

**MAIDSTONE BOROUGH COUNCIL**  
**RECORD OF DECISION OF THE CABINET**

Decision Made: 14 September 2011

**BUDGET STRATEGY 2012/13 ONWARDS**

**Issue for Decision**

To consider and review the medium term financial strategy (MTFS) for 2012/13 onwards along with developments and emerging issues that will affect the revenue and capital budget for 2012/13. This will provide draft assumptions that will develop the MTFS for 2012/13 onwards for planning purposes and to enable consultation, including the context of the revised strategic plan and the report of the Head of Change and Support considering the timetable for the review of the strategic plan and the development of this strategy.

**Decision Made**

1. That the strategic revenue projection that gives the most likely outcome for planning purposes be agreed.
2. That the level of council tax for planning purposes be agreed as 2.5% per annum over the period of the strategy.
3. That the extent of the capital programme and the current likely financing arrangements be noted.
4. That the outline proposals for consultation and delegation of the development of the final format and questions to the Head of Communications in consultation with the Leader of the Council be agreed.

**Reasons for Decision**

For many years Maidstone Borough Council has considered strategic budget issues at an early stage. To enable balanced consideration of the MTFS with the revised strategic plan there has been a short delay in this year's production of this initial budget strategy report. This year's revisions to the strategic plan have produced a plan focused on three key priorities and the short delay has enabled ongoing work to identify and prioritise actions to achieve the six outcomes that support those priorities.

The MTFS and the strategic plan must be closely aligned to achieve maximum benefit from either strategy. The three priorities set out in the strategic plan are:

- a) For Maidstone to have a growing economy;
- b) For Maidstone to be a decent place to live; and
- c) Corporate and customer excellence.

The detailed actions required to achieve the six outcomes are contained within the service plans of the organisation and within the specific budget heads for those services. At the level of the budget strategy the links with the strategic plan require an assurance that a balanced and prudent budget is set that ensures continued funding for priority service areas and where necessary funds any growth required.

In addition to the revision to the strategic plan, the development that occurred during 2010/11 to the MTFS for 2011/12 provided a comprehensive assessment of the Council's financial situation. It included the development of a four year plan of savings and efficiencies for the budget based upon the developments and issues known at that time. This means that proposals to achieve £1.1m in efficiency and other savings have already been identified for 2012/13 and actions already taken total approximately £0.5m.

The report of Management Team firstly considers the context in which the MTFS 2012/13 is being developed. It then considers each of the major elements of both the revenue and capital financial projections in relation to any known further developments or emerging issues that may possibly require an amendment to the MTFS as set out for 2011/12 onwards.

### Background

Set out at Appendix A to the report of Management Team is the budget summary for 2011/12 which was agreed by Council in March 2011. This was developed from the work on the MTFS for 2011/12 onwards. The summary has been reconfigured to show the current Cabinet portfolio structure.

Also attached to the report of Management Team, for further background information are the following:

- a) Appendix B: The current MTFS for 2011/12 onwards;
- b) Appendix C: The current statement of balances projected to March 2011. This takes into account the outturn position for 2010/11 as reported to Cabinet in May 2011.

### The Local Context:

The outturn position for 2010/11 was reported to the Cabinet meeting in May 2011. The report showed that along with a small number of general carry forward requests, significant sums were carried forward against budget heads that are funded by external grant aid and the balance of revenue support so far set aside for the capital programme. The assumption used in financing the capital programme at this time is that revenue support will be utilised as the last funding stream, as revenue resources can be used more flexibly.

The resulting under spend for 2010/11 was £4m. Of this sum £2.7m was approved by Cabinet against carry forward requests of all types, leaving a contribution to balances of £1.3m. In considering a report on the heating systems at the Hazlitt Theatre, as part of the same agenda in May 2011,

Cabinet approved additional revenue support to the capital programme of £0.31m. The net effect was that unallocated balances increased by £0.89m.

The work completed in 2010/11 on the MTFS means that the budget for 2011/12, a summary of which is attached at Appendix A to the report of Management Team, is a balanced and deliverable budget. The first quarter's monitoring report to Cabinet in August 2011 showed a favourable variance on more than £0.4m. This variance is formed from two major spending areas, Supplies and Services (which includes items such as office supplies and professional and consultancy services) and Building Maintenance costs. At this stage in the year budget monitoring shows that the budget is being managed well but it may be too early to be certain that a variance on these spending areas, which are often less predictable or slow to develop against a new budget, will remain throughout the year.

These local factors contribute to a very stable base on which to build the 2012/13 budget strategy.

#### The National Context:

Last year, when considering the MTFS for 2011/12 onwards, the Government had just announced its initial plans for the public sector spending reductions that would form a major part of its comprehensive spending review. At that time much of the information that was required to create the 2011/12 budget was speculative and, although some things have progressed, many of the planned developments remain speculative or under consultation.

