary to allow the Audit Committee to agree the Statement of Accounts by its statutory date of end of September 2011.
- 1.5 Impact on Corporate Objectives
  - 1.5.1 Good Corporate Governance includes the methodology of the Authority in consulting the public, creating key priorities and their delivery.
- 1.6 Risk Management
  - 1.6.1 The local code identifies the processes used by the Council to involve the public in decision making and those for service delivery and standards. These issues are essential to address reputational risk and help demonstrate value for money in the Use of Resources.
  - 1.6.2 The local code also identifies the processes whereby the Authority address risk management as part of its good corporate governance arrangements.
- 1.7 Other Implications
  - 1.7.1 None.
- 1.8 Relevant Documents
  - 1.8.1 Appendices

**Appendix A** - Local Code of Corporate Governance

- 1.8.2 Background Documents

CIPFA/SOLACE publication Delivering Good Governance in Local Government.

Minutes of the Corporate Governance Officer Working Group

**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

.....

This is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....

## DRAFT

**MAIDSTONE BOROUGH COUNCIL**  
**LOCAL CODE OF CORPORATE GOVERNANCE**  
**JULY 2011**

**1. Background**

- 1.1 The Council wholly subscribes to the principles of public life as set out by the Committee on Standards and Public Life (The Nolan Committee) in 1995 as follows:-

**Selflessness** – holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

**Integrity** – holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

**Objectivity** – in carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

**Accountability** – holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**Openness** – holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and actions and restrict information only when the wider public interest clearly demands.

**Honesty** – holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

**Leadership** – holders of public office should promote and support these principles by leadership and example.



1.2 The Council acknowledges the work undertaken by CIPFA/SOLACE on establishing a framework for corporate governance in local government. This work includes the 2007 guidance contained in the publication Delivering Good Governance in Local Government which sets out the six core principles that should underpin the governance arrangements for all public bodies.

**2. Core Principles of Corporate Governance**

2.1 The Council endorse the core principles and the supporting principles as set out in the CIPFA/SOLACE publication on Delivering Good Governance in Local Government, published in 2007 and intend to use these principles to monitor and control Corporate Governance in Maidstone Borough Council to ensure that the Authority is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

2.2 The core principles and supporting principles are as follows:-

- 1) The Authority will focus on the purpose and on outcomes for the community in creating and implementing a vision for the local area and will;
  - Exercise strategic leadership by developing and clearly communicating the Authority's purpose and vision and its intended outcome for citizens and service users.
  - Ensure that users receive a high quality of service whether directly, or in partnership, or by commissioning.
  - Ensure that the Authority makes best use of resources and that tax payers and service users receive excellent value for money.
- 2) Members and officers will work together to achieve a common purpose with clearly defined functions and roles and will;
  - Ensure effective leadership throughout the Authority and be clear about executive and non-executive functions and of the roles and responsibilities of the Scrutiny function.
  - Ensure that a constructive working relationship exists between Authority Members and officers and that the responsibility of Members and officers are carried out to a high standard.
  - Ensure relationships between the Authority, its partners and the public are clear so that each knows what to expect of the other.

- 3) Members and officers will promote the core values for the Authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour and will;
  - Ensure Authority Members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance.
  - Ensure that organisational values are put into place and are effective.
- 4) The Authority will take informed and transparent decisions which are subject to effective scrutiny and manage risk;
  - Be rigorous and transparent about how decisions are taken in listening and acting on the outcomes of constructive scrutiny.
  - Have good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.
  - Ensure that an effective risk management system is in place.
  - Ensure they use their legal powers to the full benefit of the citizens of communities in their area.
- 5) The Authority will develop the capacity and capability of Members and officers to be effective and will;
  - Make sure that Members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.
  - Develop the capability of people with governance responsibilities and evaluate their performance as individuals and as a group.
  - Encourage new talent for membership of the Authority so that best use can be made of individual's skills and resources in balancing continuity and renewal.
- 6) The Authority will engage with local people and other stake holders to ensure robust public accountability and will;
  - Exercise leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountable relationships.

- Take an active and planned approach to dialogue with the public to ensure effective and appropriate service delivery whether directly by the Authority, in partnership or by commissioning.
- Make best use of Human Resources by taking an active and planned approach to meeting responsibility to staff.

### 3. **Detailed Implementation of Core Principles of Corporate Governance**

3.1 In broad terms Maidstone Borough Council addresses Corporate Governance through the following main areas:-

- a) **Constitution** – Constitution has a comprehensive scheme of delegation to Members and officers and therefore clearly sets out the arrangements for the provision of services. This includes effective Overview and Scrutiny, Standards and Audit arrangements. The Constitution is backed up by Codes of Conduct for both officers and Members;
- b) **Vision** - The Council has a long term vision (through the sustainable community strategy) with short to medium term delivery through the Strategic Plan, which is reviewed annually. The delivery of priorities is related to funding availability and capacity through the Budget Strategy and is based on consultation with partners and public;
- c) **Comprehensive Performance Management** - arrangements are in place incorporating strategic and service based risk management and business continuity. Reporting on performance is undertaken through quarterly reports on the Authority’s Key Performance Indicators and monthly reviews by officers of service performance. A six monthly review is undertaken of the Corporate Improvement Plan. The system of Performance Management runs in parallel with and is related to a comprehensive system of financial management;
- d) **Partners and Public** – Partners and public are consulted regularly on the Authority’s service priorities and budget issues and reports to the public on the Authority’s issues and performance are undertaken through Borough Update and an annual report;
- e) **Staffing** – There is a comprehensive Code of Conduct for officers and Corporate Governance is embedded in the Authority’s core values through STRIVE:
  - Superb Customer Service
  - Teamwork
  - Responsibility for delivering on our promises
  - Integrity and High Standards of Corporate Governance

- Value for Money
- Equality within a Diverse Organisation

3.2 Attached at Appendix A is a schedule showing the detailed arrangements within Maidstone Borough Council for delivery of the core principles. The schedule shows the core principles, the supporting principles, the requirements for local authorities to deliver the principles, best practice examples of source documents and good principles and this Authority's arrangements to address the principles and best practice (with links to the source documents quoted). Where appropriate they will be developed and enhanced to ensure the highest level of Corporate Governance within the Authority.

