

MAIDSTONE BOROUGH COUNCIL

CABINET

MINUTES OF THE MEETING HELD ON
13 AUGUST 2008

PRESENT: Councillor Garland (Leader) and
Councillors Ash, Greer, Moss and Wooding

51. **NOTIFICATION OF VISITING MEMBERS**

Councillor English indicated that he wished to speak in respect of the report of the Management Team on Budget Monitoring - First Quarter 2008/09 and the reference from the Regeneration and Sustainable Communities Overview and Scrutiny Committee on the Presentation of Petition: Corben Close, Allington.

Councillor FitzGerald indicated that he wished to speak in respect of the reports of Management Team on the Corporate Planning Process 2009-12 and on Budget Monitoring - First Quarter 2008/09. He also indicated he wished to speak in respect of the report of the Policy and Performance Team on Key Performance Indicators 2008/09 – First Quarter Progress Update and the report of the Leader of the Council - Forward Plan.

Councillor Mrs Wilson indicated that she wished to speak in respect of the report of Management Team on Budget Monitoring – First Quarter 2008/09 and Kent Districts BVPI Data 2007/08 Provisional Analysis.

52. **DISCLOSURES BY MEMBERS AND OFFICERS**

There were no disclosures.

53. **DISCLOSURES OF LOBBYING**

There were no disclosures of lobbying.

54. **EXEMPT ITEMS**

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

55. **MINUTES**

RESOLVED: That the Minutes of the Meeting held on 24 July 2008 be approved as a correct record and signed.

56. CORPORATE PLANNING PROCESS 2009/2012

See Record of Decision of the Cabinet (copy attached as Appendix A).

57. BUDGET MONITORING – FIRST QUARTER 2008/09

See Record of Decision of the Cabinet (copy attached as Appendix B).

58. REFERENCE FROM CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE – ENGLISH HERITAGE REPORT – MAIDSTONE'S LISTED BUILDINGS

The Cabinet considered the reference from the Corporate Services Overview and Scrutiny Committee asking the Leader to consider the use of the large buildings maintenance fund in light of the recent English Heritage Report on Listed Buildings in the Borough.

The Cabinet agreed the recommendation of the Officers that the large buildings maintenance fund should be allocated to funding the capital programme as they felt that the issues raised in the English Heritage report could be greater than that available in this fund. That the issues raised in the English Heritage report should be looked at by the Officers and if appropriate be considered for funding from the capital programme.

RESOLVED: That Corporate Services Overview and Scrutiny Committee be informed of the Cabinet's view expressed above.

59. KENT DISTRICTS BVPI DATA 2007/08 PROVISIONAL ANALYSIS

The Cabinet considered the report of the Management Team setting out the analysis relating to the outturn data on the 2007/08 Statutory Best Value Performance Indicator for the Districts in Kent.

RESOLVED: That the analysis relating to the 2007/08 Statutory Best Value Performance Indicator for the Districts in Kent be noted.

60. USE OF THE AUDIT COMMISSION TOOLKIT TO REVIEW THE COUNCIL'S CIVIL CONTINGENCIES SERVICE

The Cabinet considered the joint report of the Deputy Chief Executive and the Head of Internal Audit and Risk Strategy concerning the frequency of service reviews using the Audit Commission Toolkit in relation to the Council's Civil Contingency Service.

RESOLVED: That a review be undertaken every second year using the Audit Commission toolkit in relation to the Council's Civil Contingencies

Service with the next review being undertaken in the autumn of 2008 be noted.

61. RESPONSE TO OVERVIEW AND SCRUTINY REVIEW – IMAGE OF MAIDSTONE TOWN CENTRE

See Record of Decision of the Cabinet (copy attached as Appendix C).

62. PRESENTATION OF PETITION: CORBEN CLOSE, ALLINGTON

The Cabinet considered the recommendations of the Regeneration and Sustainable Communities Overview and Scrutiny Committee following a presentation of petition relating to Corben Close, Allington at their meeting.

The Leader of the Council indicated that it was the responsibility of the developers to meet their obligations under the Section 106 Agreement and also to make roads up to adoptable standards. However, if they did not undertake their responsibilities, Council should deal with the matters and then seek recompense from the developers for the works the Council had to undertake.

RESOLVED: That, subject to recommendation (B) being amended to “Agreed, the Overview and Scrutiny Committee will be updated on progress at future meetings”, the response to the recommendations, as set out on the SCRAIP attached as Appendix D, be submitted to the Regeneration and Sustainable Communities Overview and Scrutiny Committee.