The initial effect of government plans on the country's recovery from the economic downturn has been slow and as with most long term plans it can be expected that, if the plan is successful, recovery speed will increase. Tabulated below are the national indicators of growth and debt given as a result for each calendar year along with the current position at July 2011.

<b>Index</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011 at July</b>
	3.5%	-3.6%	1.5%	0.7%
Debt	£614.4bn	£796.9bn	£909.0bn	£940.1bn

Other useful indices for consideration in the MTFS include RPI (retail price index), CPI (consumer price index), the base rate and the 7 day LIBOR (London inter bank offered rate). These are tabulated below but are considered at financial year end rather than at calendar year end.

<b>Index</b>	<b>Mar 2009</b>	<b>Mar 2010</b>	<b>Mar 2011</b>	<b>Aug 2011 (Current)</b>
RPI	-0.4%	4.4%	5.3%	5.0%
CPI	2.9%	3.4%	4.1%	4.4%
Base Rate	0.5%	0.5%	0.5%	0.5%
7 Day LIBOR	0.67%	0.55%		

The Government notified the Council of its provisional Revenue Support Grant for 2012/13 during February 2011. The sum notified is a 12%

reduction when compared to the 2011/12 cash value. In October 2010 as part of the spending review the Government indicated public sector spending reductions of 25%. This grant reduction, along with the reduction received in 2011/12, form part of that cut. The balance of the spending reduction will be identified by central government over the two remaining years of the review period, 2013/14 and 2014/15.

At this time the Government has commenced consultation on future central government funding for local government. The main proposal in the first phase of their review is the potential re-localisation of business rates. The current intention is for this review to be completed in time for the 2013/14 financial year but details of how this will affect future reductions in funding are unclear. This matter is discussed later in this report when considering possible assumptions on future funding reductions in detail.

Other issues that may have a further effect upon the MTFS include:

- a) The ending of the council tax freeze grant in 2014/15;
- b) Changes to council tax and housing benefit that will be brought about by the Welfare Reform Bill;
- c) Further changes to public sector pension arrangements;
- d) Follow on consequences of the back loaded reductions in government funding for police and fire authorities.

### The Strategic Revenue Projection

The strategic revenue projection is a model used annually by Cabinet to concisely project the effect of major local and national priorities on the future revenue budget of the Council. In the past Cabinet has used a document that models three outcomes. This enables Cabinet to consider the outcome recommended by this report against the best case and worse case outcomes.

All three models use a number of factors such as inflation rates and the consequences of local and national initiatives. These are assumptions about the future consequences of the current situation. In the most significant cases they are discussed individually in this section of the report.

The three strategic revenue projections are set out at Appendix D to the report of Management Team and modifying the "most likely" outcome using individual changes to the assumptions, as another alternative to its adoption were considered.

The assumptions applied to each outcome create a significant amount of detail and the most appropriate way to show this comparatively is in a matrix. This matrix is set out at Appendix E to the report of Management Team. The values quoted in this report relate to the assumptions used in the "most likely" strategic revenue projection that is recommended for approval. Details of the "best" and "worse" case assumptions are given only in Appendices D and E to the report of Management Team.

## Significant assumptions in the strategic revenue projections

Inflation indices: These have been considered in detail and the expenditure budget divided between employee costs; energy costs; business rates; contractual commitments and other running costs. In each case the rate of inflation applied has been discussed with service managers to ensure it is appropriate. In the case of employee costs, whilst there is no increase for 2012/13 in line with Cabinet's previous decision, the consequence of paying £250 to employees earning less than £21,000 has exacerbated the risk that the Council faces with regard to equal pay and pay differentials.

At this time the Head of Human Resources is undertaking the normal review of the pay levels which must occur in line with the commitment made by the Council when the pay structure was adopted. Cabinet will receive a report from the Head of Human Resources at its October 2011 meeting on the results of this review and other issues currently being reviewed on pay and performance. Due to the unquantifiable risk the review creates at this time a provision of £0.16m, which is equivalent to 1% of employee costs, has been incorporated into the strategic revenue projection.

Welfare Reform Bill: The consequences of the Welfare Reform Bill are expected to include amendments to council tax benefit arrangements and the transfer of housing benefit into the proposed universal credit. In the case of council tax benefit this will include a 10% reduction in government funding and an amendment to council tax benefit to make it a local "discount" rather than a benefit. For Housing benefit there will be a loss of a specific government grant and the transfer of employees to the Department for Works and Pensions over a transitional period.

For council tax benefit a budget pressure has been included in the strategic revenue projection for 2013/14 that considers the effect of an increase in bad debt from a 10% reduction in resources available to discount council tax bills. For housing benefit the strategic revenue projection includes a budget pressure in 2014/15 that is the net cost of lost administration grant and reduced employee levels. It is anticipated that this loss will be regained after the transitional period is over and this is outside the period of the MTFS.