.....  
Chief Executive

.....  
Leader

## LOCAL CODE OF CORPORATE GOVERNANCE

**UPDATED MAY 2010**

**BASED ON 2007 CIPFA/SOLACE PRINCIPLES**

### **CORE PRINCIPLE**

#### **1. FOCUSING ON THE PURPOSE OF THE AUTHORITY AND ON OUTCOMES FOR THE COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA**

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Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
<ul style="list-style-type: none"> <li>• Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and service users</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and promote the authority's purpose and vision</li> </ul>	<ul style="list-style-type: none"> <li>• Used as a basis for:               <ul style="list-style-type: none"> <li>- Corporate and service planning</li> <li>- Shaping the community strategy</li> <li>- local area or performance agreements</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable Community Strategy adopted following consultation with the public</li> <li>• Community Strategy agreed through LSP</li> <li>• Strategic Plan agreed and reviewed annually in parallel with Budget Strategy</li> <li>• Consultation Strategy agreed</li> <li>• Service Plans based on cascade from Strategic Plan</li> </ul>

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
	<ul style="list-style-type: none"> <li>Review on a regular basis the authority's vision for the local area and its impact on the authority's governance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Governance code</li> </ul>	<ul style="list-style-type: none"> <li>Strategic Plan reviewed regularly to ensure public's views are being delivered</li> <li>Annual review of Local Code of Corporate Governance</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties</li> </ul>	<ul style="list-style-type: none"> <li>Partnership protocol</li> <li>Governance code</li> </ul>	<ul style="list-style-type: none"> <li>Partnership protocol agreed which includes the requirement for a business case, risk assessment, exit strategy and other aspects of good management</li> <li>Review of partnerships undertaken by Overview &amp; Scrutiny Committee</li> <li>Follow up actions implemented.</li> </ul>
84	<ul style="list-style-type: none"> <li>Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance</li> </ul>	<ul style="list-style-type: none"> <li>Annual financial statements</li> <li>Annual business plan</li> <li>Formal annual report</li> </ul>	<ul style="list-style-type: none"> <li>Annual report prepared and published in Downs Mail and available on website</li> <li>Annual report supplemented by articles in Borough Update</li> <li>Annual report includes Summarised Financial Statements and details of carbon footprint.</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning</li> </ul>	<ul style="list-style-type: none"> <li>Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available</li> </ul>	<ul style="list-style-type: none"> <li>This information is reflected in the authority's: <ul style="list-style-type: none"> <li>Strategic Plan</li> <li>medium-term financial strategy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Strategic Plan and Budget Strategy include Performance and resource requirements</li> <li>Medium Term Financial Strategy plans resource requirements and affordability</li> </ul>

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
			<ul style="list-style-type: none"> <li>• The strategic plan includes performance planning and the annual report includes performance outturn</li> <li>• Summary of performance included in Council Tax leaflet sent to all households and businesses</li> </ul>
	<ul style="list-style-type: none"> <li>• Put in place effective arrangements to identify and deal with failure in service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Complaints procedure</li> <li>• 3 year programme of internal audit activity.</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive Complaints procedures in place.</li> <li>• Quarterly report on complaints to Overview &amp; Scrutiny Committee.</li> </ul>

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
<ul style="list-style-type: none"> <li>Ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money</li> </ul>	<ul style="list-style-type: none"> <li>Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.</li> </ul>	<ul style="list-style-type: none"> <li>The results are reflected in authority's performance plans and in reviewing the work of the authority.</li> </ul>	<ul style="list-style-type: none"> <li>Value for Money Strategy agreed.</li> <li>Value for Money Working Group co-ordinates and initiates VFM agenda.</li> <li>RTS monitors performance at Business Unit level.</li> <li>Strategic Plan KPI's reported regularly to Cabinet and Overview &amp; Scrutiny Committee.</li> <li>Use of benchmarking</li> </ul>



**CORE PRINCIPLE****2. MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES**

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
<ul style="list-style-type: none"> <li>Ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function.</li> </ul>	<ul style="list-style-type: none"> <li>Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice.</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> <li>Record of decisions and supporting materials</li> </ul>	<ul style="list-style-type: none"> <li>Constitution sets out roles and responsibilities including a scheme of delegation</li> <li>Protocol on relationships between Members and officers in place</li> <li>All decisions recorded and distributed.</li> </ul>
	<ul style="list-style-type: none"> <li>Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers.</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> <li>Conditions of employment</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> <li>Conditions of employment</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of members and officers are carried out to</li> </ul>	<ul style="list-style-type: none"> <li>Determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the authority, taking</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> <li>Scheme of delegation</li> <li>Statutory provisions</li> </ul>	<ul style="list-style-type: none"> <li>Constitution and scheme of delegation</li> <li>Regular review and amendment to Constitution to reflect changes</li> </ul>

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
<p>a high standard.</p>	<p>account of relevant legislation, and ensure that it is monitored and updated when required.</p>		
	<ul style="list-style-type: none"> <li>• Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management</li> </ul>	<ul style="list-style-type: none"> <li>• Conditions of employment</li> <li>• Scheme of delegation</li> <li>• Statutory provisions</li> <li>• Job descriptions/specification</li> <li>• Performance management system</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Executive is Head of Paid Service with written conditions of employment and job description</li> <li>• Scheme of delegation included in Constitution</li> <li>• Regular Performance Appraisal by Members</li> </ul>
<p>88</p>	<ul style="list-style-type: none"> <li>• Develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained.</li> </ul>	<ul style="list-style-type: none"> <li>• New chief executive and leader pairing consider how best to establish and maintain effective communication.</li> </ul>	<ul style="list-style-type: none"> <li>• Informal meeting between Leader and Chief Executive after Annual Council to agree plan of action for year.</li> </ul>
	<ul style="list-style-type: none"> <li>• Make a senior officer (the S151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control.</li> </ul>	<ul style="list-style-type: none"> <li>• Section 151 responsibilities</li> <li>• Statutory provision</li> <li>• Statutory reports</li> <li>• Budget documentation</li> <li>• Job description/specification</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Finance Officer/Director of Regeneration &amp; Communities is Section 151 Officer</li> <li>• Member of Management Team</li> <li>• Responsibilities set out in Constitution/Financial Procedure Rules</li> <li>• Budget Strategy and other Finance reports presented by Chief Finance Officer/Director of Regeneration &amp; Communities.</li> <li>• Job Description and conditions of employment in</li> </ul>

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
	<ul style="list-style-type: none"> <li>• Make a senior officer (usually the monitoring officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring Officer provisions</li> <li>• Statutory provisions</li> <li>• Job description/specification</li> </ul>	<p>place</p> <ul style="list-style-type: none"> <li>• The Head of Legal Services is Monitoring Officer</li> <li>• Job description and conditions of employment in place</li> <li>• Responsibilities set out in Constitution</li> <li>• Member of Management Team</li> </ul>