63. KEY PERFORMANCE INDICATORS 2008-09 – FIRST QUARTER PROGRESS UPDATE

The Cabinet considered the report of the Policy and Performance Team setting out the progress made in the first quarter 2008/09 against the authority’s Key Performance Indicator targets.

RESOLVED: That the progress being made in the first quarter 2008-09 against the Key Performance Indicator targets be noted.

64. FORWARD PLAN

The Leader of the Council presented his report on the Forward Plan for the period 1 September 2008 – 31 December 2008. It was noted that the report relating to the Budget Strategy and the Collection Fund would be submitted to Cabinet in December.

RESOLVED: That subject to the addition of reports relating to the Budget Strategy and Collection Fund, being presented to the Cabinet in

December, the Forward Plan for the period of 1 September 2008 – 31 December 2008 be noted.

65. DURATION OF MEETING

6.30 p.m. to 8.15 p.m.

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 13 August 2008

CORPORATE PLANNING PROCESS 2009-12

Issue for Decision

The Strategic Plan and Budget Strategy are key elements of the planning framework for the Council. They are also a key part of the Golden Thread which runs from the key strategic aims for the borough through to individual targets.

To consider the timetable and additional proposals associated with the development of the Strategic Plan 2009-12 as part of the authority's corporate planning process.

Decision Made

1. That the process and timetable set out below for the development of the strategic plan 2009-12 be approved;

13 August 2008	Cabinet consider the corporate planning proposals
August – November 2008	Development of draft Strategic Plan and Budget: <ul style="list-style-type: none">• Portfolio meetings and policy research;• Consultation with partners, residents and customers;• Development of Key and Local Performance Indicators; and,• Identification of savings and growth items.• Overview and Scrutiny Workshops
December 2008	Cabinet consider draft Strategic Plan and Budget
February 2009	Cabinet consider final Strategic Plan and Budget
March 2009	Strategic Plan and Budget considered by Council.
	Start of the Service Planning process.
April 2008 onwards	Implementation of the Strategic Plan.

2. That the draft priorities outlined for each portfolio set out below be approved;

Leader of the Council

Economic Prosperity

- Delivering significant economic projects;
- Supporting new businesses and for small businesses;
- Supporting the Maidstone Economic Forum and Core Strategy;
- Balancing housing and business growth; and
- Developing a skilled workforce.

Other areas:

- Developing the Sustainable Communities Strategy;
- Progressing Park and Ride;
- Developing partnership working and joint working practice;
- Implementing the new waste and recycling collection; and
- Ensuring Value for Money across all services.

Cabinet Member for the Environment

Environment Priorities

- To improve recycling performance and reduce costs;
- Exploring how public convenience facilities can be improved;
- In partnership to develop an optimum model for the collection and disposal of waste;
- Monitor the freighter service to ensure that it is cost effective and environmental sustainable;
- Promoting 'A Clean and Tidy Borough' with a focus on litter bins; and enforcement through fixed penalties.
- Monitoring Environmental Health, Air Quality and Climate Change.

Transport Priorities

- Formulating a business plan and medium to long-term strategy for the provision of Park and Ride;
- Introducing a concessionary fare scheme with assistance for the disabled and carers;
- Reviewing parking restrictions including pay and display and resident parking; and

Cabinet Member for Regeneration

- Maidstone Town Centre Public Realm Improvement Project
- Reviewing planning systems, including 'best practice' visits;
- Progressing enforcement issues;
- Introducing an information pack relating to planning documentation;
- Formulation of a Gypsy and Traveller Policy working with KCC; and
- General ongoing work in relation to housing, sustainability, economic development and local development plan.

Cabinet Member for Corporate Services

- Improving democratic engagement;
- Move towards four yearly elections;
- Reviewing the corporate asset base;
- Establishing the Gateway; and

- Ongoing initiatives – customer services including e-billing, e- citizen, complaints procedures, digitalmaidstone, benefits and a progressing the procurement strategy 2007-10

Cabinet Member for Community Services

- Developing a Crime Reduction Strategy and assist with designing out crime with Police and partners;
- Supporting the development of a sustainable youth café in the town centre;
- Ensuring the Corporate Equality Plan promotes social cohesion and fair access services;
- Improving educational and skills attainment through working with the LSP and KCC.
- In Partnership to lead and develop the multi agency Maidstone Health Action Team
- To develop with key partners Maidstone Older Person's Forum as a voice for older people in the borough
- Complete implementation of Best Value Review of Concurrent Functions.

