

You are hereby summoned to attend a meeting of the

## MAIDSTONE BOROUGH COUNCIL



Date: Wednesday 23 September 2009

Time: 6.30 p.m.

Venue: Town Hall, High Street,  
Maidstone

### Membership:

Councillors Parvin (Mayor), Ash, Batt, Beerling,  
Mrs Blackmore, Bradshaw, Butler,  
Chittenden, Daley, English, Field,  
FitzGerald, Garland, Mrs Gibson,  
Mrs Gooch, Greer, Harwood, Hinder,  
Mrs Hinder, Horne, Hotson, Mrs Joy,  
Lusty, Marchant, Marshall,  
Mrs Marshall, Moriarty, Mortimer,  
Moss, Naghi, Nelson-Gracie, Paine,  
Parr, Mrs Parvin, Paterson, Pollington,  
Mrs Ring, Mrs Robertson, Robertson,  
Ross, Sams, Sellar, Sherreard,  
Mrs Stockell, Thick, Verrall, Vizzard,  
Warner, Ms Williams, Mrs Wilson,  
J.A. Wilson, J. Wilson, Wooding and  
Yates

Continued Over/:

---

**Issued on 15 September 2009**

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 DEBBIE SNOOK on 01622 602030**. To find out more about the work of the Council, please visit [www.digitalmaidstone.co.uk](http://www.digitalmaidstone.co.uk)

**David Petford, Chief Executive, Maidstone Borough Council,  
Maidstone House, King Street, Maidstone, Kent ME15 6JQ**

---

## **AGENDA**

Page No.

1. Apologies for Absence
2. Disclosures by Members and Officers
3. Disclosures of Lobbying
4. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
5. Minutes of the meeting of the Borough Council held on 24 June 2009 1 - 8
6. Mayor's Announcements
7. Petitions
8. Question and Answer Session for Members of the Public
9. Questions from Members of the Council to the
  - (a) Leader of the Council
  - (b) Cabinet Members
  - (c) Chairmen of Overview and Scrutiny Committees
  - (d) Chairmen of other Committees
10. Current Issues - Report of the Leader of the Council and Response of the Group Leaders
11. Report of the Employment and Development Panel held on 30 July 2009 - Human Resources Policy - Discipline, Capability and Grievance Procedures 9 - 10
12. Report of the Standards Committee held on 2 September 2009 - Human Resources Policy - Discipline, Capability and Grievance Procedures 11 - 16
13. Oral Report of the Audit Committee to be held on 21 September 2009
14. Report of the Head of Finance - Audit Commission's Annual Governance Report 2008/09 17 - 48
15. Notice of the following Motion has been given by Councillor Mrs Parvin:-

That a letter be sent on behalf of the Council to the Town Council and residents of Wootton Bassett commending them for the support they have shown to our servicemen and women fighting in Afghanistan and to the families who have lost loved ones in this conflict, and for the constant way they honour those who pass through their town on the sad homeward journey from RAF Lyneham.

The Council thanks and salutes them for these acts of respect and support in these troubled times.

16.	Report of the Acting Overview and Scrutiny Manager - Overview and Scrutiny Annual Report 2008-09	49 - 60
17.	Report of the Democratic Services Manager - Committee Membership	61 - 62
18.	Report of the Democratic Services Manager - Amendments to the Scheme of Delegations Relating to Executive Functions	63 - 64
19.	Report of the Democratic Services Manager - Urgent Decisions taken by the Executive	65 - 66

This page is intentionally left blank

## **MAIDSTONE BOROUGH COUNCIL**

### **MINUTES OF THE MEETING OF MAIDSTONE BOROUGH COUNCIL HELD AT THE TOWN HALL, HIGH STREET, MAIDSTONE ON WEDNESDAY 24 JUNE 2009**

**Present:** Councillor Parvin (The Mayor) and Councillors Ash, Batt, Beerling, Mrs Blackmore, Bradshaw, Butler, Chittenden, Daley, Field, FitzGerald, Garland, Mrs Gibson, Mrs Gooch, Greer, Harwood, Hinder, Mrs Hinder, Horne, Hotson, Mrs Joy, Lusty, Marchant, Marshall, Moriarty, Mortimer, Moss, Naghi, Nelson-Gracie, Paine, Parr, Mrs Parvin, Mrs Ring, Mrs Robertson, Robertson, Ross, Sams, Schnell, Sellar, Sherreard, Mrs Stockell, Verrall, Warner, Mrs Wilson, J.A. Wilson, J Wilson, Wooding and Yates

19. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors English, Paterson, Thick, Vizzard and Ms Williams.

20. DISCLOSURES BY MEMBERS AND OFFICERS

On behalf of all Members and Officers present, Mr David Edwards, the Director of Change and Environmental Services, disclosed a personal interest in the report of the Standards Committee relating to indemnities for Members and Officers.

21. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

22. EXEMPT ITEMS

RESOLVED: That the items on the agenda be taken in public as proposed.

23. MINUTES

RESOLVED: That the Minutes of the Annual Meeting of the Borough Council held on 20 May 2009 be approved as a correct record and signed.

24. MAYOR'S ANNOUNCEMENTS

The Mayor advised the Council that he had no announcements other than that he had been very busy. However, he and the Mayoress would like to thank all those who had sent condolences following the death of their son.

25. PETITIONS

There were no petitions.

26. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

27. QUESTIONS FROM MEMBERS OF THE COUNCIL

There were no questions from Members on this occasion.

28. CURRENT ISSUES - REPORT OF THE LEADER OF THE COUNCIL AND RESPONSE OF THE GROUP LEADERS

On behalf of all Members and Officers, the Leader of the Council said that he wished to convey sincere sympathy and heartfelt sorrow to the Mayor and Mayoress following the death of their son.

The Leader of the Council then submitted his report on current issues.

After the Leader of the Council had submitted his report, Councillor Mrs Wilson, the Leader of the Opposition, and Councillor FitzGerald, on behalf of the Leader of the Independent Group, responded to the issues raised.

The Leader of the Council then responded to the points raised by Councillors Mrs Wilson and FitzGerald.

29. REPORT OF THE HEAD OF FINANCE - DELEGATION OF OFFICER FUNCTION

It was moved by Councillor Garland, seconded by Councillor Moss, that the recommendation contained in the report of the Head of Finance relating to the delegation of responsibility under the Accounts and Audit Regulations to sign the Annual Governance Statement for 2008/09 be approved.

RESOLVED: That the authority of the Chief Executive to sign the Annual Governance Statement for 2008/09 be delegated to the Director of Change and Environmental Services.

The Director of Change and Environmental Services then signed the Annual Governance Statement for 2008/09.

30. REPORT OF THE PLANNING COMMITTEE - 21 MAY 2009

Amendment to Planning Scheme of Delegation

It was moved by Councillor Lusty, seconded by Councillor Nelson-Gracie, that the recommendation of the Planning Committee relating to a proposed amendment to the Planning Scheme of Delegation be approved.

Councillor Mrs Hinder, the Vice-Chairman of the Standards Committee, advised the Council that the Standards Committee had, in accordance with Article 15.02(a) of the Constitution, evaluated the proposed amendment to the Constitution and believed that its implementation would help to ensure that the aims and principles of the Constitution were given full effect by helping to streamline the consultation and decision making processes in respect of planning applications.

RESOLVED: That Section 2 headed "Responsibility for Council Functions" of Part 3 of the Constitution be amended by the addition of the words "and the Parish Council has requested that the application is determined by the Planning Committee" to paragraph (b) of the delegation to the Director of Prosperity and Regeneration/Development Control Manager to undertake all the functions relating to planning and conservation, except in certain circumstances, as follows:-

The Director of Prosperity and Regeneration/Development Control Manager have delegated power to undertake all the functions relating to planning and conservation, except where the intended delegated decision on a planning or related application:

(b) would be contrary to the written view of any Parish Council and the Parish Council has requested that the application is determined by the Planning Committee.

31. REPORT OF THE STANDARDS COMMITTEE - 22 MAY 2009

Annual Report to Council 2008/09

It was moved by Councillor Mrs Hinder, seconded by Councillor Marchant, that the recommendation of the Standards Committee relating to the Committee's Annual Report to Council 2008/09 be approved.

RESOLVED: That the Standards Committee's Annual Report to Council 2008/09, attached as an Appendix to the Minutes of the meeting of the Standards Committee held on 22 May 2009, be noted.

32. REPORT OF THE STANDARDS COMMITTEE - 22 MAY 2009

Annual Review of Complaints 2008/09

It was moved by Councillor Mrs Hinder, seconded by Councillor Marchant, that the recommendation of the Standards Committee relating to the Annual Review of Complaints 2008/09 be approved.