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
06 <ul style="list-style-type: none"> <li>Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other.</li> </ul>	<ul style="list-style-type: none"> <li>Develop protocols to ensure effective communication between members and officers in their respective roles</li> </ul>	<ul style="list-style-type: none"> <li>Member/officer protocol</li> </ul>	<ul style="list-style-type: none"> <li>Protocol in place for Member/Officer relationship</li> </ul>
	<ul style="list-style-type: none"> <li>Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable)</li> </ul>	<ul style="list-style-type: none"> <li>Pay and conditions policies and practices</li> </ul>	<ul style="list-style-type: none"> <li>Independent Remuneration Plan in place for Members</li> <li>Procedures set for agreeing pay and conditions for staff</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure that effective mechanisms exist to monitor service delivery</li> </ul>		<ul style="list-style-type: none"> <li>RTS reports monthly on business units performance</li> <li>KPI's performance reported to Cabinet and Overview &amp; Scrutiny Committee</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure that the organisation's vision, Strategic Plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</li> </ul>	<ul style="list-style-type: none"> <li>Vision</li> <li>Strategy</li> <li>Corporate plans</li> <li>Budgets</li> <li>Performance plan/regime</li> </ul>	<ul style="list-style-type: none"> <li>Consultation Strategy in place</li> <li>Vision, Strategic Plans and Budget Strategy all developed with public consultation</li> <li>Actual performance reported to public through Annual Report and Council Tax publication</li> </ul>
	<ul style="list-style-type: none"> <li>When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority</li> </ul>	<ul style="list-style-type: none"> <li>Protocols for partnership working. For each partnership there is: <ul style="list-style-type: none"> <li>a clear statement of the partnership principles and objectives</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Partnership protocol agreed</li> <li>Partnerships agreed by Members</li> <li>Partnerships include clear statements of principles and objectives</li> <li>Partnership information on</li> </ul>

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Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
92	<ul style="list-style-type: none"> <li>• When working in partnership:               <ul style="list-style-type: none"> <li>- Ensure that there is clarity about the legal status of the partnership</li> <li>- Ensure that representatives or organisations all understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- clarity of each partner's role - within the partnership</li> <li>- definition of roles of partnership board members</li> <li>- line management responsibilities for staff who support the partnership</li> <li>- a statement of funding sources for joint projects and clear accountability for proper financial administration</li> <li>- a protocol for dispute resolution within the partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership protocol includes requirement for clarity of roles, responsibilities, governance arrangements and other relevant aspects</li> <li>• Financial requirements of Partnerships set out in Financial Regulations in Constitution</li> <li>• Shared services partnerships are subject to a legal agreement</li> </ul>

**CORE PRINCIPLE****3. PROMOTING VALUES FOR THE AUTHORITY AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR**

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
<ul style="list-style-type: none"> <li>Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect</li> </ul>		<ul style="list-style-type: none"> <li>Constitution</li> <li>Effective Audit, Standards and Overview and Scrutiny Committees.</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols</li> </ul>	<ul style="list-style-type: none"> <li>Members'/officers' code of conduct performance management system</li> <li>Performance appraisal</li> <li>Complaints procedures</li> <li>Anti-fraud and corruption policy</li> <li>Member/officer protocols</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct for Members</li> <li>Performance appraisal processes in place</li> <li>Staff Code of Conduct</li> <li>Whistleblowing and Anti-Fraud and Corruption Policies in place</li> <li>Audit Committee review policies</li> <li>Member/Officer protocol agreed</li> <li>Complaints procedures in place</li> </ul>
	<ul style="list-style-type: none"> <li>Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice.</li> </ul>	<ul style="list-style-type: none"> <li>Standing orders</li> <li>Codes of conduct</li> <li>Financial regulations</li> </ul>	<ul style="list-style-type: none"> <li>Constitution sets out requirements</li> <li>Codes of Conduct in place</li> <li>Financial Regulations in place and reviewed</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring that organisational values are put into practice and are effective.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and maintain shared values including leadership values for both the organisation and staff</li> </ul>	<ul style="list-style-type: none"> <li>Codes of conduct</li> </ul>	<ul style="list-style-type: none"> <li>Codes of Conduct in place</li> </ul>

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
	<ul style="list-style-type: none"> <li>reflecting public expectations and communicate these with members, staff, the community and partners</li> </ul>		<ul style="list-style-type: none"> <li>Core values STRIVE agreed</li> </ul>
94	<ul style="list-style-type: none"> <li>Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice</li> </ul>	<ul style="list-style-type: none"> <li>Codes of conduct</li> </ul>	<ul style="list-style-type: none"> <li>Codes of Conduct in place</li> </ul>
	<ul style="list-style-type: none"> <li>Develop and maintain an effective standards committee</li> </ul>	<ul style="list-style-type: none"> <li>Terms of reference</li> <li>Regular reporting to the Council</li> </ul>	<ul style="list-style-type: none"> <li>Well established Standards Committee with Independent Members</li> <li>Regular reports to Council</li> </ul>
	<ul style="list-style-type: none"> <li>Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority</li> </ul>	<ul style="list-style-type: none"> <li>Decision-making practices</li> <li>The strategic plan</li> </ul>	<ul style="list-style-type: none"> <li>Reports to Executive and Management Teams include a range of implications including impact on Key Priorities</li> <li>The strategic plan sets out practices and principles</li> </ul>
	<ul style="list-style-type: none"> <li>In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively</li> </ul>	<ul style="list-style-type: none"> <li>Protocols for partnership working</li> </ul>	<ul style="list-style-type: none"> <li>Partnership protocol agreed</li> </ul>



