

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 08 February 2012

IMPROVEMENT PLAN 2012-15

Issue for Decision

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

Decision Made

That the Improvement Plan 2012-15 be adopted.

Reasons for Decision

Maidstone Borough 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 Improvement Plan 2012-15, which ensures the improvement work is aligned with the Strategic Plan and the MTFS.

The Improvement Plan has three objectives:

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

The four corporate workstreams (1-4) and enablers (5-7) of the 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 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
- Planning
- Revenues and Benefits
- Housing
- Finance
- Building Control
- Future use of Town Hall
- Community asset transfer
- Major assets review
- More proactive use of Covalent, our performance management system
- Management & Admin recharges review
- Other shared services and Mid Kent Improvement Partnership work
- Cross-organisational collaboration
- Corporate peer review

Compiling an Improvement Plan allows the key workstreams to be brought together and monitored. Officers responsible for each of the workstreams and enablers and the Leader will 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 Improvement Plan)
- Chief Executive - ultimately owns and is accountable for delivery of Improvement Plan
- Assistant Director of Environmental & Regulatory Services – responsible for Asset management workstream
- Head of Change & Scrutiny – responsible for Incremental improvement and External challenge workstreams
- Head of Business Improvement – responsible for Transformation workstream 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 workstream or an enabler but a critical tool for improvement
- Head of Finance & Customer Services – essential to ensure that any improvement work is aligned with the MTFS.

The plan will be updated annually and progress reported to Cabinet on a six-monthly basis.

Alternatives considered and why rejected

It could be decided not to adopt the Improvement Plan 2012-15. This is not thought appropriate as the Improvement Plan is aligned with the Council's strategic objectives and MTFS and is essential for ensuring corporate oversight of a number of different pieces of work across the organisation.

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: **17 February 2012**

Improvement Plan 2012-15

Maidstone Borough Council has been recognised under previous inspection regimes as providing good quality value for money services. However, we want to be even better, offering the services that people want for a cost they think is good value. Last year the Government announced its plans to reduce public spending by 25% and reduce the national deficit. The Council has to save around £2.9m over the next three years, which is a substantial reduction in the budget we have to spend on providing services for local people, at the same time that the number of potentially vulnerable people requiring some of those services, like housing advice and Housing and Council Tax Benefit, is increasing.

The Strategic Plan details the priorities and priority outcomes for Maidstone until 2015 and how these will be delivered. The Medium Term Financial Strategy (MTFS) sets out what the Council will spend and when and where savings will be made. In order to deliver the Strategic Plan and MTFS the Council is undertaking various pieces of work and projects to improve value for money and quality of customer service, and this must be aligned with the Council's strategic objectives and Medium Term Financial Plan. This improvement work makes up the building blocks that will make Maidstone a better council.

This plan explains the key workstreams for the Council's improvement journey, the drivers for improvement as well as priority services and projects for improvement. It will allow work to be planned, sufficiently supported and monitored to ensure savings needs and the improvements required for the Council to meet its priority outcomes are delivered.

Objectives

It is important that the Council delivers services that are value for money and that residents are satisfied with. We must make savings and maximise income where we can but also be flexible enough to take opportunities as they arise, including those that come from external influences like changes in legislation. Therefore, the objectives of the improvement journey are:

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

Improvement workstreams

The Council's Improvement Plan is corporate and involves a number of different workstreams, which are owned by different officers in the organisation. Those workstreams identified as most important are:

- 1. Incremental improvement** (Head of Change and Scrutiny) – making good use of performance and financial information and good business planning to enable service managers to make small changes to enable continuous improvement in the services their teams provide.

- 2. Asset management** (Asst Director of Environmental & Regulatory Services) – making the best use of what we have in terms of buildings and land and management of our use of water, gas, electricity and petrol/diesel. It is important we know what assets we keep and what we want to sell or transfer to others, and that we actually dispose of those assets we no longer require. This is essential in terms of providing capital income and ensuring services are delivered to residents in the best way. This may mean that we transfer assets to others, including community groups, to enable them to deliver more services in the future. It may also mean that we look to make savings by sharing accommodation with other organisations.
- 3. Transformation** (Head of Business Improvement) – larger changes to ensure key outcomes are delivered effectively and efficiently. Making good use of unit cost information and benchmarking to consider different ways of delivering services, for example using shared services to gain economies of scale and increase resilience, and using business improvement techniques to improve processes. This includes working with other organisations and residents to deliver shared goals as well as different teams within the Council working together better. We may also work with public service providers and local people to redesign services and pool budgets through Community Budgets. More internal and/or external support to make these improvements may be required.
- 4. External challenge** (Head of Change & Scrutiny) – using information and challenge from residents and critical friends to improve services. This includes complaints information, feedback from local people, peer reviews, nationally driven change like the welfare reform changes and Overview & Scrutiny reviews.

These workstreams and the whole Improvement Plan are underpinned by the following enablers:

- **Organisational culture** (Head of HR) – creating an organisational culture where there is permission to experiment and time to learn and where all officers and members are engaged and are able to give their feedback and ideas. Improving collaboration between different parts of the organisation, ensuring that change is well managed and there is the capacity and capability to deliver the required outcomes.
- **Good information and knowledge management** (Head of Business Improvement) – smart use of information we gather about our customers and making use of other customer insight, like Mosaic Public Sector, to create and deliver messages that people hear and understand and which cause them to make positive changes in behaviour.
- **Councillor assurance** – leadership and involvement of elected members in shaping, implementing and monitoring the progress and outcomes of policies and projects.