Council Tax Freeze Grant: The grant is payable by central government for the four years from 2011/12 to 2014/15 as funding to replace a 2.5% increase in council tax. This required the Council to freeze its council tax in 2011/12. The sum payable is £0.34m per annum and the strategic revenue projection includes a provision for the additional cost to the revenue budget of no longer receiving the grant from 2015/16.

King Street Car Park lease: Although arrangements are progressing on the future use of the unit on the ground floor of King Street Car Park, the termination of the lease with the current lessor means that the annual rental income of £0.13m will not be received in future. It is unlikely that any short term agreement reached will replace this lost income. Due to this risk the strategic revenue projection includes a provision of £0.1m against this loss.

Local Development Framework: Funding for the production of the local development framework has been provided in part from balances and in part from reward related grant such as the Housing and Planning Delivery Grant. Officers estimate that there is up to three more years of work to be completed, including various stages of inspection and consultation. Much of this cost cannot be found from base budget within the service and it is expected that the balance of one off funding will be utilised this year. Provisional estimates show a need for additional resources of just less than £1m. The strategic revenue projection incorporates a base budget pressure of £0.3m which will provide £0.9m over three years. Further work is still being completed on the provisional estimate and a more accurate budget will be produced before December 2011 when Cabinet will consider this matter again.

Funding for projects supported by grant: A number of grant funding streams have been affected by the government's reductions in public sector funding and there are occasions where grant is received by the Council indirectly and the effect on the host organisation has been "passported" to the Council. A significant example is the grant received for the Safer Maidstone Partnership. The grant has reduced in 2011/12 from just over £0.1m to less than £50,000. It is possible that this grant will not be available at all next year. A budget pressure has been shown in the strategic revenue projection to enable the Council to continue the work of the partnership through local funding.

Future service arrangements with Parish Councils: A budget pressure of £80,000 has been included in the strategic revenue projection to enable support to service areas that will be affected most heavily by the removal of the concurrent functions arrangements. This is intended to recognise the additional pressure placed upon the budgets for service areas that may be required to directly fund activity or enter into a funding arrangement with individual parish councils.

#### Resources Available

Income from rents, fees and charges: In general the income generated by services forms part of the net budget of the council and is treated separately from decisions on the level of RSG and the level of Council Tax.

The level of income generated by services through rents, fees and charges is in the region of £18m. In some case the council has the ability to influence the level of charge but in many cases the government either prescribes the charge or requires a charge that ensures the service reaches a break even position on cost.

Because of the variety of income types it is not appropriate to use RPI or CPI to generalise on a likely increase. To ensure that managers assess the suitability of increases in fees and charges when developing their budget the Council has a policy, adopted in 2009, on the necessary assessment of the market. This includes issues such as competitors and the effect a change in price will have on demand.

No action will be taken to prescribe an increase in rents, fees and charges, allowing services managers to complete this work individually for their service in line with the policy and as part of the required efficiency and savings target set out in the strategic revenue projection. This would accord with the assessment of the Council as a business that is currently being considered by Corporate Services Overview and Scrutiny Committee.

To ensure that awareness and control over developments is retained, income levels, future reports on savings proposals will specifically identify proposals for increases in income. Quarterly budget monitoring reports will then give assurance that income proposals are actually being achieved.

Revenue Support Grant: This grant is also known as formula grant due to the formulaic nature of its calculation. In fact the complex formula is one reason why central government is reviewing this funding for local government. This issue was considered earlier in this report as a national development. The government is currently consulting on the re-localisation of business rates and the consultation proposes that this will occur for the financial year 2013/14. At this time any estimate of the consequences to the Council's resources would be unreliable.

Revenue Support Grant will exist for the forthcoming financial year 2012/13 and the government's provisional values suggest the Council will receive a cash sum of £5.7m which is 12% lower than the cash sum received in 2011/12. The provisional nature of that sum will be updated by the government in December 2011. The Council will not receive final confirmation until January 2012.

Without the ability to estimate the consequences of the government's review of the formula grant process the most accurate assessment of future funding continues to be the details given in the spending review of October 2010. Modelling of the data in the spending review suggests a further reduction in grant of 1.2% in 2013/14 followed by a 7.6% reduction in 2014/15. The comprehensive spending review was a four year review and the data finishes in 2014/15. As a preliminary assumption for 2015/16 the strategic revenue projection includes a 5% loss of grant.

Council Tax: The level of council tax is affected by two factors. These are changes in the property base within the borough and increases in the charge set by the Council.

The property base or more specifically the tax base where it relates to council tax levels shows regular annual growth. In the calculation to set the council tax for 2011/12 the tax base growth was 0.9%. In the period since then property completions have not kept pace with that level. The strategic revenue projection includes a 0.5% increase in the tax base for each of the five years under consideration.