RESOLVED: That the issues outlined in the Annual Review of Complaints 2008/09 be noted and endorsed.

33. REPORT OF THE STANDARDS COMMITTEE - 22 MAY 2009

Indemnities for Members and Officers

It was moved by Councillor Mrs Hinder, seconded by Councillor Marchant, that the recommendation of the Standards Committee relating to indemnities for Members and Officers be approved.

RESOLVED: That an indemnity be granted to Members, including Co-opted Independent Members and Parish representatives of the Standards Committee, and to Officers of the Authority in the terms set out in the Appendix to the joint report of the Head of Legal Services and the Chief Finance Officer to the Standards Committee and that the Chief Finance Officer be instructed to secure insurance to cover the Authority's liability under this indemnity in so far as he/she is of the opinion that such insurance would be financially prudent.

34. REPORT OF THE STANDARDS COMMITTEE - 22 MAY 2009

Amendment to Planning Scheme of Delegation

See Minute 30 above.

35. REPORT OF THE AUDIT COMMITTEE - 1 JUNE 2009

Annual Report to Council 2008/09

It was moved by Councillor Horne, seconded by Councillor Butler, that subject to the amendment of the second line of paragraph 9.4 to read "received by the Audit Committee from the Finance Team, it is", the Audit Committee's Annual Report to Council 2008/09 be noted.

RESOLVED: That subject to the amendment of the second line of paragraph 9.4 to read "received by the Audit Committee from the Finance Team, it is", the Audit Committee's Annual Report to Council 2008/09 be noted.

36. REPORT OF THE AUDIT COMMITTEE - 15 JUNE 2009

Statement of Accounts 2008/09

It was moved by Councillor Horne, seconded by Councillor Nelson-Gracie, that the recommendation of the Audit Committee relating to the Statement of Accounts for the financial year ending 31 March 2009 be approved.

RESOLVED: That the Statement of Accounts for the financial year ending 31 March 2009, attached as an Appendix to the Minutes of the meeting of the Audit Committee held on 15 June 2009, be approved.



37. REPORT OF THE CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE

Whole and Partial Council Elections Review

It was moved by Councillor Mrs Stockell, seconded by Councillor Garland:-

1. That the Council agrees to go out to consultation on implementing whole council elections for the Borough Council of Maidstone.
2. That the General Purposes Group be authorised to determine the consultation to be used in 1 above.
3. That the Cabinet be requested to fund the consultation agreed by the General Purposes Group.
4. That the Cabinet Member for Corporate Services continue to review methods of improving voter turnout.

RESOLVED:

- (i) That the Council agrees to go out to consultation on implementing whole council elections for the Borough Council of Maidstone;
- (ii) That the General Purposes Group be authorised to determine the consultation to be used in (i) above;
- (iii) That the Cabinet be requested to fund the consultation agreed by the General Purposes Group; and
- (iv) That the Cabinet Member for Corporate Services continue to review methods of improving voter turnout.

38. NOTICE OF MOTION - THE TOWN'S RELATIONSHIP WITH THE JUDICIARY

It was moved by Councillor Horne, seconded by Councillor Mrs Stockell, that the following motion be adopted by the Council:-

The Members of the Council:

**RECALLING** the historic importance of Maidstone as the County Town of Kent

**RECALLING** that the first recorded trial in English law took place at Penenden Heath

**NOTING** that today the Crown Court in Maidstone is the pre-eminent trial centre for Kent

**INSPIRED** by the appointment of the Recorder of Maidstone as a recognition of that special importance

**DESIRING** to continue the advancement of the common interest of the Town and the Judiciary by engagement with the High Sheriff in welcoming HM Justices of the High Court in an appropriate manner to Maidstone

**REQUEST** the Chief Executive to report to them with comment for advancing these proposals.

At the suggestion of Councillor Mrs Wilson and with the agreement of the mover and the seconder and the remainder of the Council, the following paragraph was added to the motion:-

That to give effect to this motion, a report be submitted to the General Purposes Group together with a more general report on the issue of civic functions.

RESOLVED:

(i) That the Members of the Council:

**RECALLING** the historic importance of Maidstone as the County Town of Kent

**RECALLING** that the first recorded trial in English law took place at Penenden Heath

**NOTING** that today the Crown Court in Maidstone is the pre-eminent trial centre for Kent

**INSPIRED** by the appointment of the Recorder of Maidstone as a recognition of that special importance

**DESIRING** to continue the advancement of the common interest of the Town and the Judiciary by engagement with the High Sheriff in welcoming HM Justices of the High Court in an appropriate manner to Maidstone

**REQUEST** the Chief Executive to report to them with comment for advancing these proposals.

(ii) That to give effect to this decision, a report be submitted to the General Purposes Group together with a more general report on the issue of civic functions.

39. REPORT OF THE DEMOCRATIC SERVICES MANAGER - URGENT DECISIONS TAKEN BY THE EXECUTIVE

It was moved by the Mayor, seconded by Councillor Horne, that the report of the Democratic Services Manager setting out details of urgent decisions taken by the Executive be noted.

RESOLVED: That the report of the Democratic Services Manager setting out details of urgent decisions taken by the Executive be noted.

40. DURATION OF MEETING

6.30 p.m. to 8.00 p.m.

This page is intentionally left blank

## **MAIDSTONE BOROUGH COUNCIL**

### **EMPLOYMENT AND DEVELOPMENT PANEL**

#### **MINUTES OF THE MEETING HELD ON THURSDAY 30 JULY 2009**

**Present:** Councillor Lusty (Chairman), and  
Councillors Daley, FitzGerald, Garland, Hotson, Moss,  
Robertson and Mrs Wilson

#### **REFERRED MATTER**

15. **HR POLICY - DISCIPLINE, CAPABILITY AND GRIEVANCE PROCEDURES**

The Panel considered the report of the Head of Human Resources on the revision of the Council's Grievance, Capability and Disciplinary procedures.

The Panel having considered this matter very carefully felt that option B which was that an appeal against dismissal should be delegated to the Chief Executive who had to consult with the Leader and Leader of the Opposition or their nominated representatives that had attended the appeal hearing should be adopted.

They were informed that this would require a change to the Constitution and that they would need to recommend to the Council that the Constitution be changed to enable this option to be implemented.

The Panel agreed the revised discipline and capability and grievance procedures subject to the necessary changes to reflect their decision to adopt option (b) and in submitting this proposal to the Council also agreed to submit it to the Standards Committee in order that they could evaluate the proposal.

#### **RECOMMENDED:**

1. That the Constitution be amended as follows:-
  - a) The deletion of paragraph (a) of the functions of the Appeals Committee as set out in part 3 of the Constitution and
  - b) The addition of the following to the Terms of Reference of the Chief Executive

"To hear and determine appeals, in consultation with the leader of the Council and the Leader of the Opposition (or their nominated representatives) that had attended the appeal hearing, under either the grievance, capability or disciplinary procedure for all categories of employees except those staff on JNC conditions of service for Chief Officers of Local Authorities."

This page is intentionally left blank

## MAIDSTONE BOROUGH COUNCIL

### STANDARDS COMMITTEE

#### REPORT OF THE MEETING HELD ON 2 SEPTEMBER 2009

**PRESENT:** Councillors J Batt, Mrs W Hinder, D Marchant,  
J Verrall and B Vizzard

**Independent Members:** Mr D Wright (Chairman),  
Mrs D Phillips and Mr M Powis

**Parish Council  
Representatives:** Councillor B Stead

**Also Present:** Councillor Garland

**Apologies:** Councillors Mrs A Rollinson and  
I Younger (Parish Council  
Representatives)

1. HUMAN RESOURCES POLICY – DISCIPLINE, CAPABILITY AND GRIEVANCE  
PROCEDURES

The Committee was asked to evaluate a proposal by the Employment and Development Panel that the Constitution be amended to reflect changes in the role of the Appeals Committee/Employment and Development Panel and the Chief Executive following the revision of the Council's Grievance, Capability and Disciplinary Procedures.

