

You are hereby summoned to attend a meeting of the

MAIDSTONE BOROUGH COUNCIL



Date: Wednesday 27 February 2013

Time: 6.30 p.m.

Venue: Town Hall, High Street,
Maidstone

Membership:

Councillors Nelson-Gracie (The Mayor), Ash,
Barned, Beerling, Black,
Mrs Blackmore, Brindle, Burton,
Butler, Chittenden, Collins, Cox,
Cuming, Daley, English, Garland,
Mrs Gibson, Mrs Gooch, Greer,
Ms Griffin, Mrs Grigg, Harwood,
Mrs Hinder, Hogg, Hotson, Mrs Joy,
Lusty, McKay, McLoughlin, Moriarty,
B Mortimer, D Mortimer, Moss,
Munford, Naghi, Newton, Paine,
Parvin, Mrs Parvin, Paterson, Pickett,
Mrs Ring, Mrs Robertson, Ross, Sams,
Springett, Mrs Stockell, Thick, Vizzard,
Warner, Watson, de Wiggondene,
J.A. Wilson, Mrs Wilson and Yates

Continued Over/:

Issued on 19 February 2013

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEBBIE SNOOK on 01622 602030**. To find out more about the work of the Council, please visit www.maidstone.gov.uk

Alison Broom

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

AGENDA

Page No.

1. Prayers
2. Apologies for Absence
3. Dispensations (if any)
4. Disclosures by Members and Officers
5. Disclosures of Lobbying
6. To consider whether any items should be taken in private because of the possible disclosure of exempt information.
7. Minutes of the extraordinary meeting of the Borough Council held on 4 February 2013 1 - 3
8. Mayor's Announcements
9. Petitions
10. Question and Answer Session for Members of the Public
11. Questions from Members of the Council to the
 - (a) Leader of the Council
 - (b) Cabinet Members
 - (c) Chairmen of Overview and Scrutiny Committees
 - (d) Chairmen of other Committees
12. Current Issues - Report of the Leader of the Council and Response of the Group Leaders
13. Report of the Cabinet held on 13 February 2013 - Refresh of the Strategic Plan 2013-14 4 - 34
14. Report of the Cabinet held on 13 February 2013 - Budget Strategy 2013/14 Onwards 35 - 55
15. Report of the Cabinet held on 13 February 2013 - Treasury Management Strategy 2013/14 56 - 70
16. Record of Recommendation of the Cabinet Member for Community and Leisure Services - Maidstone Community Safety Partnership Plan 2013-2018 71 - 82
17. Report of the Member and Employment and Development Panel held on 28 January 2013 - Pay Policy Statement 83 - 110
18. Report of the Head of Democratic Services - Members' Allowances 111 - 119
19. Appointment of Mayor Select 2013/14
20. Appointment of Deputy Mayor Select 2013/14

NOTE: MEMBERS ARE REQUESTED TO BRING WITH THEM TO THE MEETING THE FOLLOWING DOCUMENT WHICH HAS BEEN CIRCULATED SEPARATELY:-

APPENDIX A TO THE REPORT OF THE CABINET RELATING TO THE BUDGET STRATEGY 2013/14 ONWARDS

Agenda Item 7

MAIDSTONE BOROUGH COUNCIL

MINUTES OF THE EXTRAORDINARY MEETING OF MAIDSTONE BOROUGH COUNCIL HELD AT THE TOWN HALL, HIGH STREET, MAIDSTONE ON 4 FEBRUARY 2013

Present: Councillor Nelson-Gracie (The Mayor) and Councillors Ash, Barned, Black, Mrs Blackmore, Brindle, Burton, Butler, Chittenden, Collins, Cox, Daley, English, Garland, Mrs Gooch, Greer, Ms Griffin, Mrs Grigg, Harwood, Mrs Hinder, Hogg, Hotson, Mrs Joy, Lusty, McKay, McLoughlin, Moriarty, B Mortimer, Munford, Naghi, Newton, Paine, Paterson, Pickett, Mrs Ring, Mrs Robertson, Ross, Sams, Springett, Mrs Stockell, Thick, Vizzard, Watson, J A Wilson, Mrs Wilson and Yates

84. MINUTE'S SILENCE

The Council stood in silence for one minute in memory of Maurice Eastman, a former Assistant Treasurer, and Eric Philp who was known to Members as a long serving Curator of Natural History at Maidstone Museum and also through his ceremonial role as Swan Master.

85. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors Beerling, Cuming, Mrs Gibson, D Mortimer, Moss, Parvin, Mrs Parvin, Warner and de Wiggondene.

86. DISPENSATIONS

There were no applications for dispensations.

87. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

88. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

89. EXEMPT ITEMS

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

90. MINUTES OF THE MEETING OF THE BOROUGH COUNCIL HELD ON 12
DECEMBER 2012

RESOLVED: That the Minutes of the meeting of the Borough Council held on 12 December 2012 be approved as a correct record and signed.

91. MAYOR'S ANNOUNCEMENTS

The Mayor announced that:-

- The Charity Quiz Night on 1 February 2013 had been very successful, and the sum of £1,958 had been raised for the Mayor's Charity Fund.
- He wished to remind Members of forthcoming events, including the Mayor's Murder Mystery Evening on 1 March 2013 and the Charity Spring Ball on 6 April 2013. He would like to thank Members for their continued support.

92. PETITIONS

There were no petitions.

93. QUESTION AND ANSWER SESSION FOR MEMBERS OF THE PUBLIC

There were no questions from members of the public.

94. QUESTIONS FROM MEMBERS OF THE COUNCIL

There were no questions from Members of the Council.

95. REPORT OF THE CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE - REVIEW OF CORPORATE GOVERNANCE

Councillor Mrs Gooch, the Chairman of the Corporate Services Overview and Scrutiny Committee, introduced the report of the Working Group which had been set up to undertake a review of the Council's governance arrangements. Councillors Black, English, Newton and Vizzard then gave a short presentation on the work of the Group and its findings. The Council was then asked to evaluate the four governance models presented and to agree which option to take forward.

It was moved by Councillor Garland, seconded by Councillor Mrs Wilson, and:

RESOLVED: That Council Procedure Rule 19.1 be suspended for this meeting only, and that all of the options be voted on (each Member having one vote). If there is not a clear majority of votes in favour of one option, then the option with the least number of votes will be taken off the list and a new vote will be taken. The process will continue until there is a majority of votes for one option.

The voting on each of the options was as follows:

i	No Change	None
ii	Hybrid System (Committee System and Scrutiny)	17
iii	Retain Cabinet System with Enhanced Scrutiny	27
iv	Retain Cabinet System and Engage Advisory Committees/Boards	None

Note: Two Members abstained from voting.

RESOLVED: That with a clear majority of votes in favour, option iii be taken forward as the preferred model of governance for the Council.

It was moved by Councillor Hogg, seconded by Councillor English, and:-

RESOLVED:

1. That the Scrutiny Co-ordinating Committee (being the Chairmen and Vice-Chairmen of the Overview and Scrutiny Committees) be authorised to carry forward the option selected and to bring back to full Council proposals for its implementation.
2. That no action be taken on the recommendation relating to the appointment of a Member Working Group to investigate the development needs of Members, and how this should be approached by the Council, as this work is already in hand.

96. DURATION OF MEETING

6.30 p.m. to 8.10 p.m.

MAIDSTONE BOROUGH COUNCIL

27 FEBRUARY 2013

REPORT OF THE CABINET HELD ON 13 FEBRUARY 2013

REFRESH OF THE STRATEGIC PLAN 2013-14

Issue for Decision

Council are asked to agree the refreshed strategic plan.

Recommendation Made

1. That the refreshed Strategic Plan 2013-14 (as attached at Appendix A) be approved.
2. That delegated authority be given to the Chief Executive to make minor amendments, in consultation with the Leader, as required.

Reasons for Recommendation

The Cabinet considered the report of the Leader and Chief Executive regarding the refreshed Strategic Plan 2013-14.

In September 2012 the Cabinet agreed that the Strategic Plan for 2011-15 be retained and refreshed rather than a new plan being produced. The 2012-13 refresh of the Strategic Plan focused on developing and aligning the council's priorities to what matters most for the Maidstone Community and resulted in the Outcomes being increased from 6 to 7. The refresh for 2013-14 was focused on updating the action plans for the outcomes.

The refreshed Strategic Plan attached at Appendix A to the report of the Leader and Chief Executive was approved by Cabinet on 19 December 2012 for consultation. At the meeting Councillor Mrs Gooch requested that information on tourism in the priorities section be updated and that parishes be included in the strategy map. This was agreed by Cabinet and these changes have been incorporated. The report was then presented to Corporate Services Overview and Scrutiny Committee. Attached at Appendix B to the report of the Leader and Chief Executive were recommendations made by the Committee with responses. The majority of recommendations have been incorporated.