Other important tools for improvement are:

- Procurement
- Use of technology

Priority services and projects for improvement

In order to ensure we can deliver our priority outcomes in the Strategic Plan and savings in the MTFS it is important to make changes in the following service areas. The list of service areas below is in order of priority for improvement, from highest priority to lowest. These improvements may be to deliver savings, improve the quality of a service or respond to an opportunity that may arise.

- 1. Waste & Recycling** – procuring a new waste contract with other Kent authorities and working to achieve the target of 50% recycling by 2015
- 2. Customer services delivery** (including Gateway, Contact Centre and Corporate Support) – becoming more customer-centric, engaging better with our residents and designing a sustainable model of customer services delivery for the long term
- 3. ICT** – sharing our ICT service with local authority partners
- 4. Parking Transport Management** – completing our Transport Strategy and implementing this
- 5. Hazlitt Arts Centre** – investigating options for governance and implementing the chosen option to ensure value for money
- 6. Planning** – developing the synergy between Planning and Economic Development to improve the prosperity of the borough and being ready to respond to any change in legislation that would allow us to set our own planning fees
- 7. Revenues and Benefits** – embedding the shared service, preparing for the national welfare reforms and exploring different ways of delivering the service for the future
- 8. Housing** – ensuring we can respond to the increased need for homelessness services, preventing homelessness wherever possible, enabling the provision of more housing and ensuring that there is a supply of decent, affordable and accessible housing, including in the private rented sector
- 9. Finance** – building a service that supports the Council make informed strategic financial management decisions, manage and control budgets and commit and measure resources and investigating how this service could be delivered in the future
- 10. Building Control** – re-designing the service, diversifying work to undertake more trading rather than statutory work and looking to both public and private sector partners to investigate and develop a model for delivery for the future

The following table shows our top priorities for the next three years:

2012/13	2013/14	2014/15
Waste & Recycling	Waste & Recycling	Customer Services delivery
Customer Services delivery	Customer Services delivery	Revenues & Benefits
Revenues & Benefits	ICT	Housing
ICT	Revenues & Benefits	Building Control
Hazlitt Arts Centre	Housing	
Planning	Finance	
Parking Transport Management		

As well as work in particular service areas there are a number of other important projects that need to be undertaken in each of the improvement workstreams:

- **Cross organisational collaboration**– exploring and establishing new ways of commissioning and delivering services with other agencies and organisations to improve outcomes, increase efficiencies and reduce cost. To review and revise existing governance and funding arrangements including pooled budgets to maximise the use of resources in service delivery
- **Future Use of the Town Hall** – looking at the future use of the Town Hall, including the former Tourist Information Centre facility at the front of the building, with a view to maximising the income potential from the building. Exploring potential uses including both commercial and community use to achieve the best rate of return and usage whilst not competing with local businesses
- **Major assets review** - reviewing the Council’s assets as part of the Asset Management Plan, which seeks to ensure that the Council’s property portfolio is managed in a way to support the Council’s 3 key priorities. Major sites such as King Street and Medway Street are being considered for a joint vehicle arrangement with other Kent authorities. We will work with the tenants of Park Wood industrial estate to invest in and improve the estate, which generates considerable income for the Council, mostly through ground rents
- **Community asset transfer** - establishing an effective mechanism and approach for supporting the transfer of community assets where this is appropriate, demonstrating value for money and maximising their use
- **Management & Admin recharges review** - establishing and implementing a simplified, transparent time and cost efficient recharges model that supports informed decision making at all levels

of the organisation and enables effective assessment of alternative service delivery models

- **Corporate peer review** - a peer challenge involves officers and members from other authorities acting as critical friends, making recommendations on where we could do things better. We are going to use this method to look at our corporate governance and take advice on any improvements we can make
- **More proactive use of Covalent** – embedding the use of Covalent, our performance management software system, so that managers and key officers in the organisation use it to effectively monitor performance, service delivery and risk
- **Other shared services and Mid Kent Improvement Partnership (MKIP) work** – working with partners, in particular our MKIP local authority partners, to establish closer working arrangements and partnerships in more services.

This is how the priority services and projects for improvement fit in with the 4 improvement workstreams:

Asset management	Incremental improvement	Transformation	External challenge
Future use of Town Hall Community asset transfer Major assets review: <ul style="list-style-type: none"> • King Street • Medway Street • Park Wood 	More proactive use of Covalent Management & Admin recharges review	Customer services delivery Waste & Recycling ICT Finance Housing Other shared services and Mid Kent Improvement Partnership work Cross organisational collaboration	Revenues & Benefits Planning Parking Transport management Hazlitt Arts Centre Building Control Corporate peer review

More detail on the work to be undertaken on the priority service areas in the Transformation and External challenge workstreams is in Appendix 1.

Governance and Monitoring

The Cabinet own the Council's improvement journey and the Chief Executive is ultimately accountable for delivery of the Improvement Plan. Political leadership is provided by the Leader. A head of service is responsible for each of the workstreams and enablers that make up the improvement journey detailed above. The Leader, Chief Executive and the appropriate heads of service make up a group that will monitor progress against plan to ensure that any as yet unknown opportunities that would provide greater benefit than the work already planned are not missed and that the services and projects for improvement are re-prioritised as necessary as a result. This plan will be updated annually to the same corporate planning timetable as the Strategic Plan and MTFs. A progress report will be compiled and sent to Cabinet 6 months after the adoption of the improvement journey.

