

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 21 December 2011

2012/13 REFRESH OF THE STRATEGIC PLAN

Issue for Decision

To agree the approach to the refresh of the Council's Strategic Plan 2011-15 and note the updated action plan.

Decision Made

1. That the focus of the following outcomes and list of priorities be approved.

Priority 1 For Maidstone to have a growing economy

Outcomes

- A transport network that supports the local economy
- A growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy

Integrated transport strategy with KCC
– Sustainable transport approach
– Behavioural change/modal shift
– Maidstone town centre as a regional transport hub
– Integrated parking strategy

Creating the right planning environment
Development of key infrastructure
Business expansion
Inward investment
Development of stronger business relationships
Tackling worklessness

Priority 2 For Maidstone to be a decent place to live

Outcomes

- Decent, affordable housing in the right places across a range of tenures

Develop sustainable communities
Increase choice and improve the quality of life for vulnerable people
Improve our existing homes
Improve access to housing advice and work to prevent homelessness and rough sleeping in Maidstone

- Continues to be a clean and attractive environment for people who live in and visit the Borough

New waste management arrangements in place by 2013
Development of commercial services –including business case for commercial waste
Completion of “new” cleansing model – area working, deep cleaning, enforcement
Improve perception of cleanliness in the borough
Reduce the Council’s energy consumption
Implement Air Quality Management Area Action Plan

- Residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced

Early intervention preventative approach to tackle disadvantage – young children and their families
Intervention with families already with multiple needs; key criterion – intergenerational worklessness
Other intervention including health and community safety

Priority 3 Corporate and Customer Excellence

Outcomes

- The Council will continue to have value for money services that residents are satisfied with

Strategic Plan – Medium Term Financial Plan alignment
Improvement Journey
Customer centred organisation
Localism and “Bigger Society”
Future Shape of the Organisation – including structure and governance
Workforce strategy

2. That it be agreed that the outcome on disadvantage be moved and a new customer focus outcome be added.
3. That the other areas to be refreshed, set out below, be agreed.
4. That the progress on the action plan from April to November 2011 be noted.

Reasons for Decision

The vision for Maidstone in the Sustainable Community Strategy is “We want Maidstone Borough to be a vibrant, prosperous 21st century urban and rural community at the heart of at the heart of Kent, where its distinctive character is enhanced to create a safe, healthy, excellent environment with high quality education and employment where all people can realise their aspirations.” The essence of this message can be distilled

as "Great place, great people, great opportunity" and this is what the Strategic Plan sets out to achieve.

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

In September 2011 Cabinet agreed that the Strategic Plan 2011-15 would be retained for 2012/13 but refreshed to reflect key changes including work that Cabinet would undertake on the future shape of the organisation and the planning and prioritisation of actions needed to achieve the outcomes set out in the Strategic plan.

In the Strategic Plan for 2011-15 three priorities and six outcomes were agreed. Since that time the Council's funding has been cut meaning that some tough decisions have to be made with regards to where the Council should concentrate its budget. Cabinet agreed that the overarching aim of the Council should be to achieve economic prosperity and with this in mind, discussions have been held at Cabinet away days to define which areas of activity the Council should focus on. A list of priority areas has been drawn up and is shown below. It is recommended that Cabinet should formally agree this approach in order that Council Officers may prioritise their service plans accordingly.

Whilst the above exercise was being carried out it became apparent that the first outcome under priority 3 relating to disadvantage and deprivation, would more appropriately sit under priority 2, a decent place to live. It is further suggested that a new customer focused outcome is created under priority 3 to meet 'customer excellence' as there is currently only an outcome relating to 'corporate excellence'.

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- A growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy

Creating the right planning environment
Development of key infrastructure
Business expansion
Inward investment
Development of stronger business relationships
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Priority 2 For Maidstone to be a decent place to live

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The refresh of the Strategic Plan will take into account the Cabinet’s desired approach that the Council will use its influence wherever possible to encourage partners to invest in Maidstone in both the priority and non-priority areas and will seek to position itself on boards and Committees that can help this aim, such as the Ambition Boards and the Locality

Board. It is not the aim of the Council to stop work in areas that have not been identified as a priority but to stop funding these from its own budget and this will be made clear in the refreshed plan.

A number of KPIs have been identified that could be used to measure success in the priority areas and these are identified at Appendix A to the report of the Chief Executive, Keys Performance Indicators.

A resident survey was sent out to 3,000 residents in November. The Council will know the results of this survey in January and, along with information from the budget consultation which was undertaken in November, the information will be used to update the section 'What matters to Maidstone Residents'

General updates will be made to reflect changes in local and national context such as the introduction of Locality Boards.

The section on Localism will be updated to reflect the Bill having been given Royal Assent. A report on Maidstone's approach to the Bigger Society was agreed by Cabinet on 21 December and will therefore need to be included in the refresh.

Service planning will take place between December 2011 and March 2012. Each section will create objectives that relate to their delivery of the outcomes as described in the Strategic Plan. During this process actions will also be identified that will be included in the Strategic Plan Action Plan. An up to date copy of this plan is attached at Appendix B to the report of the Chief Executive, Strategic Plan Action Plan. It should be noted that this is a living document and actions will be added and completed throughout its four year life.

Following this decision, this approach will be taken to Corporate Services Overview and Scrutiny in January for their comments. The plan will then be refreshed and taken to Cabinet in February 2012 for recommendation to Council in March 2012.

Alternatives considered and why rejected

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

Background Papers

Strategic Plan 2011-2015

Corporate Planning Timetable Cabinet report September 2011

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 05 January 2012
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MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 21 December 2011

COUNCIL TAX 2012/13 - COLLECTION FUND ADJUSTMENTS

Issue for Decision

To consider the anticipated balance on the Collection Fund as at 31 March 2012 relating to the collection of local taxation.

Decision Made

That the projection detailed in the report of the Head of Finance and Customer Service be agreed and that no distribution of a surplus or deficit should occur.

Reasons for Decision

The distribution of balances to precepting authorities is an important part of their budget calculation and a decision at this time enables timely advice to those authorities. It also enables timely consideration in relation to the Council's own budget strategy.

Members will be aware that this council is required to maintain a Collection Fund which accounts for all local tax payments. The income into the Fund along with Council Tax Benefit payments is used to pay the precepts to Kent County Council, Kent Police Authority, Kent Fire Authority and the equivalent demand from this council (which includes Parish Precepts).

For the proper maintenance of the Collection Fund it is necessary to assess, on an annual basis, the likely balance on the Collection Fund as at 31 March of the current financial year. Any balance, either positive or negative, must be taken into account in the following financial year. However, the balance on the fund, under the statutory conditions relating to Council Tax, does not become a credit or charge on this council solely but needs to be split proportionately between Kent County Council, Kent Police Authority, Kent Fire Authority and this Authority on the basis of the demand or precept in the current financial year.

The current situation regarding Council Tax in 2011/12 is projected to 31st March 2012 in Appendix A to the report of the Head of Finance and Customer Services. This Appendix details the estimated level of Council Tax income for the year, net of exemptions and discounts, to pay for precepts and demands on the Fund. This totals £90,099,759.

Appendix A to the report of the Head of Finance and Customer Services also details the latest situation regarding Council Tax bills dispatched, incorporating exemptions and discounts. Total income is now anticipated to be £90,147,338; therefore a small surplus of £47,579 is anticipated for 2011/12. The Collection Fund has produced this small surplus due to the continuing increase in properties on the valuation list although this is at a reducing rate reflecting the current economic climate. The impact of this is reflected in the tax base report considered by General Purposes Committee on 14 December 2011. The projection also includes an allowance for properties that will come on to the valuation list up to March 2012.