The level of charge set by the Council varies in accordance with need and prudence, it should be set to avoid the threat of capping or referendum whilst ensuring the final budget is balanced and delivers the Council's objectives.

Cabinet should be aware that due to the government control through capping legislation and the future referendum proposals, a council tax increase once forgone in any one year cannot be reinstated. The loss of council tax from the agreed freeze during 2011/12 was funded by grant aid from central government. This funding lasts until 2014/15. In 2015/16 the Council will need to find savings of £0.34m to cover the grant. As an indicative example of the long term consequences, over a period of 10 years the lost revenue expenditure equals £3.4m plus the compounding effect of future increases in council tax. If a 2.5% increase occurred in each of the 10 years, compounding would add a further £0.4m to that sum. The actual effect will not be reversible whilst capping or a local referendum exists as a controlling influence.

The strategic revenue projection includes a council tax increase of 2.5% for each year. For 2012/13 this would mean an average increase of £5.56 for each band D tax payer. This equates to 0.38% of the total tax bill of £1,476.80, which includes the charges for the county council, the police authority and the fire authority. Together with the 0.5% increase assumed for the tax base, this creates a 3% increase in this Council's tax resources.

A council tax increase assumption of 2.5% will be set for the purpose of planning and consultation and further consider this issue prior to its recommendation to Council in March 2012.

### Savings and Efficiency

The strategic revenue projection identifies the predicted levels of resources available to the Council and the additional budget pressures facing the Council for each year of the MTFS. From this information a level of saving and efficiency required to create a balanced budget can be deduced.

The three versions of the strategic revenue projection set out at Appendix D to the report of Management Team produce the savings targets tabulated below.

	<b>2012/13 £,000</b>	<b>2013/14 £,000</b>	<b>2014/15 £,000</b>	<b>2015/16 £,000</b>	<b>2016/17 £,000</b>
Best Outcome	1,512	609	932	710	356
Most Likely Outcome	1,861	797	1,251	971	538
Worst Outcome	2,081	905	1,885	1,103	767
Savings Proposals	(1,131)	(800)	(580)	0	0

The work completed in advance, during the development of the MTFS for 2011/12, means that significant progress has already been made to achieve the required savings. The currently identified savings available are also given in the table above. The specific details of individual savings proposals are not replicated in this report. This is because some of the proposals relate to structural change that requires consultation with the



members of staff who may be affected, before publication of the detailed information.

The most likely outcome from the range of strategic revenue projections, then additional savings of £0.73m, will need to be identified for 2012/13. In addition, savings of £0.67m in 2014/15 and £0.97m in 2015/16. A number of initiatives will assist the Council in identifying actions that will achieve these revised targets. These include:-

- a) A business improvement programme currently being developed to reconsider all service areas using a number of options such as partnership working, outsourcing, income generation and process improvements;
- b) A specific focus on enhancing the Council's capacity to generate income directly from the services that are able to charge for service provision;
- c) A review of all major contractual commitments;
- d) Ongoing reviews of new ways of working and staff structures.

Much of this work has been ongoing for a number of years and recent examples include the shared revenues and benefits service, the new parking enforcement contract and the rationalisation of service areas such as community development.

#### Capital Programme

The current capital programme was agreed by Council in March 2011 but has twice been amended by Cabinet since that time. The amended programme as set out at Appendix F of the report of Management Team has been moved forward to show the financial year 2015/16. At this time it assumes no programme in that year as resources will need to be approved and an assessment of priority schemes that are affordable will need to be made.

Summarised in the table below is the current assessment of resources available from revenue support, capital grants and contributions and capital receipts. This has been modified to include the additional revenue support agreed by Cabinet in May 2011, the current level of capital receipts received and the current best assessment of the timing and value of future sales.

<b>Funding Source</b>	<b>2011/12 £</b>	<b>2012/13 £</b>	<b>2013/14 £</b>	<b>2014/15 £</b>	<b>2015/16 £</b>
Revenue Support	2,860,300	1,771,380		487,500	655,840
Capital Grants/Cont.	2,468,810	1,735,130	450,000	450,000	450,000
Capital Receipts	1,930,190	1,350,000	1,567,500	882,500	
	<b>7,259,300</b>	<b>4,856,510</b>	<b>2,017,500</b>	<b>1,820,000</b>	<b>1,105,840</b>

Due to the additional receipts currently available, there is no longer a need for borrowing to finance the programme up to 2014/15. These additional sales also allow a revision to the timing and value of other outstanding sales to reduce the risk to the programme whilst providing a balance of resources that can be carried forward to support the development of a programme for 2015/16. The table shows that, including the potential disabled facilities grant, there will be resources of £1.1m available in 2015/16.

At this time there are no amendments proposed for schemes currently in the programme. The resources potentially available to fund additions to the programme are £1.1m as shown in the above table for 2015/16. In accordance with the MTFS an assessment of any new schemes should be carried out to identify their relative priority, benefit and affordability. This work can be completed at any time before the submission of the final budget to Council in March 2012.