APPENDIX 1

Future for priority service areas in Transformation and External challenge workstreams

<u>Service area</u>	<u>Long term</u>	<u>Medium term</u>	<u>2012-13</u>
Waste & Recycling	<ul style="list-style-type: none"> • Recycling 50%+ • New open book waste contract • Refresh strategy in 2015 	<ul style="list-style-type: none"> • Review staff structures 	<ul style="list-style-type: none"> • Undertake tender process • Clarify how bulky collections etc will work • Clarify role of contractors • Use of ICT for monitoring performance/contract • Strategy alignment with Kent County Council (KCC) • Maximise recycling rates to maximise KCC funding • Moving processes on-line (next 6 months)
Customer Services delivery (including Contact Centre, Gateway & Corporate Support)	<ul style="list-style-type: none"> • Reduced cost of provision • Greater range of partner provision 	<ul style="list-style-type: none"> • Reflect effect of welfare reforms • Reflect effect of waste contract • Determine use of break clause in Gateway contract in 2 years 	<ul style="list-style-type: none"> • Customer centricity review • New website • Ownership of website and resources – one service for customer contacts • Voice recognition software – automated switchboard • More work on Electronic Document and Record Management System (EDRMS) project and effects of moving towards this e.g. increased work
ICT	<ul style="list-style-type: none"> • Fully integrated ICT partnership • Considering models for delivery 	<ul style="list-style-type: none"> • Complete phase 3 – governance and organisational structure 	<ul style="list-style-type: none"> • Preparing business case and vision/10 yr strategy for April 2012/13 • Phase 1 – moving kit to Maidstone • Phase 2 – Move virtual services to MKIP cloud • Start phase 3 • Quick wins in consolidation, single systems and joint working e.g. new website Maidstone and Tunbridge Wells councils

Hazlitt Arts Centre	<ul style="list-style-type: none"> • Vibrant theatre that people want to go to all the time • Cut subsidy by 50%+ • Increased community participation and involvement 	<ul style="list-style-type: none"> • Different governance structure – 2013/14 • Run more like a business • Link to Museum on education 	<ul style="list-style-type: none"> • Planning and implementing different governance structure • Work to make Hazlitt financially ready - maximising savings and income • New governance means asset management and support structure issues
Planning	<ul style="list-style-type: none"> • Making sure vision including leisure and business opportunities is delivered in a sensitive way • Effects of Local Development Framework – less planning enforcement – so could move resources to deal with increased levels of development • Skills development – more negotiation and selling 		<ul style="list-style-type: none"> • Investigate options for improvement of processing and delivery of planning support e.g. shared • Channel shift to website • Restructure to include Spatial Policy, plus support for those in management roles • Investigation of Management & Admin recharges • Consider options for service e.g. gold plated • Efficiency work e.g. Business Improvement process improvement • Participating in and responding to peer review
Parking/Transport Management	<ul style="list-style-type: none"> • More customer power to pay, less enforcement 	<ul style="list-style-type: none"> • Expand partnership 	<ul style="list-style-type: none"> • Transport Strategy –models considered and delivery set up including Park and Ride issues • Consolidate parking partnership • Investigate other ways to pay e.g. mobile phone • Channel shift on-line (into medium

			term)
Revenues & Benefits	<ul style="list-style-type: none"> • Develop wider shared service or pursue commercial opportunities 	<ul style="list-style-type: none"> • Restructure and change through welfare reform • Decide if we take the saving or use the capacity for income generation • Determine effect of Council Tax reforms e.g. possible reduced collection rate • Opportunities through business rate reforms 	<ul style="list-style-type: none"> • Efficiency work e.g. channel shift and reducing avoidable contact – building capacity to sell • Planning to manage welfare reforms – need to have Council Tax benefit structure in place by April 2013
Housing	<ul style="list-style-type: none"> • Quality housing that people want and is accessible to the whole community • Affordable housing delivered to strategy – challenges in achieving this • Good private sector market with choice • Good housing advice that prevents homelessness 	<ul style="list-style-type: none"> • Welfare reforms – manage effects on private sector • Improved working with registered providers and private sector landlords 	<ul style="list-style-type: none"> • Review policies and priorities • Business Improvement process review – Private Sector Housing then Housing Options • Review tenancy strategy, homelessness strategy, empty homes approach, affordable housing programme • Understand, respond to and begin prevention of increased homelessness • Decide how to respond to increased legal challenges • Review use of local Bed & Breakfast accommodation • Review housing assistance grants • Decide on home improvement agency approach

			<ul style="list-style-type: none"> • Consider threat to Disabled Facilities Grant funding – internal and external • Plan approach for tackling disadvantage with early years (into medium and long term)
Finance	<ul style="list-style-type: none"> • Support the business make informed decisions, manage budgets, commit and measure resources • Investigate model of delivery 	<ul style="list-style-type: none"> • One ICT system across Mid Kent Improvement Partnership 	<ul style="list-style-type: none"> • Restructure to work towards long term better support for business • Decide and implement approach to recharges • Develop use of Agresso (payments and invoice system) for more things e.g. for Direct Debits
Building Control	<ul style="list-style-type: none"> • Model of delivery – trading arm doing work on behalf of private companies 	<ul style="list-style-type: none"> • Diversify work – less statutory, more trading account • Develop and take advantage of partnership opportunities 	<ul style="list-style-type: none"> • Break even • Staff restructure • Channel shift on-line

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 08 February 2012

THIRD QUARTER REVENUE & CAPITAL MONITORING

Issue for Decision

To consider the Capital and Revenue budget and expenditure figures for the third quarter of 2011/12, any problems identified and other financial matters with a material effect on the medium term financial strategy or the balance sheet.