Cabinet Member for Leisure and Culture

The continued development of cultural and leisure facilities within the borough and in particular:

- Encouraging visual and performing arts by individuals and groups.
 - Supporting and identifying funding for public art.
 - Developing the Exchange Arts Centre as a base for community and educational cultural development.
 - Encouraging the provision and participation in leisure activities and sport for all age groups; for example supporting the partnership with Maidstone Athletics Club and Sutton Valence School in providing an all weather athletics track.
 - Ensuring the funding for the east wing extension of the museum and developing the museum as both an outstanding visitor attraction and a provider of education projects.
 - The further improvement of parks and gardens with a priority of improving access, use and appearance of Mote Park.
 - Reviewing direct labour – in relation to parks, gardens and town displays to ensure that management and maintenance plans meet public expectations.
 - Monitoring the new Leisure Centre contract to ensure an improvement in facilities for the users.
 - Encouraging the town's prosperity in the provision of an attractive market and tourism facilities.
3. That it be noted that further amendments will be made to the Strategic Plan as part of the development of the Sustainable Community Strategy and the Council's updated long term vision (replacing the 20/20 vision);
 4. That it be noted that the of Corporate Services Overview and Scrutiny Committee will be involved in the development of the Strategic Plan; and
 5. The following outline list of contents of the Strategic Plan 2009-12 be approved.

- General contextual information about the environment in which the Council operates;
- An outline of the Council's vision, priorities and values;
- The strategic aims and objectives of the Council;
- How the Council intends to deliver on its commitments; and,
- Key Performance Indicators (and links to other performance measures).

Reasons for decision

The overarching vision and aims for the borough are set out in the Community Strategy. This document is being replaced and expanded in 2008/09 through the development of the Sustainable Community Strategy.

The Planning process within the Council includes the 20/20 Vision (which sets out the long term aspirations) the Strategic Plan (the medium term objectives) with annual targets set out in the Performance Plan. The service planning process then provides the foundation for the Council's work and the direction of resources.

As part of the planning cycle the Strategic Plan development runs alongside the budget process with an initial report presented to Cabinet in June. Given that work is currently being undertaken on the Sustainable Community Strategy it is also suggested that it is timely to review and update the longer term vision for the Council. This will be covered in detail in a further report later in the year.

Background

The Council's 20/20 Vision was adopted in 2005 and was developed through consultation with partners and residents and was closely linked to the aims of the wider Community Strategy.

The current document contains six strategic 'priority themes':

- Prosperity;
- Lifelong learning;
- Quality living;
- A healthy environment;
- Quality, decent homes that people can afford; and,
- Sustainable communities.

The six priority themes are based upon delivering the vision for the borough. The Leader has highlighted that these themes cannot be achieved in isolation from one another and the overall aim to achieve a vibrant, prosperous, dynamic and quality driven town and borough.

In addition the Council will be working with our partners and through the Local Strategic Partnership on an agenda which includes economic development, transport and the provision of quality jobs and skills in Maidstone.

Development of the Strategic Plan 2009-12

Work has commenced on the development of the authority's planning approach for 2009-12 and in particular the detailed budget for 2009/10.

In terms of developing the Strategic Plan it is proposed initially to group the Council priorities under the Cabinet portfolios as both the work on the Community Strategy and the updated Vision will not be produced until later in 2008. In addition the Council will also be undertaking a 'Place' survey in the autumn and these results will also feed into the development of the Strategic Plan for 2009-12.

Once Cabinet has agreed the approach, an assessment of the authority's current position in terms of performance and progress on the 20/20 vision will be undertaken. Areas of potential savings and growth will also be highlighted.

Individual Cabinet Members will then be asked to develop their proposals through 'Portfolio Meetings' with Directors and other officers. The following allocation of Directors to Cabinet Members are proposed:

Cabinet Member	Director/s
Leader of the Council	Chief Executive and Director of Change and Support Services
Corporate Services	Director of Change and Support Services
Environment	Director of Operations
Regeneration	Deputy Chief Executive Director of Operations
Community Services	Deputy Chief Executive
Culture and Leisure	Deputy Chief Executive Director of Operations

These meetings will be led by the Director of Change and Support Services and supported by the Policy and Performance Team. The development of these planning proposals will be made alongside the budget proposals and the meetings will be attended by the Chief Finance Officer. Other officers with responsibilities related to these portfolios will be included as necessary.

Cabinet Members have outlined priorities for the coming year these priorities will continue to be developed as the corporate planning process advances.

These priorities have already been presented by the Leader and Cabinet Members to various Overview and Scrutiny meetings and discussed. It is proposed that further discussion takes place with the Corporate Services Overview Scrutiny Committee (possibly through a workshop from which recommendations will be made) which will then feed into the Strategic Plan development process. The Committee would then also consider the final document.