As the future programme remains undeveloped and there remains a risk of potential borrowing if receipts from asset sales are not achieved at the appropriate time, it is recommended that Cabinet note the position on the programme and likely financing arrangements.

### Consultation

Budget consultation is a formal and necessary element of the budget strategy process. It allows residents, customers, businesses and other stakeholders to provide feedback and opinion to Cabinet on the developing strategy. Annual consultation is completed between October and November each year to ensure the budget planning is sufficiently robust for the consultation and in time for the responses to influence the final budget.

In recent years Cabinet has taken a coordinated approach to the views it has sought during consultation. This has been done with the intention of building a body of knowledge about consultees' opinions on various elements of the budget.

During the development of the 2009/10 budget strategy the consultation was through a budget simulator to allow respondents to create their own budget and asked them to achieve a council tax increase below 5%. The choices available for growth or savings were larger key service areas that most respondents displayed a desire to protect, such as refuse and street cleansing.

During the development of the 2010/11 budget strategy the consultation was carried out by formal market research. This research focused on income generating services through consideration of price and elasticity of demand. Questions included the preference for payment for services by council tax or by direct fee at time of use.

During the development of the 2011/12 budget strategy members and officers completed comprehensive public engagement under the banner of "My Council, What Matter to ME" which reviewed opinion on discretionary

services and Cabinet's proposals for savings. It also gave an opportunity for respondents to put forward further ideas for consideration.

For the consultation during the development of the 2012/13 budget strategy it is essential that the focus is such that it builds upon and complements data from the previous consultations.

It is proposed that a "café conversations" road show be developed for 4 to 6 locations across the borough. The consultation would as usual include response through the website and directly to the council from an available leaflet along with simple advertising. It is also proposed to use a targeted survey to enable wider feedback. Although the budget was reduced during 2011/12 as part of the budget strategy work completed in 2011/12, funding for this consultation is available from within the communications budget.

Two general topics are proposed for the consultation covering the following areas:

- d) The correlation between service standards, customer satisfaction and cost. For example the cost of a specific level of provision may be influenced by the service standards set. In value for money terms, customers may be satisfied with an amendment to the service level if they could make a correlation to changes in the cost of the service.
- e) The importance to the customer of services identified by cabinet as low priority that are provided due to their statutory nature. This would follow from the consultation last year into the importance to customers of the discretionary services provided by the council. As these services are statutory it would be necessary to link this to service standards consultation proposal as the choice would be a lower standard of service rather than non-provision of a service.

The consultation could also take the opportunity to inform respondents on the subject of the actual cost of services in relation to council tax paid and the consequence to individual services of a loss of funding through council tax.

### **Alternatives considered and why rejected**

The outcome of a number of the developments could be awaited, such as the final level of revenue support grant and more accurate information on any of the factors discussed in the report of Management Team. It is prudent to agree a revenue projection to enable planning for the required savings and for consultation to be completed.

With reference to the specific issues and assumptions within the report of Management Team, it is inevitable that a view will need to be taken on each issue and their future impact upon the Council be assessed. It is the intention of the report of Management Team to initiate discussion and

provide members with the opportunity to raise additional issues to be included in the MTFS.

### **Background Papers**

Strategic Plan 2011/12 Onwards  
Provisional revenue support grant 2012/13 – notification  
Corporate Fees & Charges Policy

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: **22 September 2011**

## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 14 September 2011

#### **DATA QUALITY POLICY**

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

To consider the updated Data Quality Policy for the Council.

##### **Decision Made**

1. That the updated Data Quality Policy at Appendix A to the report of the Head of Change and Scrutiny and the accompanying Equalities Impact Assessment at Appendix B of the report of the Head of Change and Scrutiny be agreed.
2. That Data Quality Actions for the inclusion in the Corporate Improvement Plan at Appendix C to the report of the Head of Change and Scrutiny be agreed.

##### **Reasons for Decision**

Public services need information that is fit for purpose with which to manage services and performance. For example, service providers need good information to make judgements about the efficiency, effectiveness and responsiveness of their services. At the same time there must be a balance between the use and importance of the information and the cost of collecting the required data to the necessary level of accuracy and reliability.

Successful bodies have recognised data quality as a corporate priority and have taken action to embed arrangements for managing the quality of the data they collect and use.

The Government is committed to increasing transparency and accountability at a local level. At a national level the localism bill and ethos of the national localism agenda aims to enable local people to hold politicians and public bodies to account over how their council tax is being spent and decisions made on their behalf. By reviewing Data Quality arrangements and carrying out checks on a regular basis should ensure that the data provided to decision makers and residents is reliable, accurate, valid, timely, relevant and complete.

