

AGENDA

CABINET MEETING



Date: Wednesday 8 February 2012
Time: 6.30 pm
Venue: Town Hall, High Street,
Maidstone

Membership:

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

Page No.

1. Apologies for Absence
2. Urgent Items
3. Notification of Visiting Members
4. Disclosures by Members and Officers
5. Disclosures of lobbying
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information
7. Minutes of the Meeting held on 11 January 2012

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Continued Over/:

Issued on 31 January 2012

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact KAREN LUCK on 01622 602743**. To find out more about the work of the Cabinet, please visit www.maidstone.gov.uk

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

KEY DECISION REPORTS

- | | | |
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| 8. | Report of the Leader of the Council and the Chief Executive - 2012/13 Refresh of the Strategic Plan | 4 - 35 |
| 9. | Report of the Head of Business Improvement - Improvement Plan 2012-15 | 36 - 49 |
| 10. | Report of the Corporate Leadership Team - Budget Strategy 2012/13 Onwards | 50 - 101 |
| 11. | Report of the Head of Finance and Customer Services - Treasury Management Strategy 2012 13 | 102 - 115 |

NON-KEY DECISION REPORTS

- | | | |
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| 12. | Report of the Policy and Performance Manager - Quarter 3 Key Performance Indicator Report | 116 - 132 |
| 13. | Report of the Head of Finance and Customer Services - Third Quarter Revenue & Capital Monitoring | 133 - 146 |
| 14. | Report of the Director of Regeneration and Communities - Establishment of the Maidstone Locality Board | 147 - 165 |
| 15. | Report of the Assistant Director of Regeneration and Cultural Services - Olympics 2012 - Torch Relay Event | 166 - 173 |
| 16. | Report of the Leader of the Council - Forward Plan | 174 - 176 |

MAIDSTONE BOROUGH COUNCIL

CABINET

MINUTES OF THE MEETING HELD ON WEDNESDAY 11 JANUARY 2012

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

118. APOLOGIES FOR ABSENCE

There were no apologies for absence.

119. URGENT ITEMS

There were no urgent items.

120. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

121. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

122. DISCLOSURES OF LOBBYING

There were no disclosures of Lobbying.

123. EXEMPT ITEMS

That the Item in Part II of the Agenda be taken in private as proposed.

124. MINUTES

RESOLVED: That the Minutes of the Meeting held on 21 December 2011 be approved as a correct record and signed.

125. REVIEW OF NEIGHBOURHOOD FORUMS

DECISION MADE: That Option 4, "Disband Neighbourhood Forums and support the community leadership role of elected members to achieve more effective community engagement and liaison" be agreed.

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

<http://meetings.maidstone.gov.uk/documents/d532/Printed%20decision,%20Review%20of%20Neighbourhood%20Forums.pdf?T=5>

126. FORWARD PLAN

The Cabinet considered the report of the Leader of the Council regarding the Forward Plan 01 February 2012 to 31 May 2012.

RESOLVED: That the Forward Plan for the period 01 February 2012 to 31 May 2012 be noted, subject to the following amendments:

1. Core Strategy Publication Consultation	Cabinet	13 June 2012
2. Infrastructure Delivery Plan: Publication Consultation	Cabinet	13 June 2012
3. Integrated Transport Strategy: Public Consultation	Cabinet	13 June 2012
4. Improvement Plan 2012-15	Cabinet	08 February 2012
5. Creative Kent	Cabinet Member for Economic Development and Transport	08 February 2012

127. MAIDSTONE MUSEUM EAST WING PROJECT REVIEW

DECISION MADE:

1. That the scope of the Maidstone Museum East Wing Project Review be approved subject to a change in Paragraph 3.2 of the Exempt Appendix to the report of the Assistant Director of Regeneration and Cultural Services from mid January 2012 to mid February 2012.
2. That the Chief Executive, in consultation with the Leader of the Council and the Cabinet Member for Economic Development and Transport, be given delegated authority to agree the final terms of reference for the review, to commission the Mid Kent Internal Audit Partnership to conduct part 1 of the review (fundraising arrangements) and to appoint an external contractor to undertake parts 2, 3 and 4 of the review (the construction phase arrangements).
3. That the appointed contractor should submit an interim report with its initial findings arising from the review before completion of the detailed report.

4. That all the review reports be submitted to the Chief Executive, who will report them to the Leader of the Council, the Cabinet Member for Economic Development and Transport, Audit Committee and Cabinet.

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

<http://meetings.maidstone.gov.uk/documents/d533/Printed%20decision,%20Maidstone%20Museum%20East%20Wing%20Project%20Review.pdf?T=5>

128. EXCLUSION OF THE PUBLIC FROM THE MEETING

RESOLVED: That the public be excluded from the meeting for the following item of business because of the likely disclosure of exempt information for the reasons specified in Minute 123 above, having applied the Public Interest Test:-

Head of Schedule 12A and Brief Description

Exempt Appendix to the Report of the Director of Regeneration and Communities – Maidstone Museum East Wing Development Review	3 = Financial/Business Affairs 5 = Legal Professional Privilege/ Legal Proceedings
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129. DURATION OF MEETING

6.30pm to 7.09pm

Agenda Item 8

MAIDSTONE BOROUGH COUNCIL

CABINET

8 FEBRUARY 2012

REPORT OF THE LEADER OF THE COUNCIL AND THE CHIEF EXECUTIVE

Report prepared by Ellie Kershaw

1. REFRESH OF THE STRATEGIC PLAN FOR 2012/13

1.1 Issue for Decision

1.1.1 Cabinet are asked to agree the refreshed strategic plan for submission to Council on 29 February 2011.

1.2 Recommendation of the Leader of the Council and the Chief Executive

1.2.1 That Cabinet recommends the refreshed Strategic Plan 2011-15 to Council subject to delegation to the Chief Executive to make minor amendments in consultation with the Leader as required.

1.3 Reasons for Recommendation

1.3.1 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.

1.3.2 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.

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

2011 Cabinet agreed the targeted approach to be taken in the Strategic Plan. This refreshed document is included at Appendix A.

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

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

1.4 Alternative Action and why not Recommended

1.4.1 Cabinet could decide 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.

1.4.2 Cabinet could request the development of a new plan. However, this is not recommended as the development of a new plan would require additional resources and would risk not being produced in time for the new financial year.

1.5 Impact on Corporate Objectives

1.5.1 The Strategic Plan sets out the Council's Corporate Objectives and is the top level document from which other plans and strategies flow.

1.6 Risk Management

1.6.1 Refining the priorities within the outcomes will allow a more robust risk management process to be undertaken.

1.7 Other Implications

1.7.1 The Strategic Plan has a range of implications which are discussed in the body of this report.

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment

x

- 5. Environmental/Sustainable Development
- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

1.7.2 The Medium Term Financial Strategy and Strategic Plan are developed in conjunction with each other to ensure that priorities and resources are considered together.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A Draft refresh of the Strategic Plan 2011-2015

1.8.2 Background Documents

- Strategic Plan 2011-2015
- Corporate Planning Timetable Cabinet report September 2011

IS THIS A KEY DECISION REPORT?

Yes

No

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

December 2011

This is a Key Decision because: It affects all wards

Wards/Parishes affected: all

From the Leader

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

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

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

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

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

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

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

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

Introduction from the Chief Executive

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

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

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

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

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

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

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

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

Your community is our priority.

National Context

New Political Leadership

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

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

Localism Act

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

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

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

Comprehensive spending review

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

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

Local Enterprise Partnerships

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

Transport

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

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

Transparency and Inspection

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

Planning and Housing

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

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

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

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

Local Context

Maidstone the place

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

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

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

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

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

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

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

What matters to Maidstone residents

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

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

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

About the Council

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

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

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

The services we deliver

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

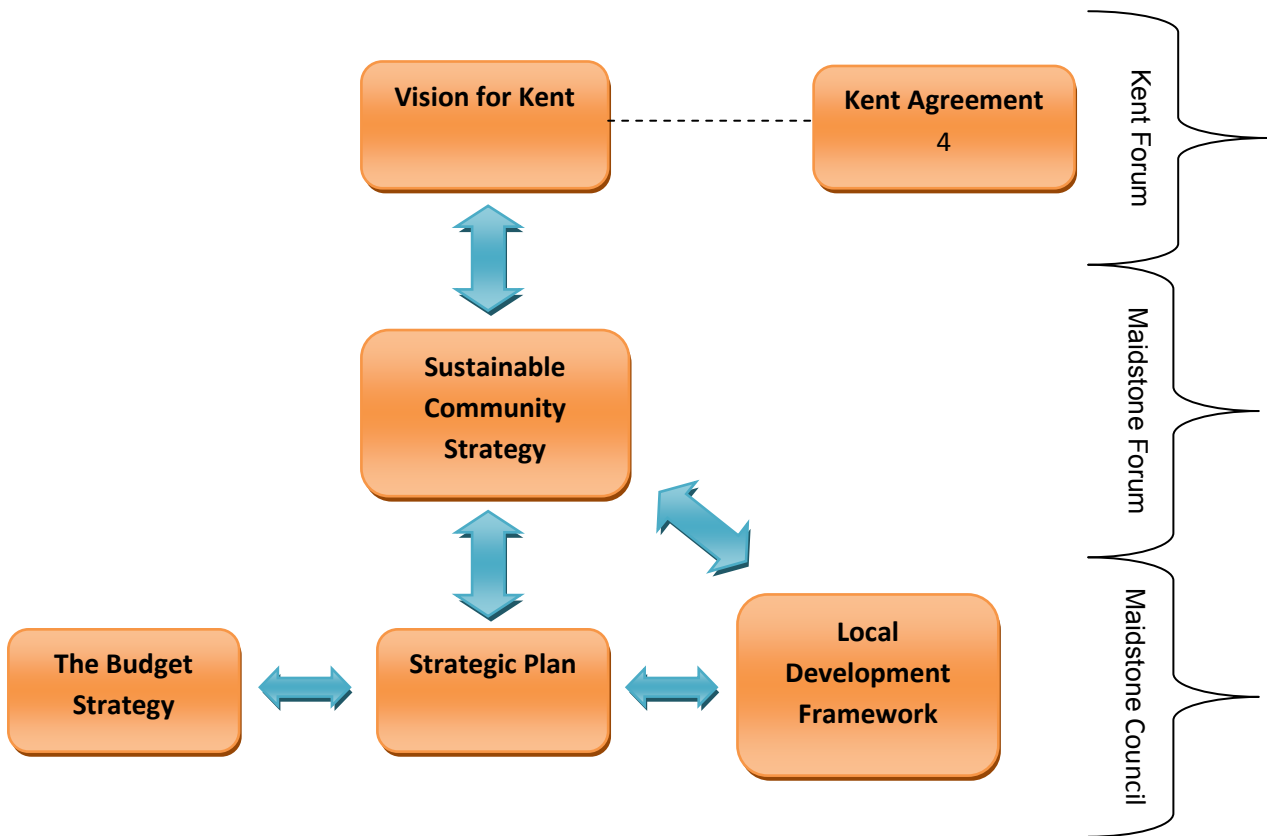
How the Council works

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

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

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

Strategy map - how we work with others



Our Vision, Priorities and Outcomes for Maidstone

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

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

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

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

Priorities

1. For Maidstone to have a growing economy

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

Outcomes by 2015:

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

2. For Maidstone to be a decent place to live

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

Outcomes by 2015

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

3. Corporate and Customer Excellence

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

Outcomes by 2015

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

Delivering Priorities and Outcomes

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

Why it matters for Maidstone

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

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

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

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

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

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

Why it matters for Maidstone

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

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

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

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

Work with partners through the worklessness forum to assist people into training and employment	Milestones to be set and agreed by the Worklessness Forum	The Council and relevant partners
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* The local development framework and core strategy set out the Council's planning policies for the Borough, as well as where it wishes to see housing and commercial development

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

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

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

Why it matters for Maidstone

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

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

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

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

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

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

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

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

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

Why it matters for Maidstone

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

Cleanliness has improved across the Borough and CO² emissions have been decreasing. We are committed to increasing social responsibility to ensure the new development is of high quality and the Borough's varied and valued landscape and heritage assets are respected and the environment remains clean and attractive. We want Maidstone to continue to be a place where people enjoy living and would choose to live. As stated in the earlier section on the economy, we will also be encouraging green business in Maidstone. As a Council we will lead with our carbon management programme: over the next four years we will be seeking to reduce carbon emissions from Council buildings and vehicles.

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

Deliver the Carbon Management Plan to ensure that the Council reduces it's carbon footprint by 3% per annum	Ongoing - Reduce carbon emissions across the Borough and improve air quality Ongoing - Reduce the Council's carbon footprint and improve the use of other natural resources whilst ensuring the Council is planning to adapt to Climate Change	The Council with others
Maximise our leisure and cultural offer to enhance the quality of life for our residents whilst attracting visitors, new residents and businesses	April 2011 - Complete the Leisure and Culture Strategy with a focus on getting others to deliver and lead on leisure and culture October 2011 - Complete the redevelopment of the Museum's East Wing June 2012 - Complete a review of play areas and produce a strategy for future provision June 2012 - Complete Mote Park regeneration project capital works	The Council
New waste contract	April 2013 -New Waste Contract in place	The Council

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

Indicator	Frequency	Baseline	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
head of population (NEW)				process.		
Percentage reductions in CO ₂ emissions from local authority operations (tonnes)	Annual	5247 (2009)	-3%	-3%	-3%	-3%
The target for this indicator has been set as a 3% reduction year on year as set out in the Carbon Management Plan.						
Residual waste per household						

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

Why it matters for Maidstone

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

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

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

As community leaders, we will convene resources to reduce the number of young people not in education, employment or training and reduce the number of adults out of work. We will seek to do this through working with local businesses and supporting

social enterprise start ups. We will be working to prevent disadvantage and will seek to participate in a pilot with KCC to address the needs of complex families in our Borough.

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

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

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

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

Why it matters for Maidstone

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

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

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

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

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

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

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

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

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

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

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

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

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

Service Principles – How we will design our services

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

Values - How we will deliver our services

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

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

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

How we have prioritised and funded services

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

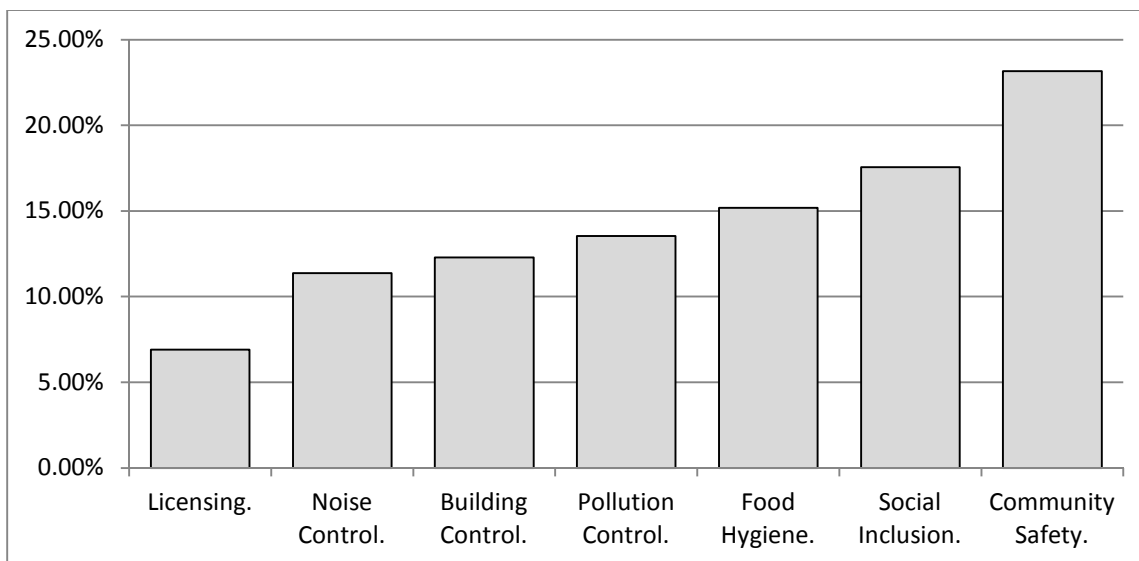
The Cabinet, as a first stage in determining budgets, prioritised the Council’s front line services into low, medium and high, by identifying which services would best achieve their priorities through a paired analysis. A paired analysis is where each service is compared in a pair with every other service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

Revenue	High	Medium	Low
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

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

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

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

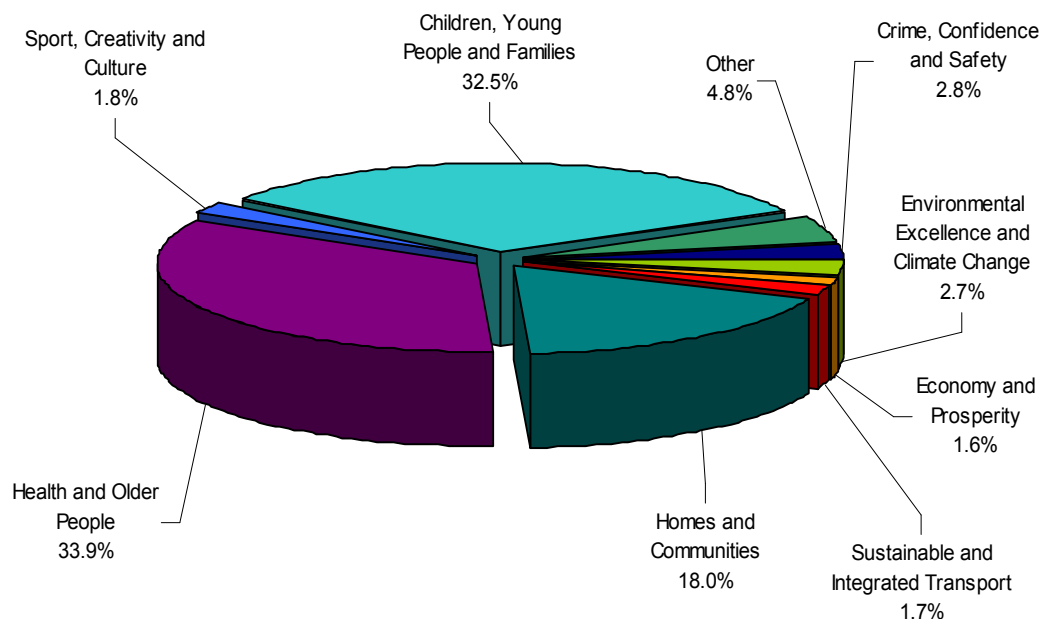


During the consultation the public were also asked their views on a series of potential changes to customer service provision and as a result of these initial responses the Council will review opening hours of the Gateway and options for an automated switchboard. The Council has already taken action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

Working in Partnership: How Resources are Spent in Maidstone

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

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



Performance Management – Doing what we say we will

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

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

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

Risk Management

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

Glossary

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

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

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

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

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

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

Customer care and engagement

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

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

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

We will be holding various consultation events through the year where you can come and give us your views on the issues that affect you. These will be advertised on our website www.maidstone.gov.uk

Agenda Item 9

MAIDSTONE BOROUGH COUNCIL

CABINET

8 FEBRUARY 2012

REPORT OF THE HEAD OF BUSINESS IMPROVEMENT

Report prepared by Georgia Hawkes

1. IMPROVEMENT PLAN 2012-15

1.1 Issue for Decision

1.1.1 To consider the Council's improvement journey detailed in the Improvement Plan 2012-15 (Appendix A).

1.2 Recommendation of Head of Business Improvement

1.2.1 That Cabinet adopt the Improvement Plan 2012-15.

1.3 Reasons for Recommendation

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

1.3.2 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

1.3.3 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

1.3.4 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

1.3.5 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

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

1.4 Alternative Action and why not Recommended

1.4.1 Cabinet could decide not to adopt the Improvement Plan 2012-15. This is not recommended 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.

1.5 Impact on Corporate Objectives

1.5.1 The Improvement Plan contains pieces of work and projects that will have a positive effect on all the priorities and outcomes for Maidstone set out in the Strategic Plan. However, the priority that it aligns with most is Corporate and Customer Excellence, outcome "the Council will continue to have value for money services that residents are satisfied with", because of the objectives in the Improvement Plan of reducing net cost whilst improving or maintaining quality.

1.6 Risk Management

1.6.1 The Improvement Plan and associated governance minimises the risk that important pieces of work/projects will not be undertaken or will not deliver and that new opportunities are missed.

1.6.2 There is still a risk that the Council does not have the resources, both in terms of staff time or money to undertake the projects envisaged in the Improvement Plan. However, the plan minimises the risk that effort will be put into pieces of work that are not considered a priority and will allow corporate resources to be more effectively directed to the priorities stated in the Improvement Plan.

1.7 Other Implications

1.7.1

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

Financial and staffing

1.7.2 An objective of the plan is to reduce net cost. This could be by reducing cost, including possibly reducing numbers of staff, or by increasing income, which would have an effect on the work that staff undertake. The cost of delivering the improvement plan will be met from within existing resources. Any additional resource requirements will be identified and addressed as part of the Medium term Financial Strategy process.

Legal

1.7.3 A number of the pieces of work/projects are likely to require legal advice and support, which will be identified and secured as part of the governance arrangements.

Procurement and asset management

1.7.4 Asset management is a workstream in the Improvement Plan and procurement is an important tool in achieving improvement.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A – Improvement Plan 2012-15

1.8.2 Background Documents

None.