New Performance Framework

There are also a range of external factors that will influence the Council over the coming year. This will change the way in which the performance of the Council is assessed and also how the council will need to consider priorities for the area.

Comprehensive Area Assessment

From April 2009 the Comprehensive Area Assessment (CAA) will supersede the Comprehensive Performance Assessment (CPA). The CAA focuses on the delivery of outcomes for the whole area rather than just focusing on the performance of Council services.

This new performance Framework is made up of:

- The annual publication of the performance of the area against a single set of 198 indicators;
- An annual risk assessment for the area;
- An annual scored 'Direction of Travel' judgement for the Authority; and
- An annual scored 'Use of Resources' judgement for the Council.

The methodology will be released early 2009 with the launch of the CAA in April 2009.

The Council will need to clearly identify how the objectives fit with those for the borough as a whole, including the work through the LSP and delivery on the Local Area Agreement.

Kent Agreement 2

The Kent Agreement incorporates the Local Area Agreement targets and sets out the strategic direction and priorities for the county. It is essential that the priorities that have been established as part of the Kent Agreement 2 (KA2) are reflected within future borough and council plans, and in particular where these are also priorities in the borough.

The Kent Agreement 2 submission was made in May and the countywide targets for the 35 negotiated targets have been agreed. However, discussion over the individual borough targets is still ongoing.

Officers are in the process of obtaining figures for Maidstone in relation to the 35 targets and a briefing was provided to all Members on the 28 July on the Local Area Agreement and the latest position. The Council will have a key community leadership role in delivering the KA2 and linking these three year targets to the Strategic Plan.

National Indicators

The 198 National Indicators set out in the Comprehensive Spending Review 2007 replace the Best Value Performance Indicators. Of the 198 national indicators 64 will apply directly to districts.

The Place Survey in the autumn will also provide data for 18 of the national indicators. This survey replaces the Best Value Satisfaction Survey and will measure local residents' views, perceptions and experiences of the local area.

The Place Survey will be undertaken between September and December 2008. Results will be available from early 2009 and it is envisaged that these will feed into the Strategic Plan development for 2009-12.

As highlighted above targets against 35 of the national indicators will also be negotiated through the LAA2. Although many of these will cover services provided by other agencies the Council is keen that data is provided to give a comprehensive picture of the borough.

Where possible the Council has been working to obtain borough baseline figures for the 35 targets so that these can be tracked through the Strategic Plan, quarterly performance monitoring and also the Local Strategic Partnership.

Alternatives considered and why rejected

The production of a Strategic Plan is essential to the organisation, particularly in terms of setting out a clear overall direction and focus for Council business. It is the document from which all others flow. If the Council opted not to produce a Strategic Plan then the authority would be viewed as not being managed effectively and it would be likely to result in the loss of our 'Excellent' CPA status as well as impacting upon the outcome of other inspection assessments.

Background Papers

- Strategic Plan 2008-11.

These documents are available at the Council offices.

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: **22 August 2008**.

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 13 August 2008

BUDGET MONITORING – FIRST QUARTER 2008/09

Issue for Decision

To consider the capital and revenue budget and expenditure figures for the first quarter of the current financial year and any problems identified and in particular to consider the decision by Cabinet in July 2008 to review the current year's Capital Programme to identify potential slippage and to assess the likely shortfall in capital receipts in the current financial year.

To consider other financial matters to ensure that the overall financial position of the Authority is in accordance with the medium term plan.

Decision Made

1. That the financial position as detailed in the report be noted and that further reports, at least quarterly, be submitted to the Cabinet during the financial year.
2. That the appropriate Cabinet Members receive reports on options for mitigating the major budget issues **as identified in the report of the management team.**
3. That balances, **principally** the underspend from 2007/08 of approximately £0.3m, be allocated to address the funding problems in 2008/09 as identified in the report of the management team.
4. That the projected additional investment income in 2008/09 be allocated to Balances, and that Balances be used to fund the new scheme for Travel Assistance for Disabled People for £150,000 over a 3 year period.
5. That the Large Building Maintenance Fund be allocated towards funding the Capital Programme.
6. That the additional LABGI resources available from 2007/08 be allocated to fund the additional cost of bins required for the waste/recycling programme.

7. That the balance of LAGBI resources be set aside, at this stage, as a contingency against further consequences of the economic downturn and possible funding of the Capital Programme, but that a further report be presented to Cabinet on options for best use of this resource should it not be needed for budget problems.
8. That the Cabinet receive further reports on the options for slippage of the Capital Programme into later years.

