

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 12 June 2013

CAPITAL PROGRAMME REVIEW REPORT

Issue for Decision

To consider the Scrutiny Capital Programme Review Report.

Decision Made

1. That delegated authority be given to the Cabinet Member for Corporate Services, in consultation with the Leader of the Council, to respond to the recommendations of the Corporate Services Overview & Scrutiny Committee by way of a Scrutiny Recommendation, Action and Implementation Plan ("SCRAIP").
2. That the recommendations to delegate authority to the Property and Procurement Manager be amended to the Head of Finance and Resources.

Reasons for Decision

At the meeting of the Corporate Services Overview and Scrutiny Committee on 22 May 2012, Members resolved to conduct a review of the Capital Programme.

The Committee developed the terms of reference for the review at its meeting on 12 June 2012 and appointed members to the Capital Programme Working Group.

Its starting point was to establish what the Council's policy was for developing a Capital Programme and how it contributes to delivering on the outcomes of its strategic priorities: For Maidstone to have a growing economy; For Maidstone to be a decent place to live; and Corporate and Customer Excellence.

The Working Group sought to establish a means by which the Council could continue to deliver an ambitious Capital Programme, exploring borrowing options and innovative ways of utilising the Council's available finances and assets.

The Working Group's investigations naturally progressed to considering the Council's involvement in development which contribute to and promote economic growth. These included Woking Borough Council's

ventures as Woking Borough Homes Ltd and Wolsley Place Shopping Centre. The Trafford Centre and Maidstone's Fremlin Walk Shopping Centre were also evaluated.

Members of the Working Group conducted a wide range of desktop research and explored the concept of land assembly and acquisition in relationship to Maidstone so that they could establish whether or not Maidstone Borough Council should have a future role in shaping Maidstone. An expert witness was identified for this purpose from Smiths Gore.

Having considered the evidence, the Committee approved a wide range of recommendations that will enable transparency, continuity and forward planning in the Council's Capital Programme. There is a definite focus on making efficient and effective use of the Council's and Maidstone's assets which includes land and property and the knowledge and innovation of both staff and residents. The recommendations in this report embody a sense of belonging and community that will help shape the future of Maidstone with the people of Maidstone for the people of Maidstone.

The Committee's long term commitment to engaging fully with the Council's medium term financial strategy in order to continue to make tangible financial recommendations as part of its remit, is reflected in the recommendations made.

The Cabinet considered the Capital Programme Review Report and were supportive of the recommendations made. It was recommended by Officers that the various recommended delegations to the Property and Procurement Manager should be amended to the Head of Finance and Resources.

Alternatives considered and why rejected

The Cabinet could decide not to endorse any of the recommendations within the Capital Programme report, however the recommendations are based on evidence from a range of sources and support the Council's objectives with regard to ensuring "effective, cost effective services are delivered across the borough".

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: 21 June 2013

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 12 June 2013

KPI Target Report 2013/14

Issue for Decision

To set targets for Key Performance Indicators for the next three years.

Decision Made

1. That the targets set out at Appendix A to the report of the Head of Change and Scrutiny for the Key Performance Indicators for 2013-16 be agreed.
2. That the amendments to the indicator as set out at Appendix B to the report of the Head of Change and Scrutiny be agreed.
3. That the changes to the Strategic Plan Actions as set out at Appendix C to the report of the Head of Change and Scrutiny be agreed.

Reasons for Decision

Details of proposed KPIs and targets were set out at Appendix A to the report of Head of Change & Scrutiny. Where possible, targets have been set for the next three years. This does not mean that all targets are fixed for three years. Targets are proposed by Service Managers and Heads of Service. Each year targets are reviewed and throughout the year managers are asked if the annual target is likely to be achieved, this is then reported to the Corporate Leadership Team and Cabinet through the Quarterly Monitoring Reports, so that early action can be taken to mitigate the situation where necessary. Indicator explanations for each KPI were included at Appendix D to the report of Head of Change & Scrutiny.

The Key Performance Indicators (KPIs) for 2011-15 were agreed in the Strategic Plan 2011-15. Since this was agreed a number of indicators have been changed and refined as the Plan has been regularly refreshed and the effectiveness of indicators has been tested. A summary list of indicators recommended to be removed from the KPI set and new indicators proposed were set out at Appendix B to the report of Head of Change & Scrutiny.