<u>IS THIS A KEY DECISION REPORT?</u>			
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If yes, when did it first appear in the Forward Plan?			
January 2012.....			
This is a Key Decision because: it is a new plan for adoption by Cabinet.....			
.....			
Wards/Parishes affected: All.....			
.....			

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.

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 	<ul style="list-style-type: none"> • Different governance structure – 2013/14 	<ul style="list-style-type: none"> • Planning and implementing different governance structure

	<ul style="list-style-type: none"> • Cut subsidy by 50%+ • Increased community participation and involvement 	<ul style="list-style-type: none"> • Run more like a business • Link to Museum on education 	<ul style="list-style-type: none"> • 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 • 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

Agenda Item 10

MAIDSTONE BOROUGH COUNCIL

CABINET

8 FEBRUARY 2012

REPORT OF CORPORATE LEADERSHIP TEAM

**Report prepared by Paul Riley,
Head of Finance & Customer Services**

1. BUDGET STRATEGY 2012/13 ONWARDS

1.1 Issue for Decision

1.1.1 This report brings together all the Revenue and Capital Budgets for 2012/13 with a view to making a recommendation to Council on the 29 February 2012 along with a proposed level of Council Tax.

1.1.2 The budgets outlined in this report incorporate all growth and savings agreed at the Cabinet meeting on 21st December 2011, identifies further issues for consideration and requests Cabinet to consider the issues in the context of the agreed Budget Strategy.

1.1.3 The report sets out the proposals for 2012/13 relative to the draft Medium Term Financial Strategy and the Financial Projection. The report gives further guidance on the financial position beyond 2012/13, the prospect for growth and savings and the delivery of a sustainable budget in the medium term.

1.2 Recommendation of Corporate Leadership Team

1.2.1 It is recommended that Cabinet :

- a) Agree the revised revenue estimate for 2011/12 as set out in Appendices B & C as modified, if necessary, by any actions agreed as a result of the Third Quarter Budget Monitoring Report for 2011/12;
- b) Agree the revenue estimate for 2012/13 as set out in Appendices B & C incorporating the growth and savings items;
- c) Agree to recommend to Council that the minimum level of General Fund balances be set at £2m for 2012/13;

- d) Agree to set a level of working balances for day to day activity for 2012/13 of £2.3m;
- e) Agree the proposal not to update the capital programme subject to any changes agreed in the Third Quarter Budget Monitoring Report for 2011/12;
- f) Consider options for the level of Council Tax and agree a recommendation to Council for 29th February 2012;
- g) Endorse the Medium term Financial Strategy as set out in Appendix F;
- h) Agree to make the appropriate recommendations to Council regarding Council Tax requirement and the Estimates for 2012/13 based on the Cabinet decisions relating to this report's recommendations and as required by the Local Government Finance Act 1992 as amended by the Localism Act 2011.

1.3 Reasons for Recommendation

- 1.3.1 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.
- 1.3.2 The Corporate Services Overview and Scrutiny Committee considered this budget strategy at its meeting on 1st November 2011.
- 1.3.3 The strategy and strategic revenue projection were then updated to take note of all consultation responses.
- 1.3.4 At its meeting on 21st December 2011 Cabinet considered a corporate review of fees and charges. This review was in line with the Council's policy. The agreed increases produced an estimated increase in income of £0.14m which was incorporated into the budget strategy report considered later on the same agenda.
- 1.3.5 At that same meeting, on 21st December 2011, Cabinet reconsidered the budget strategy and agree a strategy for formal consultation with Corporate Services Overview and Scrutiny Committee in January 2012. Combined with the agreed increase in fees and charges discussed above, Cabinet agreed the following:
 - a) That the revised strategic revenue projection at Appendix B to the report of the Corporate Leadership Team, which incorporates the review of strategic projection, be agreed.

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

1.3.6 The Budget Strategy has been developed in parallel with the Cabinet's consideration of a number of other plans. It is the intention of the Budget Strategy to address the financial consequences of the government's actions to reduce the budget deficit in a sustainable manner. This has required a significant level of budget savings over the five years of the medium term financial strategy. However the proposals in this report deliver a balanced budget without the use of balances to finance long term commitments. In particular the Budget Strategy incorporates the following:

- a) The Strategic Plan/The Sustainable Community Strategy – the budget strategy has been developed in parallel with the revisions to the strategic plan. The medium term financial strategy has been produced to ensure the efficient use of the Council's resources in delivering the strategic objectives.
- b) The People Strategy – budget provision is included for employee costs. Some changes to the pay structure have been proposed to the Employment and Development Panel and funding exists for

any pressure this places on employee costs in the 2012/13 estimates. Provision to meet the conditions of the Government's proposed pay freeze has also been included.

- c) The Asset Management Strategy – the budget requirements identified in the strategy have been previously included within the budget strategy and have been maintained for 2012/13 onwards. The asset management strategy recognises the pressure on the capital programme from the need for future funding and assesses options for the appropriate utilisation of assets, the pressures upon the capital programme are considered as a complete package and not as individual schemes.
- d) ICT Strategy – the resources for this strategy are limited due to available funding however resources for invest to save developments in ICT remain available and the ICT steering group promote projects of this nature.
- e) Strategic Risk Register – the strategic risks are reviewed regularly by Audit Committee and Cabinet. The responses to the risks are, where appropriate, incorporated into the budget strategy.
- f) Other Plans and Strategies – appropriate resources to aid other plans and strategies are also incorporated into the budget strategy. These include Climate Change, Equalities, Regeneration, Integrated Transport, Community Development and the Improvement Plan.

1.4 Corporate Services Overview and Scrutiny Committee

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

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

1.5 Audit Committee

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

minor amendments were identified:

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

1.5.2 These issues have been adjusted in the risk assessment.

1.6 The Strategic Revenue Projection

1.6.1 The strategic revenue projection is given at **Appendix A** and has been updated to account for agreed amendments and other changes that have been identified since the Cabinet meeting on 21st December 2011.

1.6.2 For 2012/13 the strategic revenue projection remains the same as reported and approved at the Cabinet meeting on 21st December 2011. If Cabinet chose to include in their recommendations to Council a Council Tax freeze, the projection will require minor modification to show a reduction in income from Council Tax of £0.34m and an increased level of income generation from other grants with no effect on the balanced budget proposed.

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

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

1.6.5 The additional detail this provides, does not affect the production of a balanced budget for 2012/13, but does affect the strategic revenue

projection in the medium term and hence the financial stability of the Council in the medium term. It is therefore important for Cabinet to be aware of this analysis.

- 1.6.6 This initial analysis suggests that the Council's share of the baseline will be £4.93m. Compared to the assumption in the strategic revenue projection reported to Cabinet on 21st December 2012 of £5.64m. The reduction from the previous grant expectation to the predicted baseline is £0.71m.
- 1.6.7 The major reason for this reduction is that the baseline will be set at the level of resources available nationally for formula grant in 2014/15 as set out in the October 2010 spending review. The excess taken in 2013/14 is expected to be returned to local government as a one off grant in 2013/14. The consultant estimates this grant to be £0.46m for this Council. This will leave a remaining reduction of £0.25m.
- 1.6.8 In addition the Government has announced its intention to "top slice" the unfunded cost of the new homes bonus scheme from the baseline for business rates. The consultant has estimated a figure for this top slice as £0.25m. The Government has also stated that the unused balance of this "top slice" will be returned as a one off grant to local government. By using a formula linked to previous new homes bonus receipts, the consultant has calculated a one off grant to the Council of £0.29m. This is greater than the top slice and may not be a prudent and sustainable assumption as it is based on historic national performance levels and, as this is a new programme, the historic data is only available for two years.
- 1.6.9 The Government consultation on localisation of business rates does propose the return of these resources taken in advance of need. It also proposes the development of a fund to help balance the inter year variations in the scheme. It does not specify the mechanism by which the money will be returned to local government or whether some will be retained to develop the fund. It is important for Cabinet to be aware of two risks:
- That the Council may not benefit from the proposal in the way modelled by the consultant; and
 - That to continue with the assumption, in the strategic revenue projection, that there will not be a further reduction in overall funding in 2013/14 as a result of the move to localised business rates, relies on the use of one off grant to sustain the revenue account and balance the budget.

- 1.6.10 The strategic revenue projection, given at Appendix A, uses the calculated baseline business rates for each year. It does not include the potential return of excess "top slice" as one off grant. This could be equal to the calculated reduction in resources but is subject to the risks outlined in paragraph 1.6.9 above. The work on the budget strategy for 2013/14 will consider the risk and options in further detail.
- 1.6.11 For years beyond 2014/15 the consultant suggests the Council could receive a benefit from RPI increases in the business rate poundage. If this is correct, it would only occur until the Government's next business rates revaluation.

1.7 Revenue Estimates

- 1.7.1 A summary of the revenue estimate by portfolio is attached as **Appendix B**. This also summarises the proposed use of balances. This estimate assumes the final approval of all growth and savings identified and approved at Cabinet on 21st December 2011. The estimate is based upon the funding available from either a 2.5% Council Tax increase or a Council Tax freeze that provides government grant of an equivalent value. Any alternative decision will require amendment to the revenue estimates.
- 1.7.2 Detailed portfolio estimates are attached as **Appendix C**. Included within these estimates are tables of growth and savings incorporated within each portfolio's estimate.

Revised Estimate 2011/12

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

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

Original Estimate 2012/13

- 1.7.4 The estimate 2012/13, given in Appendices B & C, shows a cost of service estimated at £19.7m. After planned use of balances of £0.1m, the budget requirement for 2012/13 will be £19.6m if a 2.5% Council Tax increase is agreed, or £19.27m if a council tax freeze is agreed.
- 1.7.5 Cabinet will recall that the budget, as proposed in this report, has been based on a number of initiatives completed during the year. These include:
- a) A refresh of the strategic plan that includes a clearer analysis of the outcomes deliverable in the medium term and a prioritisation of the actions required.
 - b) A budget consultation exercise to identify public opinion on the importance to the public of services considered low priority to Cabinet and the importance of a range of customer service levels.
 - c) A longer term focus from the recognition that the financial year 2013/14 will see the commencement of a number of major initiatives from central government. The effect these initiatives will have upon the Council and its readiness to react once sufficient detail is known is essential to this medium term strategy.
- 1.7.6 The items of growth and savings incorporated in the estimate for 2012/13 are given in Appendix C following each portfolio of services.

1.8 Statement of Balances

- 1.8.1 Attached as **Appendix D** is a statement of the General Fund Balances. The statement identifies in detail the agreed use of balances arising from the 2011/12 budget, approved by Council in March 2011, and subsequent Cabinet decisions. The statement also shows that the estimate of unallocated balances at 31st March 2013 is £3.2m.
- 1.8.2 On 17th January 2012 the Council received further confirmation from HM Revenue and Customs regarding the VAT reimbursement claimed under the Fleming arrangements two years previous to this date. The letter confirms a further £0.23m will be paid to the Council, plus interest. It is estimated that interest will mean this sum is in excess of £0.7m when received. Whilst Cabinet have an opportunity to consider the potential future uses of this money, the statement at Appendix D shows this further receipt as a contribution to balances in year and is combined with the receipt of £0.08m received earlier in

the year.

- 1.8.3 During the development of the medium term financial strategy for 2012/13 onwards there has been one proposal for the future use of balances. In addition there are proposals from previous years where funds have not yet been committed and are expected to carry forward into 2012/13. The proposal approved at the Cabinet meeting on 21st December 2011 was to utilise £0.1m to retain the current level of resources in the Concurrent Functions Grant system for a further year to allow additional time for consultation to be completed and a new scheme agreed before Parish Council's see a further reduction in funding.
- 1.8.4 Elsewhere on this agenda two reports consider the estimate for the provision of events to celebrate the arrival and departure of the Olympic flame in Maidstone. The statement given at Appendix D includes a contribution of £0.17m which is subject to Cabinet approval when considering the other reports on this agenda.
- 1.8.5 It is necessary at this time to consider the level of working balances that Cabinet wish to set for operational purposes in 2012/13. In the past Cabinet has set this level at approximately 10% on net revenue expenditure. However, for 2011/12, the Government's spending review removed a significant amount of expenditure from the Council's budget through reductions in grant and transfer of responsibilities to other organisations. When considering the level of working balances for 2011/12 Cabinet took the view that the reduction in working balances, that would occur by continuing to set the value at 10% of net revenue spend, would create additional risk to the financial stability of the Council at a time of economic uncertainty. Cabinet decided to hold the level of working balances at £2.3m. As the economic circumstances have not improved since the decision for 2011/12 it is recommended that Cabinet set a similar level of working balances for 2012/13.
- 1.8.6 At the same time it is necessary to recommend a practical minimum level of revenue balances, below which cabinet cannot go without the approval of Council. In previous years that maximum limit has been set at £2m. In line with the above recommendation regarding working balances, Cabinet may wish to recommend continuance of a £2m limit to Council.
- 1.8.7 In reviewing the pressure on the strategic revenue projection given at Appendix A, the maximum savings requirement for 2013/14 following a zero percent council tax increase in 2012/13 is £1.9m. Savings have been identified for that year that total £0.6m. This leaves a net budget pressure of £1.3m. If funding for that remaining pressure is not identified, unallocated balances will not be sufficient to produce a

balanced budget in that year and retain the agreed set aside for the Museum East Wing Extension overspend. This is based on an assumption that £0.9m would be available from general balances and £0.8m would be available from the additional Fleming VAT reimbursement.

1.9 Council Tax Levels

1.9.1 The strategic revenue projection given at Appendix A is developed in accordance with the previous planning decisions of Cabinet, to include a 2.5% increase in Council Tax charged.

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

1.9.3 The consequences of accepting the Council Tax freeze grant in 2012/13 would create an additional budget pressure for all future years. In order to adequately display the consequences of this option Appendix A, whilst developed assuming a 2.5% Council Tax increase, does display the savings requirement of the option to accept the Council Tax freeze grant.

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

1.10 Strategic Assessment of the Revenue Estimate

1.10.1 The revenue estimate for 2012/13 as detailed in this report requires net resources of £19.605m. This can be balanced by either a 2.5% increase in the Council Tax charged or by acceptance of the government offered Council Tax Freeze grant, as detailed in the table below:

	£,000
Revenue Support Grant / NNDR	5,703

Council Tax at £222.39 (Band D), tax base 60985.3	13,563
2.5% Council Tax Increase or equivalent grant	339
TOTAL AVAILABLE RESOURCES	19,605

- 1.10.2 Should Cabinet wish to consider an alternative approach, a 1% change in Council Tax charged is equivalent to a change in the resources available of £135,000. A 1% change, for a Band D property, is equal to a change of £2.22 in a full year or 19p per month. Cabinet should be aware that Council Tax freeze grant is absolute and offered only where no increase occurs. It cannot be claimed proportionate to any increase that is less than 2.5%.
- 1.10.3 This report outlines a series of issues facing the Council in the medium term and the strategic revenue projection given at Appendix A identifies the current estimated financial consequence. If, in future years, additional savings are not identified to resource the budget pressures identified, the current level of general balances will not sustain the Councils financial stability beyond 2013/14.
- 1.11 Capital Programme
- 1.11.1 The budget strategy incorporates estimates for both revenue and capital expenditure. Attached at **Appendix E** is the capital programme as currently approved, for the period 2011/12 to 2014/15.
- 1.11.2 Elsewhere on this agenda the Budget Monitoring Report to December 2011 includes a recommendation on slippage of scheme budgets between 2011/12 and 2012/13. If this proposal is agreed by Cabinet the programme outline in Appendix E will be updated before the recommendation to Council is prepared. Cabinet should also note that the programme is subject to growth up to the level agreed as a maximum for funding increased costs in relation to the Museum East Wing development.
- 1.11.3 It is normal at this time to bring forward proposals to extend the programme into a fifth year, 2015/16. A significant number of the likely schemes that would be brought forward for amendment or extension to the programme are under consideration as part of the infrastructure delivery plan (IDP) as a component part of the Core Strategy.
- 1.11.4 The work on ensuring the accuracy of the IDP must be completed as an essential first stage. Funding of any schemes, arising from the IDP and forming elements of any future capital programme, will be partly achieved by the setting and charging of a community infrastructure

levy. In order to set this levy accurately the work on the IDP must be completed and approved. This work is underway and the expected timescale for consideration of any amendments to the programme is July 2012.

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

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

1.12 Future Actions to Set the Council Tax

1.12.1 As Members will be aware, it is a statutory requirement of this Authority to resolve the level of Council Tax for the area. To achieve this objective the recommendations detailed in this report need to be addressed. In addition the precepts of Kent County Council, the Police Authority, the Fire Authority and Parishes are required. These will all be incorporated into a resolution to the Council meeting on 29th February 2012.

1.12.2 At the Council meeting it will be necessary for Council to formally agree the Council Tax requirement. This is a change from previous years where the resolution of Council was to agree the budget requirement. This has been brought about by amendments to the Local Government Finance Act 1992 by the Localism Act 2011.

1.12.3 It is the intention to collate the decisions from this meeting and incorporate them into the necessary resolutions to achieve the above in time for the Council meeting on 29th February 2012.

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

1.13 Medium Term Financial Strategy

1.13.1 Attached as **Appendix F** is the Medium Term Financial Strategy (MTFS).

1.13.2 The financial projection that complements the MTFS is given at Appendix A. It summarises the growth and savings items detailed in Appendix C. The financial projection considers the targeted need for growth and savings over the period of the MTFS and incorporates a number of assumptions about inflation and changes in local and national initiatives. These are all detailed in the MTFS statement given at Appendix F.

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

1.14 Alternative Action and why not Recommended

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

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

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

1.15 Impact on Corporate Objectives

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

1.16 Risk Management

- 1.16.1 The budget process is a strategic risk and the robust process followed, along with the Council policy to deliver a balanced budget, ensures that the budget produced is appropriate for the delivery of council services.
- 1.16.2 The policy on balances addresses the strategic risk of budget pressures arising from unbudgeted spend or the financial consequences of unplanned costs.
- 1.16.3 The key risks identified during the budget strategy process and in this report are detailed in the risk assessment attached as **Appendix G**. The risk assessment has been considered, amended and approved by Audit Committee in the format given in the appendix.

1.17 Other Implications

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

- 1.17.1 Financial Implications – These are dealt with comprehensively in the body of the report.
- 1.17.2 Staffing Implications – The current budget provides the resources necessary to fund the proposed staffing levels and a review and simplification of the pay structure. The strategy requires staffing reductions of £0.68m in 2012/13.
- 1.17.3 Legal Implications – The Localism Act 2011 has introduced a number of changes to the recommendations to Council for setting the Council Tax and agreeing a balanced budget for 2012/13. These changes are the subject of national discussion and the most up to date guidance

will be used at the time required to produce the report to Council. In other respects this report and the recommendations it proposes will enable Council to set a balanced budget and a Council Tax within the time limits and other constraints of legislation.

1.17.4 Equality Impact Needs Assessment – This work has been completed for the budget strategy and reported to Cabinet as an Appendix to the previous report on the agenda for the meeting on 21st December 2012. The strategy is developed to ensure that resources are allocated in accordance with Council priorities including the key outcomes in relation to equality of service and there is no negative effect from this strategy.

1.18 Relevant Documents

1.18.1 Appendices

- Appendix A – Strategic Revenue Projection
- Appendix B – Summary Revenue Estimates
- Appendix C – Detailed Portfolio Estimates
- Appendix D – Statement of General Fund Balances
- Appendix E – Capital Programme
- Appendix F – Medium Term Financial Strategy 2012/13 Onwards
- Appendix G – Operational Risk Assessment

IS THIS A KEY DECISION REPORT?

Yes

No

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

This is a Key Decision because: Budget Strategy Report

Wards/Parishes affected: All

**BUDGET STRATEGY 2012/13 ONWARDS
DRAFT STRATEGIC REVENUE PROJECTION**

2011/12 £,000		2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000	2016/17 £,000
AVAILABLE FINANCE						
7,731	RSG OR BUSINESS RATES	6,481	5,703 ²	4,928	4,613	4,770
-1,250	RSG OR BUSINESS RATES (LOSS) / GAIN	-778	-775	-315	157	394
15	COLLECTION FUND ADJUSTMENT					
13,411	COUNCIL TAX	13,902 ¹	14,319	14,749	15,191	15,647
19,907	TOTAL RESOURCES AVAILABLE	19,605	19,247	19,362	19,961	20,811
20,655	CURRENT SERVICE SPEND	19,907	19,605	19,247	19,362	19,961
INFLATION INCREASES						
354	PAY AND CONTRACTUAL COMMITMENTS	410	362	415	587	521
CONTRACTUAL COMMITMENTS						
	ELECTIONS		-80	180		
36	REDUCTION IN BENEFIT GRANT	40	40			
80	COBTREE FINAL PAYMENT					
NATIONAL INITIATIVES						
	COUNCIL TAX BENEFIT REDUCTION		160			
	UNIVERSAL CREDIT - TRANSITIONAL COSTS			150		
	LOSS OF COUNCIL TAX FREEZE GRANT				335 ⁴	
	LOCAL DEVELOPMENT FRAMEWORK	170	130			
	SAFER MAIDSTONE PARTNERSHIP	30	30			
LOCAL PRIORITIES						
150	LOSS OF INTEREST					
50	CAPITAL RESOURCING	150	150			
160	LEISURE CENTRE REFURBISHMENT					
50	LOSS OF INCOME					
50	CAR PARK INCOME LOSS					
	LOST INCOME FROM REGENERATION	100	200	200		
	PAY RATIONALISATION	160				
	HOMELESSNESS INCREASED DEMAND	60				
	ECONOMIC DEVELOPMENT	30	40			
	SERVICE ARRANGEMENTS WITH PARISHES			80		
MINOR INITIATIVES						
250	GROWTH PROVISION	150	150	150	150	150
21,835	TOTAL PREDICTED REQUIREMENT	21,207	20,787	20,422	20,434	20,632
1,928	ANNUAL SAVINGS TARGET	1,602	1,540	1,060	473	-179
	SAVINGS TARGET WITH CT FREEZE	1,602	1,889 ³	1,071	483	-168

References to main report:

¹ For the level of Council Tax see paragraph 1.6.2 and section 1.9

² For the future consequences of business reform see paragraphs 1.6.3 to 1.6.11

³ This displays the single year consequences of a Council Tax freeze. See paragraph 1.9.4 for the longer term consequences.