Reasons for decision

The constitution delegates the financial responsibility for individual budgets to the relevant Director with overall financial responsibility delegated to the Responsible Financial Officer. However, Cabinet have previously agreed to consider the revenue and capital budget and other financial issues in summary form on a quarterly basis. It has also been agreed that budget variations above £30,000 would be considered, although this does not preclude other issues being considered if the projections are considered material in the medium term. Budget issues below this figure are normally dealt with within the delegations available in the Financial Procedure Rules.

Appendix A to the Report of Management Team gives details for each Cabinet Portfolio, the profiled budget to be spent by the end of June 2008. The process to achieve this necessitates each individual item of budget estimate to be reviewed to decide whether there is a specific profile e.g. a budget to be spent at the beginning of the year or at the end, or whether the budget can reasonably be spread in equal amounts over the financial year.

The budget used in the report is the original estimate for 2008/09 as agreed by Council in February 2008 with the addition of the agreed carried forwards as reported to Cabinet in May and June 2008. The actual spend including accruals against the Portfolio profile budget is also shown as is the variance between the profiled estimate and actual spend.

In the Revenue Outturn 2007/08 reports submitted to Cabinet in May and June 2008, identified there were areas of slippage and underspend during 2007/08. As in previous years, it remains apparent that at the first quarter of 2008/09 there is a general tendency towards underspend compared to the notional profile. The total slippage and underspend to June 2008 is £0.2m and this compares to approximately £0.5m at this stage in 2007/08.

In overall terms, the level of salary slippage identified in the first quarter is only in the region of £0.1m which contrasts favourably with previous years and indicates that recent action in terms of the overall reward package is bringing some stability to the overall payroll budget. An overall review of the Council's income target identifies that this is a major problem area. However, it is evident that there are a significant number of relatively small budgets which will find it difficult to achieve income

targets. However, within the overall budgetary control arrangements, it is expected that these minor budget problems will be addressed by the relevant Directors as part of their overall financial management arrangements.

From the Outturn 2007/08 reports, two issues were identified for monitoring during the course of the current financial year i.e. Concessionary Fares and Park & Ride.

The Budget Strategy Report considered at the last meeting identified that the current economic climate is somewhat different to that anticipated when the budget for the current financial year was created. It is necessary to identify those variations as a result of international inflation problems and the subsequent national economic downturn and that any problems identified are addressed in order to minimise the impact, not only in the current financial year but also for the Budget Strategy for 2009/10 onwards.

Appendix B to the Report of the Management Team gives details of the major budget variances identified as a result of the first quarterly review. It details the issues identified at the end of the first quarter, a projection for the full year and the impact of the relevant Director's Action Plan to address the issue along with the resultant net impact in the current financial year. All of the issues identified are assessed for the ongoing consequences which need to be taken into account in the Budget Strategy 2009/10 onwards exercise.

The details in Appendix B may be summarised as follows: -

- a) Development Control income – as the result of a reduction of the number of applications received and the type of applications, after management action, it is anticipated that the result will be a net increase in cost of £120,000. It has been recently announced that this Authority will receive Housing and Planning Delivery Grant of £0.36m. A report will be presented to the Cabinet Member for Regeneration on options to utilise this unbudgeted additional resource and one option may need to consider how, in the short term, this additional grant can be used to off-set the projected budget problem within Development Control income.
- b) Parking income – it is anticipated that an overall reduction of income, primarily due to reduced numbers and types of PCNs, of £0.3m may be reduced by approximately £30,000 due to Management action and a further £50,000 by additional lease rental income. The balance may be addressed, and this can be reduced to approximately £70,000, if the Cabinet Member for Environment agrees to a series of proposals on income tariffs.
- c) Running costs for Street Cleansing/Grass Cutting – as a result of the increase in fuel prices, it is projected that there will an increase in costs to the Council of £50,000 in 2008/09. It is

not anticipated that this increase in costs can be significantly reduced without an adverse affect on service levels, however it is anticipated that Management action will reduce this increase to £40,000.