It was noted that there had been a change in employment law with the implementation of the Employment Act 2008 in April 2009. Prior to the implementation of the Act, although employees needed to raise a claim with an Employment Tribunal within three months of dismissal, the time period was almost automatically extended. However, the Act would restrict the ability of employees to have the time extended for appeal to an Employment Tribunal. Councils were, therefore, reviewing their existing processes to ensure that their policies and procedures did not impact on the employment rights of staff. The Council's dismissal appeal process had been established several years ago and required an Appeals Committee to be set up to hear the appeal. From past experience, the time taken between the decision to dismiss and the date of the appeal ranged from eight weeks to fourteen weeks. In order to achieve much shorter timeframes and to be consistent with best practice, it was proposed that the Chief Executive as the Head of the Paid Service should hear appeals in consultation with the Leader of the Council and the Leader of the Opposition (or their nominated representatives) who would attend the appeal hearing. This necessitated the deletion of paragraph (a) of the functions of the Appeals Committee as set out in Part 3 of the Constitution and the amendment of the terms of reference of the Chief Executive.

The Officers suggested that, in addition to evaluating these proposed amendments, the Committee should consider making a comment in relation to appeals against decisions taken by or about the Chief Executive under the Disciplinary, Grievance or Capability Procedures whereby the appeals would be heard and determined by a Member Panel which would be a three person Sub-Committee of the Employment and Development Panel. This would necessitate the addition of a further paragraph (f) to the functions of the Employment and Development Panel as set out in Part 3 of the Constitution.

The relevant sections of the Constitution (as existing) are attached as an Appendix to this report.

In principle, the Committee supported the proposed amendments to the Constitution believing that their implementation would help to ensure that the aims and principles of the Constitution were given full effect by facilitating more efficient and effective decision making. However, the Committee felt that the wording of the paragraph which it was proposed to add to the terms of reference of the Chief Executive should be amended as follows:-

“To hear and determine appeals, in consultation with the Leader of the Council and the Leader of the Opposition (or their nominated representatives) who will attend the appeal hearing, under the Grievance, Capability or Disciplinary (Level 4) Procedures for all categories of employees except those staff on JNC Conditions of Service for Chief Officers of Local Authorities.”

**RECOMMENDED:**

That the Constitution be amended as follows to reflect changes in the role of the Appeals Committee/Employment and Development Panel and the Chief Executive following the revision of the Council’s Grievance, Capability and Disciplinary Procedures:-

(a) The deletion of paragraph (a) of the functions of the Appeals Committee as set out in Part 3 of the Constitution.

(b) The addition of the following paragraph to the terms of reference of the Chief Executive:-

“To hear and determine appeals, in consultation with the Leader of the Council and the Leader of the Opposition (or their nominated representatives) who will attend the appeal hearing, under the Grievance, Capability or Disciplinary (Level 4) Procedures for all categories of employees except those staff on JNC Conditions of Service for Chief Officers of Local Authorities.”

(c) The addition of the following to the functions of the Employment and Development Panel as set out in Part 3 of the Constitution:-



COMMITTEE AND MEMBERSHIP	FUNCTIONS	DELEGATION OF FUNCTIONS
Employment and Development Panel	f) To hear and determine appeals against decisions taken by or about the Chief Executive under the disciplinary, grievance or capability procedures.	Sub-Committee comprising 3 Members.

This page is intentionally left blank

<b>COMMITTEE AND MEMBERSHIP</b>	<b>FUNCTIONS</b>	<b>DELEGATION OF FUNCTIONS</b>
<p><b>Appeals Committee</b> 8 Members of the authority (including at least one Member of the Executive)</p>	<p>a) To hear and determine appeals under either the grievance or disciplinary procedure for all categories of employees except those staff on JNC conditions of Service for Chief Officers of Local Authorities. b) To be the final level of appeal relating to any statutory appeal decisions taken by Members of the executive and non-executive arms of the Council.</p>	
<p><b>Employment and Development Panel</b> 8 Members of the authority (including at least one member of the Executive) (no member of the Investigatory Committee shall be a member of this Panel)</p>	<p>a) To consider the applications received for the posts of Chief Executive and Directors and to compile a short list for interview and subsequently to interview and make appointments. b) To review annually the performance of the Chief Executive and Directors, to agree targets for the coming financial year, and agree any corrective action which may be required relating to the previous financial year. c) To consider all other matters concerning the terms and conditions of service of the post of Chief Executive, and to recommend accordingly the Council. d) Power to determine terms and conditions on which staff hold office (including procedures for their dismissal.) e) To hear and determine appeals under the disciplinary procedures for staff on the JNC Conditions of Service for Chief Officers of Local Authorities</p>	

This page is intentionally left blank

## **MAIDSTONE BOROUGH COUNCIL**

### **COUNCIL**

**23 SEPTEMBER 2009**

## **REPORT OF THE HEAD OF FINANCE**

**Report prepared by Paul Holland, Senior Accountant**

### **1. AUDIT COMMISSION'S ANNUAL GOVERNANCE REPORT 2008/09**

#### **1.1 Issue for Decision**

1.1.1 This report updates Members on the audit of the Statement of Accounts for 2008/09 including the submission of the Audit Commission's Annual Governance Report. This report fulfils the requirements of the Accounts and Audit Regulations 2003.

#### **1.2 Recommendation of the Head of Finance**

1.2.1 That Members consider the Annual Governance Report from the District Auditor to Council, as set out in draft form at **APPENDIX A**, subject to the comments of the Audit Committee meeting of 21 September 2009.

1.2.2 That Members agree the amended Statement of Accounts, a summary of the changes being set out at **APPENDIX B**, subject to the comments of the Audit Committee meeting of 21 September 2009.

#### **1.3 Reasons for Recommendation**

1.3.1 The Accounts and Audit Regulations 2003 were issued by Central Government under Section 23 of the Local Government Finance Act 1982 and the Audit Commission Act 1998. They provide the rules for the preparation and publication of the Statements of Accounts.

1.3.2 For 2008/09 authorities were required to produce a Statement of Accounts by the deadline of 30 June and to publish these by 30 September. Members will recall that the Statement of Accounts was presented to the Audit Committee at its meeting on 15 June 2009 and formally approved by the Council meeting on 24 June 2009.

1.3.3 Authorities are also required to advertise arrangements for the public inspection of the Accounts and the date for the commencement of the

Audit. The public are also to be informed when the Audit of Accounts is concluded and to have access to copies of the Accounts and any Auditor's certificate, opinion or report relating to them. If there are any amendments to the Accounts as a result of the Audit, authorities are also obliged to advertise and explain the fact and to make such amendments available for public inspection. The amendments are also to be reported to the Audit Committee and Council.

1.3.4 The Audit Commission have adopted International Standards of Auditing with effect from the financial year 2005/06 and this alters the reporting arrangements between the Audit Commission and the Council and, at this stage, the External Auditor is obliged to report to those charged with governance i.e. the Council with an Annual Governance Report which will allow the Council to agree any amendments to the accounts, with the benefit of comments from the External Auditor. It will also allow the External Auditor to formally give his opinion on the accounts with the benefit of any comments from Council.

1.3.5 The process now involves:

a) The submission to the Audit Committee and Council of the Annual Governance Report;

b) Taking into account any comments by the Audit Committee and Council, the issue by the External Auditor of his audit opinion.

All of the above issues must be addressed before the 30 September 2009.

#### 1.4 Current Position

1.4.1 Following the meetings in June 2009, the Accounts were made available for public inspection with the facility for Local Government Electors to make representations to the External Auditor. This process was completed in August 2009.

1.4.2 Following the completion of the audit of the accounts, the Annual Governance Report by the External Auditor is now presented to Council at **APPENDIX A** in draft form. There are a small number of outstanding issues and the External Auditors will update Members at the meeting.

1.4.3 Under the Accounts and Audit Regulations, and in accordance with the International Auditing Standards now adopted in the UK, the External Auditor presents a report on the audit to those charged with governance of the accounts. In accordance with new arrangements in this Authority, this report is presented initially to the Audit Committee,

with a full report also to Council on 23 September 2009. The External Auditor will be present to present the report and answer questions, at the Audit Committee and Council.

1.4.4 As a result of the external audit and the subsequent Annual Governance Statement a number of changes have been made to the Accounts, and these are summarised at **APPENDIX B**. Audit Committee will consider these changes at their meeting on 21 September 2009, and the Chairman will present an oral report to Council. As there are adjustments of a material nature it is necessary for Members to agree the amended Statement of Accounts.

1.4.5 Prior to the District Auditor issuing his audit opinion, he requires a letter of representation from the Council which confirms that there have been no material events post balance sheet which subsequently need to be reflected in the Statement of Accounts for 2008/09. The letter of representation for 2008/09 will be signed by the Director of Resources & Partnerships, after consultation with Management Team and will be in the format of Appendix 3 to the Annual Governance Report. Audit Committee may make any comments on this Letter of Representation for the benefit of the District Auditor.