The actual Council Tax surplus, as at 31 March 2011, was £34,842. The predicted outturn at this time last year was £81,691 and this was taken into account in setting the Council Tax in 2011/12. Therefore, there is a balance of £46,849 resulting from the over distribution in this year. This balance must be recouped during 2012/13.

In total, Appendix A to the report of the Head of Finance and Customer Services estimates that there will be a net surplus on the Collection Fund for 2011/12 of less than £1,000.

In line with the Local Government Finance Act 1992 it is necessary to declare the distribution of any surplus or deficit on the Collection Fund and for this reason it is recommended that, due to estimating such a limited surplus, Cabinet agree that no distribution is made for 2012/13.

Alternatives considered and why rejected

It is a statutory requirement that any adjustment be calculated annually and Cabinet could not choose to ignore this decision.

Cabinet could vary the figures used in the estimate provided at Appendix A to the report of the Head of Finance and Customer Services; however they are based on data from the Council Tax system and projections developed from past experience and known factors. They represent a reasonable estimate of the situation.

Should it be decided to vary the data and distribute a significant surplus or deficit, this would affect the balance on the Collection Fund and the cash flow of the Council. Members should note that the surplus distributed to this Council in 2011/12 was £15,528 and the majority of any surplus or deficit is passed to the County Council.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 05 January 2012
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MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 21 December 2011

BUDGET STRATEGY 2012-13 - FEES AND CHARGES

Issue for Decision

To consider the appropriate level of fees and charges for 2012/13 for services where the Council raises income by charging the user of a service and where the setting of the fee to be charged is discretionary. The council has adopted a policy on the setting of fees and charges to ensure that a rational approach is used that takes account of all factors and creates a result that supports the priorities set out in the strategic plan.

Decision Made

1. That the increases in fees and charges as set out in detail at Appendix A to the report of the Corporate Leadership Team, with the exception of the proposed increase in the one hour parking charge and that the reduction of £10,000 in the proposed income be found from adjustments to the support service budget within the Corporate Services portfolio, be agreed.
2. That the proposed changes to the budgets for fees and charges that occur as a consequence of the revision in fees and charges be agreed as £140,150 and this sum to then be a budget strategy saving for 2012/13.

Reasons for Decision

The Council adopted a corporate fees and charges policy in May 2009. This policy sets out the approach that the Council requires in setting fees and charges, promotes consistency across the authority and is focused on the strategic aims of the authority.

The policy covers fees and charges that are set at the discretion of the Council. It does not relate to services where Councils are prohibited from charging, e.g. collection of household waste or services where the charge is currently determined by Central Government e.g. planning application fees.

The headline objective of the policy is that fees and charges are set at the maximum level after taking into account conscious decisions on the subsidy level for individual services, concessions, impact of changes on users and any impact on the delivery of the Strategic Plan. Therefore, there is a presumption that charges will be levied for a service unless justified by strategic consideration or legal constraints.

The policy also proposes that a review of all fees and charges will occur annually in line with the development of the medium term financial strategy. The review of fees and charges should consider the following factors:

- a) The Council's vision, objectives and values, and how they relate to the specific services involved.
- b) The level of subsidy currently involved and, hypothetically, the impact of eliminating that subsidy on the level of fees and charges, users and social impact.
- c) The actual or potential impact of any competition in terms of price or quality.
- d) Trends in user demand including the forecasted effect of prices changes on customers.
- e) Customer survey results.
- f) Impact on users of proposals both directly and in terms of delivery of the Council's objectives.
- g) Financial constraints including inflationary pressure and service budget targets.
- h) The implications arising from developments such as an investment made in the service.
- i) The corporate impact of Council wide pressures to increase fees and charges in other service areas.
- j) Alternative charging structures that could be more effective.
- k) Proposals for targeting promotions during the year and the evaluation of any that took place in previous periods.

At its September 2011 meeting, Cabinet considered the level of increase in income as part of the strategic revenue projection. The decision made by Cabinet at that time was to set no overall level of increase in income. Cabinet tasked officers with a formal review of all fees and charges in line with the corporate fees and charges policy.

Such a review has recently been completed by officers, the detailed results of which are set out at Appendix A to the report of the Corporate Leadership Team.

The table given below lists the areas where fees and charges have been reviewed. It shows the 2011/12 budget for income from the different fees and charges, the proposed budget increase that can be achieved from each proposal and the percentage increase in budget achieved. The table is sub-divided by the effect the service and its increase can have on the budget strategy.

SERVICE CHARGE TYPE	2011/12 BUDGET	2012/13 INCREASE	PROPOSED INCREASE
Cemetery	106,450.00	10,000.00	9.39%
Crematorium	955,880.00	40,230.00	4.21%
Parking Services	2,529,600.00	51,000.00	2.41%
Recycling & Refuse Collection	560,910.00	15,920.00	2.84%
Community Development	19,990.00	1,000.00	5.00%
Planning (Development Control)	756,070.00	12,000.00	1.59%
Licences	117,510.00	10,000.00	8.51%
EFFECT ON BUDGET STRATEGY	5,046,410.00	140,150.00	2.98%
Land Charges (Development Control)	252,660.00	0.00	0.00%
Building Control	393,920.00	0.00	8.00%
BREAK EVEN	646,580.00	0.00	
Parks & Open Spaces	71,350.00	0.00	6.00%
Hazlitt Arts Centre	113,560.00	0.00	3.00%
Museum	16,990.00	0.00	-
Street Naming And Numbering	10,000.00	0.00	190.00%
TARGET PRESET	211,900.00	0.00	
Market	455,150.00	0.00	2.00%
Park And Ride	772,709.00	0.00	-
Environmental Health	17,610.00	0.00	5.00%
Private Sector Housing	2,380.00	0.00	0.00%
CURRENT BUDGET SHORTFALL	1,247,849.00	0.00	
Environmental Enforcement	187,500.00	0.00	0.00%
STATUTORY FEE	187,500.00	0.00	
TOTAL	7,340,239.00	150,150.00	2.05

The level of increase in budget proposed in the table above reflects consideration of the effects of increased charges, such as elasticity of demand and potential movement of users to competitors.

A number of services have either not proposed an increase or, where they have, the increase has not resulted in an increased budget. The reasoning behind these actions are all in line with the Council's policy on setting fees and charges that has been outlined earlier in this report.

Each service has been considered separately and in all cases the policy has been followed. A brief explanation of the consideration officers have given to changes in price is given in the following paragraphs.

Fees & Charges supporting budget strategy (increase available to count as a saving)

Cemetery – The fees proposed for this service have considered demand, value for money and comparison with other local service providers and an evaluation of the current administrative cost of the service. The resulting proposals are expected to generate a net increase in income of £10,000 after consideration of any cost increases required.

Crematorium – careful consideration has been given to the charges that can be increased in line with the review carried out for the cemetery above. Some charges have been held at their currently level, this is because the charges have only recently been introduced and a full evaluation of their relevance and accuracy at recovering the cost to the Council cannot yet be carried out. In relation to search fees it is proposed that future charges relate directly to the cost of the request, where a charge is required.

Parking – The proposed increases relate to rationalising the charges in various car parks. The proposal removes from some car parks the charge for a 2 hour stay. The increases proposed are in line with the developing infrastructure delivery plan.

Recycling & Refuse – the service review carried out for this service proposes an increase in bulky collection charges that is in line with other service providers and an increase in green waste sacks. There is no increase proposed in the annual charge for a green wheeled bin.

Community Development – An inflation based increase in fees is proposed.

Planning – The major income received by the development management service is statutory fees for planning applications. The service does however provide pre application advice at a charge. This is a successful service and is generating significant levels of income. A review of demand and the cost of officer time at meetings with prospective applicants have lead to the proposed increase in the budget outlined in the table above. If necessary the actual fee will be considered for increase in future years.