**CORE PRINCIPLE****4. TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK**

Supporting principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
<p>96</p> <ul style="list-style-type: none"> <li>Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible</li> </ul>	<ul style="list-style-type: none"> <li>Scrutiny is supported by robust evidence and data analysis</li> </ul>	<ul style="list-style-type: none"> <li>Well established Overview &amp; Scrutiny structure which is regularly reviewed</li> <li>Reports from Overview &amp; Scrutiny Committees well received and effective</li> <li>Scrutiny arrangements in relation to the Crime and Disorder Reduction Panel in place through Communities Overview and Scrutiny Committee</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based</li> </ul>	<ul style="list-style-type: none"> <li>• Decision-making protocols record of decisions and supporting materials</li> </ul>	<ul style="list-style-type: none"> <li>• Constitution sets out delegation for decision making</li> <li>• Agreed report format to ensure all relevant details included</li> <li>• Agreed policy for recording decisions, including time for call-in by Overview &amp; Scrutiny Committee</li> <li>• Procedure for urgent decisions including reporting to Council.</li> </ul>
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Supporting principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
97	<ul style="list-style-type: none"> <li>Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice</li> </ul>	<ul style="list-style-type: none"> <li>Members' Code of conduct</li> </ul>	<ul style="list-style-type: none"> <li>Codes of Conduct in place</li> <li>Whistleblowing policy in place</li> <li>Declarations of Interest in place</li> <li>Related Party Transactions Declarations in place</li> </ul>
	<ul style="list-style-type: none"> <li>Develop and maintain an effective audit committee (or equivalent) which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee</li> </ul>	<ul style="list-style-type: none"> <li>Terms of reference</li> <li>Membership</li> <li>Training for committee members</li> </ul>	<ul style="list-style-type: none"> <li>Audit Committee in place with terms of reference and composition in line with CIPFA recommendations</li> <li>Regular training provided, some in partnership with neighbouring authority</li> <li>Annual review of effectiveness of Audit Committee.</li> <li>Proposals on shared audit being discussed including informal meetings with MKIP boroughs to share and develop best practice</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints</li> </ul>	<ul style="list-style-type: none"> <li>Complaints procedure</li> </ul>	<ul style="list-style-type: none"> <li>Complaints procedures and reporting arrangements in place. Procedure set out in website</li> </ul>

<ul style="list-style-type: none"> <li>• Having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications</li> </ul>	<ul style="list-style-type: none"> <li>• Members’ induction scheme</li> <li>• Training for committee chairs</li> </ul>	<ul style="list-style-type: none"> <li>• Members induction scheme implemented annually</li> <li>• Members training programme agreed annually</li> <li>• Periodic Member Briefing Sessions on current issues</li> </ul>
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Supporting principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
	<ul style="list-style-type: none"> <li>Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately</li> </ul>	<ul style="list-style-type: none"> <li>Record of decision making and supporting materials</li> </ul>	<ul style="list-style-type: none"> <li>Report format includes need to consider legal and financial implications</li> <li>Use of the Modern.Gov system influences timetabling and sign off in relation to implications.</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring that an effective risk management system is in place.</li> </ul> <p>66</p>	<ul style="list-style-type: none"> <li>Ensure that risk management is embedded into the culture of the authority, with Members and Managers at all levels recognising that risk management is part of their jobs</li> </ul>	<ul style="list-style-type: none"> <li>Risk management protocol</li> <li>Financial standards and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Strategic Risk Strategy and Register regularly reviewed and reported to Cabinet and Audit Committee.</li> <li>Service Risks included in Service Plans process</li> <li>Risk Management is included in standard report format</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the Authority have access</li> </ul>	<ul style="list-style-type: none"> <li>Whistle-blowing policy</li> </ul>	<ul style="list-style-type: none"> <li>Whistleblowing policy in place. Policy is promoted to staff and contractors.</li> </ul>
<ul style="list-style-type: none"> <li>Using their legal powers to the full benefit of the citizens and communities in their area.</li> </ul>	<ul style="list-style-type: none"> <li>Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> <li>Monitoring officer provisions</li> <li>Statutory provision</li> </ul>	<ul style="list-style-type: none"> <li>Constitution includes legal powers</li> <li>Report format covers legal implications</li> <li>New legislation is monitored by Monitoring Officer and Corporate Governance Working Group</li> </ul>

	<ul style="list-style-type: none"> <li>Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law</li> </ul>		<ul style="list-style-type: none"> <li>Monitoring Officer in post and member of Management Team</li> <li>Legal implications part of standard report format</li> </ul>
Supporting principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
100	<ul style="list-style-type: none"> <li>Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice – into their procedures and decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring officer provisions</li> <li>Job description/specification</li> <li>Statutory provision</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring Officer in post and member of Management Team</li> <li>Legal implications part of standard report format</li> </ul>

**CORE PRINCIPLE****5. DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE**

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
<ul style="list-style-type: none"> <li>• Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide induction programmes tailored to individual needs and opportunities for members and officer to update their knowledge on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>• Training and development plan</li> <li>• Induction programme</li> <li>• Update courses/information</li> </ul>	<ul style="list-style-type: none"> <li>• Induction programme for new Members</li> <li>• Annual Training Plan for Members</li> <li>• Briefing Sessions for Members</li> </ul>
	<ul style="list-style-type: none"> <li>• Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority</li> </ul>	<ul style="list-style-type: none"> <li>• Job description/personal specifications membership of top management team</li> </ul>	<ul style="list-style-type: none"> <li>• Job descriptions and terms of employment in place</li> <li>• Members of Management Team</li> <li>• Members of Senior Management Team</li> <li>• Annual performance appraisal by Management Team</li> </ul>

<ul style="list-style-type: none"> <li>• Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.</li> </ul>	<ul style="list-style-type: none"> <li>• Assess the skills required by Members and officers and make a commitment to develop those skills to enable roles to be carried out effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Training development plan</li> </ul>	<ul style="list-style-type: none"> <li>• Training Plans for Members and Officers</li> <li>• Investors in People accreditation</li> <li>• Annual Central training budget</li> <li>• Training Plans in place</li> <li>• Officer review through Personal Appraisals Process.</li> <li>• Extensive officer Training Plan cascading from PAP process.</li> </ul>
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Supporting principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
103	<ul style="list-style-type: none"> <li>Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed</li> </ul>	<ul style="list-style-type: none"> <li>Training and development plan reflect requirements of a modern councillor including:               <ul style="list-style-type: none"> <li>the ability to scrutinise and challenge</li> <li>the ability to recognise when outside advice is required</li> <li>advice on how to act as an ambassador for the community</li> <li>leadership and influencing skills</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Training Plans in place</li> <li>Member development policy in place, based on South East Employers Member Development Charter</li> <li>Regular training for Audit, Standards and Overview and Scrutiny Committees.</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs.</li> </ul>	<ul style="list-style-type: none"> <li>Performance management system</li> </ul>	<ul style="list-style-type: none"> <li>Regular reports by Executive to Overview and Scrutiny Committees.</li> <li>Delivery of Key Performance Indicators regularly reported</li> <li>Member development policy in place.</li> </ul>
<ul style="list-style-type: none"> <li>Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Authority</li> </ul>	<ul style="list-style-type: none"> <li>Strategic partnership framework</li> <li>Stakeholders' forums' terms of reference</li> <li>Area forums' roles and responsibilities</li> <li>Residents' panel structure</li> </ul>	<ul style="list-style-type: none"> <li>Effective LSP in place</li> <li>Meetings of Executive held in community</li> <li>Communication and consultation strategy in place</li> </ul>