##### **Updates to Maidstone's Data Quality Policy**

The Data Quality Policy was last updated in March 2009 within the inclusion of risk management. Although the current policy is in line with the current best practice when comparing our policy to other local authorities it was apparent that the inclusion of additional elements for

example a definition of data and the key principles of data quality would aid understanding.

Updates to this version of the policy include:

- A definition of 'data';
- An outline of the key principles of data quality to enhance understanding;
- Changes to the procedures around Service Planning and providing supporting documents; and
- Sections on partners, contracts and monitoring, reviewing and reporting have been added.

Consultation on the revised policy has been undertaken. The policy was emailed to a sample of data managers and data entry officers, who were asked to read it and respond to consultation. A total of 29 people responded to the consultation and some minor changes were made as a result.

As set out in action plan at Appendix C to the report of the Head of Change and Scrutiny and page 8 of the revised Data Quality Policy, the policy will be fully reviewed every two years and any updates to the policy presented to Cabinet for approval.

#### Data Quality Actions

Appendix C to the report of the head of Change and Scrutiny sets out actions identified as part of the review of Data Quality. The areas which were identified for improvement as part of the review were training and raising awareness. It is recommended that these actions be integrated into the Corporate Improvement Plan and reported through this mechanism.

#### **Alternatives considered and why rejected**

Not reviewing the Data Quality Policy is not thought appropriate, as failing to take this seriously could mean the reliance that the Council can place on various information as part of the decision making process will be significantly reduced.

The Council needs to be mindful that the systems that are put in place are not overly bureaucratic, complicated or confusing for the officers who are involved

#### **Background Papers**

Third Party Data Sharing Protocol  
Data Quality Responsibility Statement  
Data Quality Audit Template

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>22 September 2011</b>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 14 September 2011

#### **CORPORATE IMPROVEMENT PLAN UPDATE**

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

To consider progress made on the actions within the Corporate Improvement Plan (CIP).

##### **Decision Made**

1. That the progress against the objectives set in the CIP be noted.
2. That where actions are out of target, responsible officers are asked to provide reasons as to why these have not been completed and plan for how they intend to complete the action as quickly as possible be agreed.
3. That the following actions in the plan be agreed:
  - 12.03 Assess the appropriateness of the actions within action plans in relation to 2010 results
  - 12.04 Identify any patterns or trends following the completion of the second survey.
4. That the target date of 30 September 2011 for the following action be agreed:
  - 020.05 Explore options for a more specialised central project management or project support function.
5. That a Corporate Peer Review in September 2012, to consider how the needs of residents are being met and addressing the Corporate and Customer Excellence Priority, be agreed.
6. That undertaking an additional Peer Review for Planning in January 2012, to consider how the corporate priority for Maidstone is met, for a growing economy, be agreed.

##### **Reasons for Decision**

The purpose of the CIP is to identify and monitor progress on key areas for improvement.

Fourteen actions have been completed since the last report in March.

Appendix A to the report of the Head of Change and Scrutiny shows the ongoing actions within the plan. There are currently five outstanding actions of which four are out of target.

It has been requested that the following actions are removed from the plan:

**12.03 Assess the appropriateness of the actions within action plans in relation to 2010 results**

**12.04 Identify any patterns or trends following the completion of the second survey**

The Place survey is no longer a requirement. A residents' survey will be conducted to replace this. However, options for methodology are still being discussed. These actions are therefore no longer relevant. Replacement actions will be included in the plan once the new customer satisfaction survey has been agreed and carried out.

An extension has been requested on the following action;

**020.05 Explore options for a more specialised central project management or project support function**

Requested target 30 September 2011

Recently an officer has temporarily been acting as Corporate Project Manager, providing project management expertise for a number of projects across the Council. This post sits within the Change and Scrutiny Team and has recently been extended until March 2012. At present the Head of Business Improvement coordinates the Council's approach to projects and provides reports to management team. Project management for the Hazlitt capital works is currently being provided by another officer not based in the Hazlitt team. Moving the deadline for this action to 30 September 2011 will allow a report to be prepared for Management Team by the Head of Business Improvement that considers how well these arrangements have worked and suggests a way forward.

Continuous Improvement

It is recognised that with the abolition of the Audit Commission and inspection regime the Council has made a commitment to be proactive in how it monitors performance and seeks improvement going forward. There will be other additions to the plan following peer reviews. The Council will be undertaking a Corporate Peer Review in September 2012 to consider how we are meeting the needs of residents and addressing the Corporate and Customer Excellence Priority. An additional Peer Review is also planned for Planning in January 2012, to consider how we meet our corporate priority For Maidstone to have a growing economy. Both of these reviews will result in actions being added to the improvement plan.

The corporate approach to improvement at the Council was discussed at the Cabinet away day on 13 July 2011. It was identified that improvement and change should be driven by efficiency and customer satisfaction. A report summarising the discussion and options for



implementing change will be taken to the next away day on 24 August 2011. This should result in a number of actions that will be added to the CIP.