Licensing – Increases agreed at Licensing Committee will enable a small increase in expected income from this service. The service is provided in partnership with Sevenoaks DC and Tunbridge Wells BC. Discussions with the service manager are ongoing to identify additional areas where income generation can be maximised. Cabinet will not make a decision on the level of fees and APPENDIX A does not contain this detail.

Break-even service (that cannot generate a surplus)

Land Charges – This service is provided at a break-even level and current government proposals are to cease charging for some services. There are no proposals at this stage to amend these fees and charges.

Building Control – This service is set up as a trading account and surpluses require re-investment in the service. The service is expected to break even over a rolling three year period. Increased fees and charges have already been agreed for commencement on 1 January 2012 in order to ensure the service breaks even. No further consideration is given to this service at this time.

Pre-set target (already included in the budget strategy)

Parks & Open Spaces – This service was set increased income targets for 2011/12 and 2012/13 at Council in March 2011. Increased fees and

charges are detailed at Appendix A to the report of the Corporate Leadership Team, but these are designed to assist the service in achieving that target. An assessment of service demand has been undertaken and proposed increases vary according to that assessment with the proposal suggesting that the fee for junior pitch hire should reduce.

Hazlitt – the service has a previously agreed target to reduce the subsidy provided by the Council. While the proposed increases are modest at this stage a report on options will be brought separately to the Cabinet Member.

Museum – the service has a previously agreed target to reduce the subsidy provided by the Council through the generation of income following the opening of the new wing. A separate business proposal will be brought to the Cabinet Member on options for its achievement.

Street naming & numbering – a review charges for this service formed part of the budget strategy proposals of the Head of Information and Communications Technology. The charges have already been approved and the increase in budgeted income will go towards achieving the currently approved budget strategy.

Current budget shortfall (Income required to aid delivery of current budget)

Market – The Maidstone Market did not achieved it budgeted income target during 2010/11. the situation has continued into 2011/12. The proposed increase in fees and charges that is detailed in APPENDIX A does not consider increases in the charges currently made for the standard market due to the currently low levels of demand. The proposal does recommend increases for some ancillary services and other market activity.

Park & Ride – this service has not been considered for an increase at this time. The service continues to place an increasing burden upon the Council subsidy and this has been reported in the budget monitoring reports. The revised service management arrangements that occurred as part of the restructure earlier this year are now in place and officers are currently undertaking a full review to be brought to the Cabinet Member on ways to reverse the trend in overall subsidy. This will include the fee structure.

Environmental Health – income from fees and charges in this area represents a minor element of the total fees and charges budget for the Council. The budget is not being achieved currently and a proposed increase in line with inflation is outlined in the appendix to assist with achieving the current target.

Private Sector Housing – A number of minor fees are charged by the Private sector Housing Team. These are not all annual fees and have recently been increased, prior to this consideration. At this time the charges proposed will allow achievement of the current budget.

Fees & Charges set without discretion (Generally statutory charges)

Environmental Enforcement – The statutory fee is used for this service.

Planning – There is some discretion with pre application advice and other potential services. At this time the actual planning fees are statutorily set and no announcement has been made by government regarding an increase. Government is considering allowing a locally set fee to cover the cost of the service. Officers have commenced work on developing those fee levels so that, should the Government allow this freedom, the Council will be well placed to agree and charge at this level.

Licensing – A number of the license fees, especially those relating to liquor licensing are set statutorily and over recent years there has been no increase for these licenses. Other licenses are locally determined but responsibility lies with the Licensing Committee to set these fees. The result of the Committee's recent consideration of fees for 2012/13 is detailed in the table above but do not require Cabinet approval.

Alternatives considered and why rejected

The proposals could be considered as individual Cabinet Member reports, as has happened in the past. This is not recommended as the consideration of the full range of fees and charges in this way enables the impact of all charges to be considered together. This gives the ability to assess the impact of changes on individual customers. The consideration of fees and charges in this way removes the need to set a generic target for increases as part of the budget strategy. This is in line with the approved policy on fees and charges.

Different increases to those proposed could be agreed, however officers have considered all aspects of the policy in developing these proposals and they are in line with the factors set out earlier in this report.

Background Papers

The Corporate Fees & Charges Policy is available from the Head of Finance & Customer Services.

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 05 January 2012
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MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 21 December 2011

BUDGET STRATEGY 2012/13 ONWARDS

Issue for Decision

To consider the previously agreed budget strategy in the context of the provisional formula grant settlement announced on 8th December 2011 and any changes that have occurred to national and local circumstances since the previous consideration by Cabinet in September 2011.

Decision Made

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

Reasons for Decision

The Government announced the proposed level of Revenue Support Grant (also known as Formula Grant) for Maidstone Borough Council on 8th December 2011 and this is equal to the assumption in the September 2011 budget strategy report at £5.7m. This is a 12% reduction in this grant.

Council Tax levels consistent with a 2.5% increase in the Council Tax charged are built into the strategic Revenue projection at this time. This is equivalent to the Government's offer of a second one year council tax freeze grant and no decision needs to be made at this time about whether to freeze or increase Council tax.

The strategic revenue projection agreed, for planning and consultation purposes, by Cabinet in September 2011 identified a need to find £1.861m in savings to produce a balanced budget for 2012/13. Since that time work by Members and Officers, to ensure the delivery of a strategy that enables a balanced budget to be recommended to Council in February 2012, has brought about the following amendments:

- a) Reductions in the budget pressures identified in the strategic revenue projection totalling £0.26m
- b) Increases in the proposed savings of £0.32m
- c) Increased income from fees and charges of £0.15m

The net result of these changes enables a balanced budget to be proposed at this time.

The capital programme has been amended during the year by Cabinet to enable the essential works to the heating system at the Hazlitt Theatre and to provision a potential overspend on the Museum extension. By using revenue balances to fund these schemes there has been no adverse effect on the programme agreed by Council in March 2011.

At this time there is no proposal to develop a programme for the year 2015/16 as it is essential to understand the requirements of the infrastructure delivery plan; prioritise those requirements along with other proposed schemes and understand the mechanisms for funding. Funding options include Community Infrastructure Levy, New Homes Bonus and Borrowing. These issues will develop during the last quarter of 2011/12 and into 2012/13 and a report will be brought to a later Cabinet meeting once the funding and scheme proposals are clear.

Additional and unplanned receipts of a capital nature have enabled a reduction in the projected level of borrowing required by the current programme in 2014/15. This report makes a proposal to use New Homes Bonus to support the Capital programme and reduce the risk presented by assumed receipts from as yet unsold assets. This means that the need to borrow can be overcome during the period of the capital programme.

The amended estimate of general balances as at 31 March 2012, taking into consideration all changes that have occurred during 2011/12 to date, is predicted to be £3.593m.

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

The key assumptions made in that initial projection set separate indices for inflation, for contractual commitments and for business rates. It assumed no increase in general inflation for supplies and services budgets and set no provision for a pay award. In addition Cabinet chose to set no general target for increases in income so that a review of fees and charges could be completed in line with the Council's corporate policy on fees and charges. This work has resulted in a separate report to Cabinet that is elsewhere on this agenda.

The budget strategy for 2011/12, which was developed last year, identified £0.7m in budget pressures for 2012/13. However the strategic revenue projection approved by Cabinet in September 2011 increased this sum to £1.4m.

The strategic projection assumed a 2.5% increase in Council Tax along with a 0.5% increase in the tax base, giving a 3% increase in income from Council Tax. In addition revenue support grant assumptions were based upon the guideline figures provided by central government with the 2011/12 settlement figures in February 2011.

A number of risks were considered, in the main these were related to assumptions in the strategic revenue projection, including:

- a) The risk surrounding the current pay structure and the effect of equal pay legislation;
- b) The potential effects of the Welfare Reform Bill on Council Tax benefit and the housing benefit service;
- c) The consequences to the future years of the budget strategy from a further Council Tax freeze grant arrangement;
- d) The Formula Grant settlement and the possible consequences of the slower than expected growth forecasts.