Decision Made

1. That the satisfactory revenue position at the end of the third quarter 2011/12 be noted.
2. That the slippage and re-profiling in the capital programme to 2012/13, as set out below, be agreed.
 - a. Renovation Grants budget - £100,000 re-profiled into 2012/13
 - b. High Street Budget - £347,840 re-profiled into 2012/13
 - c. CCTV Control Room - £250,000 to be utilised to fund works needed at the Medway CCTV Control Room; £50,000 required in current financial year with the remaining £200,000 re-profiled into 2012/13.
 - d. Gypsy Site Improvements - £100,000 re-profiled into 2012/13
 - e. Green Spaces Strategy budget - £10,000 anticipated to slip into 2012/13
 - f. Maidstone Museum – an overspend is anticipated, but resources to fund this have been identified from balances.

Reasons for Decision

The Director of Regeneration & Communities is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management, in accordance with the Constitution. However, in practice, day to day budgetary control is delegated to individual service managers, with assistance and advice from their director and the finance section. In consideration of this fact, whilst appreciating the need for Cabinet to

remain fully aware of the Council's financial situation, Cabinet agreed to continue to receive these quarterly reports during 2011/12, including a section reporting on treasury management performance.

Revenue

The budget used in this report is the revised estimate for 2011/12 as detailed elsewhere in the Budget Strategy report on this agenda. Actual expenditure to December 2011 includes all major accruals for goods and services received but not paid for by the end of the quarter.

Analysis at a summary level of the full year budget, and the profiled budget and expenditure to December 2011 is attached at Appendix A to the report of the Head of Finance and Customer Services. The profiled budget shows the total amount expected to be spent by December 2011 after considering the expected pattern of spend throughout the year for each budget head.

The report of the Head of Finance and Customer Services deals with the third quarter of what is a difficult and challenging financial year. There has been major organisational change, and the need to identify significant budget strategy savings of £1.9m.

Appendix A to the report of the Head of Finance and Customer Services shows actual spend is £0.35m less than the budget at the end of quarter three which compares to a figure of £0.44m less than budget at the end of quarter two 2011/12.

A detailed analysis of the figures at cost centre level shows 127 out of a total of 215 cost centres are currently reporting actual spend less than budget, which mirrors the position at the end of quarter two 2011/12.

Also set out at Appendix A to the report of the Head of Finance and Customer Services is an analysis of cross service figures, which identifies two specific issues of note:

- a) Employee costs are showing actual spend is £0.35m less than budget after allowance for the cost of temporary and agency staff. This is a consequence of posts which are currently being held as vacant following a number of redundancies.
- b) It is good practice to consider areas of adverse performance against budget reported in previous years in order to identify continued problems. The major area of difficulty in recent financial years has been income generation. A review of fees and charges across the Council shows performance is down by £0.2m on the budgeted expectation of £5.7m. The most significant shortfalls are in Pay & Display Car Parks, Park & Ride and Building Control. In all cases management are aware of the position and are taking appropriate action to deal with it.

- c) With regards to income generation a project is underway the purpose of which is to:
- Identify new sources of income and improvements to existing income streams for the Council for the period of the Medium Term Financial Plan 2012/13 to 2016/17.
 - Prioritise the income generating opportunities identified.
 - Formulate a robust, deliverable programme of projects for the high priority opportunities.

The Corporate Services Overview & Scrutiny Committee has initiated a piece of work around the Council as a Business. It is important that both these pieces of work are conducted so that the research and analysis is complementary; liaison has, and will continue to take place between officers and the Chair of the O&S Committee. Cabinet have been briefed on the position with the project and their views sought as to how it should be progressed.

A number of service areas are reporting significantly less spend or additional income than was budgeted at the end of quarter three and reports on these areas are given below:-

- a) At present the interest being generated on the investment of the Council's surplus funds is exceeding the targeted figure by £50,152. Based on current projections it is likely that this performance will be sustained for the remainder of the year. Treasury Management performance is dealt with later in this report.
- b) Council Tax have only spent a small portion of their Professional Services Court Case budget, meaning that there is currently an underspend of £40,215 on the budget. There has been no committal action to date this year, as the Council Tax team has been concentrating on introducing new procedures, dealing with outstanding committal work and structuring recovery procedures, which in part is a consequence of the new partnership arrangement. Actions will be commenced from February, so there will be spend against this budget before the end of the year, and it is anticipated that actions will be back to the normal level in 2012/13.
- c) Civic Wardens and Environmental Enforcement have generated additional income of £38,416 for Fixed Penalty Notice Litter Fines. More tickets have been issued than were initially assumed in the budget for the year, which in part is due to this being a new service so there was some uncertainty around what the actual numbers of tickets issued would be. Part of this additional income is being utilised to purchase and install new litter bins for the High Street.

- d) The On-Street Car Parking budget is showing an underspend of £33,154, which is a consequence of less than anticipated spend on the Repair & Maintenance of Grounds budget. This was increased in 2011/12 to ensure that on-street markings such as yellow lines could be re-painted, as some are no longer as visible as they should be. It is anticipated that these works will be complete by the end of the financial year and that the budget will be substantially spent.

A number of areas are showing significantly more spend or a shortfall in income than was actually budgeted at the end of quarter three, and these are reported below:-

- a) The Homeless Temporary Accommodation budget is showing expenditure greater than budget of £112,226. This budget experienced similar problems during the last financial year, with expenditure on providing bed and breakfast accommodation being significantly higher than the budgeted figure. Officers are currently working on a forecast projection for the full year and options for dealing with this issue in the future.
- b) Park & Ride is also showing a shortfall against the projected budget of £80,885, which is mainly due to less income than expected for season tickets and at the Sittingbourne Road site. The management arrangements for Park & Ride have changed with the departure of the Public Transport Officer, and the officers now responsible for this service have been assessing the options for dealing with the future of the service.
- c) There is a currently a shortfall in income of £96,142 at Parkwood Industrial Estate. This is mainly as a consequence of the resolution of a long standing issue regarding an outstanding debt, whereby the Council accepted a settlement of £100,000 against a sum due of £208,618. An occupant of a unit had entered into bankruptcy and this settlement was subsequently negotiated with the parties dealing with the affairs of the occupant.