1.5 Alternative Action and why not Recommended

1.5.1 None

1.6 Impact on Corporate Objectives

1.6.1 None

1.7 Risk Management

1.1.1 The process of External Audit is fundamental to the risks associated with financial management issues.

1.8 Other Implications

1.8.1

1.	Financial	<b>x</b>
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


1.1.2 The Annual Governance Report gives an opinion on the Statements of Accounts which gives a sound historic base upon which current and future financial decisions may be taken.

1.9 Background Documents

1.9.1 None

<b><u>NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED</u></b>			
Is this a Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, when did it appear in the Forward Plan? _____			
Is this an Urgent Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
<u>Reason for Urgency</u>			
Not applicable			



# Annual Governance Report

Maidstone Borough Council

Audit 2008/09

21 September 2009

---

# Contents

<b>Key messages</b>	<b>4</b>
<b>Next steps</b>	<b>5</b>
<b>Financial statements</b>	<b>6</b>
<b>Use of resources</b>	<b>11</b>
<b>Independence</b>	<b>12</b>
<b>Appendix 1 – Draft auditor’s report</b>	<b>13</b>
<b>Appendix 2 – Adjusted amendments to the accounts</b>	<b>16</b>
<b>Appendix 3 – Draft letter of representation</b>	<b>19</b>
<b>Appendix 4 – Action Plan</b>	<b>22</b>
<b>The Audit Commission</b>	<b>24</b>

---

## Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
- any third party.

Ladies and Gentlemen

**2008/09 Annual Governance Report**

I am pleased to present the final version of my report on the results of my audit work for 2008/09.

A draft of the report was discussed and agreed with the Head of Finance on 14 September 2009.

The report sets out the key issues that you should consider before I complete the audit.

It asks you to:

- consider the matters raised in the report before approving the revised financial statements;
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- approve the letter of representation on behalf of the Council before I issue my opinion and conclusion (Appendix 3); and
- agree your response to the proposed action plan (Appendix 4).

Yours faithfully

Emily Hill  
Appointed Auditor  
21 September 2009

---

# Key messages

**This report summarises the findings from the 2008/09 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess how well you use and manage your resources to deliver value for money and better and sustainable outcomes for local people.**

---

## Audit opinion

- 1 The 2008/09 audit is substantially complete. Outstanding items at the time of writing are detailed in paragraph 8. Subject to satisfactory clearance of these matters, I plan to issue an unqualified opinion on the financial statements on 30 September 2009. Should any further matters arise in concluding the outstanding work that need to be reported, we will raise them with the Chairman of the Audit Committee.

---

## Financial statements

- 2 The financial statements submitted for audit were complete and submitted in advance of the deadline of 30 June. The accounts contained two material accounting errors, one material adjustment and five non-trivial errors. With the exception of one material error which is discussed below, these have subsequently been corrected in the accounts, together with a number of minor textual changes. As a result, senior finance officers have agreed that the revised accounts be submitted to the Audit Committee at its meeting on 21 September 2009 for re-approval.
- 3 Senior officers are currently reviewing roles and responsibilities within the finance section to ensure that the team is able to respond to the more challenging reporting requirements of IFRS that will need to be implemented in 2009/10.

---

## Use of resources

- 4 We propose issuing an unqualified value for money conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

## Next steps

**This report identifies the key messages that you should consider before I issue my financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to my attention in performing my audit. My audit is not designed to identify all matters that might be relevant to you.**

---

- 5** This report has been prepared for presentation to the Audit Committee on 21 September 2009. Members are invited to:
- consider the matters raised in the report before approving the revised financial statements;
  - take note of the adjustments to the financial statements which are set out in Appendix 2;
  - take note of the value for money conclusion;
  - approve the draft letter of representation set out in Appendix 3 on behalf of the Council before I issue my opinion and conclusion; and
  - agree your response to the proposed action plan (see Appendix 4).

---

# Financial statements

**The Council's financial statements and annual governance statement are important means by which the Council accounts for its stewardship of public funds. As Council members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.**

---

## Opinion on the financial statements

- 6** Subject to satisfactory clearance of outstanding matters, I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.
- 7** The key outstanding matters at the time of writing this report are:
- detailed review and agreement of amendments to the financial statements;
  - confirmation of the accounting treatment regarding the disposal of land to Croudace as part of an agreement to offset penalty and dilapidation charges;
  - receipt of a signed letter of representation; and
  - closing audit procedures, including a final review of any events after the balance sheet date.

---

## Errors in the financial statements

- 8** The audit of the accounts seeks to ensure that the accounts are materially correct and present fairly a view of the financial transactions of the Council in 2008/09. Materiality is defined in auditing standards as 'information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement.'
- 9** Our materiality for the audit was set at £911,360 for the Council's accounts. We also set, in accordance with International Standards on Auditing (UK and Ireland), a threshold below which we judge any errors to be 'trivial' and do not seek any amendments to the accounts. The trivial threshold was set at £9,114 for the Council's accounts.

### Adjustments to the financial statements

- 10** We are required to bring to your attention misstatements that have already been corrected by management where we consider them relevant to your wider governance responsibilities. Three material adjustments and five non-trivial misstatements have been identified during the course of our audit, details of which are recorded in Appendix 2.

*Income in advance*

## Financial statements

- 11** The first material error relates to National Non-Domestic Rates income received in respect of 2009/10 (£1,106,361) which was incorrectly classified in the accounts as creditors rather than income in advance. This is an issue in relation to disclosure and analysis and officers have agreed to amend the accounts for this error.

### *Asset disposals*

- 12** The second material error was in respect of the capital accounting entries regarding the surrender of the lease on London House. The Council incurred penalty and dilapidation charges due to the early redemption of the lease when the Council left the building. An agreement was reached by the Council with Croudace whereby the charges were waived in exchange for the transfer of car park land to Croudace.
- 13** Our audit work identified that the Council did not account for the transactions in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2009 : A Statement of Recommended Practice (the SoRP) and identified other issues of concern:
- at the point at which the land was re-categorised as land for resale, this should have been valued at a market value (rather than existing use value). This effects the profit on loss on disposal;
  - the Council has sought to capitalise the penalty charges by showing the difference between the operational use of the land (in the asset register as £281k) and the penalty & dilapidation charges (estimated between £900k & £1.1m in total) as £700k capital expenditure on the car park, although this does not relate to capital expenditure. As a result, £981k was written out of fixed assets, and a “notional capital receipt” of £700k was recorded;
  - our understanding is that the penalty & dilapidation charges should have been charged to the Income & Expenditure account as a revenue item, separating the accounting for these charges from the disposal of the car park. This is likely to increase the Council’s year end deficit; and
  - there appears to be no formal contract between the Council and Croudace recording that the transfer of land was the “consideration” for the lease termination and dilapidation charges. Whilst the Legal Section has copies of the revised leases and the transfer of land there is no signed contract linking the two events.
- 14** Whilst officers accept that the current accounting treatment is incorrect, we have sought advice from the Audit Commission technical team to ensure that these capital transactions are adjusted properly. It is hoped that will be able to agree correcting entries in advance of the Audit Committee meeting.
- 15** A second capital transaction was identified during the audit where the SORP was not complied with in a similar fashion. After the decision to dispose of the Brooks Road car park, this should have been transferred from Operational Land and Buildings to Surplus for Resale properties prior to sale. At this point it should have been valued at market value in accordance with SORP. This has led to the overstatement of the gain on disposal, although in this instance the effect was trivial and this has not been amended in revised financial statements.

**Recommendations**

- R1** The Council should seek technical advice when accounting for complex capital transactions. These transactions should be discussed with the external auditor at an early stage so that the accounting treatment can be agreed prior to production of the draft financial statements.
- R2** Once the Council has taken a decision to dispose of an asset this should be re-categorised from operational assets to non-operational assets, surplus for resale, and revalued to market valuation obtained prior to sale, in accordance with the SORP.

*Asset valuation*

- 16** A third material amendment was identified. The Council's Valuer did not undertake a full impairment review in 2008/09, although this had been intended as part of the accounts closedown process. Given the current economic climate, we discussed with officers the requirement to undertake an impairment review, and agreed that this would focus on the higher value property assets in the Council's portfolio to ensure that there was no material misstatement in the financial statements. A second review was then carried out on an extended sample of assets.
- 17** These exercises provided assurance that there was no significant reduction in asset values, due primarily to the five year rolling valuation programme which meant that the majority of these assets were last valued formally in 2005/06 and there had been a large rise in property values for most of this period. The review did however identify assets that needed to be re-valued upwards at the balance sheet date by over £10 million to reflect the current value of these assets. As the SORP requires financial statements to be prepared on the basis of the best information available and the difference is highly material, the accounts have been amended to reflect the revised asset values.