The capital programme was also considered and had been amended during the year to include funding for works to the heating systems at the Hazlitt Theatre and the creation of a reserve to support the potential additional cost of the Museum extension. These items were both funded from revenue balances.

Although no proposals for the continuation of the programme for a further year were considered at that time. The report showed that due to the level of miscellaneous and small receipts into the capital programme the risk of borrowing in 2014/15 had significantly reduced.

The risks that remain for the capital programme is the delivery of the capital receipts from the approved asset sales both to time and at assumed value. These risks continue to exist and will have a consequential effect on the need to borrow to finance the current programme.

Since the time of that initial report and consideration by Cabinet a number of important factors have changed, further announcements from central government have occurred and members and officers have continued to work on identifying the amendments required to ensure a balanced budget is achieved. It is an appropriate time for cabinet to review the strategy and for the result of this review to be considered by Corporate Services Overview and scrutiny Committee.

Economic Background

The international financial climate continues to have a significant effect upon the country and this effect can be seen in the levels of activity and demand for services in Maidstone.

The Council's treasury management advisors have reported a series of downgrades in the credit ratings on an international scale. This has had the effect of reducing the range of institutions with which the Council can invest. This could potentially reduce the return on investment that can be obtained.

The economic indicators for October 2011 all show adverse movement since the indicators for October 2010, which were reported to Cabinet last year when considering the budget strategy.

- a) The consumer price index has risen to 5.0% (3.2%, October 2010);
- b) The retail price index has risen to 5.2% (4.5%, October 2010);
- c) In the quarter to September 2011 the economy grew by 0.5% (0.8% September 2010);
- d) The deficit at October 2011 is £966.5bn which is 62.3% of GDP; and
- e) Unemployment has risen to 8.3% (7.7% September 2010)

The Council's front line services, such as housing benefit and homelessness, have all seen increases in demand, generating additional cost pressures.

Review of Current Performance 2011/12

The current financial year's performance is reported on a quarterly basis to Management Team and to Cabinet. The first two quarterly monitoring reports for 2011/12 show a reasonably stable under spend against profiled budget of just over £0.4m.

The capital programme approved by Council in March 2011 has been amended by Cabinet to incorporate an additional scheme to upgrade the

heating system at the Hazlitt Theatre, this was funded by the use of some of the 2010/11 under-spend that was transferred to balances at the end of that year. In addition Cabinet considered a report on the Museum Extension and agreed that a provision against a potential overspend on that scheme should be held in balances.

Capital funding has been increased by two unexpected asset sales and a receipt from Golding Homes from right to buy sales. At the same time two predicted assets sales have been adjusted, one has been reduced in potential value and one has been slipped into future years. The current programme is still affordable, subject to the planned asset sales providing the expected receipts. The level of borrowing still projected for 2014/15 has reduced slightly.

Following the decisions on the use of balances by Cabinet during the year, balances remain at a satisfactory level. The minimum level of working balances set by Cabinet is £2.3m and before any further possible adjustments the expected level of balances at 31 March 2012 is £2.8m. In addition to this value there is over £1m of balances provisionally set aside for specific uses.

Along with the quarterly budget monitoring reports, Cabinet has received quarterly performance reports. The performance report to September 2011 shows that over 73% of KPI and LPI are forecast to end the year at or above target.

Review of Revenue Resources

Formula Grant

On 08 December 2011 the Government announced the 2012/13 provisional formula grant settlement for consultation. The provisional grant for Maidstone Borough Council is £5.703m, which is identical to the advance notification received in February 2011 along with the confirmation of the 2011/12 formula grant.

The reduction in grant, when compared to the grant received in 2011/12 is 12%. However the government measures the reduction in terms of "revenue spending power". The Council's reduction, measured on this basis, is less than the Government set maximum of 8.8%.

This announcement is for consultation and the Council is able to comment only on the factors used in the formula, such as population and tax base. However the Council's grant is restricted by damping and the Council is in the highest damping group. Any changes successfully obtained through the consultation process are unlikely to affect the grant after damping.

This is expected to be the final year of formula grant and the government has already consulted on the planned localisation of business rates. The scheme should be in place for the 2013/14 financial year. The Council has responded to the consultation.

Council Tax

The Council's current Council Tax charge has been stable for the two years 2010/11 and 2011/12. The Council's band D rate of tax is £222.39.

In 2011/12 the Council set a zero percent increase and is now in receipt of Council Tax freeze grant of £0.335m per annum for the four years 2011/12 to 2014/15. In 2015/16 the strategic revenue projection identifies the loss of this grant as a budget pressure.

At its September 2011 meeting Cabinet agreed a strategic revenue projection for planning and consultation purposes that included an increase in Council Tax income of 3%. This represented a 0.5% increase in the tax base and a 2.5% increase in the Council Tax.

A 2.5% increase in the level of Council Tax, for Maidstone Borough Council's element of the charge, equates to £5.56 per annum for a band D tax payer. This is 10.7 pence per week. This is because the borough council charge is only 15% of the total charge. The value of a 2.5% increase at band D for each preceptor is detailed in the table below.

	2011/12	2011/12	2012/13	Increase	% Effect
Tax Charges	Precept	Band D	if +2.50%	Yr on Yr	on tax bill
	£	£	£	£	%
Maidstone Borough Council	13,410,811	222.39	227.95	5.56	0.38
Kent County Council	63,184,382	1,047.78	1,073.97	26.19	1.77
Kent Police Authority	8,362,834	138.68	142.15	3.47	0.23
Kent & Medway Fire	4,097,596	67.95	69.65	1.70	0.12
		1,476.80	1,513.72	36.92	2.50

Since that meeting central government has announced a second phase of Council Tax freeze grant. However this grant is for one year only, 2012/13. The grant would have a value equivalent to a 2.5% increase in Council Tax.

The grant for this second phase is greater in value than the grant for the first phase because of the increase in the tax base. On 14th December 2011 the General Purposes Committee agreed a tax base of 60,985.3 which is 1.1% greater than the tax base for 2011/12. As stated above the strategic revenue projection agreed by Cabinet in September 2011 included a 0.5% increase in the tax base.

The decision not to increase Council Tax in 2011/12, leading to the acceptance of the Council Tax freeze grant, has had a significant impact on the Council's future financial situation. As an indicative example, for the ten years 2011/12 to 2020/21, allowing for the receipt of the grant for years and compounding at 2.5% the foregone revenue totals £2.4m.

The second phase of the Council Tax freeze grant will have a greater impact over the same time period. This is because it is a larger sum and the grant is only available for one year. Projected forward to 2020/21 the foregone revenue is £3m.

Should the Council choose to accept the Council Tax freeze grant for a second year, the future net revenue resource foregone would total £5.5m

by 2020/21. The full calculation of this sum is attached to this report at Appendix A to the report of the Corporate Leadership Team.

A decision on the level of increase in Council Tax need not be taken at this time. The income in 2012/13 from accepting the Council Tax freeze grant is equivalent in value to the 2.5% increase in Council Tax built in to the current strategic revenue projection. The effect of the Council deciding to take the freeze grant will become a budget pressure in 2013/14. Cabinet may wish to consider the issue further, await the views of Corporate Services Overview and Scrutiny Committee in January 2012 and make a final decision on a recommendation to Council at the February 2012 Cabinet meeting.

Elsewhere on this agenda Cabinet has considered a report on the Collection Fund adjustment. The recommendation of that report was a nil adjustment for 2012/13. Combining this proposed value with the formula grant settlement and the Council Tax level gives the budget requirement for the Council. This value for each year of the strategy is given in the table below. In order to achieve a balanced budget, these are the maximum values for net revenue expenditure that the Council can budget for in the years from 2012/13 onwards.