⁴ Identifies the loss of the 2011/12 Council Tax freeze grant

MAIDSTONE BOROUGH COUNCIL

BUDGET 2012/13

SUMMARY

SERVICES	2010/11 ACTUAL £	2011/12 ORIGINAL ESTIMATE £	2011/12 REVISED ESTIMATE £	2012/13 ESTIMATE £
Leader of the Council	2,263,027	2,817,080	2,663,595	813,190
Community & Leisure Services	9,664,396	8,320,380	8,117,625	7,901,050
Corporate Services	(1,881,195)	(2,635,290)	3,423,260	760,140
Economic Development & Transport	6,172,751	6,558,350	5,480,950	4,651,800
Environment	4,943,811	5,996,330	5,984,710	5,731,330
TOTAL SERVICE SPENDING	21,162,790	21,056,850	25,670,140	19,857,510
General Underspend	-	(250,000)	(150,000)	(150,000)
NET SERVICE SPENDING	21,162,790	20,806,850	25,520,140	19,707,510
Contribution to (from) Balances				
- Planned - General	(255,000)	(886,000)	(886,000)	(100,000)
- Planned - In Year General	1,152,060		(1,664,300)	
- Carry Forward	853,990		(2,849,890)	
- Asset Replacement	40,000	40,000	40,000	
- Invest to Save	8,360	(53,340)	(48,740)	(2,840)
- LDF Earmarked Reserves	(149,260)		(203,700)	
TOTAL CONTRIBUTION TO (FROM) BALANCES	1,650,150	(899,340)	(5,612,630)	(102,840)
BUDGET REQUIREMENT	22,812,940	19,907,510	19,907,510	19,604,670

MAIDSTONE BOROUGH COUNCIL**LEADER OF THE COUNCIL**

SERVICES	2010/2011	2011/2012		2012/2013
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
Performance and Development	125,683	136,060	109,840	125,890
Emergency Centre	53,480	63,690	59,720	58,240
Corporate Projects	94,772	91,940	155,870	99,110
Charities	8,598	8,300	8,500	8,380
Corporate Management	689,743	654,640	764,000	677,470
Press & Public Relations	111,577	101,220	109,820	111,050
Contingency	-3,616	463,300	-81,235	-1,155,410
Planning Policy	835,104	1,051,980	1,266,170	794,791
Conservation	318,283	214,550	249,550	196,769
Town Centre Management Sponsorship	27,004	24,890	21,300	15,040
Chief Executive Sections	361	330	350	-42,710
Director of Change, Planning and the Environment Sections	2,039	6,180	-290	-75,430
Net Expenditure Transferred to Summary	2,263,027	2,817,080	2,663,595	813,190

LEADER OF THE COUNCIL PORTFOLIO**Revenue Savings 2012/13****Scheme**

	£
Chief Executive Review	50,000
Contingency-Housing	33,420
Terms and Conditions- Mileage	7,700
Spatial Policy	50,000
Joint Team- Planning	25,000
PR and Marketing	93,630
Contingency Revenues and Benefits-Pre Delivered	120,000
Contingency Environment Staff Savings -Pre Delivered	12,000
Contingency Concessionary Fares Pre Delivered	200,000
Contingency Parking Contract- Pre Delivered	100,000
Contingency Customer Services- Pre Delivered	19,340
Contingency Minor Supplies Budget-Pre Delivered	67,180
Contingency - Shared Service-Audit-Pre Delivered	11,000
Contingency Bank Tender-Pre Delivered	2,000
	<u>791,270</u>

Revenue Growth Items 2012/13**Scheme**

	£
Local Development Framework	170,000
Pay Rationalisation	160,000
Growth Provision	150,000
	<u>480,000</u>

MAIDSTONE BOROUGH COUNCIL
COMMUNITY & LEISURE SERVICES

SERVICES	2010/2011	2011/2012		2012/2013
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
Grants to Outside Bodies	242,957	221,080	247,260	208,050
Delegated Grants	21,125	780	2,100	2,100
Switch Cafe Project	26,347	24,410	28,560	27,260
Youth Forum	54,296	49,550	58,240	54,260
C C T V	429,729	363,260	419,870	369,850
Community Safety - Joint Partnership	-19,113	0	44,000	0
Concurrent Functions	436,968	347,920	314,730	313,970
Community Safety	209,076	159,650	147,220	154,080
Social Inclusion	209,791	212,700	283,590	232,940
Building Safer Communities (BSC)	4,009	3,900	20	0
Housing Advances	3,418	3,280	3,370	3,160
Homeless Temporary Accommodation	201,350	139,940	160,140	225,160
Strategic Housing Role	2,048,927	1,161,820	1,088,700	1,251,440
Private Sector Renewal	2,264,532	2,225,690	1,890,570	1,756,510
HMO Licensing	21,756	30,370	22,800	28,200
Housing Register & Allocations	260,987	246,100	240,120	252,350
Housing Advice & Homelessness Prevention	318,315	298,240	294,390	309,660
Gypsy Sites.	45,166	39,430	64,010	65,950
Parks & Open Spaces	1,516,393	1,476,030	1,497,070	1,428,990
River Park	473,976	470,180	466,170	471,410
Parks Dwellings	-6,029	-7,880	-5,070	2,730
Cobtree Golf Course	-35,003	-39,410	-41,820	-43,680
Cobtree Manor Park	65	-710	0	0
Playground Improvements	256,366	256,280	264,350	257,060
Lettable Halls	24,246	12,340	12,470	10,700
Parks Pavilions	34,640	35,690	36,480	41,300
Allotments	18,369	13,120	13,560	14,770
Community Halls	191,355	174,030	195,090	197,370
Cultural Development Arts	80,156	69,080	37,420	36,910
Cultural Development Sports	204,551	212,400	182,305	158,880

MAIDSTONE BOROUGH COUNCIL
COMMUNITY & LEISURE SERVICES

SERVICES	2010/2011	2011/2012		2012/2013
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
Leisure Services Other Activities	55,891	53,690	52,970	51,420
Grants To Outside Bodies	54,415	49,600	0	0
Olympic- Paralympic Games	13,955	15,660	71,940	44,310
Director of Regeneration & Communities Sections	705	2,170	25,290	-25,750
Director of Change, Planning and the Environment Sections	710	-10	-290	-310
Net Expenditure Transferred to Summary	9,664,396	8,320,380	8,117,625	7,901,050

COMMUNITY AND LEISURE SERVICES PORTFOLIO**Revenue Savings 2012/13****Scheme**

	£
Grants	25,000
CCTV	68,000
Mote Park Income	15,000
Localism-Alternative Arrangements	100,000
Fees and Charges Increase- Sports	<u>1,000</u>
	<u><u>209,000</u></u>

Revenue Growth Items 2012/13**Scheme**

	£
Safer Maidstone Partnership	30,000
Homelessness Increased Demand	<u>60,000</u>
	<u><u>90,000</u></u>

MAIDSTONE BOROUGH COUNCILCORPORATE SERVICES

SERVICES	2010/2011	2011/2012		2012/2013
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
Rent Allowances	240,622	215,250	232,140	225,960
Council Tenant Rent Rebates	7,226	530	-1,920	-2,090
Pensions Fund Management	1,700,000	2,668,000	678,000	678,000
Pensions Fund Appropriation	8,754,846	-1,142,810	733,570	835,620
Interest & Investment Income	-358,623	-250,400	-250,330	-250,330
Interest Paid	376,231	204,000	412,000	398,700
Gains/Losses on Asset Disposals	-724,637	-500,000	-500,000	-500,000
Appropriation Account	-1,310,964	-4,504,990	2,135,210	-1,074,860
Capital Grants & Contributions	-3,837,652	-2,032,000	-2,468,790	-1,735,130
Civic Occasions	146,170	141,380	166,240	165,200
Elections	255,835	243,380	259,570	254,790
Members' Allowances etc.	430,682	442,910	442,690	447,960
Portfolio Allocations	365,483	347,990	320,130	322,790
Town Hall	155,699	164,420	237,750	234,410
Members Facilities	183,076	184,500	201,410	202,390
Subscriptions	16,896	18,190	18,100	18,100
Overview & Scrutiny	148,524	146,500	160,220	164,530
Devolved Budgets	62,763	14,690	8,480	0
Registration Of Electors	187,967	192,220	202,990	197,200
Parkwood Industrial Estate	-377,843	-340,670	-317,210	-323,255
Industrial Starter Units	-2,518	-4,080	-16,590	-15,530
Armstrong Road Depot Industrial Estate	66,395	8,910	0	0
Business Transformation	0	0	0	0
South Maidstone Depot	9,277	13,100	-5,930	-4,170
Sundry Corporate Property	-730,768	-17,010	-69,790	-60,420
Medway Conservancy	110,699	118,320	110,630	118,230
Internal Printing	19,823	-5,230	0	0
Information Technology	45,847	-75,150	27,300	-58,770
Central Telephones	6,545	-17,190	-43,870	-52,550
Offices	21,963	55,600	28,680	10,500

MAIDSTONE BOROUGH COUNCIL**CORPORATE SERVICES**

SERVICES	2010/2011	2011/2012		2012/2013
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
The Gateway King Street	15,830	53,410	4,930	14,250
Unapportionable Central Overheads	-8,556,858	587,630	384,880	304,135
General	123,358	-331,300	-353,190	-335,280
The Cost of Council Tax Collection	566,682	601,570	592,490	570,500
The Cost of National Non-Domestic Rates Collection	-18,258	-14,550	-16,490	-19,090
Council Tax Benefits	15,771	82,130	69,260	96,810
Youth Development Programme	19,254	25,010	24,870	24,880
Chief Executive Sections	762	12,450	-13,640	-118,210
Director of Change, Planning and the Environment Sections	55,762	62,990	41,720	102,600
Director of Regeneration & Communities Sections	42,460	-4,990	-12,250	-77,730
Net Income / Expenditure Transferred to Summary	-1,765,673	-2,635,290	3,423,260	760,140

CORPORATE SERVICES PORTFOLIO**Revenue Savings 2012/13****Scheme**

	£
Revenues and Benefits-IT Savings	50,000
Inter-Authority Trading	54,000
HR Shared Service	20,000
IT Strategy	14,000
IT	7,520
Customer Services	28,050
Contact Centre	30,010
Overview and Scrutiny	30,290
Mayoral and Civic Services	23,380
Finance	47,650
Contribution Savings	11,570
	<u>316,470</u>

Revenue Growth Items 2012/13**Scheme**

	£
Capital Resourcing	150,000
	<u>150,000</u>

MAIDSTONE BOROUGH COUNCIL
ECONOMIC DEVELOPMENT & TRANSPORT

SERVICES	2010/2011	2011/2012		2012/2013
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
Museum	994,001	851,190	837,810	805,160
Carriage Museum	73,415	71,190	60,840	62,030
Leisure Centre	314,063	245,480	117,350	115,820
Hazlitt Arts Centre	392,542	442,450	503,600	477,620
Hazlitt Arts Bar & Catering	2,399	-2,200	-23,270	-23,400
Hazlitt Youth & Education	87,564	64,190	59,550	61,200
Whatman's Arena	74,113	56,820	62,750	62,410
Heritage Millenium Amphitheatre	11,890	11,400	5,670	5,910
Market	-90,083	-118,750	-145,880	-155,330
Tourism	134,826	69,160	100,820	101,250
Tourist Information Centre	185,656	174,400	0	0
Twinning	4,451	180	0	0
Conference Bureau.	21,887	21,930	42,960	48,230
Building Control Summary	226,490	176,400	176,700	180,550
Development Control	681,934	438,090	502,650	477,442
Dev.Control Enforcement	481,255	547,200	699,950	527,562
Dev.Control Appeals	103,639	111,570	121,800	112,443
Park & Ride	601,101	434,000	443,780	413,664
Environment Improvements	32,763	27,890	19,740	22,040
Socially Desirable Buses	67,432	28,610	74,490	23,960
Concessionary Fares	1,574,837	103,320	0	0
Other Transport Services	36,094	34,070	48,400	29,450
Visitor Economy Business Trade Account	0	0	109,520	89,420
Business Development	175,444	2,825,180	1,633,320	1,193,510
Sustainable Development	14,178	50,780	97,900	44,330
Land Charges	-30,796	-113,900	-73,360	-31,131
Director of Change, Planning and the Environment Sections	1,427	-6,600	-13,710	-14,490
Director of Regeneration & Communities Sections	227	14,300	17,570	22,150
Net Expenditure Transferred to Summary	6,172,751	6,558,350	5,480,950	4,651,800

ECONOMIC DEVELOPMENT AND TRANSPORT PORTFOLIO**Revenue Savings 2012/13****Scheme**

	£
Park and Ride Rent	20,000
Fees and Charges Increase -Development Control	<u>11,000</u>
	<u>31,000</u>

Revenue Growth Items 2012/13**Scheme**

	£
Economic Development	30,000
	<u>30,000</u>

MAIDSTONE BOROUGH COUNCILENVIRONMENT

SERVICES	2010/2011	2011/2012		2012/2013
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
Director of Public Health Medicine	5,895	5,970	6,810	6,790
Pest Control	30,688	27,320	21,020	15,990
Public Conveniences	162,046	146,790	148,890	141,450
Recycling Services & Refuse Collection	2,704,283	3,790,680	3,846,100	3,729,780
Food Hygiene	250,175	244,750	241,730	241,130
Sampling	15,434	16,710	16,850	16,840
Health Promotion	11,911	13,020	11,890	11,990
Occupational Health & Safety	153,854	156,730	176,930	177,680
Pollution Control - General	246,156	256,230	257,550	231,420
Noise Control	129,141	122,510	124,320	119,600
Contaminated Land	43,477	39,950	26,240	26,160
Drainage	97,725	98,500	95,270	103,740
Civic Wardens And Environmental Enforcement	225,828	236,430	345,200	327,430
Health Improvement Programme	12,933	11,710	12,630	12,540
Licensing of Caravan Sites - 1960 Act	28,217	21,690	20,870	20,690
Maintenance of Closed Churchyards	39,599	36,230	34,130	34,400
National Assistance Act	3,431	3,050	1,980	1,290
Licences	36,560	36,080	37,400	40,020
Street Cleansing	1,492,293	1,536,130	1,499,980	1,478,710
Pay & Display Car Parks	-773,172	-870,080	-883,680	-850,500
Parking Decriminalisation	24,522	84,160	46,710	36,870
Non Paying Car Parks	57,768	54,840	54,640	54,690
Residents Parking	-88,374	-67,750	-103,320	-110,680
Name Plates & Notices	30,648	30,780	26,600	24,530
Cemetery	159,964	164,990	166,800	155,280
Crematorium	-270,657	-369,510	-377,170	-433,160
Licensing	112,210	116,690	132,200	117,280
Maidstone Borough Services	0	0	0	0
Director of Change, Planning and the Environment Sections	1,164	51,700	-6,800	-3,520
Director of Regeneration & Communities Sections	91	30	2,940	2,890

MAIDSTONE BOROUGH COUNCILENVIRONMENT

SERVICES	2010/2011	2011/2012		2012/2013
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
Net Expenditure Transferred to Summary	4,943,811	5,996,330	5,984,710	5,731,330

ENVIRONMENT PORTFOLIO**Revenue Savings 2012/13****Scheme**

	£
Parking Shared Service	30,000
Refuse Contract-Partnership	100,000
Fees and Charges Increase - Cemetery	10,000
Fees and Charges Increase - Crematorium	40,230
Fees and Charges Increase - Parking	51,000
Fees and Charges Increase - Recycling and Refuse	15,920
Fees and Charges Increase - Licences	10,000
	<u>257,150</u>

Revenue Growth Items 2012/13**Scheme**

	£
Lost Income from Regeneration	100,000
	<u>100,000</u>

MAIDSTONE BOROUGH COUNCIL
PROVISIONAL GENERAL FUND BALANCES

	PROVISIONALLY ALLOCATED					Overall Total £000	
	Total General Fund £000	Trading Accounts £000	Asset Replacement £000	VAT Reclaim £,000	Invest to Save £000		LDF Fund £000
Balance 01/04/2011	7,117	30	47	1,977	559	203	9,933
Use of 2010/11 carry forward in 2011/12	-2,850						-2,850
Proposed Use 2011/12					5		5
Local Development Framework	-400					-203	-603
Rural Busses	-46						-46
Shared Service Set-up Cost				-336			-336
Carbon Reduction Plans					-55		-55
Contribution to Capital Financing							
General				-1,541			-1,541
Theatre	-310						-310
Additional Refund				797			797
Olympics	-170						-170
Projected Balance 31/03/2012	3,341	30	47	897	509	0	4,824
Future Proposed Use					3		3
New Homes Bonus	180						180
Localism Related Activity	-180			-100			-280
Concurrent Functions Support	-100						-100
Projected Future Balance	3,241	30	47	797	512	0	4,627

BUDGET STRATEGY 2011/12 ONWARDS

DRAFT CAPITAL PROGRAMME 2011/12 TO 2014/15

SUMMARY

	Actual 2010/11	Adjusted Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
	£	£	£	£	£	£
CAPITAL PROGRAMME SUMMARY						
EXPENDITURE						
Corporate Services	527,482	292,360	330,000	280,000	280,000	0
Environment	21,931	126,040	0	0	0	0
Community & Leisure	3,133,599	2,640,190	1,400,170	50,000	50,000	0
Economic Development & Transport	4,075,750	4,587,220	2,895,830	1,687,500	1,490,000	0
GRAND TOTAL - ALL PORTFOLIOS	7,758,762	7,645,810	4,626,000	2,017,500	1,820,000	0

FUNDING						
Revenue Support	-48,200	-3,321,700	-1,163,380	-1,567,500	0	-1,494,100
Use of Capital Receipts	-4,062,882	-2,182,800	-1,400,000	0	-1,370,000	-430,000
Capital Grants and Contributions	-3,647,680	-2,141,310	-2,062,620	-450,000	-450,000	-450,000
GRAND TOTAL - ALL PORTFOLIOS	-7,758,762	-7,645,810	-4,626,000	-2,017,500	-1,820,000	-2,374,100

BUDGET STRATEGY 2011/12 ONWARDS

DRAFT CAPITAL PROGRAMME 2011/12 TO 2014/15

	Actual 2010/11	Revised Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
CORPORATE SERVICES	£	£	£	£	£	£
Asset Management / Corporate Property	157,906	142,860	150,000	100,000	100,000	
Corporate Leasing Provision	46,200					
Purchase of Land - Chatham Road, Aylesford	86,500					
Software / PC Upgrade and Replacement	236,779	146,400	180,000	180,000	180,000	
Upgrade Amenity lighting	97	3,100				
CORPORATE SERVICES TOTAL	527,482	292,360	330,000	280,000	280,000	0

	Actual 2010/11	Revised Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
ENVIRONMENT	£	£	£	£	£	£
CCTV - Park & Ride Sites		5,200				
Improvements to the Council's Car Parks	6,166	20,940				
King Street Multi-Storey Car Park Refurbishment		76,000				
Land Drainage/Improvement to Ditches & Watercourses	847	23,900				
Resurface Willington Street Park & Ride Site	14,918					
ENVIRONMENT TOTAL	21,931	126,040	0	0	0	0

BUDGET STRATEGY 2011/12 ONWARDS

DRAFT CAPITAL PROGRAMME 2011/12 TO 2014/15

	Actual 2010/11	Revised Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
COMMUNITY & LEISURE	£	£	£	£	£	£
CCTV	37,351	250,000				
Village Hall Grants	18,480					
Brenchley Gardens - Upgrading & Improvements	2,360	7,140				
Cobtree Golf Course		6,950				
Continued Improvements to Play Areas	84,866	125,000	50,000	50,000	50,000	
Green Space Strategy	5,500	14,500				
Hazlitt Arts Centre Services Upgrade		310,000				
Leisure Centre Roof	550,000	20,830				
Mercury Abatement Works and Cremator Replacement	117,534					
Mote Park Regeneration	219,658	921,980	1,350,170			
Museum Improvements (Access / Toilets)	2,069,142	872,290				
Museum Carbon Management Scheme		40,000				
Small Scale Capital Works Programme	28,708	71,500				
LEISURE & CULTURE TOTAL	3,133,599	2,640,190	1,400,170	50,000	50,000	0

	Actual 2010/11	Revised Estimate 2011/12	Estimate 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
ECONOMIC DEVELOPMENT & TRANSPORT	£	£	£	£	£	£
Gypsy Site Improvements		100,000				
High Street Regeneration	259,092	1,925,670	303,830			
Planning Delivery		9,350				
Former Pear Tree Orchard/Redhill Stables CPO	50,000					
South Maidstone Project	1,619					
Housing Grants	1,852,299	1,513,700	1,432,000	1,305,000	1,300,000	
Support for Social Housing	1,829,286	927,000	1,160,000	382,500	190,000	
Regeneration Schemes	83,454	111,500				
Youth Café Refurbishment						
REGENERATION TOTAL	4,075,750	4,587,220	2,895,830	1,687,500	1,490,000	0

BUDGET STRATEGY 2012/13 ONWARDS
DRAFT MEDIUM TERM FINANCIAL STRATEGY
2012/13 ONWARDS

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1. **INTRODUCTION**

- 1.1 This financial strategy aims to support the Council's corporate objectives as identified in the strategic plan 2012 to 2017. Whilst achieving this, major issues relating to resources and facing the Council in the medium term will also be highlighted.
- 1.2 This strategy document sets out the revenue and capital spending plans of the Council at a high level. The success of these plans will depend upon the resources available to the Council, the approach taken to ensure that these resources are aligned over the medium term to reflect corporate objectives and the resources being controlled in a way that ensures long-term stability.
- 1.3 The approach of this strategy is to develop a four year plan with consideration of the impact of material issues on a fifth year. The current year's formula grant settlement, being the final year of the current system, required a number of assumptions about further years of the strategy and these have been based around the Spending Review 2010 data.
- 1.4 Although this document is developed for the medium term with an outlook from four to five years, the Council will review the strategy on an annual basis for the following period in order to reflect changes in circumstances which impact upon the strategy. This review will be completed to coincide with the annual review of the strategic plan. This will enable Members and Officers to ensure changes are appropriately reflected in both documents through links to the strategic plan key outcomes. Production of this document and the balanced budget it facilitates support the key outcomes of the strategic plan in their own right.
- 1.5 In addition the Council has consulted with a wide range of stakeholders and partners during the development period and give serious consideration to their views and responses.