	<ul style="list-style-type: none"> <li>• Ensure that career structures are in place for members and officers to encourage participation and development</li> </ul>	<ul style="list-style-type: none"> <li>• Succession planning</li> </ul>	<ul style="list-style-type: none"> <li>• Succession planning policy in place</li> </ul>
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**CORE PRINCIPLE****6. ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY**

Supporting Principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
105 • Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships.	• Make clear to themselves, all staff and the community to whom they are accountable and for what	• Community strategy	• Community strategy in place • Strong Overview and Scrutiny arrangements in place • Strong consultation processes.
	• Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required	• Communications strategy • Complaints procedure and guidelines	• Communication and Consultation Strategy in place and reviewed. • Complaints procedure and reporting arrangements in place • Effective LSP in place

<p>106</p>	<ul style="list-style-type: none"> <li>• Produce an annual report on the activity of the scrutiny function</li> </ul>	<ul style="list-style-type: none"> <li>• Annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Scrutiny report produced</li> <li>• Work programme for Scrutiny developed through workshops involving all Members</li> </ul>
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Supporting principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
<ul style="list-style-type: none"> <li>Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning.</li> </ul> <p style="text-align: center;">107</p>	<ul style="list-style-type: none"> <li>Ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively</li> </ul>	<ul style="list-style-type: none"> <li>Community strategy</li> <li>Processes for dealing with competing demands within the community</li> </ul>	<ul style="list-style-type: none"> <li>Community Strategy in place and reviewed.</li> <li>Communications Strategy in place</li> <li>Consultation on issues such as Budget options</li> </ul>
	<ul style="list-style-type: none"> <li>Hold meetings in public unless there are good reasons for confidentiality</li> </ul>		<ul style="list-style-type: none"> <li>Policy of holding meetings in public</li> <li>Meetings webcast</li> </ul>

<p style="text-align: center;">108</p>	<ul style="list-style-type: none"> <li>• Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands</li> </ul>		<ul style="list-style-type: none"> <li>• Communications Strategy in place and reviewed.</li> </ul>
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Supporting principles	The Code should reflect the requirement for local authorities to:	Source documents/good practice/other means that may be used to demonstrate compliance	MBC Arrangements
	<ul style="list-style-type: none"> <li>Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result</li> </ul>	<ul style="list-style-type: none"> <li>Partnership framework</li> <li>Communication strategy</li> </ul>	<ul style="list-style-type: none"> <li>Partnership protocol agreed</li> <li>Communication Strategy in place and reviewed.</li> </ul>
109	<ul style="list-style-type: none"> <li>On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period</li> </ul>	<ul style="list-style-type: none"> <li>Annual report</li> <li>Annual financial statements</li> <li>Corporate plan</li> <li>Annual business plan</li> <li>Annual Performance Plan</li> </ul>	<ul style="list-style-type: none"> <li>Annual report produced</li> <li>Annual financial statements agreed by Council</li> <li>Corporate Improvement Plan and Best Value Performance Plan agreed by Council</li> <li>All available on website</li> </ul>
	<ul style="list-style-type: none"> <li>Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> </ul>	<ul style="list-style-type: none"> <li>Local Code of Corporate Governance adopted and reviewed annually</li> <li>Constitution.</li> </ul>
<ul style="list-style-type: none"> <li>Making best use of human resources by taking an active and planned approach to meet responsibility to staff.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making</li> </ul>	<ul style="list-style-type: none"> <li>Constitution</li> </ul>	<ul style="list-style-type: none"> <li>People Strategy agreed</li> <li>Staff Forum and Unit Manager's Group in place</li> <li>Employment Panel in place</li> </ul>





## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

**DATE 13 JULY 2011**

## **REPORT OF DIRECTOR OF REGENERATION AND COMUNITIES**

**1**

**Report prepared by Stephen McGinnes**

### **1. Revenues and Benefits Shared Service Update**

#### **1.1 Issue for Consideration**

1.1.1 To consider the progress of the shared service arrangement entered into with Tunbridge Wells Borough council for the delivery of the Revenues and Benefits function.

#### **1.2 Recommendation of Head of Revenues and Benefits**

1.2.1 That the progress of the shared service is noted.

### **2. Reasons for Recommendation**

#### **2.1 Background/Introduction**

2.1.1 The Revenues and Benefits service is one of the largest services provided by district councils. In 2010-11, the combined staffing for Maidstone and Tunbridge Borough Councils was 76.8 full time equivalent employees (FTE), with budgeted staff costs of £2.3 million. The large scale of the operation and emerging shared services elsewhere demonstrated potential for significant savings to be made through business improvement and shared working.

2.1.2 Initial scoping work in 2009 confirmed the potential for efficiency savings, performance improvements and opportunities to enhance the overall resilience of the service. Widespread agreement was therefore given to a full review of Revenues and Benefits across the Mid Kent Improvement Partnership (MKIP) with a view to establishing the viability of a shared service.

2.1.3 A review of Revenues and Benefits was undertaken in the latter part of 2009, and comprised several key work streams that would inform the proposal for future delivery of the Revenues and Benefits service:

- A review of the services by the MKIP Business Transformation Programme team (BTP);
- Market testing and review of potential options for outsourcing the service;
- Identification of ICT solutions to enable shared service working; and
- Evaluation of a “stand alone” option for each partner as an alternative to shared services.

2.1.4 The development of the shared service initially focused on a partnership involving all four MKIP boroughs. Following decisions by Ashford and Swale to withdraw from the service element (although Swale are still involved on the shared ICT), the work that followed considered a scalable model and set of principles by which a shared service should operate, and was used to inform the shared service proposal put forward between Maidstone Borough Council and Tunbridge Wells Borough Council.

2.1.5 The service focuses attention on the core functions of revenue collection, benefits administration and customer services, with the service pooling work centrally.

2.1.6 The detailed business case was considered and approved by a joint Cabinet Meeting held at Maidstone Borough Council on the 25<sup>th</sup> October 2010.