The Sustainable Community Strategy sets out a vision for Maidstone which can be distilled into great opportunity, great place and great people. This also reflects the Council's three priorities to have a growing economy, be a decent place to live and achieve corporate and customer excellence. During the past year the council has put in place a programme of employee engagement to engage all staff with the council's priorities in order to achieve the outcomes set out in the strategic plan.

The Council will continue to face tough economic challenges over the forthcoming years, the priorities and outcomes identified in the Strategic Plan are aligned with the Council's Medium Term Financial Strategy. The service planning process then allows these objectives to be translated into actions for each team in the Council. Financial resources distributed by central government to local government for 2012/13 will be further reduced. There will also be changes in funding mechanisms, for example the move from rate support grant to localisation of business rates which introduces uncertainty and increases risk for the Council. Changes to the arrangement for council tax benefits discount also increase uncertainty and risk for the Council. The Chancellor's Autumn Statement set out that Local Authorities will be exempt from the 1% reduction on Departmental Resource Budgets in 2013-2014. However there will be a 2% reduction in funding for Local Authorities in 2014-2015. As a District Council it is likely that the funding cut in real terms will be significantly more than 2%. A budget strategy report is also included on the Cabinet Agenda.

The refreshed Strategic Plan 2013-14 attached at Appendix A, includes:

- Changes to the national context section in light of the implementation of the Localism Act and other changes such as the introduction of the National Planning Policy Framework.
- Updates to the local context section as a result of the resident survey.
- Revised dates and updated actions for the action plans relating to each outcome where appropriate.

The performance targets and measures will be reviewed and updated at the end of the year as part of the annual performance management cycle.

An update on the 26 Strategic Plan Actions was given as part of the mid-year review of performance in November 2012. The majority of actions are on track with progress across all outcomes. Following publication of the mid year update the timetable for Local Development Framework and associated documents has slipped. An update on the timetable was provided for Cabinet and Scrutiny in November 2012 . The following progress can be reported:

- The Core Strategy has been out to public consultation.
- The Economic Development Strategy has been reviewed.
- A revised Housing Allocation Strategy has been agreed for consultation.
- A new waste contract has been procured jointly for Maidstone, Ashford and Swale and integrated with waste disposal arrangements procured by Kent County Council, to take effect in summer 2013.
- A democratic Engagement action plan has been agreed and is being progressed.
- A new correspondence recording and management IT system has been purchased and the complaint handling module has been rolled out.
- The Customer Centricity project, which is reviewing how the Council interacts with our customers, has completed its first phase and potential changes are currently the subject of consultation with the public and councillors.

- Investors in People benchmark assessment has been undertaken; which identified five key actions focussed on engagement, learning and development and support for managers.
- The appointment of a business champion and investment in commercial opportunities.

Alternatives considered and why not recommended

Council could decide not to update the Strategic Plan. However, this would lead to out of date information being publicly available and make it difficult for officers to maintain the 'golden thread'. The Council also needs to be able to demonstrate how it is reacting to changes in the local and national context.

Alternatively Council could request the development of a new plan. However, this is not recommended as the development of a new plan would require additional resources and there is a risk it would not be produced in time for the new financial year. There is not a demonstrable need for a radical re-think of the Council's priorities and strategic direction as our focus remains on economic development as a number one priority for the residents of Maidstone.

Background Papers

None

**Maidstone Borough Council
Strategic Plan 2011-15 (2013-14 Refresh)**

From the Leader

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

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

The financial position of the council is strong, we have balances of around £3.6m, which is substantially more than our requirement to maintain balances of 10% of the annual budget. During the course of this plan the Council has delivered three flagship projects for the Borough; High Street Improvement, Museum and Mote Park as part of the Council's sustainable Capital Programme. For the next two years of the plan we will continue improvements to the public realm, the High Street and commence work to secure infrastructure for future growth.

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

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

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

Maidstone is a vibrant county town with many strategic public agencies present in the Borough. It is an attractive environment for both businesses and residents the Strategic Plan is focussed on ensuring our economy grows along with maintaining and improving the borough as a place to live.

Having now established a joint partnership with KCC through the new Maidstone Locality Board, there will be greater opportunities to work collaboratively using public money, together with the resources of the private and third sectors, to achieve even greater improvements for Maidstone residents.