	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000	2016/17 £,000
Formula Grant	5,703	5,635	5,207	4,947	4,700
Collection Fund Adj.	0	0	0	0	0
Council tax	13,902	14,319	14,749	15,191	15,647
Budget Requirement	19,605	19,954	19,956	20,138	20,347

Review of Strategic projection

Since Cabinet agreed the strategic revenue projection in September 2011 officers have continued to work on balancing growth and savings to ensure a balanced budget is achieved.

A number of budget pressures outlined in the strategic revenue projection have been considered and it is proposed to modify the strategic projection as follows:

- a) **Local Development Framework (LDF)** – Officers have completed the required analysis of funding for the LDF. The estimated level of expenditure has not changed, however management action has identified additional resources, from within base budgets and agreed carry forwards and these provide an additional £0.13m. The overall result of this work is that the three year programme previously reported to Cabinet now requires funding of £0.77m rather than the £0.9m previously reported. It is proposed that the budget pressure be reduced in 2012/13 by £0.13m to £0.17m. This approach would add an immediate need for £0.13m in 2013/14 to ensure a total resource of £0.77m is identified

by 2014/15. It is intended that officers will review progress on the LDF budget annually for consideration as part of the budget strategy process.

- b) **Interest on Investments** – the Council’s Treasury Management Strategy ensures that risk takes precedence over reward in investment decisions and declining interest rates have meant that the level of income received from investments has declined in recent years. In addition the advice received from the Council’s treasury management advisors has reduced the range of institutions with which the Council invests. In contrast the Council’s cash flow is healthy. Resources held in balances and for the capital programme mean that the interest from investment is expected to be resilient to these pressures and the current budget pressure of £80,000 will not be required.
- c) **Car Parking** – the strategic revenue projection has provisioned an annual reduction of £50,000 in income levels. This is intended to support any actions taken as part of the developing parking strategy and, in recent years, as protection from the effects of the recession on demand. It is proposed that this provision is removed and, for future years, this budget pressure is linked to the development of the actual parking strategy and any budget pressures are brought forward in specific detail.

In addition to the proposed reductions detailed above, there are two service areas where additional pressures are developing.

- a) **Housing Homelessness** – the continuing economic climate has had a negative impact through increasing demand for this service. The work of the team on both homeless prevention and temporary housing costs for the homeless have increased significantly during 2011/12. An assessment of the current levels of service suggests a net annual increase of £60,000 is required. This would maintain, into the future, the level of provision that exists today. In addition to this action management are reviewing alternative methods of provision that may reduce this cost in future years and will be the subject of a report to Cabinet during 2012/13.
- b) **Economic Development** – this is a priority service, identified as the only service area where the Cabinet expected to see growth. The service has been set a series of priorities for the future as part of the development of the strategic plan. This work is currently undertaken by staff who are on fixed term contracts that terminate in the near future. No base budget funding exists for this service and the activity is currently resourced by various one off funding sources. The funding required for the two posts on fixed term contracts totals £70,000. During 2012/13 the fixed term contract for one post expires at a cost of £30,000, the

second end in 2013/14 at a cost of £40,000. The pressure in 2012/13 would therefore be £30,000.

These amendments give a net reduction in the pressure on the budget strategy of £0.17m. Along with the changes to the tax Base discussed under the revenue resources section of this report, the budget pressure for 2012/13 is now £1.602m. The savings targets created by the pressures, as amended, for each year of the strategic revenue projection are tabled below. Cabinet should note that, if the Council Tax freeze grant is accepted for 2012/13, the savings target for 2013/14 will increase by £0.34m.

	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000	2016/17 £,000
Budget Requirement	19,605	19,954	19,956	20,138	20,347
Predicted Budget	21,207	21,187	21,154	21,057	20,832
Saving Required	1,602	1,233	1,198	919	485

A revised strategic revenue projection is attached to this report at Appendix B to the report of the Corporate Leadership Team.

Review of Savings Proposals

The savings proposals reported to Cabinet in September 2011 have been reviewed along with the growth items detailed above. This forms part of the review of growth and savings to ensure a balanced budget can be proposed.

The savings proposals reported to Cabinet in September 2011 totalled £1.131m. The following actions have since been taken by officers: reviewing the level of savings available from each proposal; considering the possibility of bringing forward any actions proposed for future years; considering any new proposals and reviewing the level of fees and charges income. The review of fees and charges has resulted in a report elsewhere on this agenda which is summarised in a later section of this report. The other actions have resulted in the following changes to the savings proposals:

- a) **Amended savings levels** – in the case of the revenues and Benefits Partnership and Finance and Customer Services, amended savings levels have been proposed.
- b) **Proposals brought forward** – changes to the Policy and Scrutiny Team, changes to the Democratic Service Team, Delivery of savings in the Waste and Recycling Service, changes to the ICT Team and changes within the Finance Team have all been brought forward from future years.
- c) **New proposals** – the increases from new proposals are all minor issues as major ideas are already identified in the strategic projection of savings. New proposals have come from the Audit Partnership and Democratic Services.

The increase in the value of savings proposals from these actions is £0.33m. A summary of the current savings proposals is attached to this report at Appendix C to the report of the Corporate Leadership Team. An amended structure for this appendix allows Cabinet to see clearly whether the saving is in the service, structure or income budgets. This format will enhance the monitoring of the delivery of savings during 2012/13.

Cabinet should note that the detailed analysis at Appendix C to the report of the Corporate Leadership Team represents the proposals delivered as well as planned, for 2012/13. An example of this is the savings delivered by staffing changes in Revenues and Benefits. The shared service delivered all expected savings in an earlier than planned phase of its development and the savings have been held to meet the needs of the budget strategy. This has had no adverse impact on service delivery.

The savings proposed from the partnership based new contract for waste services is identified in the proposals at the lower end of the range of possible savings. At this time in the development of the new services it is considered prudent to plan only for the lowest level of benefit.

The savings proposals do not, at this time, include the planned changes at the Hazlitt Theatre. A business case is being considered for the most appropriate method of future service delivery. It is expected that this will deliver the hope for reduction in the subsidy provided to the Theatre by the Council. Following a future report to cabinet, any savings that can be released will be built into the 2013/14 budget strategy.

Other Income

As part of the approval of the strategic revenue projection, Cabinet took the decision to not set a corporate target for increases in income from fees and charges. The Council has a corporate policy on fees and charges and the Cabinet decision enabled the use of this policy to guide officers to the most appropriate levels of fees and charges. The results of the officer review is reported elsewhere on this agenda and that report recommends the adoption of new fees and charges for some services that will deliver an additional £0.14m of income. This enhances the reduction in the budget pressure detailed earlier in this report.

The Council also receives income from the rent and lease of land and buildings. The majority of these are on agreements that enable occasional negotiation and uplift. Opportunities to negotiate increases in rents and leases are being considered by the Property Services Manager for inclusion in future years of the strategic revenue projection.

The final category of income is from grants and contributions. At this time, given the economic climate and the reduction in funding seen throughout the public sector there is little opportunity to identify permanent increases in this income source. One off increases would not form part of the budget strategy as there is no guarantee of future funding from one off grants. The focus of the officers involved in developing this source of income remains mainly fixed upon the Museum and Social Housing at this time.

New Homes Bonus

The Government recently announced the New Homes Bonus (NHB) allocation for 2012/13. This Council will receive an allocation that is slightly lower than the value of the 2011/12 payment. In addition it receives the second year of the 2011/12 allocation and the first year of the affordable homes premium. In total the Council is due to receive just under £1.8m in 2012/13. The detailed breakdown of this figure is given in the table below.