## 2.2 Operating Model

2.2.1 The decision was taken to join the Revenues and Benefits sections at the two councils. Both sections are structured in a very similar way and the restructure will see the management of the two services rationalised and combined, with members of staff in the teams combined into a single team.

2.2.2 A partnership arrangement for the counter-fraud function between the two councils has already been in operation since April 2008, structured in a similar way to that proposed for the remainder of the service; with a single team manager and staff across both sites acting as a single team, with work allocated based on priority and officer ability rather than on the employing authority or physical location of the member of staff. The operation of the fraud partnership has helped develop a strong relationship between the two departments and demonstrated that performance can be maintained or improved, whilst making financial savings.

- 2.2.3 As this element of the service is already operated in partnership, the impact of wider shared service will be restricted to improvements in IT and a review of the level of resource employed for benefit review visits.
- 2.2.4 A central business support team was created that pulled together the major technical elements of the service - system administration, financial reconciliation, statistical returns, quality assurance, and appeals. This allows officers to specialise, whilst gaining resilience through the shared nature of the team.
- 2.2.5 A full structure chart for the shared service is shown in Appendix A.

### 2.3 IT System Requirements

- 2.3.1 The service operates two primary systems, a core back office processing system and an electronic document management system.
- 2.3.2 In order to identify the potential efficiencies of jointly procuring and hosting the core back office system operated for Revenues and Benefits, the project team worked with Capita Software Systems as the existing provider for both authorities to establish how the cost could be reduced and level of service improved.
- 2.3.3 The outline IT proposals put forward by Capita demonstrated the potential for financial saving through jointly negotiating a new contract term and transferring the existing two separate applications onto a single shared application.
- 2.3.4 An assumed IT saving of £105,500 per annum across the two authorities was therefore included within the business case based on those discussions.

## 2.4 Expected Benefits

2.4.1 In creating a shared service between the two councils delivery of a range of benefits to the two authorities was identified. These included:

- Financial Benefits – annual staff savings of £454,900, equivalent to 14.9 FTE. In addition, IT savings of £105,500; a total full year saving of £560,400 across the two boroughs.
- Increased Resilience – a larger pooling of staff which is able to manage the peaks and troughs in service demand and provide cover for specialist roles that are currently vulnerable areas within the service.
- Service Improvement – to share the cost and skills needed to drive out further savings in areas such as channel migration, staff training and procurement of services.
- Commercial Viability – opportunities to actively sell the service to other councils in order to further reduce cost in the future; and
- Customer Service – maintaining and seeking to improve standards of customer service and performance.

2.4.2 The BTP review of Revenues and Benefits demonstrated, based on a set of standard 'lean models', the financial viability of a shared transactional service. The proposed service delivery model is based on the business case and draws on examples of best practice such as the Anglia, Census and West Midlands partnerships. In particular, establishing a resilient sustainable partnership requires a clear understanding of the critical requirements of all the partners and a model which is flexible enough to accommodate those and be adaptable in the future. The main principles of the MKIP Revenues & Benefits model are as follows:

- A customer focused approach;
- A service that is going to be resilient and sustainable;
- An efficient and effective service that offers value for money;
- Clear performance levels and standards;
- An approach that supports partnership working;
- A clear, pragmatic implementation plan (with supporting resource plan); and
- Clear governance arrangements.

2.4.3 Meeting these expectations for both partners has inevitably necessitated a degree of compromise. The resulting model retains elements of excellent practice evident at the individual authorities and sets out to:

- Improve outcomes and performance to the service users;
- Reduce the overall cost of the service;
- Establish stronger, more resilient services, able to adapt to the peaks and troughs of service demand;
- Create a flexible and commercial attitude to service delivery;
- Build in resilience to support a range of possible future changes; and
- Keep the service within Mid-Kent and within local government control.

#### 2.4.4 Specifically the proposed model recommended:

- Flexibility to deliver customer services that meet local needs - building on the Gateway and corporate contact centres at each council;
- Inclusion of a £50,000 contingency and £40,000 training budget to mitigate any immediate risk to service performance throughout the transition and support the development of staff within the new joint service; and
- A single core IT service model to minimize the support and ongoing investment required.

## **2.5 Implementation**

2.5.1 The agreed implementation plan was initially divided into three stages to allow the direction of the new service to be set progressing into an operational shared service. The implementation plan has been updated to report progress and can be seen in Appendix B.

2.5.2 The implementation team has been led by the new Head of Service (Stephen McGinnes) and the management staff from the shared service teams with support from an HR resource. During the period of implementation regular reports have been made to the MKIP Programme Board, with any exceptions or variations to the planned implementation highlighted and proposed actions agreed.

2.5.3 The full cost of implementing the shared service was estimated at £561,100 which given the savings identified would mean a payback period of less than two years. Implementation costs of £445,000 have been committed to date, with total costs revised at £602,000.

2.5.4 For planning purposes it was estimated that the full service would be operational by the end of August 2011.

## **2.6 Progress to Date**

2.6.1 The overall implementation of the shared service has progressed well, with changes and savings to be made in line with the business case and implementation plan that was presented to Cabinet in October 2010.

## 2.7 Service Restructure (staffing)

2.7.1 Following the decision to progress with the shared service a formal consultation process was undertaken with all staff affected and trade unions. This commenced in November 2010 and enabled the views of all staff to be taken on board in defining the final structure and implementation process.

2.7.2 The first phase of the implementation was scheduled to take place between 09 November and 31 March 2011. Within the first phase a number of key appointments took place, the Head of Service, Revenues Manager, Benefits Managers, Assistant Managers and Business Support Team. A total of 4 FTE were recruited to the management team of the shared service, generating a saving of 3 FTE.

2.7.3 A recruitment process has been undertaken and all positions have been filled from within the existing staff, as per the original timetable.

2.7.4 A total reduction in staffing of 14.9 FTE was targeted, of which a reduction of 6.5 FTE was anticipated through the first phase. A saving of 4.9 FTE has been achieved, with two displaced staff applying for posts within the second phase.

2.7.5 The second phase of the restructure was to commence from 1 April 2011 and was expected to deliver a saving of 8.4 FTE. Through voluntary redundancy, holding of vacant posts, ending of fixed term contracts and a number of changes to individual working hours for staff this reduction has been achieved in full.

2.7.6 The total staff saving for the two councils is projected to be £359,300 during 2011/12, achieving in full the assumed saving.

## 2.8 IT (New Operating Systems)

2.8.1 To progress this joint procurement the councils have utilised a Government Buying Framework to seek expressions of interest in providing such systems and services. The only response was from the existing provider in both boroughs, Capita.