### **Alternatives considered and why rejected**

A decision could be made not to produce a CIP or consider its progress. If not properly monitored, improvement actions may not be delivered. This would have a detrimental impact upon service delivery and the Council's reputation.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>22 September 2011</b>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 14 September 2011

#### **CORPORATE PLANNING TIMETABLE**

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

To consider the timetable for corporate planning for 2012-13; the Strategic Plan and Medium Term Financial Strategy are key elements of the corporate planning framework for the Council. They are also a key part of the 'golden thread' which runs from the vision for the borough set out in the Sustainable Community Strategy through to corporate priorities and outcomes and targets for individuals in appraisals.

##### **Decision Made**

That an update to the strategic plan and the corporate planning timetable, as set out below, be agreed.

<b>Date</b>	<b>Action</b>
14 September 2011	Cabinet consider the corporate planning timetable
June – November 2011	<ul style="list-style-type: none"><li>• Review of the Strategic Plan and Medium Term Financial Strategy at Cabinet Away Days, reviewing each priority and agreeing priority actions.</li><li>• Assessment of progress against priorities and outcomes</li><li>• Informal discussions with Cabinet</li><li>• Meetings with Heads of Service and officers</li><li>• Identification of savings and growth items</li><li>• Scrutiny Budget Working group to look at proposals</li></ul>
September to October 2011	Budget Consultation and Resident Survey of customer satisfaction and actions for outcomes
December 2011	Updated Strategic Plan and MTFS agreed for consultation by Cabinet
January 2012	Corporate Services Overview and Scrutiny consider updated Strategic Plan and Medium Term Financial Strategy and make recommendations to Cabinet

February 2012	Cabinet consider Strategic Plan and Medium Term Financial Strategy and recommend to Council
March 2012	Council agree and adopt the Strategic Plan and Medium Term Financial Strategy
April 2012	Implementation of the Updated Strategic Plan and MTFS

### **Reasons for Decision**

The corporate planning process within the Council ensures that the overall vision for the borough is delivered. The priorities and outcomes in the Strategic Plan are developed alongside the Medium Term Financial Strategy (MTFS) to ensure a consistent approach between service delivery and budgets. Service planning allows the Council to convert high level objectives from the Strategic Plan into actions for each directorate, service or team across the Council, which then feeds into individual staff appraisals.

On 12 August 2009 Cabinet agreed to decide annually whether to update the existing Strategic Plan or to create a new one. Following extensive change in the national arena it was agreed to write a new Strategic Plan 2011/12 to take the Council through to 2015 alongside the MTFS. It is recommended that in light of the new plan only being developed last year, the plan for 2011-15 is updated for 2012-13. The update will include the work of the Cabinet on the future shape of the organisation and medium term planning and prioritisation of the actions required to achieve the outcomes outlined in the Strategic Plan.

Cabinet have been considering each of the Council's corporate outcomes at Cabinet Away Days throughout the summer to identify priority actions for each. This has been developed alongside developing proposals for investment and savings for the budget. This work will continue into September, with an away day planned for October to look at the future shape of the organisation based on the priorities and actions identified. These cabinet away days will inform the update of the Strategic Plan.

An update would include:

- A review of all the outcomes and associated actions;
- An update of what was achieved in the year (in 2011/12 we...);
- An update to any local or national context where relevant;
- An update to the foreword; and
- An update on the Sustainable Community Strategy refresh if available.

### Timetable for developing the Strategic Plan 2012/13 update

The timetable is proposed for the development of the 2012/13 update, as set out above.

### **Alternatives considered and why rejected**

A full new Strategic Plan for 2012-16 could be produced. This is not thought appropriate, as a new strategic plan was only created last year.

Alternatively, it could be decided that the Council already has a four year plan in place and therefore there is no reason to produce either an update or another full document. This is not thought appropriate as the local and national context is constantly changing and the Council needs to be able to demonstrate how it is planning and managing the issues arising from these changes.

### **Background Papers**

Strategic Plan 2011-15  
Sustainable Community Strategy

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>22 September 2011</b>
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**MAIDSTONE BOROUGH COUNCIL**  
**RECORD OF DECISION OF THE CABINET**

Decision Made: 14 September 2011

**OPEN PUBLIC SERVICES WHITE PAPER RESPONSE**

**Issue for Decision**

To consider the proposed response from the Council to the Open Public Services White Paper and actions to be taken.

**Decision Made**

1. That the response to the white paper set out at Appendix A to the report of the Head of Change and Scrutiny be agreed.
2. That the proposed actions outlined below be agreed:

**Individual Services - Actions and Issues:**

- Resident/Customer focused and what action we should be taking as a Council to achieve this.
- Agreements to develop a local accountability framework – and ensure residents are engaged in this process.
- The changing role of the Ward Councillor in the community and any support they require.
- Ensure the work on the future shape of the organization identifies how services will be delivered and models of service delivery.