At this stage the report identifies no major risks that require action. The issues identified above are expected to be resolved by appropriate management action during the year.

Through the budget strategy savings and efficiencies were identified totalling £1.9m. It is anticipated that these will all be met by year end and reflected in the outturn position.

Balances

Balances as at 1st April 2011 were £9.9m. The current medium term financial strategy assumes balances of £3.9m by 31st March 2012. The major reasons for the movement in balances during 2011/12 relate to the

use of carry forwards approved by Cabinet in May 2011 and slippage in the capital programme in 2010/11.

The position set out above allows for the minimum level of balances of £2.3m as previously agreed by Cabinet.

The estimated funding requirement for the Olympics celebration events is in excess of £0.18m. At this time the report suggests that there are costs such as road closures still to be quantified. It is recommended that Cabinet agree the use of balances to fund the required needs of the scheme up to a maximum spend of £0.2m. After allowing for the resources currently identified in the 2011/12 budget, the maximum need for balances will be £0.17m.

If this proposal is agreed then general fund balances will reduce by a maximum of £0.17m.

Collection Fund

The collection rates achieved for the third quarter, and the targets set, are reported below. The rate is given as a percentage of the debt targeted for collection in 2011/12.

	Target %	Actual %
NNDR	89.8	87.4
Council Tax	87.8	87.3

Both are marginally below the collection targets, although performance is stable and comparable to this point in previous years. This performance has been achieved whilst the revenues section has been going through the establishment of the shared Revenues & Benefits partnership arrangement with Tunbridge Wells BC.

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

Capital Expenditure

Attached at Appendix B to the report of the Head of Finance and Customer Services is a summary of the current capital programme for 2011/12, as agreed by Cabinet in August 2011. This includes the initial capital programme for the financial year plus amounts carried forward from 2010/11, adjusted for any changes agreed by Cabinet.

The table at Appendix B to the report of the Head of Finance and Customer Services gives the following detail:

Column	Detail.
1.	Description of scheme, listed in portfolio order.
2.	Approved budget for 2011/12 after the adjustments

	detailed above.
3.	Actual spend to the end of December 2011.
4.	Balance of budget available for 2011/12.
5 – 7.	Quarterly analysis of expected spend for the remainder of 2011/12.
8.	Balance of budget that will slip into 2012/13.
9.	Budget no longer required.

Capital expenditure to the end of the third quarter of 2011/12 is shown as £3.5m. £6.1m of the total budgeted spend of £7.5m is in relation to a small number of major projects and schemes.

Following the enhanced monitoring process instigated to enhance control of the programme officers anticipate that £0.6m will need to be re-profiled into 2012/13. This is detailed at column 8 of Appendix B to the report of the Head of Finance and Customer Services. Given below is an individual report on the major items:

- a) There has been some slippage within the Renovation Grants budget, and it is now projected that £100,000 will not be spent during 2011/12, so this unused budget will be re-profiled into 2012/13.
- b) The cashflow projection for the High Street budget has been revised and updated in consultation with the project manager, and it is now anticipated that £347, 840 of expenditure previously expected to be spent in 2011/12 can now be re-profiled into 2012/13.
- c) The £250,000 budget for the CCTV Control Room will be utilised to fund works needed at the Medway CCTV Control Room following the recent award of the contract. At this stage only £50,000 will be required in the current financial year, with the remaining £200,000 re-profiled into 2012/13.
- d) The £100,000 budget for gypsy site improvements is not required in 2011/12 and will need to be re-profiled into 2012/13 when it is now anticipated to be spent.
- e) £10,000 of the Green Spaces Strategy budget is also anticipated to slip into 2012/13.
- f) An overspend is anticipated for the Museum project, but resources to fund this have been identified from balances.

Capital Financing

The agreed capital programme 2011/12 to 2014/15, as approved by Council in March 2011, and subsequently amended by Cabinet identifies sufficient resources of £7.5m to finance the 2011/12 programme.

The financing of this programme requires £5.0m in capital receipts £5.0m in grants and contributions and £6.0m in revenue support.

Resources that can currently be confirmed are:

<u>Funding Source:</u>	<u>£.m</u>
Grants & Contributions	5.1
Capital Receipts	2.2
Revenue Support	4.5
	11.8

The capital receipts figures include the disposal of Raigersfeld Lodge and Cemetery Lodge for £0.45m, which took place in July. Progress is also being made on a number of other potential disposals, which could realise further receipts during the year. In addition a further £0.25m has been received from Golding Homes in respect of Right To Buy sales and the VAT shelter scheme.

Based on the current projected expenditure shown at Appendix B to the report of the Head of Finance and Customer Services, there are now sufficient resources to fund the programme for the current year without the need to borrow.

The slippage and re-profiling proposed for approval elsewhere in this report will mean that net expenditure of £0.8m will be re-profiled into 2011/12 if Cabinet agree this recommendation.

At its meeting on 21st December 2011 Cabinet agreed amendments to the funding profile for capital and included the use of the 2012/13 New Homes Bonus in the programme. This reduced the pressure on sale of assets and removed the need to borrow during the period of the current programme.