- d) Refuse Collection Contract – an annual increase in the contract costs, due in August 2008, will produce an increase in cost over that allowed in the budget, of approximately £30,000. However, it may be offset by the revenue savings due to possible delays in the implementation of the recycling programme. This will offset the problem in 2008/09 but the increase will impact on 2009/10 when the budgeted resources for the implementation programme will be required.
- e) Office Accommodation Costs – as a result of the delay in moving to Maidstone House, it was necessary to delay giving the Notice of Termination to the landlords at London House. This has resulted in unbudgeted increased costs of approximately £75,000 of which £15,000 should be claimable from third parties. In addition, due to the current programme of asset disposals, empty property rates of approximately £50,000 are likely to be incurred during the year.
- f) Market Income – across a whole range of income targets, there is a projected overall deficit of approximately £50,000. This relates to car parking income, and income from the Tuesday and Saturday markets. As a result of this further downturn, a further review of the future of the Market is to be undertaken and will be reported to the Cabinet Member for Leisure & Culture.

In addition to the above issues, the first quarterly monitoring report has reviewed the position regarding the two major issues identified as a result of the final accounts position in 2007/08 i.e. Park & Ride income and Concessionary Fares:-

- a) Park & Ride income – a report is to be presented to the Cabinet Member for the Environment which identifies options for increasing Park & Ride income during the current financial year which, along with other issues, should be sufficient to address any budget issues in 2008/09. The major outstanding risk within this service is the current re-tendering exercise for the bus service and this will be assessed later in the year when the results of that exercise are known.
- b) Concessionary Fares – the Kent countywide concessionary fares scheme has not yet received the first quarterly reports on scheme usage and cost and, therefore, this still remains a major risk for the Authority. It is anticipated that some preliminary results may be available by the end of the August, although it is possible that these may well be delayed until September. At present, payments into the scheme are 'on

account' and show an underspend of £0.18m against the budget profile. Once the information is known it will be evaluated and included in future reports to Cabinet. In addition, the recent change initiated by Kent County Council regarding the amendment to the start time from 9.30am to 9.00am and the consequential funding offer from the County is a situation which needs to be validated and reported to the Cabinet Member at the appropriate stage.

Investment income – notwithstanding the budgetary problems identified in this report, the level of investment income achieved in the first quarter is approximately £40,000 in advance of the profiled budget. This is substantially achieved by the effects of slippage from 2007/08 and the premium achieved on external investments over the base rate due to the ongoing problems of the credit crunch. If the overall budget position is not severely prejudiced by the economic downturn and the problems associated with achieving capital receipts (which is dealt with later in this report) is addressed then it is possible that £0.2m of investment income will be achieved in the current financial year over the original budget.

In overall terms, a net budget problem had been identified, primarily as a result of the recent economic downturn, after management action, in the region of £0.39m. It is necessary to identify whether this problem will have any further impact on the assumptions already built into the budget strategy projection for 2009/10 as detailed in the report to the last Cabinet meeting. At this stage, it is felt that the ongoing consequences can be contained in the overall savings requirements of £1m agreed by Cabinet at the last meeting.

At the last meeting of Cabinet, it was agreed that a new scheme for Travel Assistance for Disabled People would be introduced with a cost in 2008/09 of approximately £30,000, the full year cost in the region of £60,000. It was agreed that this be funded from contingencies. It would be appropriate at this stage to be more specific as to the funding of this scheme. It would be appropriate to consider its funding in the context of the overall budget issues identified in this report, the need for a sustainable solution and the potential for the scheme to have a relatively limited life in the anticipation that concessionary travel will transfer to Kent County Council as part of the next Comprehensive Spending Review.

Collection Fund

The collection rate achieved for the first quarter of the financial year for Council Tax is 30.7% compared to the target of 30.5%. This shows a marginal improvement in the collection rate which is of benefit to the treasury management operation.

Figures for NDR also show the actual collection rate achieved is 30.7%, compared to a target of 30.5%. This is also of benefit in treasury management terms.

In addition, arrears collection is on target up to the end of June 2008.

The collection of Council Tax is based, in part, on an assumed number of equivalent Band D properties in the Borough and this tax base is monitored on a quarterly basis to track achievement of the projected base and as an indicator of this factor for future Budget Strategy purposes. The tax base, as at the end of June 2008 is 58654.3, which compares to the tax base set for 2008/09 of 58514.8. This level of progress will ensure that the Collection Fund at the end of March 2009 will not be in deficit and shows good progress towards achieving an increase in the tax base for 2009/10 onwards, which will be of benefit to the Budget Strategy for that period.

Capital

Appendix C to the report of Management Team shows a summary of the current capital budget for this financial year. This includes the initial capital programme as well as the amounts carried forward from 2007/08 as a result of the budget monitoring in 2007/08 and the final account position as reported in May and June 2008. It identifies each scheme individually.