	£
2011/12 Allocation	892,316
2012/13 Allocation	825,216
Affordable Homes Premium	78,120
Total Due 2012/13	1,795,652

This payment is a rolling grant that should be maintained by central government for a period of six years.

Cabinet should note that the Government also announced that the total allocation is £6m more than the resources available and a claw back would be necessary from a top slice of the baseline for localised business rates in 2013/14.

Government consultation on the localisation of business rates has proposed the top slicing of the business rates baseline. The amount top sliced should be the Government's calculated overspend during the full six years of the programme. This means that future payments of NHB may be significantly reduced and this announced £6m over allocation will be a small element of that top slice.

At this time it is recommended that future NHB payments be treated as uncertain, due to the fact that they may, in part, need to supplement the receipt of localised business rates in future years. At this time the most appropriate use of this money is for major time limited projects.

An effective use of the resources would be to mitigate the cash flow risks currently inherent in the capital programme. As Cabinet is aware the programme relies for resources on identified but as yet unsold assets. Using the NHB payment to substitute for the value of the unsold assets in the medium term will mean that the funding need covered by the unsold assets will slip into future years of the programme and the opportunity to gain best price for the assets is improved.

If Cabinet agree this action approximately 10%, £0.18m, of the NHB payment would be available for other uses. It is recommended that this money is placed in balances and a report is brought to the January 2012 Cabinet meeting on potential uses of this money.

Capital Expenditure

The capital programme agreed by Council in March 2011 has been modified by Cabinet during the year. Slippage of £0.684m between

2011/12 and 2012/13 has been agreed. Although this slippage changes the profile of the programme it does not change the underlying value that the Council must resource. In addition Cabinet has approved a scheme to upgrade the heating system at the Hazlitt Theatre and has set aside a provision against potential overspend on the Museum Extension. Both of these schemes were funded from identified revenue balances and have not altered the funding requirements of the programme.

At this time the capital programme ends in 2014/15. A number of projects can be considered to create a future programme and whilst some options can be considered now, the development of the infrastructure delivery plan (IDP) as an element of the core strategy is essential to an assessment of all options.

At this time it is recommended that no proposals for a capital programme beyond 2014/15 be considered until the IDP is completed and cabinet can consider the relative priority of all schemes proposed for the future capital programme.

Capital Funding

The funding of the capital programme was agreed by Council in March 2011 and includes assumptions about the value of unsold assets. In addition the funding assumes that in 2014/15 the Council may need to borrow to complete the programme.

During 2011/12 a small number of changes to the level of assumed capital receipts, together with four minor receipts that were unplanned, have all but removed any need to borrow for the future of the programme.

The Council agreed, as part of the budget strategy for 2011/12, to develop a funding mechanism from revenue resources over the three years from 2011/12 to 2013/14. By 2014/15 this fund will generate an annual contribution from revenue of £0.35m. This resource will be available in the years following the current capital programme.

If Cabinet agree to the recommendation, in this report, on the use of the New Homes Bonus allocation the major assumed asset sale will also be available to resource a programme beyond 2014/15. Future work on the capital programme as outlined in the section above will need to include assessment of the means of funding the future schemes from resources such as new homes bonus, community infrastructure levy, further asset sales, revenue contribution and prudential borrowing.

Balances

The budget strategy for 2011/12, as approved at Council in March 2011, estimated the level of general balances as at 31 March 2012 as £2.67m.

An additional contribution to balances from the under spend reported at outturn 2010/11 increased this estimate to £3.671m. The use of balances by Cabinet in relation to Capital programme items then reduced the general balance to £3.361m.

During the year a further receipt from HM Revenue and Customs in relation to a VAT Rebate was received and Cabinet agreed to transfer this sum to balances.

As part of the use of balances in 2011/12, as agreed by Council in March 2011, a sum of £0.15m was set aside to fund any transitional costs of the transfer of the concessionary fares function to the County Council. This sum has not been used and it is proposed to return this sum to balances.

Following all of these changes the estimated level of balances as at 31 March 2012 will be £3.593m. The use of balances leading to this figure is detailed at Appendix E to the report of the Corporate Leadership Team.

Cabinet should note that a provisional figure has been reserved from within general balances. This is as a contribution to the potential over-spend on the Museum Extension project.

Consultation

At its September meeting Cabinet considered options for consultation on the budget for 2012/13. The chosen approach was a continuation of the 2011/12 consultation under the banner of "MY Council, what matters to ME".

In 2011/12 the key consultation questions assessed public opinion on the plans of Cabinet, requested ideas to assist the Cabinet with identifying savings and requested an evaluation of eight major discretionary services.

This year the consultation followed a similar format requesting ideas for savings beyond those already identified. In addition it requested an evaluation of 7 statutory services that were not placed as high priority in the Cabinet's priority matrix.

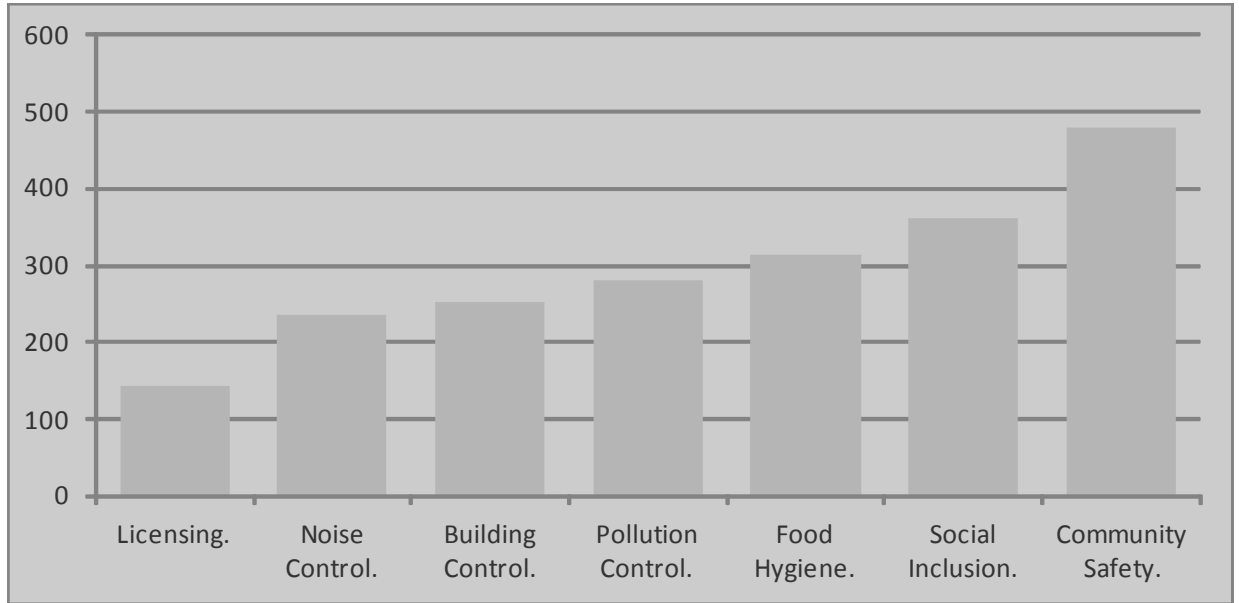
A target of 500 responses was agreed for the consultation on the basis of the reduced budget available for this activity, the majority of the budget having been saved as part of the 2011/12 strategy. The actual response received was 518. Of these 428 were responses received from the public at road show events and 80 were responses to the online survey run on the Council's website. The online survey replicated the road show survey.

The consultation process commenced later this year in line with the budget strategy process in general. Evaluation of the results and comparisons with earlier consultation exercises is required.