Treasury Management

The Council has adopted, and will incorporate into its Financial Regulations, the CIPFA Code of Practice on Treasury Management 2009 (Revised) in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In March 2011 the Council approved a Treasury Management Strategy for 2011/12 that was based on this code. This required that Cabinet should be informed of Treasury Management activities quarterly as part of greater budget monitoring.

Cabinet has previously agreed to receive an enhanced report on Treasury Management to cover levels of activity and current market conditions in more detail on a quarterly basis.

The third quarter of 2011/12 saw:

1. UK GDP grow 0.5%.
2. PWLB rates increase on the back of the UK Comprehensive Spending Review.

The Council's Treasury Management Advisors, Sector Treasury Management, provide the following forecast:

- The first base rate increase is still expected to be in September 2013.
- Rates are expected to rise steadily reaching 2.5% by mid 2015.
- CPI inflation had reached 5.2% in August 2011 but is expected to gradually fall to 1.89% by the end of 2014.

Due to lack of movement in interest rates it is still recommended that investments are kept short term (less than 1 year). As at 31st December 2012 the Council held £33.6m in investments. This is detailed at Appendix C to the report of the Head of Finance and Customer Services. £14.6m of investments in the appendix are within call accounts which can be called upon immediately or for a short notice period.

At the end of the third quarter of 2011/12 the Council had investment income totalling £0.23m compared to a budget of £0.19m. This is due to additional funds from slippage and slightly higher than expected investment rates. The average rate of investments to 31st December 2011 is 1.1%.

Alternatives considered and why rejected

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

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

Background Papers

Electronic budget monitoring and performance reports within financial systems.

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: 17 February 2012

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 08 February 2012

ESTABLISHMENT OF THE MAIDSTONE LOCALITY BOARD

Issue for Decision

To consider updates on the changes to the county-wide partnership architecture and proposals for formally establishing a Locality Board for Maidstone borough. In September 2011, the Maidstone Local Strategic Partnership (LSP) Board Members supported the recommended dissolution of the LSP to make way for establishing a Maidstone Locality Board.

Decision Made

1. That the changes to the county-wide partnership architecture be noted.
2. That the dissolution of the Maidstone Local Strategic Partnership be noted.
3. That the proposals for the formal establishment of a Locality Board for Maidstone Borough be agreed.

Reasons for Decision

The coalition Government has set out plans in the Localism Act to devolve power from Whitehall down to local government and communities. It is intended that local authorities will be given more power to deliver what is really needed for the local community.

In response to this, a revised structure for partnership working across Kent has been agreed by Kent County Council and key partners as follows:

Kent Forum

The Kent Forum assumes the '*Overall responsibility for co-ordinating and agreeing shared priorities and progress, encouraging community leadership, and supporting new initiatives.*'

Kent Joint Chief Executives Group

The Joint Chief Executives Group has replaced the Kent and Medway Chief Executives Group and the Public Service Board. Chief Executives have set out that they will *'use the collective expertise, knowledge and resources of the Chief Executives and other staff to pro-actively support the Leaders so that they have the right information at the right time to enable good judgment and decision making.'*

Ambition Boards

There are three Ambition Boards, one for each of the three countywide ambitions (as detailed in the Vision for Kent 2011-21). They will be managed through the Kent Joint Chief Executives and be accountable to the Kent Forum.

Locality Boards

The Kent Forum proposed that there be 12 Locality Boards, one at each district or borough level. The proposal is that Locality Boards will have the same role as the Kent Forum, but at a local level. They will play a key role in:

- Advising county, district/borough councils on the public service priorities for the locality;
- Advising county, district/borough councils on service provision in the locality;
- Improving the local accountability of residents for public services in their totality and;
- Overseeing public services in each locality in terms of direct oversight of local government services and through community leadership for non-local government services.

Maidstone Local Strategic Partnership (LSP)

The partnership structure across the county has changed and to ensure that Maidstone Borough moved with these changes, the Maidstone LSP Board was consulted on the creation of a Maidstone Locality Board. Feedback was sought from the individual agencies represented on the Board and was taken into account in the final design of the Locality Board and its sub-group architecture.

It was agreed by the members of the Maidstone LSP Board to dissolve the partnership with effect from 28 September 2011 in order to facilitate the establishment of a Locality Board for Maidstone borough.

The LSP structure included five thematic delivery groups tasked with identifying priorities arising from the Sustainable Community Strategy and developing action plans to deliver those priorities. The 5 delivery groups previously reported via their Chairs to the LSP Board. It is recognised that the changes being proposed will need to include a review of the current groups and their priorities.

Development of a Maidstone Locality Board

The Kent Forum recommends that the strategic priorities for the Kent-wide partnership architecture should be complemented by Locality Boards set up at district level so as to be close enough to individual neighbourhoods to allow actions to be determined at a community level. The Locality Boards will become the district-based locality equivalent of the Kent Forum.

The Kent Forum recommends that Locality Boards consist of District Council Cabinet members, local County Councillors and the relevant County Council Cabinet Member. Additional local representatives may be agreed.

In 2010, the Maidstone LSP Board undertook a resource mapping exercise, identifying a total of £611 million was being spent per year in Maidstone by 23 public sector organisations. The largest spenders included Maidstone Borough, Kent County Council, NHS West Kent, Kent Police, Department of Work and Pensions, Mid Kent College, University for the Creative Arts and Kent Fire and Rescue Service.