**Neighbourhood Services - Actions and Issues:**

- Continuing to develop our relationship and understanding of parish councils and community groups who may want to deliver services, also the support they may require to do this.
- Reviewing the appetite for urban parishing.
- If appropriate piloting a community budget with the Government (prospectus inviting pilots out in September).

**Commissioned Services -Actions and Issues:**

- Identifying services we may want to deliver on behalf of others as part of the work on the future shape of the organisation.

- Ensuring we know how we would like our services delivered and by whom.
- Setting and agreeing criteria for results from commissioned services i.e. resident satisfaction.
- Having an agreed approach to publishing procurement and contract data.

### **Reasons for Decision**

The Government has recently launched the much anticipated Open Public Services White Paper. A summary of the white paper is set out at Appendix A to the report of the Head of Change and Scrutiny.

The Government has stated that the paper will be subject to a listening period from July until September, they have set up a website about the changes which invites responses from all sectors including the public. Following the consultation there will be a programme of work undertaken from November this year.

The paper reiterates much of the information and initiatives covered by the Localism Bill rather than introducing new policies. The paper contains ambitions for public service delivery rather than concrete policy proposals and states that the Government will be consulting on these ambitions. The principles within the white paper fit with our own priorities and our service design principles as identified in the Strategic Plan 2011-15.

### **Alternatives considered and why rejected**

Maidstone Borough Council could choose not to respond to the white paper and not to act proactively in respect of its implications. The intentions of the paper and the proposed actions however fit well with the Council's priorities and service design principles.

### **Background Papers**

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>22 September 2011</b>
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## **MAIDSTONE BOROUGH COUNCIL**

### **RECORD OF DECISION OF THE CABINET**

Decision Made: 14 September 2011

#### **Strategic Risks 2011 -2015**

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

To consider and adopt a new Strategic Risk Register which is aligned with the Council's priorities as set out in the Strategic Plan 2011-15, to note that the strategic risks in the Register have been allocated to specific senior managers by Management Team and to note the action that the 'risk owners' will be taking in order to manage the risks.

##### **Decision Made**

1. That the Strategic Risk Register 2011-15 be adopted.
2. That the action that the allocated senior managers will be taking to manage the risks to the successful delivery of Maidstone Borough Council's key strategic outcomes be noted.

##### **Reasons for Decision**

Cabinet agreed a new draft Strategic Risk Register at its meeting on 22 December 2010, subject to any changes to the Council's key objectives that might emerge through the consultation process.

The new Register was developed through a risk workshop process which sought to identify the risks to the successful delivery of the newly developed strategic outcomes. The Risk Register is intended to align as closely as possible with the Strategic Plan 2011-15.

The Strategic Plan 2011-15 has been subject to consultation and has been formally adopted by the Council. The Strategic Risk Register now similarly needs to be formally adopted.

Management Team has allocated the individual strategic risks to specific senior managers so that they can take personal responsibility for managing those risks as follows:

##### **Risk Description and 'Risk Owner'**

- 'The Borough needs a transport network that supports the local economy' – Interim Head of Core Strategy (Flo Churchill)

- 'The Borough needs a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy' – Assistant Director of Development and Community Strategy (Brian Morgan)
- 'The Borough needs decent affordable housing in the right places across a range of tenures' – Head of Housing and Community Safety (John Littlemore)
- 'Maidstone needs a clean and attractive environment for people who live in and visit the borough' – Assistant Director of Environment and Regulatory Services (Steve Goulette)
- 'The Council needs to ensure that residents are not disadvantaged because of where they live or who they are; vulnerable people are assisted and the level of deprivation is reduced' – Head of Housing and Community Safety (John Littlemore)
- The Council needs to deliver value for money council services that residents are satisfied with' – Head of Change and Scrutiny (Angela Woodhouse)

The 'risk owners' have completed Management Action Plans setting out the required management action, the officer responsible for taking the action and the key dates for the action to be taken by. The Management Action Plans are set out at Appendix B to the report of Management Team.

The Action Plans will be entered onto the corporate performance management system, Covalent, so that actions can be monitored and tracked. The actions will be reported as part of the performance monitoring reports that are provided to Management Team and Cabinet on a quarterly basis.

A report, setting out the Strategic Risk Management process and the Risk Register, will be provided to the Audit Committee at its meeting on 19 September 2011 so that the Committee can 'monitor the effective development and operation of risk management and corporate governance in the Council' in accordance with its terms of reference.

### **Alternatives considered and why rejected**

Having identified the risks to the delivery of the Council's key strategic outcomes, it is vital that an effective process is put in place to manage the risks. No alternative action could be recommended.

### **Background Papers**

Report to Cabinet 22 December 2010 – Strategic Risks

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: **22 September 2011**