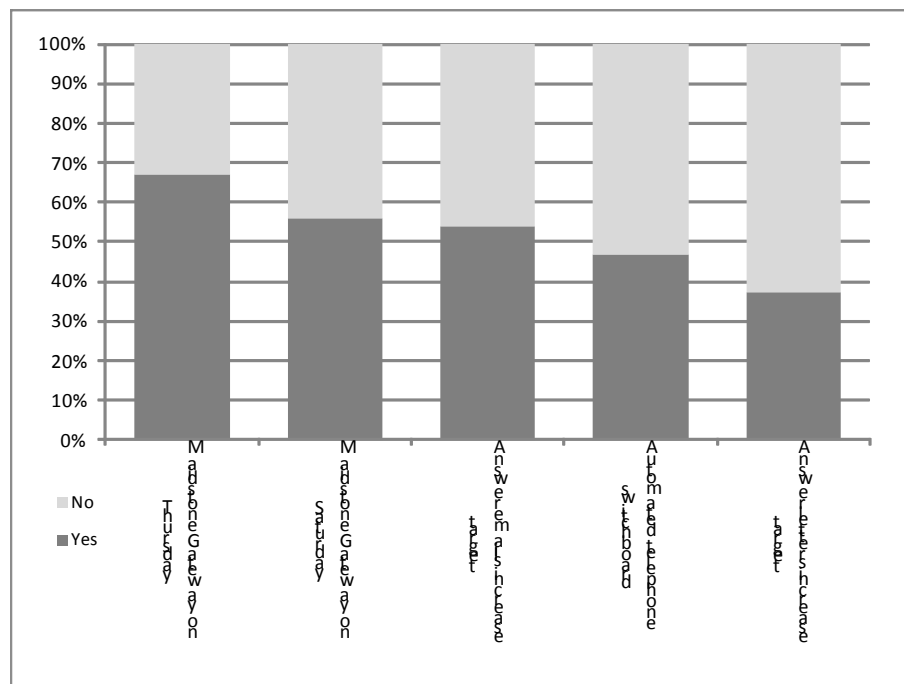
In relation to some areas of the consultation, further customer survey work could be linked to the current review of the customer care policy currently being undertaken by the Head of Finance & Customer Services. For example, where possible post code data has been collected from respondents and this will allow analysis of opinion by location.

In general the responses collected show a consistent trend and identify many areas where the data can be followed up during 2012.

1.1.1 The chart below identifies the responses to the evaluation. The chart shows services moving from left to right in increasing order of public priority. The "X-Axis" indicates the number of respondents identifying the service as a priority.



In addition Cabinet requested that the consultation assess public opinion on the potential savings available from variations in the level of customer service. Five areas were identified where savings could be made. The results displayed in the chart below indicate the acceptability to the public of the change in customer service given the reduction in cost available to the Council.



This direct representation of the results confirms that Cabinet's current proposals for the budget strategy are in line with public opinion. For example Licensing, Building Control and environmental and regulatory

Services are all areas where budget strategy has had some focus for 2012/13 onwards.

The Council has been reviewing the options for an automated telephone answering system for switchboard calls and the survey suggests slightly over 50% of respondents were happy for this saving. Consideration has previously been given to the opening hours of the Gateway and further work on this and many other areas remains ongoing.

Much of this information will enable actions during 2012/13 to develop proposals for the budget strategy process for the forthcoming year. It is intended to bring forward reports on these matters during 2012/13 as they will assist the Council in preparing for the significant risks the Council may face in that year. In preparation for this there is an additional amount of work to be completed in assessing the level of savings for these proposals and to ensure there is no effect on the Council's key outcomes under the corporate and customer excellence priority.

MTFS and Risk Assessment

The review of the Strategic Plan in preparation for 2012/13 onwards is presented to Cabinet elsewhere on this agenda. This draft Strategic Plan update provides greater clarity on the outcomes required to achieve the priorities of the Council.

The current medium term financial strategy is attached at Appendix F to the report of the Corporate Leadership Team, this document will be updated to incorporate the changes approved during the budget strategy work for 2012/13 and the identification of the new risks that the strategic financial projection covers.

Alternatives considered and why rejected

A number of alternative assumptions are included within the report and in each case Cabinet could chose to take an alternative action to the one recommended. The recommendations of this report provide a balanced budget and do not apply pressure to make decisions at this time where it is not necessary.

The production of the budget for 2012/13 is an element of the statutory process of calculating the Council Tax for 2012/13. In addition the completed and approved document is required to be robust and adequate under the Local Government Act 2003. A statement to this effect must be given by the Chief Financial Officer. On this basis the actions outline in this report must be considered and a balanced budget ultimately achieved for recommendation to Council in February 2012.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 05 January 2012
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MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 21 December 2011

THE BIGGER SOCIETY IN MAIDSTONE

Issue for Decision

To agree Maidstone Borough Council's proposed approach to the Bigger Society.

Decision Made

1. That the objectives and aims as set out below be agreed.
2. That the recommended approach to the Council's role in promoting the bigger society be agreed.
3. That the bidding process for the bigger society fund be agreed

Reasons for Decision

The Government defines the Big Society as "what happens whenever people work for the common good. It is about achieving our goals in ways that are more diverse, more local and more personal"

The three core components of the Big Society agenda have been defined as;

- Empowering communities: giving local councils and neighbourhoods more power to take decisions and shape their area;
- Opening up public services: enabling charities, social enterprises, private companies and employee owned co-operatives to compete to offer people high quality services; and
- Promoting social action: encouraging and enabling people from all walks of life to play a more active part in society, and promoting more volunteering and philanthropy.

Localism is seen as the means by which we create the big society. The following themes for localism have been identified by the Government:

"Lift the burden of bureaucracy – by removing the cost and control of unnecessary red tape and regulation, whose effect is to restrict local action; and

Empower communities to do things their way – by creating rights for people to get involved with, and direct the development of, their communities.

Increase local control of public finance – so that more of the decisions over how public money is spent and raised can be taken within communities; and

Diversify the supply of public services – by ending public sector monopolies, ensuring a level playing field for all suppliers, giving people more choice and a better standard of service.

Open up government to public scrutiny – by releasing government information into the public domain, so that people can know how their money is spent, how it is used and to what effect; and

Strengthen accountability to local people – by giving every citizen the power to change the services provided to them through participation, choice or the ballot box.

Objective and aims

In order to ensure that the best possible value is gained for the borough it is important that the Council is clear on what it hopes to achieve through the Bigger Society fund.

The suggested objective is “That communities or groups in Maidstone are empowered and enabled to meet their own needs in a way that suits them, particularly where service provision does not exist or has been reduced.”

A community need not be defined geographically; it could be a group of people with a common requirement, for example, people living in different rural areas or elderly people.

Maidstone’s Approach

Cuts to local government budgets has meant decisions being taken about which services should be prioritised and where spending should be reduced. In order to inform this decision, Cabinet carried out a pairwise analysis of the services that the Council provides. The results are in the table on the next page.

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

The public were consulted about the budget for discretionary services in October of last year and a similar exercise is currently being undertaken to help determine budgets for next year. The Council has also identified in its strategic plan service design principles which include the following two principles relevant to localism:

- Residents and businesses are the starting point for services; every service must be considered from the perspective of the citizen and delivered at the lowest possible level – a bottom-up approach.
- We will enable service delivery and seek to commission services rather than deliver them ourselves wherever appropriate.

Bigger society will need to compensate for smaller government. The Council will need to redefine its relationship with government and other parts of the public sector, engage with the private and third sectors and refresh its approach to community leadership. This will require taking on a new role within the borough to help facilitate communities to receive services in the way they want them provided, taking on a variety of roles as creative commissioner, supporter, catalyst, connector and safety net depending what is needed in each case. The Council will work to bring together Maidstone's communities, businesses, voluntary groups, local authorities, partners and individuals to deliver the objective of the Bigger Society.

Several actions have been already been identified and are set out at Appendix A to the report of the Chief Executive. This action list is not exhaustive and will evolve over time as additional actions are identified and explored.