Membership

Based on the Kent Forum model and taking the resource mapping exercise into account, the proposed core membership of the Maidstone Locality Board is set out below:

District Councillors

Cllr Chris Garland, Leader of Maidstone Borough Council (*Chair*)
Cllr Eric Hotson, Cabinet Member for Corporate Services
Cllr Marion Ring, Cabinet Member for Environment
Cllr Malcolm Greer, Cabinet Member for Economic Development and Transport
Cllr John A. Wilson, Cabinet Member for Communities and Leisure Services
Cllr Fran Wilson, Leader of the Liberal Democrat Group
Cllr Derek Mortimer, Shadow Cabinet Member for Communities and Leisure Services
Cllr Stephen Beerling, Liberal Democrat (Fant Ward)
Cllr Mike Fitzgerald, Spokesperson for the Independents

County Councillors

Cllr Gary Cooke, Deputy Cabinet Member for Education, Learning and Skills (*Vice Chair*)
Cllr Paul Carter, Leader of Kent County Council
Cllr Jenny Whittle, Cabinet Member for Specialist Childrens Services
Cllr Dan Daley, Liberal Democrat (Maidstone Central)

Cllr Alan Chell, Conservative (Maidstone South)
Cllr Ian Chittenden, Liberal Democrat (Maidstone North East)
Cllr Malcolm Robertson, Liberal Democrat (Maidstone Central)
Cllr Paulina Stockell, Conservative (Maidstone Rural West)
Cllr Eric Hotson, Conservative (Maidstone Rural South)

Parish Council representative

John Hughes, Kent Association of Local Councils

Partner agency representatives

Matthew Nix, Chief Superintendent, Mid Kent Police
Martin Adams, Area Manager, Kent Fire and Rescue Service
Dr Garry Singh, Chair of Maidstone and Malling GP Consortia/
Jay Edwins, Head of Strategic Partnerships, NHS West Kent

Business sector representative

John Taylor, Chair of Maidstone Chamber of Commerce (non-voting)

Voluntary and community sector representative

Charlotte Osborn-Forde, Chief Executive, Voluntary Action Maidstone
(non-voting)

Delivery Groups

The five existing thematic delivery groups will continue in the short term, to operate in their current form. It is recognised, however, that substantial changes are occurring and this could affect one or more of the delivery groups. Pivotal to the success of the Locality Board will be to review and streamline the existing thematic delivery groups and develop action focused partnership work plans against priorities, with an emphasis on a task and finish approach.

Consideration could also be given to whether other 'delivery groups' should report to the Board. This could be included as part of the review of the delivery groups. The groups to be considered could include:

- Joint Transportation Board
- Business Forum
- Community Engagement/Neighbourhood Forums

The review of the delivery groups will be undertaken as part of the Locality Board's work programme and the changes required and agreed by the Board will be implemented during 2012/13.

Governance and Working Arrangements

The high level governance arrangements agreed by the Locality Board and recommended to Cabinet are set out below.

The Maidstone Locality Board will be chaired by Cllr Chris Garland, Leader of Maidstone Borough Council supported by a Vice Chair, Cllr Gary Cooke, Deputy Cabinet Member for Education, Learning and Skills, Kent County Council.

A quorum of a minimum of 15 board members will be required at each meeting.

The Maidstone Locality Board meetings will be on a quarterly basis. An Agenda Planning Steering Group will agree and set the Board's agenda and work programme at least one month in advance of the quarterly meeting. The group will consist of Cllr Chris Garland, Cllr John A. Wilson, Cllr Gary Cooke and Cllr Jenny Whittle, supported by lead officers from Maidstone Borough Council and Kent County Council.

The Maidstone Locality Board and Agenda Planning Steering Group will be serviced by Maidstone Borough Council and Kent County Council officers. The priorities for the Board will be considered by a small sub group with recommendations made to the next Board meeting in April.

Agenda papers and related documents will be sent out to Locality board members ten days in advance of meetings.

For specific meetings other people may be invited, such as the County Council Cabinet Member responsible for any topics being discussed, relevant officers from district and county councils and partner agencies. The Maidstone Locality Board currently has no budgetary responsibility. However, its role will be developed to consider moving to a joint commissioning environment, which will support locality prioritisation, service design, redirection of resources and a co-ordinated approach to community engagement with residents. The Board will be the key interface with public service providers and will encourage locality based resourcing across all public services.

The Board will be provided with a range of performance information to ensure effective oversight and monitoring of priorities.

Consultation Undertaken

The individual organizations/agencies on the Maidstone Local Strategic Partnership have been consulted on the creation of Maidstone Locality Board. Feedback was sought from the individual agencies represented on the Board and was taken into account in the final design of the Locality Board and its sub-group architecture, particularly recognizing the points raised about the role and involvement of the business and voluntary and community sectors in delivering the Board's priorities.

Alternatives considered and why rejected

Maidstone Borough Council could choose not to establish a Locality Board for the borough. However, the Council would then not have a formal

mechanism for delivering the Sustainable Community Strategy priorities. The lack of a Locality Board would present a significant missed opportunity for district and county Members to collectively focus on the needs of the locality in a holistic way and work together to make an impact by delivering more innovative and better services, at less cost.

Background Papers

Kent Recommitment/Kent Forum Terms of Reference and Governance/Kent Forum Architecture

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: 17 February 2012

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 08 February 2012

OLYMPICS 2012 - TORCH RELAY EVENT

Issue for Decision

To consider the content of the Torch Relay celebrations and make budgetary provision.

Decision Made

1. That the content of the Torch Relay celebrations be noted and endorsed.
2. That a budget provision of up to £170,000, to be allocated from balances, be agreed.

Reasons for Decision

The Olympic Flame will arrive in the UK on Friday 18th May 2012. The Relay starts the following day and will travel around the UK for 70 days and will arrive in London on the 21st July 2012. The opening ceremony will be on the 27th of July 2012. To mark its journey around Britain a Torch Arrival/Start event will be held in 66 towns and cities in Britain.