Appendix C to the report of Head of Change & Scrutiny contained details of suggested changes to Strategic Plan actions. Some of these such as the waste contract are due to the original actions being progressed. New

actions have come from discussions with service managers. Four amendments and six new actions have been proposed.

Alternatives considered and why rejected

Having a comprehensive and relevant set of performance indicators and targets is vital to ensure that the Council delivers the priorities and outcomes set for the next three years. It is important to look at these measures and set targets that reflect the Council's overall aim of continuous improvement.

Previously the Local Authority had a duty to produce a Best Value Performance Plan setting out the annual out-turns for all performance indicators and targets for the next three years. In 2009 this duty was removed but it is still considered best practice to produce an annual performance report as well as set and publish performance targets.

Background Papers

Strategic Plan 2011-15 (2013-14 Refresh)

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MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 12 June 2013

Property Investment

Issue for Decision

To consider changes to the criteria for prudential borrowing in relation to property investment as previously agreed by Cabinet in September 2012

Decision Made

1. That agreement be given to broaden category b) for prudential borrowing for the purpose of property investment as approved previously by Cabinet in September 2012 as follows:
 - “b) Residential property including derelict and long term empty property, in order to restore and bring them back into use and property suitable for use as temporary accommodation, in order to reduce reliance upon bed and breakfast accommodation.”
2. That the inclusion within the assessment of the business case of the benefits gained from real terms cost reductions as well as the income generated directly by the investment property be agreed.

Reasons for Decision

In September last year the Cabinet agreed principles for property investment. These identified three categories of property investment for which prudential borrowing could be utilised to cover capital costs. These were:

- a) Additions to the Council’s commercial property portfolio;
- b) Derelict residential property in order to restore and bring them back into use; and
- c) For strategic investment such as to progress stalled development.

Two issues have arisen from the current pressures on the Council’s homelessness budget especially the pressures felt from the increased use of bed and breakfast accommodation costs due to increased demand.

Under category (b) above the key objective is to bring derelict property back into use thus increasing housing supply. This would have the effect of reducing homelessness and the related cost of temporary accommodation provided by the Council. Agents have been appointed to

identify suitable property and a number of derelict properties have been identified and the owners are being sought. In some cases negotiations are underway to agree a purchase price, however, it is noted that these properties require considerable works to bring them back into use. This means the business case for refurbishment may not be financially viable.

The investigations to date by Housing Services have not been entirely fruitless and have identified an option that was not previously considered in the categories set out in the original September 2012 report. This relates to property which, subject to some conversion and/or refurbishment, would be suitable to use as temporary accommodation for those people who the council has a duty to provide emergency housing. This is not derelict housing and does not come within the criteria under category (b) above for capital financing through prudential borrowing.

Cabinet were aware from monitoring and performance reports during 2012/13, that the number of households requiring housing assistance has increased considerably in the current economic climate. The return of derelict property into housing use would help to reduce the level of demand for temporary accommodation and thus the cost of homelessness. The acquisition of property that would provide alternative accommodation to the bed and breakfast arrangements used at present would have a direct impact on the cost of homelessness and the circumstances of those currently in temporary accommodation.

It was therefore proposed that Cabinet consider varying the criteria for prudential borrowing under category (b) above to include property that is not derelict, where the business case identifies this as a suitable alternative to temporary accommodation and enables the council to reduce the overall cost of the provision to homeless individuals and households.

Having agreed the variation of category (b) for prudential borrowing as set out above, the business case for such schemes could include not only the income generated by the proposal but the reduction in the budget for alternative provision as currently provided by the Council.

The Cabinet also considered a reference from the Audit Committee and, in general, concurred with the views expressed. However, Cabinet felt it was important to ensure flexibility and, therefore, did not think it appropriate to exclude the option of the management of the property being undertaken by the Council in the business case.

Alternatives considered and why rejected

The Cabinet could have decided not to support the proposal but this would prevent the opportunity to provide better accommodation for homeless people and reduce revenue costs.

The Cabinet could have decided not to amend category (b) and consider the acquisition of such property as a one-off business case outside of the current investment activity. This was not thought appropriate as it would reduce the speed at which such property could be brought forward and

would divide the focus of Housing Services between two possible routes to achieve this objective.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: **21 June 2013**