2. REVENUE

2.1 Expenditure

2.1.1 The portfolio budgets in the full revenue estimates include detailed proposals for dealing with financial pressures and service demand, this financial strategy adopts a high-level review of the corporate objectives and budget pressures over the five-year period. This approach ensures a focus on factors that may influence the Council's stated aim to maintain working balances and ensure that they are used for specific and special activities and not to balance the budget. The financial projection assumes that the level of balances will be maintained, over the five year period, at or above the working level set annually by Cabinet.

2.1.2 Pay and price inflation:

The financial projection considers any allocation for pay increases on an annual basis. Any increase must allow for a staff pay award, incremental increases earned through competence appraisal and increases in employer contributions such as national insurance.

Other costs will need to consider a suitable inflation index balanced with the objectives of the strategy. Large elements of this cost will be tied to conditions of contracts which will specify the annual increase necessary, other costs will increase by the annual increase in an inflation index such as the retail price index or the consumer price index. The strategy may intentionally use levels of increase lower than these indices to enhance general efficiencies.

Table 1 below details the factors used for each year.

Inflation Indices	2012/13 %	2013/14 %	2014/15 %	2015/16 %	2016/17 %
Pay Inflation	0.0	1.0	1.0	2.0	2.0
Other Costs Inflation	0.0	0.0	0.0	0.0	0.0
Contractual Commitments	4.2	3.8	3.0	3.0	2.0
Business Rates Increases	5.2	4.8	3.5	3.5	3.0
Energy Increases	16.0	5.0	4.0	4.0	3.0
Growth in £,000	£410	£362	£415	£587	£521

[Table 1: Pay & price Indices]

2.1.3 Corporate objectives and key priorities:

In addition to these inflationary pressures the Council will develop and implement improvements to the corporate objectives identified in the strategic plan and, where significant, any local objectives identified in service plans. This may place additional pressure on the revenue budget.

The financial projection will also provide, where necessary, resources for national statutory responsibilities where these are to be provided locally.

Table 2 below identifies the links between the financial projection and key objectives.

Strategic Issues	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000	2016/17 £,000
Revenue support to Capital	150	150			
Changes to the Election Process		-80	180		
Council Tax Benefit Changes		160			
Transition to Universal Credit			150		
Local Development Framework	170	130			
Pay Restructure	160				
Economic Development	30	40			
Homelessness	60				
Service Agreements with Parishes			80		

[Table 2: Strategic Issues, links to other documents]

2.2 Funding

2.2.1 Resources available for the revenue budget are heavily constrained making the issue key to the financial planning process. The financial projection assumes that resources are maximised. The strategy identifies three separate categories of resource government grant, council tax and locally derived income from fees and charges. Where the financial projection includes the use of fixed term grant or other time limited income sources each portfolio is responsible for preparing and acting on suitable exit strategies at the end of the fixed term.

2.2.2 Government Grant:

The revenue support grant, also known as the formula grant, is expected to cease to exist in its current format from 2013/14. The government has confirmed the level of formula grant for 2012/13 and the value is as reported provisionally in January 2011.

The spending review published in October 2010 identified the maximum level of national resources available for each year up to 2014/15. It also identified plans to review formula grant commencing with the local retention of business rates in 2013/14. Whilst it is not yet clear what level of business rates will be retained by the Council, assumptions have been made that reflect the national reduction in resources available and the proposals outlined in the Government's consultation.

Other grants received from the government are similarly under threat from the effects of the governments strategy to reduce

public expenditure as it affects government departments. The strategy will assume future grant aid is likely to be at risk but only freezes such grants at their 2011/12 cash values unless further data is available. Table 4 identifies expected variances from this assumption.

2.2.3 Council Tax

The Council has a responsive approach to the level of Council tax and will set this at an appropriate level commensurate with the needs of the strategic plan. It has set a policy in recent years of an increase that avoids the threat of council tax capping but remains flexible on the level of that increase, thus focusing the strategy on its ability to set a balanced budget.

In 2011/12 the Council set a zero percent council tax increase and now receives council tax freeze grant that is equivalent to a 2.5% increase annually until 2015/16. The removal of this grant is provisioned in the strategy as can be seen in the strategic revenue projection.

The government has, for a second year, set an objective of a national council tax freeze. This has been formulated into this strategy at 2.5%. This year the government has offered a single year's grant.

2.2.4 Fees & Charges

The Council has a policy on the development of fees and charges that fall within its control. This policy ensures that an evaluation of market forces and links to the strategic plan or service plans are drivers of changes in price. This means that any increases in this funding source will be identified through each portfolio's detailed budget preparation work.

For 2012/13 all fees and charges made by the Council were considered by Cabinet and a range of increases were set in line with the policy statement. Although the increase in each charge was considered and set appropriately for its individual circumstance, the overall position created a 2% increase in expected income.

Table 3 below details the factors used for each resource type and Table 4 details the links between the financial projection and the major risk factors.

Strategic Issues	2012/13 %	2013/14 %	2014/15 %	2015/16 %	2016/17 %
Revenue Support Grant	-12.0	-13.6	-6.4	3.4	8.3
Fees & Charges	2.0	0.0	0.0	0.0	0.0
Council Tax	2.5	2.5	2.5	2.5	2.5

[Table 3: Resource and income indices]

Strategic Issues	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000	2016/17 £,000
Benefit Administration Subsidy	40	40			
Safer Maidstone Partnership	30	30			
Council Tax Freeze Grant				335	
Income reduced by Regeneration Projects	100	200	200		

[Table 4: Strategic Issues, links to other documents]

3. CAPITAL

3.1 Programme

3.1.1 The strategy for the capital programme requires consideration of two issues, the scheme specifics and the overall programme.

3.1.2 The overall programme is considered in terms of the prudential borrowing principles of sustainability, affordability and prudence. The overall programme assessment also considers the relative priority of schemes as they enhance the provision of corporate or service based objectives.

3.1.3 The inclusion of specific capital schemes within the overall programme requires an assessment based on affordability in revenue and capital terms, including the whole life cost, deliverability in terms of ability to complete and risk assessment.

3.1.4 Prioritisation of schemes will occur in the following order:

- a) For statutory reasons;
- b) Fully or partly self funding schemes with focus on priority outcomes;
- c) Other schemes with focus on priority outcomes;
- d) Maintenance / Improvement of property portfolio not linked to priority outcomes;
- e) Other non priority schemes with a significant funding gearing.

3.1.5 The programme for the period 2011/12 to 2015/16 focuses on a series of key projects reflecting the strategic plan and a series of projects providing investment in the property assets. The detailed Capital Programme provides the link between the strategic plan key objectives and the current programme.

3.1.6 The capital programme is a four year programme and Table 5 below summarises the programme by portfolio and includes revised figures for the current year.

Portfolio	2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
Corporate Services	293	330	280	280	
Environment	126				
Community & Leisure	2,640	1,400	50	50	
Economic Development & Transport	4,587	2,896	1,688	1,490	
Grand Totals	7,646	4,626	2,018	1,820	0

[Table 5: Capital programme]

3.2 Funding

- 3.2.1 Since 2004 the Council has been debt free and the major funding for capital expenditure has come from capital receipts and government grant. The medium term financial strategy has, in the past, identified the time when such resources would reduce to the point where alternative funding would be required to support a continued programme of capital expenditure. The most recent strategy identifies that the most likely need for alternative funding will occur in 2015/16.
- 3.2.2 In recent years the Council has been in receipt of new homes bonus. At this time the future of this funding stream is uncertain. As a prudent use of this money the Council has supported its capital programme and not the short term deferral of financial savings required in the revenue budget.
- 3.2.3 Although commitment to a scheme is given by its inclusion in the programme, the strategy requires that funding is identified in advance of formal commencement of work. This assumption can be maintained up to the level of the Council's prudential borrowing limit as set in the Prudential Indicators. The quarterly monitoring of the capital programme enables Cabinet to take effective decisions based on current levels of funding before major projects commence.

Table 6 below identifies the current funding assumptions and the minimum risk of prudential borrowing need.

Portfolio	2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
Revenue Support	-3,322	-1,163	-1,568		-1,494
Use of Capital Receipts	-2,183	-1,400		-1,370	-430
Capital Grants and Contributions	-2,141	-2,063	-450	-450	-450
Grand Totals	-7,646	-4,626	-2,018	-1,820	-2,374

[Table 6: Capital financing, confirmed and assumed]

4. RESERVES

- 4.1 The Council holds a series of balances and reserves in order to provide financial stability and protection from unforeseen circumstances or events. In setting the level of these balances and reserves an assessment is made of the potential risks and opportunities that could reduce or enhance those balances.
- 4.2 All revenue balances at 1st April 2011 total £9.9m and it is estimated that this balance will be £4.7m by 1st April 2012. The major items reducing the balance are approved budget carry forwards of £2.8m from 2010/11 resources into 2011/12 for prior agreed purposes and support for the Local Development Framework and minor initiatives.
- 4.3 The balances comprise a general balance and a series of specific allocations the breakdown of these is given in Table 7 below.

Balances	01/04/2011 £,000	01/04/2012 £,000	01/04/2013 £,000
General Balance	7,117	3,341	3,241
Trading Account Surpluses	30	30	30
Asset Replacement	47	47	47
Invest to Save Initiatives	559	509	797
Local Development Framework	203	0	512
VAT Reclaim	1,977	897	0
Grand Totals	9,933	4,824	4,627

[Table 7: Revenue balances]

- 4.4 In addition to revenue reserves a small number of capital reserves exist due to the timing of expenditure in the Capital Programme.
- 4.5 Available capital receipts at 1st April 2011 total £1.5m and it is estimated that this balance will be used up during 2011/12.

5. Efficiency

- 5.1.1 The Council's strategic plan recognises corporate excellence as a priority, identifying value for money (vfm) services that residents are satisfied with, as a key outcome. This theme runs through service plans and by this the Council's approach to efficiency is integrated in to all decision making.
- 5.1.2 The Council has successfully achieved all its government set efficiency targets and will not cease to monitor and improve upon levels of efficiency both through improved service levels and reduced costs.
- 5.1.3 The Council uses a number of measures to identify locations to achieve efficiency and gauge success. These include:
- Annual best value reviews performed by officers and by members.
 - Kent wide benchmarking to measure unit cost and performance levels and compare these over time and across Kent.
 - Other benchmarking exercises undertaken by local managers to challenge service delivery in their own area.
 - The identification of efficiency targets that match the Council's need over the period of this medium term financial strategy.
- 5.1.4 Efficiency proposals are carefully measured for effect upon capacity, acceptable levels of service, quality standards, and the potential of shared service provision. All efficiency proposals consider the effect of fixed costs and the effect on the base financial standing of the Council and the opportunity for reinvestment of gains into priority services or toward achievement of corporate objectives.
- 5.1.5 The adoption of efficiency and VFM as part of this strategy helps to ensure that the financial projection will remain within available resources.
- 5.1.6 The financial projection identifies the need for savings to make a balanced budget, which must be considered in line with the development of efficiency savings. Table 8 below details the required saving for each year, based on the factors used in the financial projection, and the percentage of net revenue spend the given saving represents.

Strategic Projection	2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
Annual Savings Requirement	1,602	1,540	1,060	473	
Percentage / Net Revenue Spend	8.2	8.0	5.5	2.4	

[Table 8: Annual savings requirement]

5.1.7 The Council has required the savings target to be met in the medium term and at this time proposals are in place to provide efficiency and savings to meet the requirement through to 2014/15. The Council is continuing to develop long term proposals to ensure the future risk is mitigated at the earliest time.

6. **CONSULTATION**

- 6.1 The Council has a co-ordinated approach to consultation on the budget process. To this end a programme has been proposed that ensures the focus of annual consultations avoids the review of similar themes and builds a body of opinion.
- 6.2 The Council consults annually on this strategy and the proposed budget for the forthcoming year. The intention of the consultation is to both inform and be informed by local residents, businesses and stakeholders.
- 6.3 In recent years the consultation has considered the level of Council tax increase acceptable and the service areas where reductions should occur, the elasticity of demand for services provided by the Council with a related fee and for this strategy the consultation focused on the long term factors faced by the Council due to the current economic climate and the relative importance residents place on a range of discretionary services provided by the Council.

7. **RISK MANAGEMENT**

- 7.1 In outlining the resources available to the Council and the focus of those resources on the strategic priorities, this strategy must consider the barriers to achieving the resource levels assumed by the budget.
- 7.2 A full risk assessment of the strategy has been completed and forms part of the operational risk assessment of the services provided by the Head of Finance and Customer services.
- 7.3 Twelve major risk areas have been identified and action plans have been developed for each. The twelve areas are as follows:
 - a) The level of balances;
 - b) Inflation rates;
 - c) National strategy;
 - d) External grants and contributions;
 - e) Limitations on Council Tax increases;
 - f) Fees and charges;
 - g) Capital financing;
 - h) Horizon scanning;
 - i) Delivery of efficiency;
 - j) Pension fund changes;
 - k) Business rates retention.
 - l) Council Tax Benefit changes

Section: FINANCE

Risk No	Risk Name	Vulnerability (Why, what's happening, what's the problem)	Trigger/risk (What's the event/ what could go wrong?)	Consequences (What would occur as a result, how much of a problem would it be, to whom and why?)
1.	Level of Balances	Effectiveness of agreed minimum level of working balances. For 2012/13 this is expected to be £2.3m which is 11.5% of net revenue expenditure	a. Minimum balance is insufficient to cover unexpected events. b. Minimum balance is in excess of real need	a. This would require a large single event or multiple unexpected events greater than £2.3m and would require the additional balances above the minimum level to have been depleted. At this time balances in excess of the minimum are expected to be in the region of £1.9m. b. In the past the Audit Commission has approved a policy of holding minimum balances at 10% of net revenue expenditure. This equates to £1.9m for 2012/13. However it is considered prudent to maintain the minimum level of balances at the maximum level it has previously been (£2.3m) due to the current economic climate.
2.	Inflation rate prediction	Inflation allowances are set for: <ul style="list-style-type: none"> • Energy costs – 16% • contractual costs – 4.2% • business rates – 5.2% • general expenditure – 0% Inflationary increases create a growth pressure of £0.4m over 2012/13	a. Actual level is above prediction b. Actual levels are below predictions	a. A failure to resource expenditure levels accurately will create an unexpected drain upon resources and the Council may not achieve its objectives without calling upon balances. b. The services may have over provisioned through savings that were unnecessary resulting in an increase in balances or unused resources that could be used to achieve strategic priorities.

Section: FINANCE

Risk No	Risk Name	Vulnerability (Why, what's happening, what's the problem)	Trigger/risk (What's the event/ what could go wrong?)	Consequences (What would occur as a result, how much of a problem would it be, to whom and why?)
3.	National Strategy	Effectiveness of central government strategy as outlined in the spending review 2010 and more recent budget announcements	A failure of the national strategy to reduce the structural deficit as planned	This may mean amendments to the resource levels announced in the spending review. To date the strategy has not been as successful as initially predicted. However the government has maintained the predicted level of resources for 2012/13 and has suggested an extended period of time over which the recovery will occur.
4.	Grants & Contributions	Funding received through grants and contributions from other public sector bodies may reduce. Although this sum varies annually it is in the region of £2.5m	A reduction in funding from sources within the public sector could occur as a cascade effect from the consequences of the government's strategy on that body	The consequence of this risk is service specific and where services rely upon external resources or partnership arrangements the service may become at risk of termination if funding cannot be maintained or otherwise resourced.
5.	Limitation of council tax increases	The second arrangement announced by central government for a council tax freeze includes a single year grant equivalent to a 2.5% increase in council tax. This, coupled with the requirement for a public referendum on "excessive" increases in council tax.	Should the grant be accepted by the council, provision must be made in 2013/14 to finance £0.34m without possibility of a tax increase to mitigate the loss in future years.	<p>A 2.5% increase for 2012/13 equates to £339,000</p> <p>Over the period to 2021/22 the council will have foregone £3.4m in income based upon an annual uplift in council tax of 2.5%</p> <p>Acceptance of this grant creates an additional budget pressure in 2013/14 for which savings will not have been identified</p>

Section: FINANCE

Risk No	Risk Name	Vulnerability (Why, what's happening, what's the problem)	Trigger/risk (What's the event/ what could go wrong?)	Consequences (What would occur as a result, how much of a problem would it be, to whom and why?)
6.	Fees & Charges	Fees & charges and other service based income sources could fail to deliver expected income levels	Service are being effected by falling demand due to the economy. A number of fees & charges have been identified for increases that average 2% of all income from such charges.	A loss of income for service budgets will require restrictions on expenditure levels and delivery of all objectives may not be met. The total value of all income from fees and charges is in excess of £10m.
7.	Capital financing	Availability of funding for the capital programme	The budget strategy includes proposals for the use of new homes bonus that mitigate the majority of the risk from funding of the capital programme. Subject to approval of this approach by Council the risk will be limited to £0.3m if proposed asset sales do not occur.	At the lower level of risk a number of options exist to finance the programme including the options to use prudential borrowing permissions or to create slippage in the programme from 2014/15 into 2015/16.
8.	Horizon scanning	Appropriate risks and opportunities must be recognised in advance	Horizon scanning requires input from all service managers and the financial consequences of future issues may not be clearly identified.	On a small number of occasions the financial consequences of future events are likely to be significant. Failure to provide adequate warning would leave the council little time to prepare through the medium term financial strategy. In general these events bring consequences to other agencies and external relationships are important to ensure no such consequences are missed.

Section: FINANCE

Risk No	Risk Name	Vulnerability (Why, what's happening, what's the problem)	Trigger/risk (What's the event/ what could go wrong?)	Consequences (What would occur as a result, how much of a problem would it be, to whom and why?)
9.	Efficiency	The level of saving required to achieve a balanced budget is significant and non-delivery of these savings will have a major consequence.	Failure to deliver savings and / or failure to monitor and react to non-delivery.	Five of the savings proposed for 2012/13 are considered to be high risk. These total £0.25m. Failure to deliver on any saving proposal places an additional pressure on services levels and / or balances.
10.	Pensions	Pension fund changes	The proposed changes to the pension fund are expected to have limited consequence for employers in the scheme. However the proposals remain fluid at this time and significant debate still surrounds the future of the scheme that could lead to changes in the proposals.	The objective of the changes proposed by central government is to make the pension scheme more affordable. The risk to the council is considered to be low. Involvement with the fund managers at Kent County Council ensures this council is aware of any proposals and their consequences.
11.	Medium term	<p>The medium term financial strategy includes a number of significant future changes to the environment that are being monitored closely:</p> <ul style="list-style-type: none"> • retention of business rates • council tax benefit changes • work on the core strategy and the local development framework • electoral registration changes • universal credit transition 	<p>These are all significant changes for local government and require careful assessment of the possible consequences at each stage of the implementation.</p> <p>These issues are all identified in the medium term financial strategy at a level currently considered adequate to cover the likely consequences to this authority. The total is currently estimated at £0.8m over the period 2013/14 to 2014/15.</p>	<p>The financial consequences based upon current knowledge are outlined in the strategic revenue projection.</p> <p>Should the provision be insufficient to cover the financial consequences to the council this will increase the pressure on the budget in the medium term.</p>

Risk Management: Risk Profile

The risks have been mapped against a typical appetite to risk. The risk assessment has been prepared in the context of key service objectives. The risks at this stage have not been 'mitigated'.