In late 2010 a confidential offer was made to the Council by the London Organising Committee Olympic Games (LOCOG) to hold an evening celebration for the arrival of the Torch on the 19th of July 2012, and to mark the start of the relay on the 20th of July 2012. Maidstone would be one of two locations in Kent to hold the Torch celebration, the other is Dover on the evening of the 18th of July 2012.

Following discussion with the Leader of the Council and the Leader of the Liberal Democrats it was decided to accept the confidential offer.

Background

The Agreement with LOCOG was entered into on the 28th of January 2011. It is the requirement of the Agreement that the Council is responsible for the event management, planning of the content of the event in conjunction with the community, the provision of the necessary infrastructure and the stewarding.

LOCOG were originally seeking an 'iconic' location for the evening celebration for the arrival of the torch which is why Leeds castle was identified. However, as Leeds Castle only has a capacity for 8,000 people for this event, to embrace the wider community it was considered that a wider community celebration should be held at Mote Park. As a result of the requirements of LOCOG and to take the event planning forward, three working groups were set up to cover the planning of the event:-

- | | |
|---------------------|---|
| The Community Group | - to shape the event |
| Agency Group | - this includes Police, Fire & Rescue, Health, KCC , Highways – to inform, develop and verify the shape of the event as part of its development |
| Officer Group | - To coordinate and plan the event |

The Torch Relay arrives in the Borough on the 19th of July. The Torch will be carried by the bearer in Harrietsham and then moved by convoy to Leeds Castle. The evening celebration will take place at Leeds Castle on the evening of the 19th July. The start of the Torch Relay on the 20th of July 2012 will be at Mote Park, and the Torch will travel through the town to the river, it will be rowed along the river and then transferred to the torch convoy, to travel to the Medway Towns.

From the work of LOCOG, the community groups, schools and partner agencies, the following activities are planned on the 19th and 20th of July 2012:-

19th July 2012

Torch Bearer - Harrietsham
Schools sports event – Leeds Castle
Torch arrival event – Leeds Castle
Community Celebration – Mote Park

20th July 2012

Relay start – Mote Park/Town Centre
Community Events – Town Centre

Community events are planned for the Town Centre for the morning of the 20th July 2012. The detail of the individual activities is currently being developed.

The Council is directly responsible for the planning of the above events. In addition on 20th July 2012 Maidstone Leisure Trust and Team Outrageous have proposed and planned a Maidstone Mile Run through the town and a Maidstone Mile Swim in the River Medway. The Council is not directly involved in the planning of these events, but the organiser's plans will be the subject of scrutiny by the multi-agency Safety Advisory Group

(SAG) as will all the event management plans for the other events. In addition, there are other events planned in the lead up to the Relay.

More detail about the events is set out at Appendix A to the report of the Assistant Director of Regeneration and Cultural Services. Each of these events will require event management plans.

The plans for the Torch Relay are still being developed by LOCOG and the Police. The position in relation to road closures will be dealt with on a Kent wide basis under the Highways/Olympic Act. However, there will still be the need to use the Town and Police Clauses legislation to enable crowd control. Road closures will be done on a 'rolling' basis by the Police motorcycle outriders. This will reduce the need for barriers apart from in key locations in the Town Centre.

Sponsorship will be sought in relation to the provision of the overall events and in particular for the community celebration at Mote Park, and the events in the town on the morning of the start of the relay. Additionally there is the potential to earn revenue through the leasing of food stalls at the Mote Park community event.

The overall shape of the events is now identified and it is possible to identify the majority of the costs apart from the cost in relation to event management which remains an estimate. The content of the event at Mote Park is pitched at a level that does not require a change to the licence. However, there is a potential concern from the Police in relation to the size of the crowd and it may therefore be necessary to provide an enclosure and ticket the event. This cost has been allowed for in the table below. A summary of the costs is set out below, with the detail provided at Appendix B to the report of the Assistant Director of Regeneration and Cultural Services.

Summary of Costs

	£
Event Management (Est)	30,000
Schools Event	5,000
Leeds Castle	16,000
20 min community slot – Leeds Castle	4,000
Mote Park event	67,225
Morning start	15,250
Security	26,404
Other Events	1,000
TOTAL	134,879

There is the potential to earn revenue from this event through charging and letting food stall concessions. The feasibility of food stall concessions is currently being assessed.

The original intention was to seek an event organiser/project manager and this is still being pursued. However, the organisation of the individual events will still require the input of staff time in relation, and the traffic planning for the entrance to Leeds Castle and the start of the relay.

Alternatives considered and why rejected

The shape of the various events around the Torch Relay is set out including the content of the Mote Park event. It would be possible to alter the content of the 'headline act' at Mote Park to obtain a very prominent star. To do so would alter the shape of the event so that it is no longer community based, but the attraction is the 'star'. It would also increase cost significantly in terms of the fee for the 'headline act', ticketing, security and infrastructure. It is therefore not recommended. It would also be possible to have no 'headline act', but to do so would significantly diminish the attractiveness of the community event.

The Council could at this point opt to cease planning but such a decision is likely to significantly damage its reputation both nationally and locally. Alternatively, the Council could cease planning the community celebration at Mote Park, however again such a decision is likely to significantly damage its reputation locally.

A charge could be made for the Mote Park event. A crowd of 5,000 at £10 a ticket would generate £50,000 income. However, if this were not to be a 'free' event there is the possibility that the 'acts' would seek higher fees, there may be lower attendance and a risk to reputation as the Leeds Castle event would be free. Charging for the Mote Park event is therefore not recommended.

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: 17 February 2012