**Recommendation**

- R3** The Council should review asset values at each year-end considering both impairment and other material changes in asset values.

**Unadjusted misstatement**

- 18** We are required to report to you all unadjusted misstatements that we have identified during the course of our audit, other than those that are clearly trivial. There are no unadjusted misstatements for us to bring to the attention of members.

**Material weaknesses in internal control**

- 19** We have not identified any weakness in the design or operation of an internal control that might result in a material error in your financial statements of which you are not aware. We have however identified some areas where improvement can be made and, as with previous years, these will be reported to management in our forthcoming Accounts Memorandum.



## Financial statements

- 20** One area of concern this year was that Council Tax Valuation Office (VO) schedules, working papers supporting VO adjustments and weekly council tax reconciliations were inadvertently destroyed prior to our audit. This caused significant problems in carrying out our audit of the council tax system and required Council officers to contact the VO to obtain further documentation to provide the necessary audit assurance. The audit was concluded satisfactorily, although at an increased cost.

### Recommendation

- R4** Prime council tax records should be retained until completion of the annual audit, and otherwise in accordance with the Council's document retention policy.

- 21** We have not provided a comprehensive statement of all weaknesses which may exist in internal control, nor of all improvements which may be made. We have reported only those matters which have come to our attention because of the audit procedures we have performed.

## Letter of representation

- 22** Before I issue my opinion, auditing standards require me to obtain appropriate written representations from you and management about your financial statements and governance arrangements. Appendix 3 contains the draft letter of representation I seek to obtain from you.

## Key areas of judgement and audit risk

- 23** In planning my audit I identified specific risks and areas of judgement that I have considered as part of my audit. My findings are set out in Table 1.

**Table 1** Key areas of judgement and audit risk

Issue or risk	Finding
Issues or risks identified in our Audit and Inspection Plan dated April 2008	
Any new partnership arrangements may not be fully considered for both financial and accounting implications.	No new material partnership arrangements were identified, with the financial implications of MKIP proposals due to start to take effect from 2009/10 onwards. Governance arrangements for existing partnerships are kept under review, and no areas of concern were identified.
Accounting treatment adopted in respect of any material asset disposals may not comply with recently revised accounting requirements.	We found that revised accounting requirements had not been met in respect of some asset revaluations and disposal transactions.

Issue or risk	Finding
Issues or risks identified subsequent to our Audit and Inspection Plan	
General – changes in finance team personnel and responsibilities	As noted in paragraph 3, changes in the finance team had an adverse impact on closedown arrangements.
Impairments – likely material impairments in light of the economic climate in 2008/09	A full impairment review was proposed as part of the closedown process but not undertaken. Some issues noted (see para 17).
Bad debt provisions – likely increase in bad debts in light of external economic climate.	Reviewed at audit and found to be appropriate.

### Accounting practice and financial reporting

- 24** I consider the qualitative aspects of your financial reporting. The Council’s accounts are comparatively clear, easy to understand and our Use of Resources audit work confirmed that they are well publicised and available to a wide range of stakeholders. However, whilst last year there were no material errors or adjustments to the accounts the draft accounts in 2008/09 have required a number of significant amendments.
- 25** Senior officers are currently reviewing roles and responsibilities within the finance section to ensure that the team is able to respond to the more challenging reporting requirements of IFRS that will need to be implemented in 2009/10.

#### Recommendation

- R5** Ensure that the finance section has the appropriate skill mix to meet the more challenging reporting requirements of IFRS.

# Use of resources

I am required to consider how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and give a scored use of resources judgement.

I am also required to conclude whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

---

## Use of resources judgements

- 26** In arriving at our use of resources judgement we have used the methodology set out in the Audit Commission's Use of Resources Framework. Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. I have taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit work.
- 27** We shared initial feedback from our work on use of resources with senior officers on 2 September 2009. We will advise you of final scores once the Audit Commission's national quality assurance process has been completed on 14 September, and our overall findings will be reported to the Audit Committee on 21 September. We can confirm however that the Council continues to have sound arrangements in place in all the areas we assessed.
- 

## Value for money conclusion

- 28** We assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission, taking into account the results of our work in assessing your use of resources.
- 29** We intend to issue an unqualified conclusion stating that in 2008/09 the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources. Appendix 1 contains the wording of our draft report.
-

# Independence

- 30** The Code of Audit Practice and the APB's Ethical Standards with which auditors must comply require that auditors act, and are seen to act, with integrity, objectivity and independence.
- 31** We confirm that we comply with the APB's Ethical Standards, that we are independent and that our objectivity is not compromised.
- 32** We communicate to you:
- any relationships between us and the Council, and its senior management that might affect our objectivity and independence and any safeguards put in place;
  - total fees charged to you for audit and non-audit services; and
  - that we have arrangements in place to ensure independence and objectivity.
- 33** We have not identified any relationships that might affect our objectivity and independence.

## Audit fees

- 34** We reported our fee proposals as part of the Audit and Inspection Plan for 2008/09 dated May 2008. The table below reports the outturn fee against that plan.

**Table 2      Audit fees**

	<b>Plan 2008/09 £ (before VAT)</b>	<b>Actual 2008/09 £ (before VAT)</b>
Financial statements and Annual Governance Statement	72,423	75,023
Use of resources	23,150	23,150
Data quality	10,205	10,205
Whole of government accounts	1,039	1,039
<b>Total audit fees</b>	<b>106,817</b>	<b>109,417</b>
<b>Advice and assistance</b>	-	-
<b>Total</b>	<b>106,817</b>	<b>109,417</b>

- 35** The actual audit fee for the year is £2,600 higher than our original planned fee. This relates to the additional audit time required to resolve queries arising from the audit, particularly in respect of issues requiring adjustment to the accounts and missing council tax records.

# Appendix 1 – Draft auditor’s report

---

## Independent auditor’s report to the Members of Maidstone Borough Council

### Opinion on the financial statements

I have audited the Authority accounting statements and related notes of Maidstone Borough Council for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Maidstone Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

### **Respective responsibilities of the Director of Resources & Partnerships and auditor**

The Director of Resources & Partnerships’ responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 the financial position of the Authority and its income and expenditure for the year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information

comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority’s circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

### **Opinion**

In my opinion the Authority financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

## **Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

### **Authority’s Responsibilities**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

### **Auditor’s Responsibilities**

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

## Appendix 1 – Draft auditor’s report

### Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Maidstone Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2009.

### Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

To be signed by....

*Emily Hill*

*Appointed Auditor*

*Audit Commission, 16 South Park, Sevenoaks, Kent TN13 1AN*

*30 September 2009*

# Appendix 2 – Adjusted amendments to the accounts

The following misstatements were identified during the course of my audit and the financial statements have been adjusted by management. I bring them to your attention to assist you in fulfilling your governance responsibilities.

**Table 3**

Adjusted misstatements	Nature of Adjustment	Income and Expenditure Account		Balance Sheet	
		Dr £000s	Cr £000s	Dr £000s	Cr £000s
<b>Material</b>					
NNDR income in advance (ie prepayments for 2009/10) incorrectly shown as creditors)	Analysis – re-classification as income in advance	-	-	1,106 (creditors)	1,106 (income in advance)
Revaluation of fixed assets (to reflect latest valuation information)	Adjusting post balance sheet event relating to information on fixed asset valuations	-	-	10,797 (fixed assets)	10,797 (revaluation reserve)



## Appendix 2 – Adjusted amendments to the accounts

		Income and Expenditure Account		Balance Sheet	
Adjusted misstatements	Nature of Adjustment	Dr £000s	Cr £000s	Dr £000s	Cr £000s
Accounting for the penalty charges in respect of London House and the related disposal of the car park	Adjustments to be confirmed.	TBC	TBC	TBC	TBC
<b>Non-trivial</b>					
KCC debtor overstated due to dispute over amount payable in respect of the Gateway	Correct debtors to reflect amount collectable	83 (income)	-	-	83 (debtors)
Sundry debtors overstated because incorrectly classed as VATable	Correct debtors to reflect amount collectable	13 (income)	-	-	13 (debtors)
Understatement of liabilities due work on the new depot to 31 March not accrued for	Work undertaken but accrual not made	521 (expenditure)	-	-	521 (creditors)

## Appendix 2 – Adjusted amendments to the accounts

		Income and Expenditure Account		Balance Sheet	
Adjusted misstatements	Nature of Adjustment	Dr £000s	Cr £000s	Dr £000s	Cr £000s
Error in classification between general government grants & NNDR distribution	Reverse incorrect classification	153 (general government grants)	153 (NNDR distribution)		
Impairment of council owned shops not previously identified	Account for impairment – additional adjustments required to neutralise impact on taxation  Dr Capital Adjustment Account  Cr Statement of Movement on the General Fund Balance.	290 (expenditure)	-	-	290 (fixed assets)
Fixed assets understated in cash flow statement	Fixed asset expenditure incorrectly understated by £840,000	-	-	-	-

# Appendix 3 – Draft letter of representation

---

Emily Hill  
Appointed Auditor  
Audit Commission  
16 South Park  
Sevenoaks  
Kent TN13 1AN

Dear Emily,

## **Maidstone Borough Council - Audit for the year ended 31 March 2009**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other senior officers of Maidstone Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2009.