- 2.8.2 Negotiations have taken place to formalise the service offering from Capita which will provide an annual saving of £74,500 for the two councils.
- 2.8.3 With support of legal services, a new joint contract has been entered into with Capita on behalf of Maidstone, Tunbridge Wells and Swale Borough Council, with back to back agreements in place between the three partners.
- 2.8.4 The implementation of the joint system is at an advanced stage with the systems now in place and testing being undertaken. The full implementation of the system and staff training is scheduled to be complete by 8 August 2011.
- 2.8.5 The new solution will provide the following additional functionality, at no cost to either Council, in addition to the financial savings.
- Total mobile
  - E - notifications / schedules
  - E- billing
  - Customer self service (e-citizen)
  - New print functionality
  - Quality assurance
  - Debt recovery profiling
  - Customer self service
  - Shared service desktop

### 3. Alternative Action and why not Recommended

- 3.1 In making the decision to enter into a shared service arrangement the Council made a commitment to deliver the service in partnership for an initial period of five years.
- 3.2 Whilst the Council could look to terminate the arrangement early, it would fail to deliver the financial savings and increased resilience currently being achieved.

### 4. Impact on Corporate Objectives

- 4.1.1 The implementation of the shared service supports the council's commitment to its customers to deliver efficient and effective services.

### 5. Risk Management

- 5.1 A risk assessment was completed and has been maintained throughout the implementation of the project

6. Other Implications

1.	Financial	X
2.	Staffing	X
3.	Legal	
4.	Equality Impact Needs Assessment	X
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	X
9.	Asset Management	

6.1 Financial

6.1.1 The project set out to deliver combined annual savings of £359,000 in 2011-2012 and £560,400 in subsequent years for the two boroughs, which allowing for savings achieved during the course of the project and implementation costs, provided a net saving of £2 million over the next 5 years.

6.1.2 Based on the savings achieved or scheduled to be released, the service now expects to deliver an annual saving of £437,900 in 2011-12 and £587,900 in 2012-13. From 2013-14 savings will normalise, achieving a saving of £587,900 in subsequent years.

6.2 Staffing

6.2.1 There were 76.8 FTE employed within Revenues and Benefits across the two authorities, with a net reduction of 14.9 FTE planned and achieved through the implementation of the shared service.

6.3 Equality Impact Needs Assessment



6.3.1 An Equality Impact Assessment has been undertaken for the implementation of the shared service, with a further assessment planned on the ongoing operational delivery of the service.

#### 6.4 Procurement

6.4.1 Introduction of the new IT platform has involved a formal procurement for which support has been provided by the Councils' Procurement team and Legal Services.

### 7. Conclusions

7.1 Whilst a number of shared service initiatives have been progressed through the Mid Kent Improvement Partnership such as Audit, Legal and External Print and Graphics, the delivery of a shared service for Revenues and Benefits represents the most ambitious shared service to date.

7.2 The project has made progressed in line with the initial timetable and is expected to deliver the financial savings outlined within the original business case, approved by Cabinet in October 2010.

7.3 With the introduction of further change through the Welfare Reform Bill, the Revenues and Benefits Service will undergo further change, however through the introduction of the shared service will be well placed to both manage that change and the opportunities it provides.

#### 7.1 Relevant Documents

Cabinet Decision dated 25<sup>th</sup> October 2010

##### 7.1.1 Appendices

Appendix A – Shared service structure  
Appendix B – Project milestones

##### 7.1.2 Background Documents

Shared Service Business Case  
Report of the Business Transformation Team

**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

.....

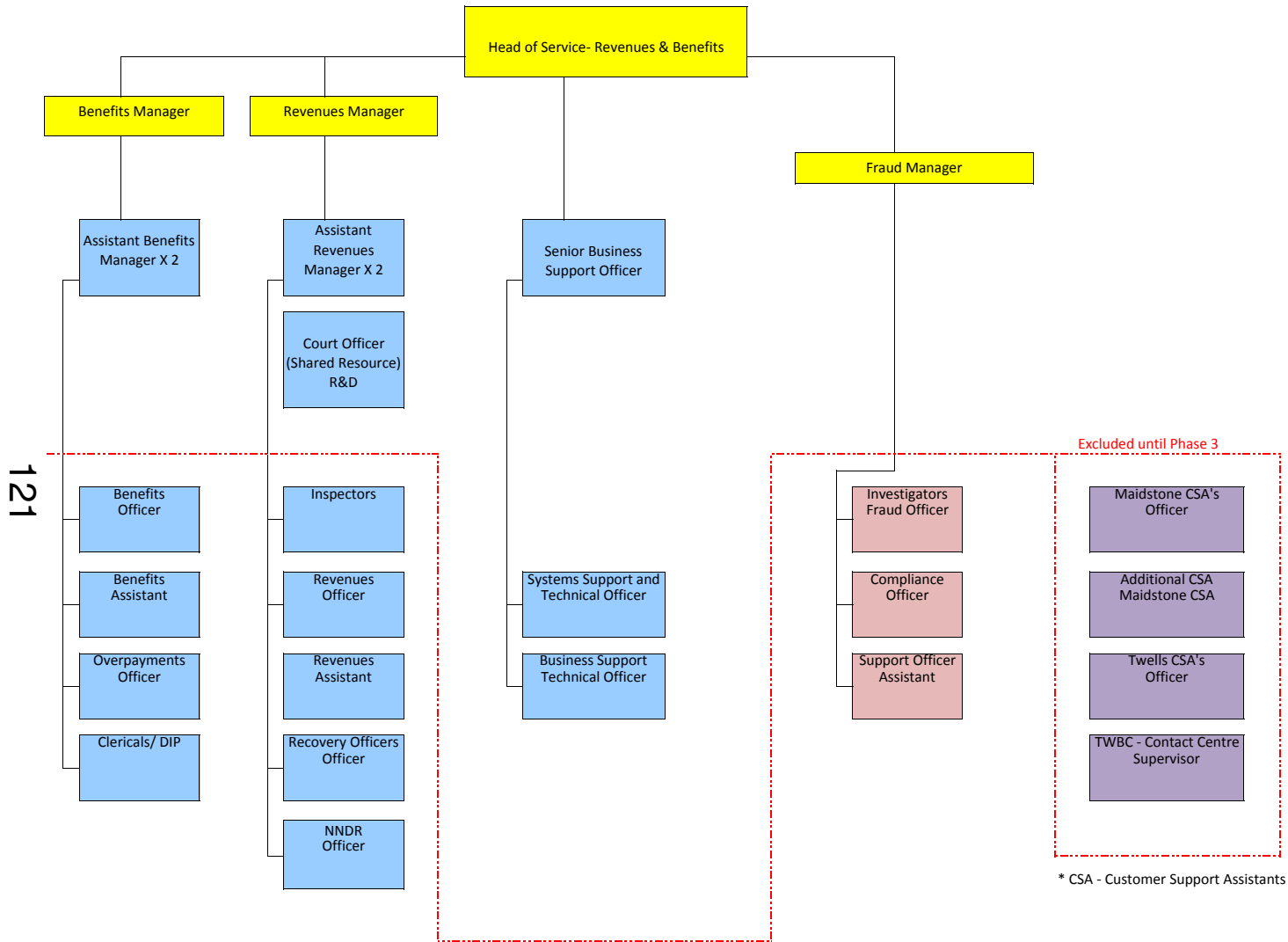
This is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....