The **vertical axis** shows **Likelihood**:

A = very high; B = high; C = significant; D = low; E = very low; F = almost impossible

The **horizontal axis** shows **Impact**:

1= catastrophic; 2 = critical; 3 = marginal; 4 = negligible

A				
B	9		5;	
C	4; 8		6; 11	
D	2a; 2b; 10		1a; 1b; 3	
E			7	
F				
	IV	III	II	I

Impact

Agenda Item 11

MAIDSTONE BOROUGH COUNCIL

CABINET

8 FEBRUARY 2012

REPORT OF HEAD OF FINANCE & CUSTOMER SERVICES

Report prepared by John Owen
Accountant (Systems)

1. TREASURY MANAGEMENT STRATEGY 2012/13

1.1 Issue for Decision

1.1.1 In accordance with CIPFA's Code of Practice on Treasury Management, Cabinet is asked to consider the Draft Treasury Management Strategy for 2012/13 including a series of Treasury and Prudential Indicators, as recommended by Audit Committee.

1.2 Recommendation of Head of Finance & Customer Services

1.2.1 It is recommended that Cabinet recommend the draft strategy to full council for approval.

1.3 Reasons for Recommendation

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

1.3.2 The primary requirements of the Code are as follows:

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

1.3.3 The agreed process for approval at this Council is:

- a) Audit Committee will consider, as part of their monitoring role, the initial draft and make recommendations to Cabinet.
- b) Cabinet will consider the draft and any recommendations from Audit Committee and recommend to Council
- c) Council will approve the strategy each March for the forthcoming financial year.

1.3.4 Audit Committee have scrutinised the attached strategy and are recommending that Cabinet recommend it to Council.

2011/12 Strategy

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

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

1.4 Current Cashflow Performance

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

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

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

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

1.4.8 £3m of core cash funds were invested for 1 year with Lloyds TSB (part nationalised bank).

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

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

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

1.5 Cash Flow Projection to 2014/15

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

- 1.5.2 There is no planned borrowing to fund the capital programme up to March 2015.
- 1.6 Annual Investment Strategy
- 1.6.2 In formulating and executing the strategy for 2012/13, the Council will have regard to the DCLG's guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectional Guidance Notes.
- 1.6.3 CIPFA's Treasury Management Code of Practice states that "in balancing risk against return, local authorities should be more concerned to avoid risks rather than maximising return". Therefore the underlying principles of the strategy are to ensure absolute security of Council funds, and to minimise large variations in annual investment returns, which would impact upon the budget.
- 1.6.4 The Council will also achieve optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to on lend and make a return is unlawful and the Council will not engage in such activity.
- 1.6.5 The Council, in conjunction with its treasury management advisor, Sector, will use Fitch, Moodys and Standard and Poors ratings in combination to derive its credit criteria. All credit ratings will be monitored daily. The Council is alerted to changes in ratings of all agencies through its use of the Sector creditworthiness service.
- 1.6.6 If a downgrade means the counterparty or investment scheme no longer meets the Council's minimum criteria, its use for further investment will be withdrawn immediately.
- 1.6.7 If a body is placed under negative rating watch (i.e. there is a probability of a rating change in the short term and the likelihood of that change being negative) and it is currently at the minimum acceptable rating for placing investments, then no further investments will be made with that body.
- 1.6.8 In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in a downgrade of an institution or removal from the Council's lending list.
- 1.6.9 The use of leading building societies for investment purposes has already been reduced by the Head of Finance & Customer Services from top 10 down to top 5 ranked on asset size of the society. In considering the effectiveness of this decision an alternative ranking system has been identified that uses a combination of management expenses of the group, as shown within the Income and Expenditure Account, as well as the asset size. This is a better

indication of how the group would bear within stressful economic times. The draft strategy for 2012/13 proposes the use of this measure. This has been discussed with the Council's treasury management advisors.

- 1.6.10 Other market intelligence will also be used to determine institutions' credit worthiness, such as financial press, financial broker advice and treasury management meetings with other authorities, e.g. Kent Treasury Management Forum. If this information shows a negative outcome, no further investments will be made with that body.
- 1.6.11 The Head of Finance & Customer Services has previously been given delegated authority to use alternative forms of investment, should the appropriate opportunity arise to use them, and should it be prudent and of advantage to the Council to do so. This delegated authority is subject to prior consultation with the Cabinet Member for Corporate Services on any possible use of these instruments. This delegation has not been exercised to date.
- 1.6.12 The following table shows the balance of investments which will mature during 2012/13 and the total of this balance which will be needed to fund the revenue/capital expenditure.

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

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

1.7 Interest Rate Forecast

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

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

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

1.7.3 This uncertain economic outlook has several key treasury management implications:

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

1.8 Strategy for 2012/13

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

1.8.2 The counterparty list - **Appendix A**

- a) Use the Council's Treasury Management Consultant's scheme for rating of institutions for creditworthiness which uses a sophisticated modelling approach with credit rating agencies, Moodys, Fitch and Standard & Poors, along with Sovereign ratings, CDS spreads and credit watches.
- b) Group limits placed on institutions within the same group and not separate for each institution. This is an added security measure as there is a burden

upon the parent company. The group limit will be the highest individual credit criteria for the group.

- c) An institution will never have a higher credit rating than the sovereign country it operates within. If the sovereign is downgraded below the rating of an institution, the institution is downgraded to the same level.
- d) A reduction in overseas institutions due to the uncertainty of Sovereignty status', with the exception of Svenska Handelsbanken, a AAA rated Swedish Organisation with whom the Council currently has funds.
- e) The top 5 Building Societies, ranked using the management expenses and asset size ranking.

1.8.3 Focus on Treasury Management 2012/13

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

1.8.4 Treasury Indicators

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

- a) Authorised Limit for External Debt

This places an upper limit on the Authority's borrowing by indicating a level of debt that the authority calculates is affordable and relevant. Along with the debt held for the financing of capital expenditure and other long term liabilities, this limit includes provision for day to day cash flow needs. Borrowing above this limit should not occur.

- b) Operational Boundary for External Debt

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

limit should only occur for short periods of time for cash flow management purposes.

c) Actual Debt

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

d) Upper Limit for Fixed Rate Exposure

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

e) Upper Limit for Variable Rate Exposure

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

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

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

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

This indicates the assumed maturity structure for any borrowing that may occur at a fixed rate of interest, during 2012/13. As any borrowing is expected to be for cash flow purposes only it will be short term borrowing at variable rates.

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

investments are included at the Council’s discretion, based on guidance from our treasury management advisors.

1.9 Alternative options and why not recommended

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

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

1.10 Impact on Corporate Objectives

1.10.1 The Treasury Management Strategy will impact upon all corporate objectives through the resource it provides from the investment of the council’s balances. These resources are incorporated in the council’s budget.

1.11 Risk Management

Risk Management is included within the Treasury Management Practices which the council adheres to. The main risks to the council are counterparty risk, liquidity risk and interest rate risk which are closely monitored on a regular basis using the Council’s treasury advisors, Sector, and other market intelligence. If there is a possibility of a negative risk, the appropriate action is taken immediately through delegated authority. In line with the guidance contained in CIPFA’s Treasury Management Code of Practice, the Council’s investment strategy outlines in this report considers security of funds before return on investment.

1.12 Other Implications

1.12.1

- 1. Financial
- 2. Staffing
- 3. Legal
- 4. Equality Impact Needs Assessment
- 5. Environmental/Sustainable Development

X
X

- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

1.13 Relevant Documents

1.13.1 Appendices

- Appendix A - Counterparty List
- Appendix B - Prudential Indicators
- Appendix C - Specified & Non-specified Investments

1.13.2 Background Documents

Working papers held in the Corporate Finance office.

IS THIS A KEY DECISION REPORT?

Yes

No

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

.....

This is a Key Decision because:

.....

Wards/Parishes affected:

.....

Bank Grouping Key

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

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

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

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

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

Incremental Impact of Capital Investment Decisions on the Council Tax

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

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

Current Financial Plan

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

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

113

Capital Financing Requirement

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

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

PRUDENTIAL INDICATORS

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

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

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

Operational Boundary

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

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

Upper Limit for Fixed Interest Rate Exposure

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

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

Upper Limit for Variable Interest Rate Exposure

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

Maturity Structure of New Fixed Rate Borrowing during 2011/12

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

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

Principal Invested for more than 364 Days

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

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

Actual External Debt for 2011/12

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

Actual point in time of external borrowing

LIST OF SPECIFIED & NON-SPECIFIED INVESTMENTS

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

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

Agenda Item 12

MAIDSTONE BOROUGH COUNCIL

CABINET

08 FEBRUARY 2012

REPORT OF THE POLICY AND PERFORMANCE MANAGER

Report prepared by Clare Wood and Ryan O'Connell

1. QUARTER 3 KPI REPORT 2011/12

1.1 Issue for Decision

1.1.1 Cabinet are asked to consider progress made in the third quarter of 2011/12 for the authority's key performance indicators (KPIs) at Appendix A.

1.2 Recommendation of Policy Manager

1.2.1 It is recommended that Cabinet

a) Note the progress and out-turns of the Key Performance Indicators (Appendix A), definitions are included for reference at Appendix B; and

b) Agree action to be taken where appropriate.

1.3 Reasons for Recommendation

1.3.1 The Council has set 59 Key Performance Indicators (KPIs), as part of the Strategic Plan 2011-15; there are 24 indicators that can be monitored on at the third quarter point to ensure the Council is on track to meet its annual performance targets.

1.3.2 The Council's quarterly performance reporting cycle is aligned with financial reporting to enable Management and Cabinet to effectively oversee financial performance against corporate priorities and assess whether value for money is being achieved in the delivery of services.

1.4 Context

1.4.1 The Key Performance Indicators which are set in the Strategic Plan were reviewed and reduced last year by the Cabinet and we will continue to review these annually to ensure that they are aligned with the Council's priorities. When setting targets for performance indicators service managers are asked to consider any impacts on

performance. Despite a budget reduction of 1.9 million continuous improvement is still expected.

1.5 Performance Summary

1.5.1 The appendix shows out-turn data for all indicators that can be collected quarterly. Some indicators are collected annually and bi-annually; these indicators have not been included in this report.

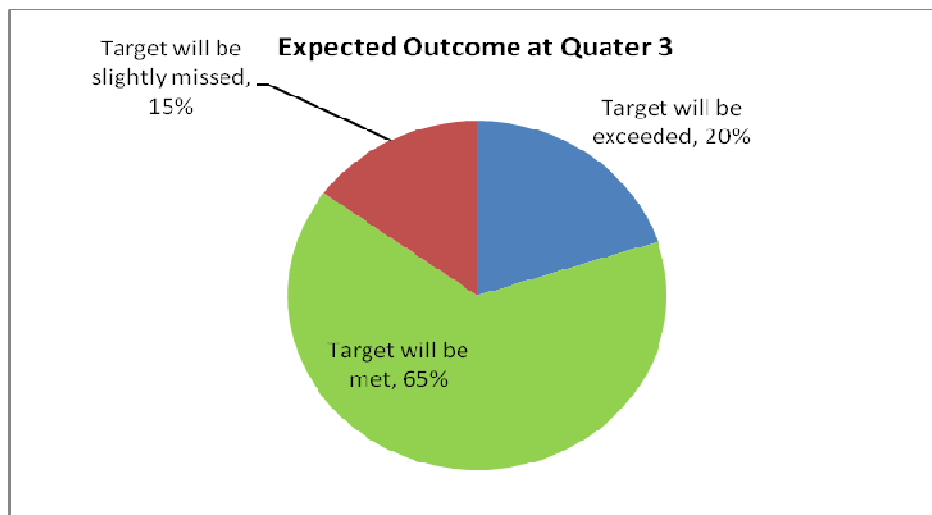
1.5.2 Where an indicator is new and there is no quarterly or bi-annual 2010/11 data, no direction of travel can be given. The direction of travel for pre-existing indicators compares the current out-turn for quarter 3 with the 2010/11 quarter 3 out-turn.

1.5.3 The following tables show the status of performance indicators in relation to target and direction of travel.

	Green	Yellow	Red	N/A¹	Total
KPIs	11 (55%)	8 (40%)	1 (5%)	4	24

	Improved	Declined	N/A¹	Total
KPIs	2 (15%)	11 (85%)	11	24

1.5.4 The following graph shows the expected outcome of the performance indicators based on the information available to date. Managers are asked to update this each quarter so that early intervention can be taken where necessary.



¹ Indicators rated N/A are not included in percentage calculations. N/A indicators include data only indicators.

1.5.5 In 2010/11 at the quarter 3 point there were 57% indicators rated green, 40% were rated yellow and 19% were red. Performance to date for this year could be considered improved as there are currently only 4% of all KPIS have been rated red, though this could also be due to managers setting more realistic targets. Overall 85% of all targets are expected to be achieved or exceeded for 2011/12 compared to 63% for quarter 3 in 2010/11, it should be noted that in 2010/11 at quarter 3, 10 (20%) indicators were expected not to meet their annual targets, currently all indicators are expected to achieve 90% of the annual target.

Highlighted Performance Indicators

1.5.6 **LVE 002 – Percentage of people claiming Job Seekers Allowance** – The provisional figure for the 3rd quarter shows a slight increase (negative performance) though the indicator has been predicted to meet its targets this now represents 3 quarters that have not met target making meeting the target difficult especially as this is a target where any impact the council has is unlikely to be apparent in the short term. Please note, the figures provided are provisional until the end of January when they will be updated.

1.5.7 **DCV 003 – Percentage of residential planning applications processed within statutory timescales** – All 3 quarters have missed target meaning that the target will at best be slightly missed (within 10%) with good quarter 4 performance. Reasons given for this are the recurring issues of the length of time to draft Legal Agreements and the time taken to process applications through the committee process versus a low number of major applications overall.

1.5.8 **MUS/LVE 011 – Visits or uses of the museum per 1,000 population** – Whilst the 3rd quarter achieved above target the impact of a low performing 1st quarter (due to museum extension works) means that this target is now predicted to slightly miss its annual target. With the full opening in March 2012 it is predicted that performance for 2012/13 will improve and a good 1st quarter for 2012/13 is predicted.

1.5.9 **WCN 001 – Percentage of household waste sent for reuse, recycling and composting** – This indicator remains on course for being on annual target. To support this a qualitative indicator of the waste and recycling service will be provided through the residents satisfaction survey with early indications pointing toward a high level of satisfaction with the service.

1.5.10 **HSG 002 – Number of homes occupied by vulnerable people made decent** – As predicted this target has now substantially exceeded its annual target by the end of the 3rd quarter.

- 1.5.11 **HSG 004 – Average time taken to process and notify applicants on the housing register** – Performance remains very strong on this indicator, however, the figures have been updated for all quarters to reflect changes to the calculations to more accurately reflect performance. The average time to date is therefore 4.1 days against a target of 20 days.
- 1.5.12 **HSG 005 – Number of households prevented from becoming homeless through the intervention of housing advice** - As predicted this target has now substantially exceeded its annual target by the end of the 3rd quarter.
- 1.5.13 **R&B 004 – Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (NI 185)** – Performance against this target continues to be very strong and has improved further in 3rd quarter to 8 days. This reflects well on the revenues and benefits partnership arrangements.
- 1.5.14 **R&B 007 – Value of fraud identified by the fraud partnership** – The target for this indicator in 2011/12 was reduced in order to allow for the fraud partnership to bed in. However, the performance has substantially exceeded the reduced target and is on course to substantially exceed the previous year's target of £891,450. This year's performance will be used to benchmark an indicator for 2012/13.

1.6 Alternative Action and why not Recommended

- 1.6.1 KPIs reflect local priorities and measure progress towards the Council's key objectives. They are the Council's top level indicators and are linked to the Council's strategic plan.
- 1.6.2 Not monitoring progress against the KPIs could mean that the Council fails to deliver its priorities and would also mean that action could not be taken effectively to address performance during the year.

1.7 Impact on Corporate Objectives

- 1.7.1 The Key Performance Indicators are part of the Council's overarching Strategic Plan 2011-15 and play an important role in the achievement of our corporate objectives as well as covering a wide range of service and priority areas; for example, waste and recycling.

1.8 Risk Management

- 1.8.1 The production of robust performance reports contributes to ensuring that the view of the authority's approach to the management of risk and use of resources is not undermined and allows early action to be

taken in order to mitigate the risk of not achieving targets and outcomes.

1.9 Other Implications

1.9.1

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

Financial

1.9.2 Performance targets are closely linked to the allocation of resources and are taken into account in the budget setting process, ensuring that resources are allocated in the most efficient and economic way.

1.9.3 The progress of performance indicators could have an effect on the authority's savings and efficiency targets.

1.9.4 Considering progress against targets at this stage, and throughout the financial year, will identify potential areas of concern where intervention may be required.

Staffing

1.9.5 Having a clear set of targets enables staff objectives to be set and effective action plans to be put in place.

Legal

1.9.6 Failure to monitor performance indicators and set targets could impact on the authority's governance arrangements.

Environmental/Sustainable Development

1.9.7 The performance indicators cover and are used to monitor progress in these areas.

1.10 Appendices

- Appendix A – Quarter 3 Key Performance Indicator Out-turns
- Appendix B – Key Performance Indicator definitions

1.10.1 Background Documents

- Strategic Plan 2011-15
- Report of the Head of Change & Scrutiny – Performance Indicator Targets 2011-15

IS THIS A KEY DECISION REPORT?

Yes

No

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

.....









This is a Key Decision because:

.....

Wards/Parishes affected:





.....

Third Quarter Key Performance Indicator Update

PI Status		Direction of Travel	
	Alert		Improving
	Warning		No Change
	OK		Getting Worse
	Unknown	N.B Figures that are showing as red and in bold in the Q3 value column have not achieved the quarterly target by more than 10%	
	Data Only		

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

 *A transport network that supports the local economy*

Code	Short Name	Q3 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12		Q4 2011/12	2011/12 YTD	Target 2011/12	Responsible Officer	Expected Outcome	DoT	2011/12 Status
					Value	Target							
PKG 002	Income from pay and display car parks per space		254.62	273.53	304.39	307.38		832.54	1,115.37	Jeff Kitson	Target will be met		
SPT 002	Number of onboard Park & Ride bus transactions	120,104	102,093	104,571	TBC	126,000		206,664	450,000	Jeff Kitson	Target will be slightly missed		



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

Code	Short Name	Q3 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12		Q4 2011/12	2011/12 YTD	Target 2011/12	Responsible Officer	Expected Outcome	DoT	2011/12 Status
					Value	Target							
DCV 001	Percentage of commercial planning applications completed within statutory timescales		100.00%	100.00%	86.67%	89.50%		89.47%	89.50%	Rob Jarman	Target will be met		
LVE 001	Number of visits to locate in Maidstone website		1431	1257	1524	1250		4212	5000	John Foster	Target will be exceeded		
LVE 002	Percentage of people claiming Job Seekers Allowance	2.2%	2.5%	2.5%	2.6%	2.4%		2.6%	2.4%	John Foster	Target will be met		
December figures will not be out until later in January so this percentage is provisional.													











2. For Maidstone to be a decent place to live



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

Code	Short Name	Q3 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12		Q4 2011/12	2011/12 YTD	Target 2011/12	Responsible Officer	Expected Outcome	DoT	2011/12 Status
					Value	Target							
DCV 003	Percentage of residential planning applications processed within statutory timescales		73.17%	82.98%	71.74%	85.50%		76.12%	85.50%	Rob Jarman	Target will be slightly missed		
	The target for the year is 85.5% and the year so far result is 76.12%. All three quarters have missed the required target with the reasons being mostly to do with the applications needing Legal Agreements drafting and signing (major applications) and being reported to Planning Committee (major and minor applications).												
DCV 004	Processing of planning applications: Major applications (NI 157a)	100.00%	88.89%	75.00%	92.86%	86.50%		86.36%	86.50%	Rob Jarman	Target will be met		
124	The target for the year is 86.50% and the year so far result is 86.36%. The result is down to a poor second quarter (75%) but helped by a good third quarter (92.86%). If the fourth quarter result is equivalent to either first or third then the target should be met.												
DCV 005	Processing of planning applications: Minor applications (NI 157b)	80.25%	88.46%	88.46%	76.84%	85.00%		84.06%	85.00%	Rob Jarman	Target will be met		
	The target for the year is 85% and the year so far result is 84.06%. Quarters one and two were both 88.46% with a dip in performance for the third quarter (76.84%). If the fourth quarter performance matches the first two quarters then the target should be achieved.												
DCV 006	Processing of planning applications: Other applications (NI 157c)	92.67%	96.21%	92.36%	91.97%	95.50%		93.42%	95.50%	Rob Jarman	Target will be met		
	The target for the year is 95.5% and the year so far result is 93.42%. The target is unlikely to be met as two of the three quarters have missed the target and the target is too high to make up the short fall in the fourth quarter. The year so far result of 93.42% is evidence of good overall performance and would have exceeded previous years targets.												