The following information is identified in Appendix C :-

	Detail
1	Description of Scheme in Portfolio Order
2	Approved Budget for 2008/09
3	Actual Spend to end of June 2008
4	Balance of budget available in 2008/09
5-7	Balance of Capital Programmed profiled over the next 3 quarters
8	After profiling, the balance of the budget which will slip into 2009/10
9	Budgets not required

In overall terms, the Capital Budget for 2008/09 is £20m based on an initial budget of £12.6m with £7.4m carried forward from 2007/08. These figures are after assumed slippage of £0.4m. In broad terms, this provides £13.5m resources for investment in council Assets and £6.5m for working with partners and others.

It is now anticipated that £5.9m (£5.4m net of external grant which will also slip) will be slipped into 2009/10 and £0.7m may be deleted from the programme that is not required. This then leaves a residual programme of £14.3m which, in the absence of any further management action, will require funding in 2008/09.

The reasons for the major carry forwards generally relate to contract slippage or delays in establishing spending programmes. In the case of the budget for Support for Social Housing the slippage, in part, covers unallocated resources which could be used to address problems in the

Housing market. In the case of Renovation Grants, the budget not required relates to surplus funds following further evaluation of the extra resources injected into the programme by the Regional Housing Board.

It will be noted that there is a marginal overspend on the scheme at the Exchange. The overspend will be accommodated within the overall resources available to the Cabinet Member for Leisure & Culture and is not an issue for consideration by Cabinet.

A further issue which has been identified as a result of the review of the Capital Programme relates to the overall costs needed to implement Phases 2 and 3 of the waste/recycling Scheme. Due to international inflation relating to energy prices, it is now estimated that a further £140,000 will be needed to purchase all the bins necessary for the two phases of implementation.

The major issue relating to the funding of the Capital Programme is the risk associated with the programme of planned capital receipts which were anticipated to be available in the current year. These capital receipts were identified in the Budget Strategy Report which was reported to the July meeting of Cabinet and total £13.2m. Based on a realistic estimate of capital receipts which may be received in 2008/09, the level of new funding will be in the region of £6.1m, a reduction of £7.1m. This reduction may be compared with the now anticipated slippage and deletion of the programme, as identified in Appendix C, of £5.7m, a shortfall of £1.4m.

The options open to Cabinet, at this stage, are to:-

- a) accept the position and await further information on potential further slippage to be reported in November 2008.
- b) To identify schemes which are not currently contractually committed and which may be positively slipped in to 2009/10.
- c) Positively delete schemes from the programme as of low priority.
- d) Identify further sources of income to fund the Capital Programme (this item is dealt with later in this report).

Notwithstanding the overall position for the current financial year, as identified in this report, there will still be a need to review the programme for 2009/10 in the light of anticipated capital receipts in that year, or potentially, beyond. At the last meeting of Cabinet, as part of the Budget Strategy Report, it was agreed that the Cabinet Members would review their capital programme for 2009/10 onwards and it will now be necessary to incorporate into that review the resources identified in this report as slipping from 2008/09 into 2009/10.

Treasury Management

As identified above the level of investment income achieved in the first quarter is approximately £40,000 in excess of the profiled budget. The overall budget for 2008/09 is £1.6m.

The level of investment income over budget has resulted from the level of slippage and underspend from 2007/08, the positive overall revenue position as identified in Appendix A, and the premium still being achieved on external investments due to the ongoing impact of the credit crunch.

The investment decisions agreed by Council in February 2008 have been partially implemented i.e. some investments have been completed over a two year period to produce some certainty in the level of investment income in the medium term. However, due to the impact of the risk identified in the Budget Strategy Report and the report of management team relating to the certainty of capital receipts, some element of the forward investment programme has been delayed.

The average daily investment for the first quarter was is £29.9m which compares to the estimated level of approximately £25.8m.

Prudential Indicators – the Prudential Indicators approved by Council in February 2008 are monitored on an ongoing basis during the course of the year. The budget monitoring information within this report and the day to day monitoring enables Officers to confirm that these indicators have not been breached and are not likely to do so during the balance of the year, unless there is some significant material change in the financial position of the Authority. If this event were to occur then a report to Cabinet and Council would be necessary.

Balances

Following the completion of final accounts for 2007/08, the level of balances was reported to Cabinet in June 2008. The level of uncommitted balances, after taking into account the carry forward of resources, was £3.1m.

The minimum level of balances targeted in the Medium Term Financial Strategy is 10% of net revenue spend i.e. approximately £2.2m and the minimum level set by Council in 2008/09 is £2m.