### **Compliance with the statutory authorities**

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which presents fairly the financial position and financial performance of the Council and for making accurate representations to you.

### **Supporting records**

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all committee meetings, have been made available to you.

### **Irregularities**

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or

- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

### **Law, regulations, contractual arrangements and codes of practice**

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

### **Assets**

Where applicable, the following have been properly recorded and when appropriate adequately disclosed in the financial statements:

- losses arising from sale and purchase commitments;
- agreements and options to buy back assets previously sold; and
- assets pledged as collateral.

### **Fair values**

I confirm the reasonableness of the significant assumptions within the financial statements, including:

- the appropriateness of the measurement method;
- the basis used by management to overcome the presumption under the financial reporting framework;
- the completeness and appropriateness under the financial reporting framework; and
- if subsequent events require adjustment to the fair value measurement

### **Compensating arrangements**

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts.

### **Contingent liabilities**

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

## Appendix 3 – Draft letter of representation

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements; and,
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

### Related party transactions

I confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements.

### Post balance sheet events

Since the date of approval of the financial statements by members of the Council, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

### Specific representations

There are no other material amounts relating to unfunded liabilities, curtailments or settlements of past service costs relating to pension provision other than those which have been properly recorded and disclosed in the financial statements.

The Council does not intend to realise its long term investments within 12 months of the balance sheet date.

Signed on behalf of Maidstone Borough Council

I confirm that this letter has been discussed and agreed by the Audit Committee on 21 September 2009.

.....

Name Zena Cooke

Position Director of Resources & Partnerships

Date .....

# Appendix 5 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<b>Annual Governance Report 2008/09 - Recommendations</b>						
7	The Council should seek technical advice when accounting for complex capital transactions. These transactions should be discussed with the external auditor at an early stage so that the accounting treatment can be agreed prior to production of the draft financial statements.	3				
7	Once the Council has taken a decision to dispose of an asset this should be re-categorised from operational assets to non-operational assets, surplus for resale, and revalued to market valuation obtained prior to sale, in accordance with the SORP.	3				

## Appendix 5 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
8	The Council should review asset values at each year-end considering both impairment and other material changes in asset values.	3				
8	Prime council tax records should be retained until completion of the annual audit, and otherwise in accordance with the Council's document retention policy.	3				
10	Ensure that the finance section has the appropriate skill mix to meet the more challenging reporting requirements of IFRS.	3				

# The Audit Commission

---

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.



---

## Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2009

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

---

This page is intentionally left blank

## AMENDMENTS TO THE 2008/09 STATEMENT OF ACCOUNTS

<b>Balance Sheet</b>			
	<b>Original £000</b>	<b>Amended £000</b>	<b>Movement £000</b>
Fixed Assets	63,875	76,105	12,230
Debtors & Payments in Advance	12,921	12,824	(97)
Sundry Creditors	(8,322)	(8,843)	(521)
Government Grants Deferred	(3,622)	(3,538)	84
			<b>11,696</b>
Revaluation Reserve	(3,925)	(16,041)	(12,116)
Capital Adjustment Account	(57,326)	(57,464)	(138)
Useable Capital Receipts Reserve	(8,216)	(7,612)	604
General Fund	(7,271)	(7,317)	(46)
			<b>(11,696)</b>

<b>Income &amp; Expenditure Account</b>			
	<b>Original £000</b>	<b>Amended £000</b>	<b>Movement £000</b>
Net Cost of Services	28,595	29,075	480
General Government Grants	(1,462)	(1,309)	153
Distribution from Non-Domestic Rate Pool	(8,112)	(8,265)	(153)

<b>Cashflow Statement</b>			
	<b>Original £000</b>	<b>Amended £000</b>	<b>Movement £000</b>
Expenditure - Other Operating Costs	20,757	19,916	(841)
Expenditure - Fixed Assets	6,110	6,951	841

<b>Statement of Total Recognised Gains &amp; Losses</b>			
	<b>Original £000</b>	<b>Amended £000</b>	<b>Movement £000</b>
(Surplus)/Deficit in the Income & Expenditure Account	6,065	6,545	480
(Gains) & Losses on revaluation of fixed assets	(2,041)	(14,158)	(12,117)
Other Recognised (Gains) & Losses	118	59	(59)
			<b>(11,696)</b>

<b>Statement of Movement on the General Fund Balance</b>			
	<b>Original £000</b>	<b>Amended £000</b>	<b>Movement £000</b>
(Surplus)/Deficit in the Income & Expenditure Account	6,065	6,545	480
Net additional amounts required by statute & non-statutory proper practices to be debited or credited to the General Fund Balance for the year	(5,008)	(5,534)	(526)
			<b>(46)</b>

The above changes have also been reflected in the Notes to the Accounts where applicable.

A full version of the Statement will be available for inspection at the meeting, and can also be seen on the Council Documents page at [http://www.digitalmaidstone.co.uk/your\\_council/council\\_documents.aspx](http://www.digitalmaidstone.co.uk/your_council/council_documents.aspx)

This page is intentionally left blank

## **MAIDSTONE BOROUGH COUNCIL**

### **COUNCIL**

**23 SEPTEMBER 2009**

## **REPORT OF ACTING OVERVIEW AND SCRUTINY MANAGER**

**Report prepared by Louise Smith**

### **1. Overview and Scrutiny Annual Report 2008-09**

#### **1.1 Issue for Decision**

1.1.1 To consider the Overview and Scrutiny Annual Report 2008-09.

#### **1.2 Recommendation of Acting Overview and Scrutiny Manager**

1.2.1 That the Overview and Scrutiny Annual Report 2008-09 be noted.

#### **1.3 Reasons for Recommendation**

1.3.1 The Maidstone Borough Council Constitution states "Overview and Scrutiny Committees may report annually to the full Council on their workings and make recommendations for future work programmes and amended working methods if appropriate" (Part One, Article 6:03(d)).

1.3.2 The attached report summarises the work of the Overview and Scrutiny Committees during 2008-09 and highlights key issues for 2009-10 and beyond.

#### **1.4 Alternative Action and why not Recommended**

1.4.1 The Council could choose not to receive the Overview and Scrutiny Annual Report, however this could diminish knowledge of the work of the Committees and would fail to keep the full Membership updated on changes to the function.

#### **1.5 Impact on Corporate Objectives**

1.5.1 None.

#### **1.6 Risk Management**

1.6.1 There are no risks associated with the Council noting the Annual Report.

1.7 Other Implications [Insert an 'X' in the boxes below to indicate if the recommendations will have any implications in the specified area]

1.7.1

- |    |                                       |  |
|----|---------------------------------------|--|
| 1. | Financial                             |  |
| 2. | Staffing                              |  |
| 3. | Legal                                 |  |
| 4. | Social Inclusion                      |  |
| 5. | Environmental/Sustainable Development |  |
| 6. | Community Safety                      |  |
| 7. | Human Rights Act                      |  |
| 8. | Procurement                           |  |
| 9. | Asset Management                      |  |

1.8 Background Documents

1.8.1 None.

**NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED**

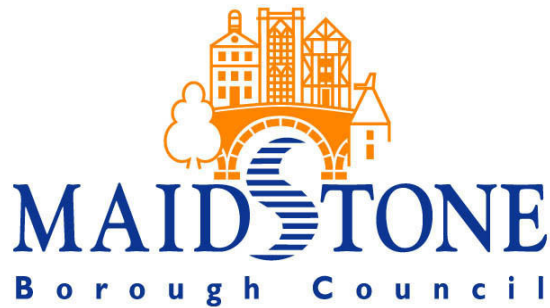
Is this a Key Decision?    Yes        No   

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

Is this an Urgent Key Decision?    Yes        No   

Reason for Urgency

N/a



Keeping an eye on  
Maidstone

# **Overview & Scrutiny Annual Report**

## **2008-09**

# Contents

	<b>Page</b>
<b>Introduction from the Corporate Services Overview and Scrutiny Committee Chairman (2008-09)</b>	<b>1</b>
<b>Scrutiny at Maidstone Borough Council</b>	<b>2</b>
<b>Successful Scrutiny</b>	
• <b>Ensures scrutiny provides 'critical friend'     challenge to executive policy-makers</b>	<b>3</b>
• <b>Enables the voice and concerns of the     public and its communities</b>	<b>4</b>
• <b>Makes an impact on the delivery of public     services</b>	<b>5</b>
• <b>Is carried out by independent minded     governors who take the lead and own the     scrutiny process</b>	<b>6</b>
<b>Partnership Working</b>	<b>7</b>
<b>Looking Forward</b>	<b>8</b>



## **Introduction to Overview and Scrutiny Annual Report 2008-09**

This has been another successful year for Overview and Scrutiny at Maidstone which continues to lead the way and improve on its national and local reputation for best practice - a tribute to the work undertaken by members and our excellent scrutiny officers. Members and officers of the borough council are committed to scrutiny and see it as very important that all council policies and services to our residents are regularly scrutinised and reviewed, to ensure that they are the best that the public would expect from an excellent rated council.