Code	Short Name	Q3 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12		Q4 2011/12	2011/12 YTD	Target 2011/12	Responsible Officer	Expected Outcome	DoT	2011/12 Status
					Value	Target							
HSG 001	Number of affordable homes delivered (gross)	43	36	28	20	25		84	100	John Littlemore	Target will be met		
HSG 002	Number of homes occupied by vulnerable people made decent	64	40	106	49	35		195	150	John Littlemore	Target will be exceeded		
SPT 003a	Percentage of residential planning applications granted in the Urban area		52.78%	51.85%	59.46%	N/A		N/A	N/A	Sue Whiteside	N/A		
SPT 003b	Percentage of residential planning applications granted in the Rural area		47.22%	48.15%	40.54%	N/A		N/A	N/A	Sue Whiteside	N/A		



Continue to be a clean and attractive environment for people who live in and visit the borough

Code	Short Name	Q3 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12		Q4 2011/12	2011/12 YTD	Target 2011/12	Responsible Officer	Expected Outcome	DoT	2011/12 Status
					Value	Target							
DEP 007	Percentage of fly-tipping reports responded to within one working day		99.10%	99.14%	99.66%	95.00%		99.26%	95.00%	Jonathan Scott	Target will be met		
MUS/LV E 001	Visits or uses of the museum per 1,000 population	131.4	159.7	215.5	149.8	145		525	725	John Foster	Target will be slightly missed		
	Parts of the museum have been closed during the first half of 2011/12 to allow for the East Wing refurbishment to be completed. Although the quarter 2 and 3 targets were achieved, the quarter 1 target was not met and consequently the mid-year target was not achieved. The annual target is expected to be missed though the museum has now re-opened and the new exhibition space will attract more visitors. Additionally the full opening will occur in March 2012 which will have a positive impact on 2012/13 performance.												
HL 12 002	Number of Tree Preservation Orders granted		8	4	5	N/A		17	N/A	Deanne Cunningham	N/A		
WCN 001	Percentage of household waste sent for reuse, recycling and composting (NI 192)	29.73%	45.58%	45.43%	42.25%	43.00%		44.41%	43.00%	Jennifer Gosling	Target will be met		

**3. Corporate & customer excellence***Residents in Maidstone are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced*

Code	Short Name	Q3 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12		Q4 2011/12	2011/12 YTD	Target 2011/12	Responsible Officer	Expected Outcome	DoT	2011/12 Status
					Value	Target							
HSG 004	Average time taken to process and notify applicants on the housing register (days)		2.52	8.56	1.89	20.0		4.10	20.0	John Littlemore	Target will be met		
HSG 005	Number of households prevented from becoming homeless through the intervention of housing advice	145	235	218	117	100		570	400	John Littlemore	Target will be exceeded		
R&B 004	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (NI 181)	10.06	11.75	11.04	8.00	15.00		10.26	15.00	Steve McGinnes	Target will be met		



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

Code	Short Name	Q3 2010/11	Q1 2011/12	Q2 2011/12	Q3 2011/12		Q4 2011/12	2011/12 YTD	Target 2011/12	Responsible Officer	Expected Outcome	DoT	2011/12 Status
					Value	Target							
BIM 001	Savings delivered through reviews		£000	£198,265	£184,000			£382,265		Georgia Hawkes			
R&B 005	Percentage of Non-domestic Rates Collected (BV 010)	88.34%	34.26%	61.63%	87.44%	89.82%		87.44%	97.00%	Steve McGinnes	Target will be met		
	Whilst the service continues to maintain a robust recovery schedule the current economic climate has impacted on performance. Local benchmarking demonstrates this to be a consistent picture across the county with the rate of recovery rate at Maidstone reported amongst the highest.												
128 R&B 006	Percentage of Council Tax collected (BV 009)	87.52%	30.10%	58.70%	87.30%	87.47%		87.30%	98.70%	Steve McGinnes	Target will be met		
	Whilst the service continues to maintain a robust recovery schedule the current economic climate has impacted on performance. Local benchmarking demonstrates this to be a consistent picture across the county with the rate of recovery rate at Maidstone reported amongst the highest.												
R&B 007	Value of fraud identified by the fraud partnership	£411,757.71	£260,524.27	£232,331.07	£387,636.55	£125,000.00		£880,491.89	£500,000.00	Steve McGinnes	Target will be exceeded		

REF	Indicator	Frequency	Details
Outcome: By 2015 Maidstone has a transport network that supports the local economy			
PKG 001	Percentage of parking spaces used (NEW)	Annual	To ensure the provision of off street parking spaces effectively meets customer demand. Surveys will be conducted within each pay and display car park to record the number of vehicles occupying parking spaces during both morning and afternoon peak periods. Car park occupancy will be defined as a percentage against the number of parking spaces available.
SPT 001	Percentage change in bus usage on services from Maidstone depot (NEW)	Annual	This data is provided by Arriva and is the change in the number of ticket sales compared to the previous year. It is reported as a percentage change due to commercial sensitivity.
KCC 001	Average journey time per mile for key routes (Congestion)	Annual	To monitor the level of congestion during morning peak times. Congestion impacts on people's quality of life, imposes significant and increasing economic costs as identified in the Eddington Report, and relates to other important priorities including air quality and climate change. The indicator contributes to the evidence about how well the authority is performing its network management duties.
SPT 002	Number of Park and Ride transactions	Quarterly	The Indicator compares the on bus transaction figure (these are the cash sales to passengers boarding buses) on Park and Ride with the same period of the previous year. The Council receives electronic copies of daily print outs from Its Park and Ride contractor (currently Arriva) on a monthly basis. These show the number of on bus transactions on each of the three services by ticket type. Allowances are made for the use of free bus passes (OAP tickets /2 and ten trip tickets *5).
PKG 002	Income from pay and display car parks per parking space (NEW)	Quarterly	This indicator is designed to assess income efficiency and usage. Pay and Display income is monitored closely - data is collated daily and will be used to calculate the income per parking space at each quarter of the financial year. Parking monitoring systems are used to monitor Income and reconciled against cash counted.
Outcome: By 2015 Maidstone has a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy.			
LEV 001	Number of business enquires to locate in Kent (NEW)	Quarterly	This is a measure of the attractiveness of the Borough as a business location. Locate in Kent is the investment agency for Kent and Medway. It receives corporate relocation enquiries directly and through referrals from Government sources.
DCV 001	Percentage of commercial planning applications processed within statutory timescales (NEW)	Quarterly	To ensure that local planning authorities determine planning applications in a timely manner. This indicator measures the processing of commercial applications across all types of application (major, minors, others)
LEV 002	Number people claiming Job Seekers Allowance (KPI 006)	Quarterly	This indicator measures the health of the local economy. JSA Claimant Count records the number of people claiming Jobseekers Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices.
LEV 003	Percentage of vacant units within the town centre (NEW)	Quarterly	Maidstone is a shopping centre of regional significance. Its continued attractiveness for businesses, visitors and shoppers is important to the prosperity of the Borough. Economic Development Services subscribes to Co-star, a recognised provider of commercial property information which has a GIS facility. A search on a defined area can be set up which identifies all the retail units on the market in a given area. This will be set up to mirror the Town Centre boundary proposed by the Planning Policy section of the Council.
LEV 004	Unemployment rate (model based) (NEW)	Quarterly	This indicator measures unemployment. The model-based estimate improves on the APS estimate by borrowing strength from the claimant count to produce an estimate that is more precise (i.e. has a smaller confidence interval). The claimant count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The gain in precision is greatest for areas with smaller sample sizes.
LEV 005	Percentage of economically active people in Maidstone	Annual	This indicator measures the level of worklessness in the Borough Economically active: People who are either in employment or unemployed aged 16-64.
LEV 006a	Completions of business space gained a) Office (NEW)	Annual	To show the amount and type of completed employments floor space (net). Net additional employment floor space is calculated as new floor space completions, minus permitted losses e.g. change of use, conversions etc.

REF	Indicator	Frequency	Details
LEV 006b	Supply of ready to occupy completions b) Industrial (NEW)	Annual	completions, minus permitted losses e.g. change of use, conversions etc. Floor space must be available for use and includes extensions made to existing floor space, where identified through development management process and surveys. Employment floor space type is defined by Use Class Orders B1 (a) B1 (b) B1 (c) and B2 and B8 - simplified for reporting to Office, Industrial, Logistics.
LEV 006c	Supply of ready to occupy completions c) Logistics (NEW)	Annual	
R&B 001	Cost of Revenues & Benefits Service (NEW)	Annual	This is a key measure of the council's performance in relation to the objective of corporate and customer excellence, providing a baseline against which value for money can be monitored. The total gross cost of the revenues and benefits service (council tax, business rates, benefit fraud and benefit administration) divided by the population, as provided by the ONS mid- year estimate.
R&B 002	Value of business rateable floor space (NEW)	Annual	The Valuation Office Agency (VOA) is an executive Agency of HM Revenues and Customs (HMRC). The work of the VOA includes compiling and maintaining lists of rateable values of the non-domestic properties in England to support the collection of business rates.
R&B 003	Supply of business rateable floor space (NEW)	Annual	The rateable value represents the open market annual rental value of a business/non-domestic property. This means the rent the property would let for on the valuation date, if it was being offered on the open market. It is the combined value of that rateable value that will be reported as part of
DCV 002	a) Percentage of major business planning applications taking-up pre-application advice b) Percentage of those taking pre-application advice where the applications were approved (NEW)	Bi-annual	These indicators measure the take-up and quality of pre-application advice. Pre-application advice is being promoted by the team and is a measure in ensuring that developments are high quality and well designed.
Outcome: By 2015 Maidstone has decent, affordable housing in the right places across a range of tenures			
SPT 003a	Percentage of residential planning applications granted a) Urban area (NEW)	Quarterly	Maidstone Borough is divided in terms of rural and urban communities. These indicators provide contextual information on where new residential homes are being built. Allowing the urban rural split to be assessed.
SPT 003b	Percentage of residential planning applications granted a) Rural area (NEW)	Quarterly	
DCV 003	Percentage of residential planning applications processed within statutory timescales (NEW)	Quarterly	To ensure that local planning authorities determine planning applications in a timely manner. This indicator measures the processing of residential applications across all types of application (major, minors, others)
DCV 004	Percentage of planning applications determined within statutory timescales a) Majors	Quarterly	To ensure local planning authorities determine planning applications in a timely manner.
DCV 005	Percentage of planning applications determined within statutory timescales b) Minors	Quarterly	This indicator measures the percentage of planning applications dealt with in a timely manner. Averaging out performance across very different types of application would render any target as meaningless. Therefore it has been broken down into three broad categories: major, minor and other
DCV 006	Percentage of planning applications determined within statutory timescales c) Others	Quarterly	
HSG 001	Number of affordable homes delivered	Quarterly	To promote an increase in the number of affordable homes. Affordable housing is as set out in PPS3 (Planning Policy Statement 3), "The Government defines affordable housing as including social-rented and intermediate housing". Note this can include pitches on Gypsy and Traveller sites owned and managed by local authorities or registered social landlords.
HSG 002	Number of homes occupied by vulnerable people made decent	Quarterly	This is the number of homes occupied by vulnerable persons that have been made decent by various means throughout the year. The means are: (A) Our own Home Repair Grants (HRA'S). (B) By the national "Warmfront" scheme. (C) Our own Energy Efficiency grants administered by Creative Environmental Networks (CEN) on our behalf. (D) Homes made decent by enforcement action/negotiation.
SPT 004	Percentage of new homes built on previously developed land	Annual	To encourage the provision of additional housing on previously developed land and through conversions of existing buildings in order to minimise development on green fields.
HSG 003	Average grant per MBC funded affordable home unit (NEW)	Annual	This indicator covers the supply of all affordable dwelling completions built or acquired by RSLs (or other bodies) with financial support (grant) directly from the Council. This indicator is the figures that MBC contributes in grant form for the development of affordable homes.
DCV 007	Cost of planning per application (NEW)	Annual	This indicator is to assess value for money in the planning processing expressed per application. Costs will exclude enforcement work.

REF	Indicator	Frequency	Details
Outcome: By 2015 Maidstone continues to be a clean and attractive environment for people who live in and visit the Borough			
HLD 001	Number of listed building consents granted (NEW)	Annual	This indicator shows the number of listed building consents that have been granted within the year and allows us to assess the amount of development to older/historic properties.
WCN 001	Percentage of waste recycled (NI 192)	Quarterly	The indicator measures percentage of household waste arising which have been sent by the Authority for reuse, recycling, composting or anaerobic digestion. This is a key measure of local authorities' progress in moving management of household waste up the hierarchy, consistent with the Government's national strategy for waste management.
MUS 001	Visits/Uses of the Museum per 1,000 population	Quarterly	This includes Number of in-person visits; unique user visits to the museums' website; the number of schoolchild visits, the number of schoolchildren visited in outreach sessions; the number of schoolchildren using museum objects outside the museums; the number of adult, community and business groups visited outside the museums; the number of users reached by video-conferencing; the number of people engaged at outside exhibitions and events; the number of enquiries.
HLD 002	Number of Tree Preservation Orders granted (NEW)	Quarterly	This indicator is contextual data showing how many tree preservation orders have been granted.
DEP 001	Percentage of relevant land assessed with unacceptable levels of a) litter	Annual	This is reported as the percentage of relevant land and highways that is assessed as having deposits of litter and detritus that fall below an acceptable level. The Street Cleansing indicator (bespoke Ni195) is reported as two parts, one for each element of environmental and street cleanliness: (a) Litter, (b) Detritus, This indicator was previously collected as BVPI 199 in 2007/08.
DEP 002	Percentage of relevant land assessed with unacceptable levels of b) detritus		
EEF 001	Percentage of fly-tipping reports responded to within 1 working day (NEW)	Quarterly	Fly-tipping is the common term used to describe waste illegally deposited on land as described under Section 33 of the Environment Protection Act 1990. The removal of illegal dumping of waste on relevant land and highways should be removed the next working day following the report.
PKS 001	Cost of maintaining the Borough's parks & green spaces per hectare (NEW)	Annual	This indicator measures the cost of maintaining the boroughs parks and green spaces enabling the authority to assess value for money.
WCN 002	Cost of waste collection (per household)	Annual	To monitor cost of municipal waste disposal, to ensure that good value for money is achieved while delivering a high quality service.
DEP 003	Cost of street cleaning per head of population (NEW)	Annual	The cost of street cleansing per head of the residents of Maidstone is an accurate indicator to show any changes in the cost of street cleansing. The population count to be used is the ONS mid-year estimate.
CMP 001	Percentage reductions in CO2 emissions from local authority operations (Tonnes)	Annual	The aim of this indicator is to measure the reduction of CO2 emissions from the relevant buildings and transport used to deliver its functions and to encourage them to demonstrate leadership on tackling climate change. This indicator is part of the carbon reduction action plan.
Outcome: By 2015 residents in Maidstone are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced			
INT 001	Percentage of the Borough covered by Broadband (NEW)	Annual	This indicator assesses the percentage of the borough covered by broadband with a speed of 2 megabytes or higher.
HSG 004	Average time taken to process and notify applicants on housing register	Quarterly	Average time taken to process and notify housing register applicants per month, is measured using the date the application is processed, minus the date the application is received. A letter of notification is automatically sent on date of processing the production of which is included in this indicator. Only working days are counted.
CDP 001	Number of individual volunteers registered on the Voluntary Action Maidstone Database of volunteers	Annual	The data for these indicators is provided by Volunteer Action Maidstone (VAM). They assess the level of volunteering in the borough and the growth of third sector (voluntary) organisations.
CDP 002	Number of volunteer organisations registered with VAM	Annual	
CDP 003	Number of residents participating in Neighbourhood planning as a percentage of the ward population	Annual	This indicator measure the level of community involvement in the Neighbourhood Planning process which helps communities identify and resolve local issues through Neighbourhood action Plans.
R&B 004	Average time taken to process new benefit claims and changes of circumstances (NI 181)	Quarterly	HB/CTB of £19bn is paid to over 5 million low income households. Delays in the administration of these benefits can impact on some of the most vulnerable people in our society by. This indicator measures the average time taken to process these elements calendar days.
HSG 005	Number of households presented from becoming homeless through intervention	Quarterly	This number of households who considered themselves as homeless, who approached the local authority's housing advice service, housing advice casework intervention resolved their situation.

REF	Indicator	Frequency	Details
LEV 007	Gap between median wage of employee (residents) and the median wage of employees (workplace) (salary differences)	Annual	This indicator measures increases in standard of living but also is a measure of economic competitiveness with knowledge driven industries requiring higher skilled labour force and able to pay higher wages. Resident based wage levels in Maidstone are higher than the workplace based levels suggesting lower skilled and lower wage level local economy.
Outcome: By 2015 the Council will continue to have and demonstrate value for money services that residents are satisfied with			
COM 001	Satisfaction with the way the Council runs things (bi-annual survey)	Biennial	All of these indicators will be gathered through a resident based survey to be carried out in the third quarter. The methodology will be comparable to the Place Survey but has yet to be confirmed.
WCN 003	Satisfaction with Council's recycling service (bi-annual survey)	Biennial	
WCN 004	Satisfactions with Council's refuse collection service (bi-annual survey)	Biennial	
PKS 002	Satisfaction with Council's parks and open spaces (bi-annual survey)	Biennial	
DEP 004	Satisfaction with Street Cleansing (bi-annual survey)	Biennial	
PKS 003	Satisfaction with the Leisure Centre (bi-annual survey)	Biennial	
R&B 004	Percentage of business rates collected	Quarterly	These two indicator monitor the collection of Council Tax and NDNR against the target.
R&B 005	Percentage of Council tax collected	Quarterly	
C&S 001	Savings delivered through reviews (Value for Money)	Quarterly	This indicator demonstrates the levels of savings that's has been agreed and shows progress towards overall savings targets. Reviews include: Best Value Reviews, Business Transformation Reviews (savings achieved for Maidstone only), Overview & Scrutiny Reviews (of Maidstone Services) and service specific reviews.
R&B 006	Value of fraud identified (Housing benefits)	Quarterly	To demonstrate the efficiency of the Revenues and Benefits team in identifying fraud.

MAIDSTONE BOROUGH COUNCIL

CABINET

8 FEBRUARY 2012

REPORT OF HEAD OF FINANCE & CUSTOMER SERVICES

Report prepared by Paul Holland
Senior Accountant (Client)

1. BUDGET MONITORING – THIRD QUARTER 2011/12

1.1 Issue for Decision

1.1.1 To consider the capital and revenue budget and expenditure figures for the third quarter of 2011/12 and any problems identified.

1.1.2 To consider other financial matters with a material effect on the medium term financial strategy or the balance sheet.

1.2 Recommendation of Head of Finance & Customer Services

1.2.1 It is recommended that:

- a) Cabinet note the satisfactory revenue position at the end of the third quarter 2011/12;
- b) Cabinet agree to the proposal to use £0.17m from general balances to fund Olympic celebration events;
- c) Cabinet agree the proposals for slippage and re-profiling in the capital programme to 2012/13;
- d) Cabinet note the detailed report on treasury management activity.

1.3 Reasons for Recommendation

1.3.1 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.

1.4 Revenue

- 1.4.1 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.
- 1.4.2 Analysis at a summary level of the full year budget, and the profiled budget and expenditure to December 2011 is attached as **Appendix A**. 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.
- 1.4.3 This report 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.
- 1.4.4 **Appendix A** 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.
- 1.4.5 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.
- 1.4.6 Also shown at **Appendix A** 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.

1.4.7 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.

1.4.8 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.

1.4.9 At this stage the report identifies no major risks that require action. The issues identified in paragraph 1.4.8 are expected to be resolved by appropriate management action during the year.

1.4.10 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.

1.5 Balances

1.5.1 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.

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

1.5.3 Elsewhere on this agenda is a report on the Council's plans for the celebration of the arrival and departure of the Olympic flame as it passes through Kent. The estimated funding requirement for the 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.

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

1.6 Collection Fund

1.6.1 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.

- 1.6.2 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.

1.7 Capital Expenditure

- 1.7.1 Attached as **Appendix B** 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.

- 1.7.2 The table in **Appendix B** 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.

- 1.7.3 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.
- 1.7.4 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 in column 8 of **Appendix B**. 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.

1.8 Capital Financing

- 1.8.1 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.
- 1.8.2 The financing of this programme requires £5.0m in capital receipts £5.0m in grants and contributions and £6.0m in revenue support.
- 1.8.3 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 includes the disposal of Raigersfield 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.

- 1.8.4 Based on the current projected expenditure shown at **Appendix B** there are now sufficient resources to fund the programme for the current year without the need to borrow.
- 1.8.5 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.

1.8.6 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.

1.9 Treasury Management

1.9.1 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.

1.9.2 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.

1.9.3 The third quarter of 2011/12 saw:

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

1.9.4 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.

1.9.5 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 in **Appendix C** attached. £14.6m of investments in the appendix are within call accounts which can be called upon immediately or for a short notice period.

1.9.6 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%.

1.10 Alternative Action and why not Recommended

1.10.1 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.

1.10.2 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.

1.11 Impact on Corporate Objectives

1.11.1 This report monitors actual activity against the revenue and capital budgets and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's medium term financial strategy and is therefore focused on the strategic plan and corporate objectives.

1.11.2 Regular monitoring by Cabinet ensures that actual activity is in accordance with the plan set out in the budget and that the Council is able to achieve its objectives.

1.12 Risk Management

1.12.1 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2011/12. This budget is set against a backdrop of limited resources and an economic climate that is still in difficulty. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives Cabinet the best opportunity to take actions to mitigate such risks.