As a result of final accounts 2007/08, approximately £0.3m of additional resources was added to balances as a result of a number of factors included in the final figures. The provision made in previous years to the Large Buildings Maintenance Fund of £0.2m has not yet been allocated to any scheme. In addition, there is approximately £0.4m of LABGI resources which have now been received which have not yet been allocated to specific schemes or services. All of these resources are one-off resources and may be used to fund one-off items that should not be allocated to ongoing costs unless there is a finite period involved.

Proposed Funding Solutions

It is agreed that Balances, principally the underspend from 2007/08 of approximately £0.3m, be allocated to address funding problems in 2008/09 as a result of the economic downturn.

It is agreed that the projected additional investment income be transferred to Balances, and will be allocated over a 3 year period, to fund the new scheme for Travel Assistance for Disable People at a total estimated level of £0.15m.

It is agreed that the £0.2m in the Large Buildings Maintenance Fund be allocated towards funding the Capital Programme in 2008/09.

It is also agreed that the principle previously adopted in 2006/07 and 2007/08 of utilizing LABGI resources to fund the requirements for additional bins for the Recycling Programme be continued. On that basis, the additional costs identified in this report for the second and third phase of the programme may be funded by using spare resources from LABGI not yet allocated to projects. This will be the subject of a full report to the Cabinet Member to ensure that value for money is still being delivered through this programme.

It is agreed that the balance of LABGI resources be set aside, at this stage, as a contingency against further consequences of the economic downturn and funding of the Capital Programme, but a further report be prepared to Cabinet on options for best use of this resource should it be not needed for budget problems.

Alternatives considered and why rejected

A major alternative action is to leave the budget monitoring process to Officers. The Constitution does require specific programmes to be considered by Cabinet Members with the proposition, that in the absence of such reports, the budgetary control process has not identified any specific items for consideration.

Should such an approach be taken, Cabinet Members would have a reduced financial awareness and reduced ability to meet service requirements.

In view of the economic downturn, an alternative approach would be to impose a total or selective moratorium on uncommitted spend. In view of the overall financial position of the Authority and the potential impact on services this approach is not recommended at this stage.

Background Papers

Electronic reports retained within the Financial Management System.

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These documents are available at the Council offices.

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: **22 August 2008**.

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 13 August 2008

RESPONSE TO OVERVIEW AND SCRUTINY REVIEW – IMAGE OF MAIDSTONE TOWN CENTRE

Issue for Decision

To consider the response to the report of the Environment and Leisure Overview and Scrutiny Committee.

Decision Made

1. That the attached response to the Overview and Scrutiny Committee be endorsed.
2. That the Cabinet's commitment to enhancement of the town centre through environmental improvements, a longer term comprehensive review of the town centre, and promoting a higher profile including the branding of Maidstone as the County Town of Kent and the premier traditional shopping centre in the region be confirmed.

Reasons for decision

The recommendations of the Environment and Leisure Overview and Scrutiny Committee were reported to Cabinet in July. At that stage the Cabinet noted the recommendations and agreed to respond at this Meeting.

The detailed responses to the specific recommendations are attached and in all but one case the recommendations are accepted.

The Cabinet's aspirations for the environmental and economic well being of the town centre do however go well beyond the specific and quite detailed recommendations of the Scrutiny Committee, as important as they are. Over the coming months Cabinet Members will be receiving reports which put their visions into practice in terms of environmental enhancement schemes within the town centre, the review of the functioning of the town centre and the commencement of work on an action plan for the town centre (building on the excellent Maidstone Town Centre Plan which was prepared by Maidstone Town Centre Management

with the active involvement of Borough Members and officers), and the enhanced promotion of the town centre exploiting the County Town brand.

Maidstone is now one of the premier town centres in the region (and within the top fifty in the UK). It should continue to build on this reputation through exploiting its traditional town centre feel with all of the character and variety that that involves. Leisure attractions such as the river, the newly invigorated Hazlitt Arts Centre and the Museum are key factors and should successfully complement the retail offer which itself will be enhanced by the development of the Maidstone East site. The town centre has significant history. Most importantly good access to the centre is vital and the Borough Council will not only seek to expand Park and Ride to ensure it works more cost effectively, it will continue to promote the All Saints Link Road and press KCC to improve the capacity and efficiency of roads to avoid the predicted gridlock by 2011.

Alternatives considered and why rejected

The ideals behind the Scrutiny report need to be fulfilled if the prosperity of the town centre is to be maintained. To not pursue these would lead to a gradual decline in the vitality of the County Town.

Background Papers

Environment and Leisure Overview and Scrutiny report June 2008.

These documents are available at the Council offices.

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Scrutiny Manager by: **22 August 2008**.