It has been a challenging and interesting year for all four committees as you will see from this report. The Leader of the council, cabinet members and executive officers have all been called to account at committees for their respective portfolio areas. There have been very successful reviews of service provision and some fourteen decisions have been called in for Scrutiny. After discussion some have resulted in changes or improvements to Council services.

Apart from the important overview of the Council's Plans, Strategies and Budgets, the committees have undertaken eight major reviews and 29 one-off topics including CCTV provision, Public Conveniences, Section 106 agreements, Whole Council Elections (4-yearly), and have reviewed all past reports. Health scrutiny remains an important issue in Maidstone, looking at local service provision and making an important input to the Kent Health Overview and Scrutiny Committee, where Maidstone Borough Council is represented.

The Scrutiny Partnership with neighbouring Tunbridge Wells continues to work well, not only in terms of financial savings to both Councils and sharing best practice but also the value of engaging in joint training sessions and workshops, and importantly Joint Reviews of Service. A national scrutiny award from the Centre for Public Scrutiny was given to Maidstone & Tunbridge Wells Borough Councils for their innovative joint working and use of resources - well deserved national recognition.

There have been a number of training sessions and workshops over the year embracing budget scrutiny, the strategic plan and section 106 agreements, and the council will again be involved in the Kent and Medway Scrutiny Conference to be held in Maidstone in November.

The Youth Scrutiny Committee presented its final report on Sex and Relationships Education to Full Council in December, receiving the full support of members. The report has been sent to all secondary schools in the borough, and a number of schools have already responded to confirm their intentions to implement many of the recommendations.

Scrutiny at Maidstone could not operate without the advice and expertise of our excellent scrutiny team of officers, who organise and service the committees at the highest level. Our sincere thanks go to them for all the work that they have done over the years.

Councillor Paulina Stockell  
Chairman - Corporate Services Overview & Scrutiny Committee

# Overview and Scrutiny at Maidstone Borough Council

## Vision for Scrutiny

To have an effective and well respected service that ensures the council's services are delivered equitably, effectively and efficiently for our residents.



## Centre for Public Scrutiny Principles of Effective Scrutiny

1. Ensures scrutiny provides 'critical friend' challenge to executive policy-makers and decision makers
2. Enables the voice and concerns of the public and its communities
3. Drives improvement in public services
4. Is carried out by independent minded governors who lead and own the scrutiny role



Four Overview and Scrutiny Committees supported by 2.5 officers

## Overview and Scrutiny 2008-09 – A Summary

- 51 formal meetings
  - 53 councillors
  - 48 officers
- 55 external witnesses
  - 8 major reviews
  - 29 one-off topics
  - 5 working groups
    - 14 call-ins

## **Ensures scrutiny provides 'critical friend' challenge to executive policy-makers.**

This year, the call-in function has been used more than ever before, showing that scrutiny is prepared to challenge the executive, whilst the delivery of road safety, health services and community safety by both the council and external providers have all been challenged.

### **Companion Pass for Disabled Travellers**

Following a detailed and well-informed call-in meeting, the Regeneration & Sustainable Communities OSC recommended that that free companion passes be reintroduced to enable disabled residents requiring companions to make use of public transport – a reversal of the cabinet's original decision. This was subsequently agreed by cabinet, with the Leader highlighting the scrutiny meeting as an example of "scrutiny at its best".

### **Road Safety**



Scrutiny at Maidstone has never been afraid to look beyond the council and its powers when

challenging policy makers. The review of road safety looked at the roles of all agencies involved in promoting road safety. Internally the review has recommended that all essential users at the Council undertake an e-learning driver skills course. The group has also recommended that the legal blood alcohol level be reduced and that the police should be given powers to do on-the-spot breathalyser tests using intelligence.

### **CCTV**

Consideration of a call-in by the External OSC led to confirmation by the Cabinet that a decision on the CCTV control room would be deferred pending further investigations. This ensured that findings from the Best Value Review of CCTV, national best practice and concern amongst members over health and safety issues in the CCTV control room could be addressed satisfactorily.

### **Health**

In November 2008, the External OSC interviewed the Chief Executives of NHS West Kent and the Maidstone and Tunbridge Wells Primary Care Trust. Recommendations arising from the meeting focussed on the development of policy in relation to Pembury Hospital and maternity services.

## Enables the Voice and Concerns of the Public and Its Communities

This year has seen excellent public involvement in the scrutiny process, with a number of well-attended meetings held outside of the Town Hall, petitions, public speakers and strong press coverage.

### Corben Close



Residents of Corben Close and Beaver Road in Allington submitted a petition to scrutiny regarding the enforcement of a Section 106 Agreement. Over 30 residents attended the meeting to hear the Leader and officers explain the action taken in relation to the S106, and were pleased to hear that the council would act to adopt the land and that the play area would be maintained by the council with costs charged to the developer.

### Youth Scrutiny

The Youth Scrutiny Committee was made up of 13-17 year olds from the Youth Forum to investigate issues of concern to young people in Maidstone. The committee agreed to review sex and relationships education and interviewed a range of expert witnesses, from teachers to sexual health outreach workers. The report was presented by the youth



scrutiny members to full council and resulted in radio and local press coverage. The recommendations will be pursued in 2009-10 but a number of schools have already confirmed their intentions to implement many of the recommendations.

### Diverse Communities



During their investigation into community cohesion and the integration of ethnic minorities in the borough, members of the External OSC met with representatives of many of Maidstone's ethnic minority groups – even joining the Greek Community Group for lunch! The review has made recommendations to improve access to council services whilst recognising the vast amount of work carried out across the council to support all communities.

## Drives Improvement in Public Services

Overview and Scrutiny, in 2008-09, has impacted on the delivery of a number of public services in Maidstone. The committees have looked at a range of public services, plans and strategies and made recommendations for improvement.

### Section 106 Agreements and Planning Enforcement

The Regeneration and Sustainable Communities Overview and Scrutiny Committee reviewed the council's approach to enforcing section 106 agreements and planning conditions. The committee held a workshop with parish councils to identify any problems and consider improvements that could be made to the present process, and as a result of the review, parish councils are now fully briefed on enforcement matters including confidential information.

### Public Conveniences



After residents' surveys and consultation exercises highlighted dissatisfaction with public

conveniences provided by the Council, the Environment and Leisure OSC decided to carry out an in-depth review. Councillors interviewed expert witnesses and carried out site visits to loos across the borough to make recommendations to improve the service offered to residents. The committee has recommended that the council operates and leads a community toilet scheme, phases out those toilets that are not used frequently and improves the public toilets in the borough's parks. If agreed, the committee's recommendations will save the council £160,300 per year from 2011/12.

### Review of Past Reports

A team of councillors has been reviewing scrutiny reports from the previous 8 years to identify outstanding recommendations, key achievements, and which reviews we can officially close. The group has identified that there have been significant achievements across a number of areas. This report will be available next municipal year.

### Litter

Following concern raised by members regarding the destruction of plastic litter bins due to arson, it was agreed that the purchase of plastic litter bins would cease and metal litter bins would be used instead.

## **Carried out by independent-minded governors who lead and own the scrutiny process**

Scrutiny in Maidstone has a national reputation for best practice and an integral part of this is the ownership members have of the scrutiny committees and the work they carry out.