**Appendix A Structure Chart**



**Appendix B:**  
**Key Milestones for Implementation**

<b>Action:</b>	<b>By end of:</b>	<b>Status</b>
<b>Decision by Councils on the Partnership in October 2010</b>		Complete
<b>Phase 1: Service Infrastructure (Management / Business Support / Systems)</b>		
1. Initial all staff briefings / communication	November 2010	Complete
2. Formal consultation with Managers, team leaders & Business support staff ( <i>extended to all staff</i> )	November 2010	Complete
3. Advertise and appoint Head of Service Revenues & Benefits	December 2010	Complete
4. Negotiations finalized for back office system (Capita) and Anite EDMS	December 2010	Complete
5. Advertise and appoint Section Managers for Revenues Team and Benefits Team	January 2011	Complete
6. Advertise and appoint Team Leaders & Business Support staff	February 2011	Complete
7. Review – Implementation of phase 1	March 2011	Complete
<b>Phase 2: Back Office Implementation (Fraud / Benefits Processing / Revenues)</b>		
8. Formal staff consultation – Fraud and Visiting team	March 2011	No longer required
9. Contract start for shared back office system (Capita)	April 2011	On Schedule
10. EDMS data migration to Anite and system live	April 2011	Revised date July 2011
11. Advertise and appoint Fraud and Visiting Team Members	April 2011	Complete
12. Formal staff consultation with Benefits Processing Team	May 2011	No longer required
13. Advertise and appoint Benefits Processing Team	June 2011	Complete
14. Migration to central back office system	June 2011	Revised date August 2011
15. Formal staff consultation with Revenues Team	July 2011	No longer required
16. Advertise and appoint Revenues Team	August 2011	Complete
17. Advertise and appoint additional Contact Centre Staff	August 2011	No longer required
<b>Phase 3: Service Review</b>		

18. Review to confirm savings achieved, savings forecast and opportunities for development/ improvement	March 2012	On schedule
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# Agenda Item 14

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET**

**13 July 2011**

### **REPORT OF THE LEADER OF THE COUNCIL**

Report prepared by Karen Luck

1. **FORWARD PLAN**
- 1.1 Issue for Decision
- 1.1.1 To note the Forward Plan for the period 01 August 2011 – 30 November 2011.
- 1.2 Recommendation of the Leader of the Council
- 1.2.1 That the proposed Forward Plan for the period 01 August 2011 – 30 November 2011 be noted.
- 1.3 Reasons for Recommendation
- 1.3.1 The Forward Plan is a way to ensure that members of the public have longer from the point at which they learn that a decision is coming up, until the time it is made, to encourage greater interaction between stakeholder and decision makers.
- 1.3.2 The Forward Plan is published monthly, to cover decisions starting on the first day of each month and is a rolling four month programme of decisions.
- 1.3.3 The current index to the proposed Forward Plan is attached as an Appendix to this report. However, please note that Officers have until 12 Noon on 14 July 2011 to submit further entries or make any amendments.
- 1.3.4 If Members wish to receive a complete copy of the Forward Plan it can be obtained from Karen Luck (01622) 602743 and from 18 July 2011 will be on public deposit in the following locations: The Gateway, Public Libraries and the maidstone.gov website.
- 1.4 Alternative Actions and why not recommended
- 1.4.1 The proposed Forward Plan includes key decisions as defined in the Constitution and the development of the budget and plans which form the policy framework. The entries have been made by the relevant managers who have the best idea of the issues likely to be coming up.
- 1.5 Impact of Corporate Objectives
- 1.5.1 The Forward Plan should help to realise on the core values set out in the Corporate Plan as follows:

"It (the Council) welcomes, encourages and values public participation in its activities and will inform, advise and listen carefully to people in developing its key strategies, policies and programmes".

1.6 Risk Management

1.6.1 There are no risk management implications in this report.

1.7 Other Implications

1.7.1	Financial	<input type="checkbox"/>
	Staffing	<input type="checkbox"/>
	Legal	<input type="checkbox"/>
	Equality Impact Needs Assessment	<input type="checkbox"/>
	Environmental/sustainable development	<input type="checkbox"/>
	Community safety	<input type="checkbox"/>
	Human Rights Act	<input type="checkbox"/>
	Risk Management	<input type="checkbox"/>
	Procurement	<input type="checkbox"/>
	Asset Management	<input type="checkbox"/>

1.8 Background Documents

None

<b><u>IS THIS A KEY DECISION REPORT?</u></b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, when did it first appear in the Forward Plan? .....	
This is a Key Decision because: .....	
.....	
Wards/Parishes affected: .....	
.....	

## Index August 2011 – November 2011

<b>Title</b>	<b>Decision Maker and Date of Decision</b>
Budget Strategy 2012/13 Onwards	<b>Cabinet</b> 10 August 2011
Complaints Policy	<b>Cabinet</b> 10 August 2011
Review of Neighbourhood Forums	<b>Cabinet</b> 10 August 2011
Tendering Strategy – Waste and Recycling Contract from 2013	<b>Cabinet</b> 10 August 2011
ICT Partnership	<b>Cabinet</b> 14 September 2011
Data Quality Policy	<b>Cabinet</b> 14 September 2011
Budget Strategy 1012/13 Onwards	<b>Cabinet</b> 21 December 2011
CCTV Monitoring – Contract Award	<b>Cabinet Member for Community and Leisure</b> October 2011

Last submission date for next Forward Plan: 14 July 2011

Publication of next Forward Plan: 18 July 2011