Research has been carried out with officers, local business and voluntary groups to determine how the sectors can work together to create a bigger society in Maidstone. The next step in this exercise is to create a contact website that will help the sectors to co-ordinate their volunteering efforts. The Council will continue to undertake research, looking for innovation and best practice and learning lessons from initiatives that have been undertaken elsewhere in the country.

A bigger society fund of £100,000 has been identified by the Council as part of the proposed Medium Term Financial Strategy. This could be used for initiatives with a cost to the Council such as setting up the 'dating' website. It could also be used to help community groups launch initiatives where an initial investment is needed. In order to ensure that any funds given to community groups are fairly distributed a panel should be created to decide which applications are accepted. The applications should be assessed against a strict set of criteria. Proposals can be found at Appendix B. It is further suggested that there is no limit on how much of the pot a bid can be for or how many bids can be made as there is a risk that good ideas could be missed by applying these conditions.

A planning for real exercise has been carried out in Park Wood which has resulted in a Neighbourhood Action Plan being produced for the area. This

has identified a number of areas of improvement that local residents would like to see. The Council will now need to decide which of those actions to carry out and how to enable the community to find ways to complete the remainder. A similar exercise is planned to take place in Shepway in 2012.

The Open Public Services White paper talks about decentralizing power to the lowest possible level, wherever possible, "giving people direct control over the services they use. And where it is not possible to give people direct control, elected representatives should also have more choice about who provides services and how." Elected members will need to take a role in pushing for increased quality and greater choice in service provision. Local authorities and members will act as a champion for their local communities regardless of who is providing the services. Where Neighbourhood Action Plans are in place it is likely that Councillors will be asked to take a liaison role not only with the Local Authority but with all stakeholders who are in a position to deliver services to or offer help in their community. This will include holding providers to account, irrespective of which sector they are from. This new role will require varying levels of training to be provided. Where possible this will be provided in house or free opportunities will be sought. However, this should be considered when allocating the Member training budget for future years.

Alternatives considered and why rejected

It could have been decided to not define the council's approach to localism and the big society. However, this would not have led to an efficient use of council resources and would make planning for the impact of the big society difficult.

Alternative objectives and aims could have been agreed but it is felt, for the reasons set out above, that the chosen objectives and aims are the most appropriate to deliver the bigger society in Maidstone.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 05 January 2012
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MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 21 December 2011

IMPROVEMENT PLAN 2012-15

Issue for Decision

To consider the Council's improvement journey detailed in the draft Improvement Plan 2012-15 set out at Appendix A to the report of the Head of Business Improvement.

Decision Made

1. That the objectives of the draft Improvement Plan as set out below be agreed.
 - a. A reduction in net cost, through making savings or increased income
 - b. Improving or maintaining quality: ensuring we deliver excellent services, which means delivering what is promised to agreed standards
 - c. Identifying and responding to opportunities aligned with the Strategic Plan.
2. That the work-streams and priority services and projects for improvement as detailed below be agreed.
3. That the governance and monitoring arrangements as detailed below be agreed, including the removal of the Cabinet Member for Corporate Services from the Working Group.
4. That, subject to the following changes, the draft Improvement Plan 2012-15 be approved for consultation with Overview & Scrutiny.
 - a. That the first two sentences of the draft Improvement Plan are altered to read "The Cabinet own the Council's improvement journey and the Chief Executive is ultimately accountable for delivery of the Improvements Plan. Political leadership is provided by the Leader and the Cabinet.
 - b. That the two preferences to 'Development Management' on page 122 of the draft Improvement Plan are changed to read 'Planning' and that 'Corporate Support' is deleted from the first table on page 122 as this is included in the Customer Services delivery service area.

Reasons for Decision

The Council has set the priorities and outcomes for the borough of Maidstone in its Strategic Plan. The Medium Term Financial Strategy (MTFS) sets out what will be spent and where savings will be made. In order to deliver the priority outcomes and the savings required, a number of key pieces of work and projects will be carried out. These are detailed in the draft Improvement Plan 2012-15, which ensures the improvement work is aligned with the Strategic Plan and the MTFS.

The draft Improvement Plan has three objectives:

- d. A reduction in net cost, through making savings or increased income
- e. Improving or maintaining quality: ensuring we deliver excellent services, which means delivering what is promised to agreed standards
- f. Identifying and responding to opportunities aligned with the Strategic Plan

The four corporate work-streams (1-4) and enablers (5-7) of the draft plan are:

1. Incremental improvement
2. Asset management
3. Transformation
4. External challenge
5. Organisational culture
6. Good information and knowledge management
7. Councillor assurance

The priority services and projects for improvement have also been identified in the draft Improvement Plan, based on priorities in the Strategic Plan, our current knowledge of any external or internal opportunities and potential for improvement and/or reduction in net cost. These are as follows:

- Waste and Recycling
- Customer Services delivery
- ICT
- Parking transport management
- Hazlitt Arts Centre
- Development Management
- Revenues and Benefits
- Housing
- Finance
- Building Control
- Future use of Town Hall

- Community asset transfer
- Major assets review
- More proactive use of Covalent
- Management & Admin recharges review
- Other shared services and Mid Kent Improvement Partnership work
- Cross-organisational collaboration
- Better internal collaboration
- Corporate peer review

Compiling a draft Improvement Plan allows the key work-streams to be brought together and monitored. It is proposed that a working group made up of officers responsible for each of the work-streams and enablers and Cabinet members make up a monitoring group to ensure the plan progresses and benefits are delivered. It is proposed the group would include:

- Leader – provides political leadership and councillor assurance (as defined in the draft Improvement Plan)
- Chief Executive - ultimately owns and is accountable for delivery of Improvement Plan
- Assistant Director of Environmental & Regulatory Services – responsible for Asset management work-stream
- Head of Change & Scrutiny – responsible for Incremental improvement and External challenge work-streams
- Head of Business Improvement – responsible for Transformation work-stream and Good information and knowledge management enabler
- Head of HR – responsible for Organisational culture enabler
- Head of ICT – responsible for Use of technology, which is not a work-stream or an enabler but a critical tool for improvement

It is recommended that the Plan is updated annually and progress is reported to Cabinet on a six-monthly basis.

Alternatives considered and why rejected

It could be decided not to agree the draft Improvement Plan for consultation with Overview & Scrutiny. This is not recommended as the draft Improvement Plan is essential for allowing oversight of a number of different pieces of work across the organisation. It is aligned with the Strategic Plan and MTFS and it is recommended that it is consulted on in the same way as these documents.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: **05 January 2012**

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 21 December 2011

CABINET MEETING DATES 2012/13

Issue for Decision

To determine the dates of the Cabinet meetings for the municipal year 2012/13.

Decision Made

1. That the dates for the Cabinet meetings in the municipal year 2012/13, as set out below, be approved:-

16 May 2012
13 June 2012
11 July 2012
8 August 2012
12 September 2012
10 October 2012
14 November 2012
19 December 2012
9 January 2013
13 February 2013
13 March 2013
10 April 2013

2. That Cabinet meetings continue to be held on the second Wednesday of every month at 6.30 pm, with the exception of the first meeting of the municipal year and the December meeting be agreed.

Reasons for Decision

The above dates for the Cabinet meetings follow the existing pattern of meetings on the second Wednesday in every month.

There are two slight adjustments to the existing pattern:-

- It was agreed last year that the first meeting of the Cabinet would be held at 6.30 pm on the day of the Annual Meeting of the Council so as not to clash with Planning Committee.

- The December meeting is on the third Wednesday (19 December 2012) to ensure the required financial information for the budget report is available.

Alternatives considered and why rejected

It is for the Cabinet to determine their own dates and times for their meetings.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 05 January 2012
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