### **Balance of Power**

After a councillor spotted a call for evidence for the Communities and Local Government Parliamentary Select Committee's review into the balance of power between central and local government, a cross-party scrutiny working group was set up to put forward evidence for the review. A range of officers and councillors was interviewed, and each working group member produced a case study for the report. Maidstone was the only district council asked to give evidence at a subsequent committee meeting, and was the only council represented by a scrutiny member. The Chairman of the Select Committee commented that the scrutiny approach to producing evidence was "a very interesting example" and that the "the Committee was very grateful [we] took this seriously".

### **Working Groups**

Member working groups have given councillors the opportunity to lead and own the scrutiny process by carrying out their own research and review work in small groups. Working groups have covered road safety, choice based lettings, mental health services, a review of past reports and the balance of power between central and local government.

### **Elections**

The Corporate Services Overview and Scrutiny Committee has reviewed the advantages and disadvantages of whole and partial council elections in order to inform a decision of full council. When the report was presented to full council, it was agreed that the council should consult the public on the potential change, using the evidence within the report to inform that consultation.

### **Work Programme Setting**



This year for the first time we held a work programming workshop with all councillors to gather ideas for the scrutiny work programmes for 2008-09. Councillors had the opportunity to speak with officers and representatives of external organisations, as well as reviewing scrutiny suggestions from the public and community organisations. A full list of ideas put forward for reviews was researched by the scrutiny team prior to each committee agreeing its work programme for the year.

## Partnership Working

Maidstone Borough Council formed a scrutiny partnership with Tunbridge Wells Borough Council in April 2007. The management of the scrutiny function is shared between the two authorities. There are many benefits to sharing the service that equate to a better use of resources including:

- Shared scrutiny reviews – where support is pooled;
- Briefing papers – rather than duplicating resources briefing papers can be shared and adapted; and
- Shared scrutiny best practice.

The motto for the partnership is to achieve more together than we could alone - this has been the case for both councils, which led to the councils being "Highly Commended" in the "Best Use of Resources" category at the Centre for Public Scrutiny Awards 2008.



Above: The team is congratulated on Maidstone and Tunbridge Wells's award nomination by the Local Government Minister, John Healey MP.

### Joint Working at a Member and Officer Level

This year there have been several examples of joint working between the two authorities including work on road safety, member training events, a joint review of mental health services and joint chairmen's meetings.

The review of mental health services has been supported by the senior scrutiny officers at both councils with three members from each authority forming the working group. As the two councils cover the same health economy, it was felt to be helpful to carry out a joint review and has made working with the relevant service providers simpler and more productive.

Both councils conducted reviews of road safety during 2008-09 and rather than duplicate resources and effort, held a joint meeting to interview national experts and the police on road safety. The fact that the councils were working together added weight to the request for assistance from national experts and county-level partners, ensuring that key witnesses were involved in the reviews.



## Looking Forward

### 2009-10 Work Programme

The Overview and Scrutiny Function has now been in operation at Maidstone Borough Council for 8 years. The Corporate Services Overview and Scrutiny Committee will be taking the opportunity in 2009-10 to review how it operates to make sure it is working as effectively as it can and to ensure that Maidstone maintains its national reputation for best practice.

In addition to the review of the Overview and Scrutiny Function, major reviews for 2009-10 will include rail services in the borough, disabled facilities grants, contaminated land and involvement in the Best Value Review of Waste.

### Overview, Scrutiny and Policy

The staff restructure in February 2009 brought the Overview and Scrutiny and Policy and Performance teams together under one Overview, Scrutiny and Policy Manager. This has provided much stronger links between scrutiny, policy development and performance management, keeping overview and scrutiny at the forefront of the council's work.

### New Legislation

The "Councillor Call for Action" provisions within the Local Government and Public Involvement in Health Act 2007 have now come into force, giving *all* councillors the opportunity to bring an issue of local concern to scrutiny where all other avenues for resolution of that issue have been exhausted.

The sections within the Police and Justice Act 2006 relating to scrutiny also came into force in April 2009 and require an overview and scrutiny committee at every local authority to act as the "Crime and Disorder Committee" to scrutinise the work of the local Crime and Disorder Reduction Partnership. The External Overview and Scrutiny Committee will be carrying out this role for Maidstone and will look to scrutinise the Safer Maidstone Partnership around twice a year to ensure that it is operating effectively to make Maidstone's residents feel safer.

### Contacting Scrutiny

Any scrutiny member can ask for an issue to be placed on a scrutiny agenda if they feel that it needs looking into, and the scrutiny team always welcomes feedback and ideas to keep improving.

Members of the public, representatives of partner organisations, and groups from the public, private, voluntary and community sectors can also contribute to scrutiny reviews and suggest items for the work programme.

The team can be contacted at [osc@maidstone.gov.uk](mailto:osc@maidstone.gov.uk) or on 01622 602524, and more information and past reports are available at:

[www.digitalmaidstone.co.uk/osc](http://www.digitalmaidstone.co.uk/osc)



## **MAIDSTONE BOROUGH COUNCIL**

### **COUNCIL**

**23 SEPTEMBER 2009**

#### **REPORT OF THE DEMOCRATIC SERVICES MANAGER**

Report prepared by Janet Barnes

#### **1. COMMITTEE MEMBERSHIP**

- 1.2 Councillor Robertson was elected a County Councillor on 4 June 2010 and thereby became a member of the Joint Transportation Board as a County Councillor.
- 1.3 As a result of this, there is a vacancy for a Liberal Democrat member on the Joint Transportation Board.

#### **2. RECOMMENDED:**

- 2.1 That the following changes be approved to reflect the wishes of the Leader of the Liberal Democrat Group:-

Joint Transportation Group

Members - Delete Councillor Robertson. Insert Councillor J E Wilson.

- 2.2 Background Documents

None.

This page is intentionally left blank

## **MAIDSTONE BOROUGH COUNCIL**

### **COUNCIL**

**23 SEPTEMBER 2009**

### **REPORT OF THE DEMOCRATIC SERVICES MANAGER**

Report prepared by Janet Barnes

1. **AMENDMENTS TO THE SCHEME OF DELEGATIONS RELATING TO EXECUTIVE FUNCTIONS**
- 1.1 The Leader of the Council has informed me of the following amendments he has made to the Scheme of Delegations relating to Executive Functions:-  
  
**MOVE** the following delegation:-  
  
**Public Conveniences**  
  
To provide public conveniences within the Borough and to manage the operation of the services.  
  
**FROM:** the Cabinet Member for Environment  
  
**TO:** the Cabinet Member for Leisure and Culture  
  
**ADD** the following delegation:-  
  
**Closed Public Conveniences**  
  
To be responsible for the closed facilities.  
  
**TO:** the Cabinet Member for Corporate Services
- 1.2 **RECOMMENDED:**
- 1.2.1 That the changes to the Scheme of Delegation of Executive Functions be noted.

This page is intentionally left blank

## **MAIDSTONE BOROUGH COUNCIL**

### **COUNCIL**

**23 SEPTEMBER 2009**

#### **REPORT OF THE DEMOCRATIC SERVICES MANAGER**

Report prepared by Janet Barnes

#### **1. URGENT DECISIONS TAKEN BY THE EXECUTIVE**

##### **1.1 CABINET MEMBER FOR CORPORATE SERVICES**

1.1.1 The Cabinet Member for Corporate Services agreed on 11 September 2009 that the decision set out below was urgent and needed to be actioned within the call-in period. In accordance with the Overview and Scrutiny Procedure Rules of the Constitution, the Mayor, in consultation with the Head of Paid Service and the Chairman of the Corporate Services Overview and Scrutiny Committee, agreed that the decision was reasonable in all the circumstances and should be treated as a matter of urgency and not be subject to call-in.

##### **1.1.2 National Non-Domestic Rates - Discretionary, Rate Relief**

To consider the current position regarding the non domestic rate relief currently awarded in respect of the occupation of the Maidstone Leisure Centre by the Maidstone Leisure Trust and the possible consequences of a change to that relief in the event of Maidstone Leisure Trust losing charitable status and to consider an application for discretionary rate relief based on the criterion that the centre is used for recreation and is occupied by a non profit distributing organisation (NPDO).

##### **1.1.3 Decision Made**

That, for the reasons set out in the Report of the Assistant Director of Customer Services and Partnerships, in the event of the removal of Friendly Society status from Maidstone Leisure Trust and its non-acceptance as a registered charity by the Charity Commission, then 94% Discretionary Rate Relief be awarded to the Trust on the basis that the centre is occupied by a Non Profit Distributing Organisation and is used for recreational purposes; the relief to stay in force whilst the Maidstone Leisure Trust occupies the centre.

#### **RECOMMENDED:**

That the report be noted.

*Background Documents*

*Record of Decision of the Cabinet Member for Corporate Services dated 11 September 2009*

This page is intentionally left blank