1.12.2 The current revenue budget does not exhibit the level of risk identified in previous years and a small contingency exists for any significant budget pressures that may yet develop.

1.12.3 The capital programme is reporting slippage. Resources to finance the programme remain subject to achieving assets sales, and assumes that the other planning assumptions are accurate. To mitigate any potential risk the Council has approved prudential borrowing up to a maximum of £4m.

1.12.4 Reporting on other issues such as council tax and non-domestic rates collection and treasury management activity ensure that the report covers all major balance sheet items in addition to the capital programme and revenue budget. No significant risks are identified in any of these areas.

1.13 Other Implications

1.13.1

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

1.13.2 Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of corporate objectives.

1.14 Conclusions

1.14.1 The third quarter monitoring report shows a positive evaluation of the period. Revenue expenditure, balances, treasury management and council tax and NNDR collection are all satisfactorily at or above target.

1.14.2 Capital expenditure reports from officers show an expectation to re-profile £0.8m into 2012/13, with expenditure of £0.2m brought back into 2011/12 . However, funding of the ongoing programme still requires further capital receipts from asset disposals.

1.14.3 All other items monitored are at or above target for the third quarter.

1.15 Relevant Documents

1.15.1 Appendices

- Appendix A – Revenue Budget Report
- Appendix B – Capital Programme 2011/12
- Appendix C – List of Investments as at 31st December 2011

1.15.2 Background Documents

Electronic budget monitoring and performance reports within financial systems.

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

MAIDSTONE BOROUGH COUNCIL**CABINET****BUDGET MONITORING - THIRD QUARTER 2011/12****REVENUE BUDGET REPORT BY CABINET MEMBER TO 31 DECEMBER 2011**

Cabinet Member	Estimate 2011/12	Estimate to December 2011	Spend to December 2011	Variance to December 2011
	£	£	£	£
Leader of the Council	2,904,670	1,087,980	1,097,321	-9,341
Community & Leisure Services	8,307,900	4,162,460	4,245,218	-82,758
Corporate Services	1,187,620	2,925,020	2,772,876	152,144
Economic Development & Transportation	5,488,780	2,807,440	2,815,772	-8,332
Environment	6,179,080	4,006,920	3,709,181	297,739
Balances	-4,160,540	0		0
	19,907,510	14,989,820	14,640,368	349,452

REVENUE BUDGET REPORT BY SUBJECTIVE ANALYSIS TO 31 DECEMBER 2011

Heading	Estimate 2011/12	Estimate to December 2011	Spend to December 2011	Variance to December 2011
	£	£	£	£
Employees	21,920,500	16,974,980	16,717,606	257,374
Premises	7,481,770	6,032,840	5,808,907	223,933
Transport	2,758,740	1,730,580	1,673,863	56,717
Supplies & Services	17,602,860	7,005,950	6,883,466	122,484
Contract Payments	6,328,520	4,359,270	4,337,409	21,861
Benefits	47,741,140	41,440,030	41,568,015	-127,985
Income	-83,926,020	-62,553,830	-62,348,898	-204,932
	19,907,510	14,989,820	14,640,368	349,452

MAIDSTONE BOROUGH COUNCIL

CABINET

BUDGET MONITORING - THIRD QUARTER 2011/12

Capital Programme 2011/12 by Cabinet Member to 31st December 2011

Capital Programme Heading	Current Estimate 2011/12 £	Actual to December 2011 £	Budget Remaining £	Q4 Profile £	Slippage into 2012/13 £	Growth or Savings £
Asset Management/Corporate Property	90,000		90,000	90,000	0	
Software/PC Upgrade & Repair	146,400	86,659	59,741	59,741	0	
Amenity Lighting	3,100		3,100	3,100	0	
Corporate Services	239,500	86,659	152,841	152,841	0	0
Land Drainage/Imps.to Ditches & Watercourses	23,900		23,900	23,900	0	
CCTV - Park & Ride	5,200		5,200	5,200	0	
Car Park Improvements	20,940	3,744	17,196	17,196	0	
Environment	50,040	3,744	46,296	46,296	0	0
CCTV Control Room	250,000		250,000	50,000	200,000	
Brenchley Gardens - Upgrading & Imps.	6,300	6,300	0		0	
Cobtree Golf Course	6,950		6,950	6,950	0	
Continued Improvements to Play Areas	125,000		125,000	125,000	0	
Green Space Strategy	14,500		14,500	4,500	10,000	
Hazlitt Boiler Repairs	363,700	363,700	0		0	
Leisure Centre Roof	20,830		20,830	20,830	0	
Museum East Wing Extension	872,290	1,031,881	-159,591		0	-159,591
Mote Park Regeneration	921,975	451,634	470,341	470,341	0	
Small Scale Capital Works Programme	71,500		71,500	71,500	0	
Community & Leisure	2,653,045	1,853,515	799,530	749,121	210,000	-159,591
Gypsy Site Improvements	100,000		100,000		100,000	
Renovation Grants	1,513,700	835,826	677,874	577,874	100,000	
Planning Delivery Grant	9,350		9,350	9,350	0	
Support for Social Housing	927,000	337,500	589,500	589,500	0	
Growth Point - High Street Improvements	1,885,670	372,516	1,513,154	1,165,314	347,840	
Regeneration Schemes	111,500	25,262	86,238	86,238	0	
Economic Development & Transport	4,547,220	1,571,104	2,976,116	2,428,276	547,840	0
Total	7,489,805	3,515,022	3,974,783	3,376,534	757,840	-159,591

Type of Investment/Deposit	Reference no.	Counterparty	Issue Date	Maturity Date	Amount Invested	Current Interest Rate	Other information (if required)
Call account		Nat West Bank			£5,000,000	0.8000	
Call account		Clydesdale Bank			£2,000,000	0.8500	30 Day Notice
Call account		Svenska Handelbanken			£5,000	0.8000	35 Day Notice
Money Market Fund		Prime Rate Capital Management			£7,610,000	0.8958	
Fixed Term Deposit	2052	Nottingham BS	28/09/11	03/01/12	£2,000,000	0.9000	
Fixed Term Deposit	2049	Principality BS	01/07/11	03/01/12	£2,000,000	1.1700	
Fixed Term Deposit	2050	Leeds BS	15/07/11	16/01/12	£1,000,000	1.1500	
Fixed Term Deposit	2053	Skipton BS	27/10/11	27/01/12	£2,000,000	0.8300	
Fixed Term Deposit	2055	Coventry BS	10/11/11	09/02/12	£1,000,000	0.9000	
Fixed Term Deposit	2054	Leeds BS	10/11/11	09/02/12	£1,000,000	0.9200	
Fixed Term Deposit	2048	Santander UK Plc	29/12/11	29/03/12	£3,000,000	1.4000	
Fixed Term Deposit	2057	Ulster Bank Ltd	30/11/11	31/05/12	£2,000,000	1.3500	
Fixed Term Deposit	2051	Lloyds TSB Bank	21/07/11	23/07/12	£3,000,000	2.1000	
Fixed Term Deposit	2056	Lloyds TSB Bank	10/11/11	10/08/12	£2,000,000	1.8000	
		Total			£33,615,000		

MAIDSTONE BOROUGH COUNCIL

CABINET

8 FEBRUARY 2012

REPORT OF DIRECTOR OF REGENERATION AND COMMUNITIES

Report prepared by Sarah Robson

- 1. Changes to the county-wide partnership architecture and proposals for the establishment of the Maidstone Locality Board**
 - 1.1 Key Issue for Decision
 - 1.1.1 This report updates Cabinet on the changes to the county-wide partnership architecture and sets out proposals for formally establishing a Locality Board for Maidstone borough.
 - 1.1.2 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.
 - 1.2 **Recommendation of the Director of Regeneration and Communities**

Cabinet are asked to:

 - 1.2.1 Note the changes to the county-wide partnership architecture.
 - 1.2.2 Note the dissolution of the Maidstone Local Strategic Partnership.
 - 1.2.3 Approve the proposals for the formal establishment of a Locality Board for Maidstone Borough.
 - 1.3 **Reasons for Recommendation**
 - 1.3.1 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.
 - 1.3.2 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

- 1.3.3 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

- 1.3.4 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

- 1.3.5 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

- 1.3.6 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:
- a) Advising county, district/borough councils on the public service priorities for the locality;
 - b) Advising county, district/borough councils on service provision in the locality;
 - c) Improving the local accountability of residents for public services in their totality and;
 - d) Overseeing public services in each locality in terms of direct oversight of local government services and through community leadership for non-local government services.

1.4. Maidstone Local Strategic Partnership (LSP)

- 1.4.1 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.

- 1.4.2 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.
- 1.4.3 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.

1.5 **Development of a Maidstone Locality Board**

- 1.5.1 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.
- 1.5.2 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.
- 1.5.3 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

- 1.5.4 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

- 1.5.5 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 of 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.

1.5.6 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

1.5.7 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

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

1.5.9 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.

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

1.5.11 The Maidstone Locality Board meetings will be on a quarterly basis.

1.5.12 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.

1.5.13 The Maidstone Locality Board and Agenda Planning Steering Group will be serviced by Maidstone Borough Council and Kent County Council officers.

1.5.14 The priorities for the Board will be considered by a small sub group with recommendations made to the next Board meeting in April.

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

1.5.16 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.

- 1.5.17 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.
- 1.5.18 The Board will be provided with a range of performance information to ensure effective oversight and monitoring of priorities.

1.6 Consultation Undertaken

- 1.6.1 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.

1.7 Alternative Action and why not Recommended

- 1.7.1 The 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.

1.8 Impact on Corporate Objectives

- 1.8.1 Maidstone Borough Council's Strategic Plan makes specific reference to supporting Maidstone Local Strategic Partnership to deliver its contribution to the Sustainable Community Strategy and Vision for Kent. With the replacement of the Partnership, this reference will now relate to the Locality Board.
- 1.8.2 The establishment of the Maidstone Locality Board will support the three priorities in the Strategic Plan; Corporate and Customer Excellence; for Maidstone to be a decent place to live and; For Maidstone to be a growing economy.

1.9 Risk Management

1.9.1 There is a risk in terms of the size of the group to ensure it does not become unmanageable. It has therefore been proposed that the proposed membership should not exceed 25 individual board members – this will not include the lead support officers and support team. In addition the current thematic groups will be reviewed to ensure they are fit for purpose to support the Locality Board in delivering its priorities.

1.9.2 There is a risk of the agenda becoming unfocused. It has therefore been proposed that an Agenda Planning Steering Group be set up to agree the Board’s agenda and work programme against set priorities. In addition a performance information “dashboard” is being developed to ensure the Board receives regular relevant information to monitor the achievement of priorities.

1.10 Other Implications

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

Financial

- 1.10.1 There are currently no direct financial implications arising from the establishment of the Locality Board. There is no dedicated budget to support the Maidstone Locality Board, the support is provided from within existing resources. However, as one of the future considerations for the Board is to advise on service provision moving towards combined place based commissioning, there will be financial implications that will need to be quantified and assessed.

Legal

- 1.10.2 The Locality Board will not have an independent legal status. If the Locality Board subsumes the Maidstone LSP responsibilities it becomes the governance body for any amendments, updates and progress monitoring of the Sustainable Community Strategy. There will be consequential amendments to the Constitution to include a reference to the new body and its Terms of Reference. Any future changes to enable a commissioning role or function will need to be assessed in terms of their legal implications for the Board and individual members.

1.11 Conclusion

- 1.11.1 The county partnership architecture is changing. Locality Boards are seen as an essential part of the revised partnership architecture that will bring more democratic accountability to local services. These changes will bring about different ways of working between Kent County Council and Maidstone Borough Council and between the family of Local Government and other partners. The Maidstone Locality Board provides an essential mechanism to allow actions to be determined at a community level, whilst supporting the three countywide ambitions and the local priorities outlined in the Borough Council's Strategic Plan and the Sustainable Community Strategy.

1.12 Relevant Documents

None

1.13 Appendices

None

1.14 Background Documents

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

IS THIS A KEY DECISION REPORT?

Yes

No

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

.....

This is a Key Decision because:

.....

Wards/Parishes affected:

.....

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

CLlr Chris Garland

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The Kent Recommitment

“We will take strategic decisions and deliver local public services and seek genuine devolution of powers to both county and district level to ensure we are able to respond to the needs and aspirations of local people and save taxpayers money.”

**Source: Letter from all Kent Leaders to Eric Pickles,
Secretary of State for Communities & Local Government, June 2010**

1. Purpose

The Kent Recommitment, signed by the Leaders of Kent’s County, District, Borough and City Councils, is the foundation for our work together to plan and deliver public services in Kent more effectively, more accountably, at less cost and as close to service users as possible.

2. Our Principles

- All public services delivered to Kent’s residents and the £8billion spent in the county by the public sector must be made increasingly democratically accountable.
- Existing regional and national quango powers must be devolved to the most appropriate level.
- Kent’s 13 sovereign County and District Councils, together with our rich network of Parish and Town councils, are the “building blocks” for public service planning and delivery within the county.
- We recognise the strength of fighting together for local communities on issues of both county-wide and national importance and standing up for the interests of Kent’s residents.

3. Function of the Kent Recommitment

- Through the Kent Recommitment, we will work together to help shape and influence new government policy and its delivery within the county, as we are already doing.
- We will seek genuine devolution of powers to both county and district level to ensure we are able to respond to the needs and aspirations of local people and save taxpayers money:
 - We will support Kent County Council to exercise greater strategic and spatial powers within the county, working closely with local District Leaders through a “Forum” model.
 - We will support Kent’s District Councils to exercise greater influence in delivering/commissioning and targeting services within their areas
- Together, we will identify those services which may be better delivered at district level, those services and functions which may be better exercised at county level and those that may be better co-ordinated through local, outcome-based commissioning, bringing together District, local County Council and KCC Cabinet members.
- We will support greater devolution to our Parishes, Towns and local communities and always champion the needs of local residents and business in Kent.
- In our dealings with Government, we acknowledge the strength of speaking together on shared issues in representing the interests of Kent’s businesses and residents.

4. Form – How we will work together

- We will establish the “Kent Forum” (or other agreed name) of the County and District Leaders, with relevant KCC Cabinet Members for county-wide services (see below),

as the primary forum for delivering the Kent Recommitment, respecting the sovereign decision-making powers of individual councils.

- There will be no voting arrangements until full Governance proposals have been developed and agreed, including Cabinet Member and officer attendance.
- We will invite leaders of other public bodies with full democratic accountability, at an appropriate time, to join the Kent Forum (e.g. directly elected Police Commissioner) and we will work closely with all local public service providers.
- The role of the Kent Forum will be as a Kent-wide body to co-ordinate and agree shared priorities and progress. As such, it will consider and endorse Kent-wide strategies including those produced for “21st Century Kent – Unlocking Kent’s Potential”.
- The Forum will also consider cross-cutting policy issues within the County, beginning first with the implementation of Health Service reform within Kent and the enhanced role of democratically-elected local authorities within this reform.
- Within District boundaries, we will establish District-based pilots of local District and County members and others to oversee and shape delivery of the Kent Recommitment locally and to draw together local public services for greater effectiveness and efficiency.
- We will invite Kent MPs to join all meetings of the Kent Forum to build greater understanding of decision-making and accountability for total public service spending within Kent. Once a year, the Kent Forum will meet in Westminster.
- The number of partnerships across the county will be significantly reduced, to reflect this new and streamlined way of working.
- The Kent Forum will meet in shadow form with immediate effect (replacing the Kent Leaders Group).

5. Building a Local Economic Partnership

- Reflecting the above, we will work together for the success of a Local Economic Partnership (LEP) on which all 14 Leaders will be represented, either directly or through a mandated representative agreed through the Kent Forum.
- Within the LEP, we will recognise clearly defined sub-economic groupings which will exist as delivery bodies in their own right within the framework, with specific powers and assets as appropriate.
- By organising ourselves in this way, we are united in fighting together at county level and within our specific economic areas for our strategic priorities and we will ensure strategic level support for specific areas of Kent within the LEP, including the Thames Gateway, our Coastal Communities, Growth Points and rural West Kent.
- The LEP will support co-ordination and joint working with neighbouring LEPs on issues of shared interest to provide the strongest possible support for individual priorities.

6. Finance and Savings

- We will work together to support place-based budgets at County and District levels enabling total flexibility to respond to the needs and aspirations of local residents in the context of scarce resources.
- We will press for greater devolution of powers and budgets from national and regional quangos and agencies to the family of local government in Kent.
- We will fight for existing regional programmes to be funded until they end and for continuing support, where appropriate, when this funding goes.
- Cost saving, openness and transparency will be fundamental to all that we do.

CONFIDENTIAL WORKING DRAFT

THE KENT FORUM

Terms of Reference and Governance

1. Introduction

- 1.1 The Kent Recommitment (see Appendix 1) as agreed by the Leaders of Kent's councils, seeks to establish the principles and framework for new and streamlined partnership architecture for the county, with local democracy at its heart.
- 1.2 The basis of the Kent Recommitment is to plan and deliver public services in Kent more effectively, more accountably, at less cost and as close to service users as possible
- 1.3 The Forum will be a single body made up of democratically accountable representatives from across the public sector in Kent that:
 - (a) brings together the democratically accountable parts of the public sector;
 - (b) is a non-statutory, non-executive organisation; and
 - (c) operates at a level which enables strategic decisions to be taken.
- 1.4 It is a non-decision making body and where the word "decision" is used in this document, or the context suggests that matters may be determined or concluded, it shall not be construed as a body capable of binding any of the parties but as making recommendations which will be subject to approval by each of the member authorities by their own processes.
- 1.5 The role of the Kent Forum as part of this process is to:
 - (a) be the primary forum for delivering the Kent Recommitment, respecting the sovereign decision-making powers of individual councils;
 - (b) facilitate the effective exercise of strategic and spatial powers;
 - (c) devolve decision-making to the most appropriate level;
 - (d) ensure the efficient delivery of local public services;
 - (e) respond to the needs and aspirations of local people;
 - (f) save tax-payers' money; and
 - (g) replace the *Kent Leaders' Group* and significantly reduce the number of member partnership working groups across the county.
- 1.6 It will recommend the strategic priorities for the Kent-wide partnership architecture, and will 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.

2. The Kent Forum

Principles

- 2.1 The Forum, as the lead body of the newly shaped Kent-wide partnership, will have overall responsibility for co-ordinating and agreeing shared priorities and progress, encouraging community leadership, and supporting new initiatives. As such, it will consider and endorse Kent-wide strategies including under the *Vision for Kent* and county-wide plans for action such as those produced for *21st Century Kent – Unlocking Kent's Potential*.
- 2.2 The Forum recognises that defining and delivering Kent's future needs goes beyond the remit of individual local authorities, and those of the many partners, acting alone. It seeks to add value at a strategic level.
- 2.3 All Forum participants are expected to engage in this partnership working ethos, operating with the following values enshrined in their work:
- (a) mutual accountability – partners are accountable to each other for the delivery of jointly agreed and collectively owned outcomes;
 - (b) promoting community cohesion, equality of opportunity and participation, and valuing diversity; and
 - (c) promoting trust and openness to foster an involved and participative approach from all members and partnerships.
- 2.4 The Forum will consider cross-cutting policy issues within Kent, including the implementation of health service reform and the enhanced role of democratically-elected local authorities within this context.
- 2.5 Within and across District boundaries, the Forum will establish pilots of local District and County members and others coming together on 'Locality Boards' to oversee and shape local delivery of the Kent Recommitment and to draw together local public services for greater effectiveness and efficiency.
- 2.6 Locality Boards will consist of District Council Cabinet members, local County Councillors and the relevant County Council Cabinet Member. Additional local representatives may be agreed. [NB – voting rights may need to be considered if Cabinet Member and other local representatives are appointed to the Board]

Responsibilities

- 2.7 The Forum is responsible for:
- (a) promoting the social, economic and environmental well-being of residents and businesses, and promoting sustainable development;
 - (b) co-ordinating and agreeing shared priorities and endorsing Kent-wide strategies, including the *Vision for Kent* and county-wide plans for action such as those produced for *21st Century Kent – Unlocking Kent's Potential*;
 - (c) Kent's local arrangements for representation on a Local Enterprise Partnership (LEP).
 - (d) supporting co-ordination and joint working with neighbouring LEPS on issues of shared interest to provide the strongest possible support for individual priorities;
 - (e) agreeing arrangements for other groups and delivery mechanisms designed to deliver the priorities and objectives of the Forum

- (f) engaging with Kent residents, communities and businesses, utilising existing members' engagement mechanisms and avoiding duplication;
- (g) encouraging innovation and the efficient and effective use of local resources and assets; and
- (h) promoting and fostering the values of community engagement, equalities, cohesion and sustainability.

Membership, representation and conduct

- 2.8 The membership of the Forum will comprise the County and District Council Leaders of Kent, Chairman of the Kent Fire and Rescue Authority and relevant cabinet portfolio holder(s) for the County Council depending on the issue for discussion. The membership will be reviewed on a regular basis.
- 2.9 Each Leader will be entitled to nominate a substitute of their choosing. This will normally be the Deputy Leader or other cabinet member of each council.
- 2.10 The leaders of other public bodies with full democratic accountability within Kent will be invited with the consent of all members (at an appropriate time) to join the Kent Forum (e.g. the Chairman of the Fire & Rescue Authority, the directly-elected Police Commissioner, etc).
- 2.11 Kent MPs will be invited on a non-voting basis to join all meetings of the Kent Forum to build greater understanding of decision-making and accountability for total public service spending within Kent.
- 2.12 The Forum will seek to work closely with all local public service providers.
- 2.13 The responsibilities of Forum members include the following:
 - (a) to prepare for and attend meetings as required and agreed, and to fully participate in meetings;
 - (b) to arrange for the attendance of a suitable substitute at meetings in the event of the nominated representative being unavailable;
 - (c) to ensure that they have sufficient authority to represent their organisation on policy and practice issues, and to properly represent its views;
 - (d) to ensure that all necessary approvals of the nominating organisation are obtained;
 - (e) to keep their organisation informed about progress and communicate effectively and accurately the outcomes of Forum meetings; and
 - (f) to ensure prompt progress and delivery on any agreed actions outside formal meetings; and
- 2.14 All members (and substitutes) have a right to speak and be heard at meetings. The Chairman may exclude from the meeting any member who attempts to deny such rights.
- 2.15 The Kent Forum will also mandate members to represent the Forum in other meetings and partnerships. The member mandated will report back to the Forum on these meetings.

Chairman

- 2.16 The Forum is chaired by the Leader of KCC, initially for a period of two years, following which the chairmanship will be as determined by the Forum.
- 2.17 The position of Vice Chairman will rotate annually amongst the members of the Forum, according to a schedule to be determined by the Forum.
- 2.18 The Chairman will support the work of the Forum by:
- (a) providing leadership to ensure that the business of the Forum is dealt with efficiently and effectively;
 - (b) promoting cohesion within the Forum, ensuring all opinions are represented and listened to on an equal basis;
 - (c) ensuring that key issues are discussed in a timely manner by the Forum, and that appropriate information is available to all members; and
 - (d) taking appropriate action where conflicts of interest issues arise as outlined below.

Meetings

- 2.19 The Forum will meet six times a year. Meetings are organised so that dates for each financial year are arranged in advance. The Chairman may convene additional meetings if s/he considers it necessary, after consulting with members of the Forum.
- 2.20 Meetings will be held in one central location within the county, with the exception of one meeting which will be held in Westminster to enable attendance by Kent MPs.
- 2.21 Council Chief Executives or their representatives will be invited to attend all meetings of the Kent Forum. It is expected that meetings will be arranged at a time to enable preceding meetings of political Leaders and other meetings as appropriate.
- 2.22 Meetings of the Forum are to be held in public.
- 2.23 The quorum for meetings is one half of members (including substitutes).
- 2.24 All members can require that items be placed on the agenda. Agenda items may be notified by any member at least ten working days before the meeting.
- 2.25 Other persons may attend meetings of the Forum with the agreement of the Chairman.
- 2.26 Meetings will be serviced and supported by a secretariat proportionately resourced by a combination of all members.
- 2.27 Agendas, reports and minutes (including a record of attendance and any conflicts of interest) of Forum meetings will be circulated and submitted for approval at least ten working days before the meeting. The draft Minutes (agreed by the Chairman or Vice Chairman when appropriate) will be circulated to all Members of the Forum within ten working days of the Forum. Additional items may only be tabled at meetings if urgent and at the discretion of the Chairman.
- 2.28 Minutes (including a record of attendance and any conflicts of interest) will be a matter of public record.

Conflicts of Interest

- 2.29 Members must notify the Chairman if they have any personal or prejudicial interest in any item under discussion at the Forum (in accordance with the Code of Member Conduct) where that item could reasonably have a greater impact on the wellbeing and/or financial position of that individual and/or their family and friends than for other citizens, If a prejudicial interest, the Chairman will require the member to have no further part in that matter under discussion and to leave the meeting pending any discussion on that particular matter.

Decisions

- 2.30 Every effort will be made to ensure that decisions are taken by consensus.
- 2.31 No decision of the Forum as a whole can override the decisions of individual organisations. Rather, decisions made by the Forum are intended to influence partners to work with all other partners and adopt a common position.

Financial issues

- 2.32 Forum members will work together to support place-based budgets at County and District levels and press for greater devolution of powers and budgets from national and regional quangos and agencies to the family of local government in Kent.
- 2.33 In the event that KCC is designated by Government as the accountable body for place-based budgets, all decisions on the allocation of such budgets will be made only after full consultation with, and detailed consideration of, the views and recommendations made by the Forum and its members.
- 2.34 In the event that a unanimous and consensual recommendation on place-based budgets allocation is not forthcoming, KCC (assuming it is the accountable body) will take responsibility for any final decisions in this regard, having taken into account the views of the Forum, especially those members that represent the majority view, and will notify the Forum members in writing of its reasons for such decisions.

Access to Information

- 2.35 The Forum will adhere to requirements of the Freedom of Information Act 2000.

Confidentiality

- 2.36 All members will respect the confidentiality of information supplied by other members when the relevant tests can be met

Conflict Management

- 2.37 Where a conflict remains unresolved within or between any Forum members, the issue may be referred by any Forum member to the full Forum to advise on the best way of achieving a final resolution.

Exit

- 2.38 Any member wishing to resign from the Forum shall give at least two months' written notice to the Chairman. In the event that such notice is given, that member shall cooperate with the Forum during the notice period so as to facilitate a smooth exit from the partnership working arrangements.

APPENDIX 1

The Kent Recommitment

“We will take strategic decisions and deliver local public services and seek genuine devolution of powers to both county and district level to ensure we are able to respond to the needs and aspirations of local people and save taxpayers money.”

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3. Function of the Kent Recommitment

- Through the Kent Recommitment, we will work together to help shape and influence new government policy and its delivery within the county, as we are already doing.
- We will seek genuine devolution of powers to both county and district level to ensure we are able to respond to the needs and aspirations of local people and save taxpayers money:
 - We will support Kent County Council to exercise greater strategic and spatial powers within the county, working closely with local District Leaders through a “Forum” model.
 - We will support Kent’s District Councils to exercise greater influence in delivering/commissioning and targeting services within their areas
- Together, we will identify those services which may be better delivered at district level, those services and functions which may be better exercised at county level and those that may be better co-ordinated through local, outcome-based commissioning, bringing together District, local County Council and KCC Cabinet members.
- We will support greater devolution to our Parishes, Towns and local communities and always champion the needs of local residents and business in Kent.
- In our dealings with Government, we acknowledge the strength of speaking together on shared issues in representing the interests of Kent’s businesses and residents.

4. Form – How we will work together

- We will establish the “Kent Forum” (or other agreed name) of the County and District Leaders, with relevant KCC Cabinet Members for county-wide services (*see below*), as the primary forum for delivering the Kent Recommitment, respecting the sovereign decision-making powers of individual councils.
- There will be no voting arrangements until full Governance proposals have been developed and agreed, including Cabinet Member and officer attendance.
- We will invite leaders of other public bodies with full democratic accountability, at an appropriate time, to join the Kent Forum (e.g. Chairman of Fire & Rescue, directly-elected Police Commissioner) and we will work closely with all local public service providers.
- The role of the Kent Forum will be as a Kent-wide body to co-ordinate and agree shared priorities and progress. As such, it will consider and endorse Kent-wide strategies including those produced for “*21st Century Kent – Unlocking Kent’s Potential*”.
- The Forum will also consider cross-cutting policy issues within the County, beginning first with the implementation of Health Service reform within Kent and the enhanced role of democratically-elected local authorities within this reform.
- Within District boundaries, we will establish District-based pilots of local District and County members and others to oversee and shape delivery of the Kent Recommitment locally and to draw together local public services for greater effectiveness and efficiency.
- We will invite Kent MPs to join all meetings of the Kent Forum to build greater understanding of decision-making and accountability for total public service spending within Kent. Once a year, the Kent Forum will meet in Westminster.
- The number of partnerships across the county will be significantly reduced, to reflect this new and streamlined way of working.
- The Kent Forum will meet in shadow form with immediate effect (*replacing the Kent Leaders Group*).

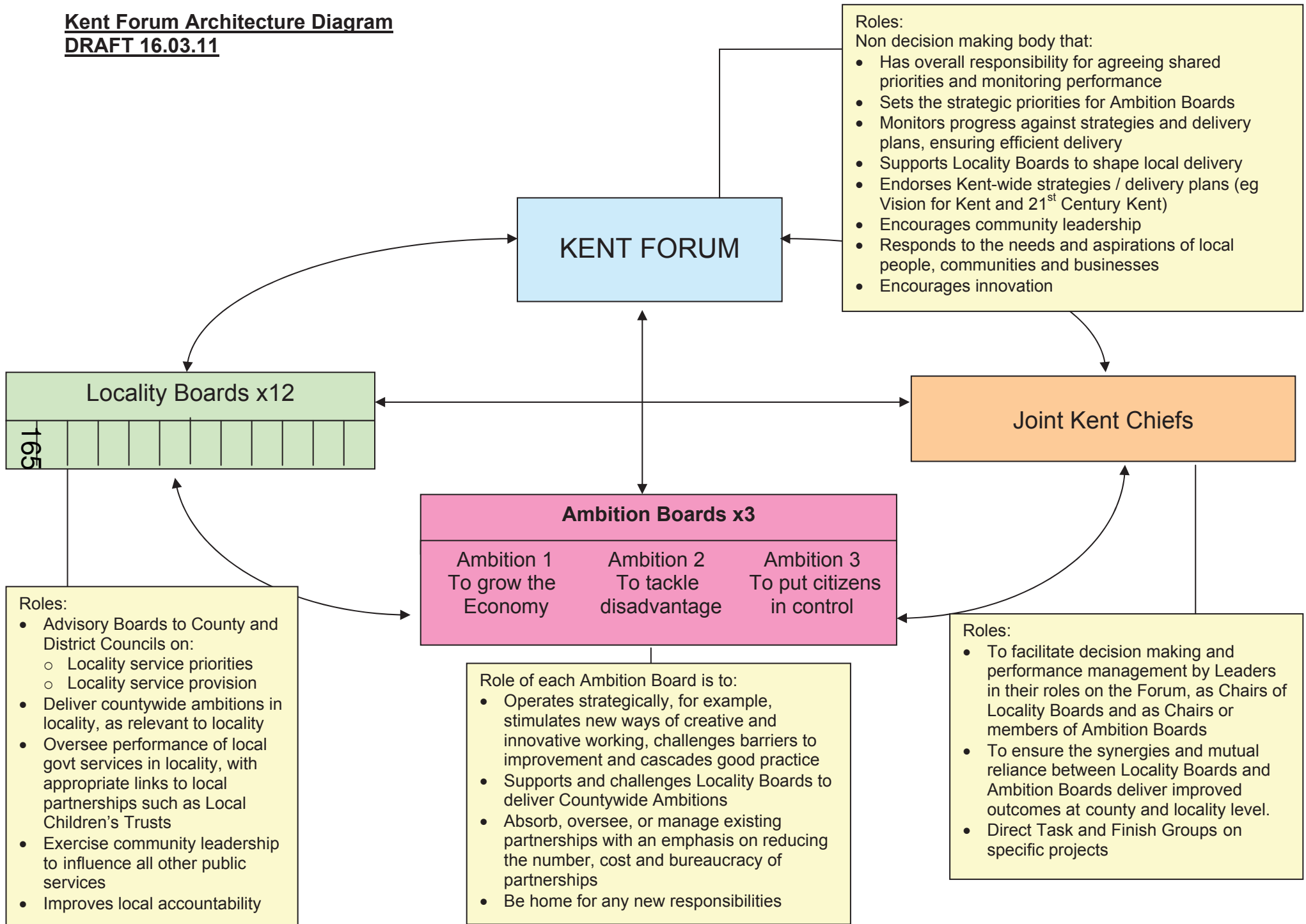
5. Building a Local Economic Partnership

- Reflecting the above, we will work together for the success of a Local Economic Partnership (LEP) on which all 14 Leaders will be represented, either directly or through a mandated representative agreed through the Kent Forum.
- Within the LEP, we will recognise clearly defined sub-economic groupings which will exist as delivery bodies in their own right within the framework, with specific powers and assets as appropriate.
- By organising ourselves in this way, we are united in fighting together at county level and within our specific economic areas for our strategic priorities and we will ensure strategic level support for specific areas of Kent within the LEP, including the Thames Gateway, our Coastal Communities, Growth Points and rural West Kent.
- The LEP will support co-ordination and joint working with neighbouring LEPs on issues of shared interest to provide the strongest possible support for individual priorities.

6. Finance and Savings

- We will work together to support place-based budgets at County and District levels enabling total flexibility to respond to the needs and aspirations of local residents in the context of scarce resources.
- We will press for greater devolution of powers and budgets from national and regional quangos and agencies to the family of local government in Kent.
- We will fight for existing regional programmes to be funded until they end and for continuing support, where appropriate, when this funding goes.
- Cost saving, openness and transparency will be fundamental to all that we do.

Kent Forum Architecture Diagram
DRAFT 16.03.11



Agenda Item 15

MAIDSTONE BOROUGH COUNCIL

CABINET

8 FEBRUARY 2012

REPORT OF THE ASSISTANT DIRECTOR OF REGENERATION AND CULTURAL SERVICES

Report prepared by Brian Morgan

- 1. Olympics 2012 – Torch Relay Event**
 - 1.1 Issue for Decision
 - 1.1.1 To determine the content of the Torch Relay celebrations and make budgetary provision.
 - 1.2 Recommendation of the Assistant Director of Resources & Partnerships

Cabinet are asked to:

 - 1.2.1 Note and endorse the content of the Torch Relay celebrations.
 - 1.2.2 Agree a budget provision of up to £150,000 to be allocated from balances.
 - 1.3 Reasons for Recommendation
 - 1.3.1 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.
 - 1.3.2 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.
 - 1.3.3 Following discussion with the Leader of the Council and the Leader of the Liberal Democrats it was decided to accept the confidential offer.
 - 1.4 Background

- 1.4.1 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.
- 1.4.2 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

- 1.4.3 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.

- 1.4.4 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

- 1.4.5 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.
- 1.4.6 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.
- 1.4.7 More detail about the events is set out at Appendix A. Each of these events will require event management plans.
- 1.4.8 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 Police Closures 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.
- 1.4.9 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.
- 1.4.10 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 in Appendix B.

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

- 1.4.11 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.
- 1.4.12 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.
- 1.5 Alternative Action and why not Recommended
- 1.5.1 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.
- 1.5.2 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.
- 1.5.3 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.

1.6 Impact on Corporate Objectives

1.6.1 The participation of the Council in the relay celebratory event has the potential of improving the vitality of the town in the run up to the Olympic games and therefore adding to its attractiveness. In addition, the event may have a benefit of bringing people to Maidstone and therefore supporting its economy. The event would directly support the Council's corporate objectives.

1.7 Risk Management

1.7.1 There are a wide range of risks associated with the events surrounding the Torch Relay including:-

- Travel arrangements for the Mayor and Cabinet/Officers – to Leeds Castle/Mote Park and morning start.
- The non arrival of the torch
- Loss of power to sites
- Inclement weather – too hot or wind and rain
- Accidents off site
- Accidents on site
- Criminal acts
- Structural failure
- Lack of resource
- Community dissatisfaction
- Contract with Leeds Castle

1.7.2 In order to reduce and mitigate the risks, event management plans are being prepared for each of the events, and these plans will be the subject of scrutiny and approval by the multi-agency Safety Advisory Group. Additionally, work will continue with partner agencies to develop and verify the Event Plans, and the Officer Group will continue to work on the internal co-ordination of the event and its planning.

1.8 Other Implications

1.8.1

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

- 8. Procurement
- 9. Asset Management

- 1.8.2 The financial implications are set out in the report. In relation to staffing the preparation of the event management plans, the organisation of the necessary infrastructure, and the management of the events on the day will have an impact on staff time. Through the use of an event/projects manager it is the intention to reduce the overall impact.
- 1.8.3 The legal implications relate to the terms of the agreement with LOCOG and the agreement with Leeds Castle for the evening celebration, which is still to be finalised. In addition, there is a need to comply with the necessary Health & Safety Regulations in relation to the planning of events and the physical structures.
- 1.8.4 Community Safety is an issue both in relation to Health and Safety of people at events and in relation to crowd/people behaviour at events. These issues will be included through the event management plans and examined by the Safety Advisory Group.

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes No

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

Is this an Urgent Key Decision? Yes No

Reason for Urgency

Not applicable

Leeds Castle – 19th July 2012

1200-1600hrs	Schools Event
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Torch at Harrietsham – 18.08 – 18.20

Event – Leeds Castle – 19th July 2012

Road Closure	A20/Broomfield Road Junction Broomfield Road
Ticketing	
1600 hrs	LOCOG event begins
17.05-17.15	Community Slot
18.41-18.43	The Mayor/Leader/Cabinet Member
18.50	Torch Arrival: Involvement of School Children
18.58-19.08	Community Slot
19.25	Event ends

Event – Mote Park – 19th July 2012

	Road Closure Mote Road if needed
17.00-19.30	Torch Arrival Streamed Big Screen
20.00-22.30	Community Event
22.30	Fireworks

Relay Start – LOCATION MOTE PARK LAKE – 20.07.12

05.30	People arrive
06.10	Torch Convoy arrives
06.30	Torch Bearer arrives
06.35	Olympic Flame arrives
06.39	Torch Lit – PHOTO OPPORTUNITY No more than 10 Local Dignitaries (Maidstone Athletes?)
06.40	Relay Starts
07.10	Transfer river
07.34	Rowing Club landing stage
07.36	James Whatman Way/Royal Engineers Way depart

Breakdown of Torch Relay Event Costs

Event Management (E)		£30,000
	MBC £	KCC £
• Schools Event	5,000	5,000
• Use of Leeds Castle Toilets Services Fencing Bins Event Management	16,000	
• Development of 20 min community slot	4,000	10,000
• Mote Park Event (1)	67,225	
• Morning Start Traffic Management Route Clean Up Hire of Royal Barge	10,000 (E) 4,000 1,250	
<u>Security</u>		
• Schools Event	1,404	
• Mote Park	10,000	
• Town Centre	15,000	
	26,404	
<u>Other Events</u>		
• Joke Relay*	0	
• Youth Theatre Games*	0	
• Youth Theatre Fusion*	0	
• Contribution Community Events Town Centre	1,000	
TOTAL	134,879	

E = estimate

*The cost of these events is offset by grant

N.B The cost of road closures is not yet known

The breakdown of the costs of the event at Mote Park is attached based on the content set out in the report, but allowance has been also made for:-

	£
First Aid	3,000
Site Clean Up	4,000
Repair Damage to Park	3,000
Safety Lighting	2,000
Enclosure	15,000

Agenda Item 16

MAIDSTONE BOROUGH COUNCIL

CABINET

08 February 2012

REPORT OF THE LEADER OF THE COUNCIL

Report prepared by Karen Luck

1. **FORWARD PLAN**
- 1.1 Issue for Decision
- 1.1.1 To note the Forward Plan for the period 01 March 2012 – 30 June 2012.
- 1.2 Recommendation of the Leader of the Council
- 1.2.1 That the proposed Forward Plan for the period 01 March 2012 – 30 June 2012 be noted.
- 1.3 Reasons for Recommendation
- 1.3.1 The Forward Plan is a way to ensure that members of the public have longer from the point at which they learn that a decision is coming up, until the time it is made, to encourage greater interaction between stakeholder and decision makers.
- 1.3.2 The Forward Plan is published monthly, to cover decisions starting on the first day of each month and is a rolling four month programme of decisions.
- 1.3.3 The current index to the proposed Forward Plan is attached as an Appendix to this report. However, please note that Officers have until 12 Noon on 14 February 2012 to submit further entries or make any amendments.
- 1.3.4 If Members wish to receive a complete copy of the Forward Plan it can be obtained from Karen Luck (01622) 602743 and from 16 February 2012 will be on public deposit in the following locations: The Gateway, Public Libraries and the maidstone.gov website.
- 1.4 Alternative Actions and why not recommended
- 1.4.1 The proposed Forward Plan includes key decisions as defined in the Constitution and the development of the budget and plans which form the policy framework. The entries have been made by the relevant managers who have the best idea of the issues likely to be coming up.
- 1.5 Impact of Corporate Objectives
- 1.5.1 The Forward Plan should help to realise on the core values set out in the Corporate Plan as follows:

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

1.6 Risk Management

1.6.1 There are no risk management implications in this report.

1.7 Other Implications

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

1.8 Background Documents

None

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

Index March 2012 – June 2012

Title	Decision Maker and Date of Decision
Core Strategy: Targets for Gypsy and Traveller Pitches and Travelling Showpeople Plots	Cabinet 14 March 2012
ICT Partnership	Co-located Cabinet (16 April 2012 to be confirmed)
Annual Governance Statement	Cabinet 16 May 2012
Core Strategy Publication Consultation	Cabinet 13 June 2012
Infrastructure Delivery Plan: Public Consultation	Cabinet 13 June 2012
Integrated Transport Strategy: Public Consultation	Cabinet 13 June 2012
Private Sector Housing: Review of Housing Assistance	Cabinet Member for Community and Leisure Services March 2012
Tenancy Strategy	Cabinet Member for Community and Leisure Services March 2012
Asset Management Plan: 2012 - 15	Cabinet Member for Corporate Services March 2012
Implementation of Cobtree Master Plan	Cobtree Manor Estate Charity Committee 14 March 2012

Last submission date for next Forward Plan: 14 February 2012
Publication of next Forward Plan: 16 February 2012