Introduction from the Chief Executive

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

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

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

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

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

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

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

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

Your community is our priority.

National Context

New Political Leadership

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

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

Localism Act

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

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

As a result of the Act the Council has introduced policies on community right to challenge and community right to buy. In the spirit of Localism the Council has introduced the U project; a fun way for people to learn new skills and meet more people in their community. We are also working with Voluntary Action Maidstone to develop a website to connect businesses and voluntary organisations.

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

Comprehensive spending review

In October 2010, the Government presented its Comprehensive Spending Review (CSR) which determined the spending budgets until 2014-15. For local government this means a reduction in funding by an average of 28% over the four year life of this plan, with larger savings having to be achieved in the first year. The Council has developed a corporate improvement plan with an identified programme of reviews and improvements. Maidstone Borough Council has started a programme of reviews, to consider how services are delivered and the potential impact of these changes in policy on other services and cost. The Autumn statement 2012 sets out further cuts for local authorities, these cuts combined with changes to council tax benefit discounts in 2013 will increase risk and uncertainty for the Council.

Local Enterprise Partnerships

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

Transport and Infrastructure

The Department for Transport grant to local authorities has been reduced by 28%. However, the Government sees transport as a key driver of growth nationally and in the regions, stating that for every pound spent on Highways Agency schemes, on average £6 of benefits are achieved in return and in many cases, there are higher returns for local authority schemes. Following the Comprehensive Spending Review the Government committed to a £1.5 billion programme of major local authority transport schemes. 41 transport schemes have been approved and evidence is being gathered for a decision on a further four, with a total investment so far of £1.4 billion, partly from Department for Transport contributions and partly from local funding. The Chancellor's Autumn Statement 2012 revealed that a major emphasis in the budget will be switching spending in the public sector from departmental resource budgets to investment in capital projects. Projects include funding for schemes to alleviate bottle necks and funding for cycling infrastructure. This could have an impact on our emerging core strategy and infrastructure delivery plan.

Transparency and Inspection

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

Planning and Housing

The Localism Act will allow for the opportunity for local people to plan for new development within the strategic framework provided by the Council's Core Strategy. The Community Right to Build will allow a development to go ahead where there is overwhelming community support. Regional Planning Strategies will soon be abolished and decision making on matters such as housing and general planning policy are now made by local Councils in the Core Strategy and related documents.

The Government has implemented – 'The National Planning Policy Framework.' This replaces all existing central government planning guidance (i.e. Planning Policy Statements (PPS), Planning Policy Guidance (PPGs). Circulars etc) but, more fundamentally, introduces a presumption in favour of sustainable development.

Local Context

Maidstone the place

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

Economically Maidstone Borough is considered a good place to live and work with high rates of employment, relatively low levels of adults claiming incapacity benefits and a higher proportion of residents who have a degree than the South East average. Larger numbers of people commute into than out of the Borough. The Borough has a very mixed business sector with large numbers of small and medium size businesses with particular strengths in professional services (law and accountancy) and construction. There is a growing media industry led by Maidstone Studios and the Kent Messenger Group. Maidstone has an extensive further education campus (Mid Kent College) and a higher education offer with both the University for the Creative Arts and Mid Kent College seeking to increase their range of courses and facilities. Oakwood Campus is being taken over by Mid Kent College and over the next three years the University for Creative Arts will be expanding the broadcast media courses being delivered at Maidstone Studios.

Residents living in the Borough have relatively high wages (although many higher earners commute out of the Borough to achieve these). Maidstone came out as the top destination for business in the 2010 study of locations for business in Kent. The 2011 census revealed that Maidstone not only has the largest population of all Kent districts it is also the area which grew most in terms of population between 2001 and 2011 increasing by 16,300 people (11.7%). It is thought that migration alongside the fact that people are living longer is the reason behind this increase.

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

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

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

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

- Community Budgets
- Tackling Worklessness and Poverty
- Local Environment Improvements

The Locality Board has set and agreed performance indicators to measure the outcomes against these priorities. These indicators are set for Maidstone and are cross-partner. The priorities align with the Strategic Plan.

What matters to Maidstone residents

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

A residents' survey was undertaken in 2011. This was the first survey the Council had undertaken since the Place Survey in 2008 and showed improved satisfaction in a number of areas including providing value for money, keeping residents informed and the way the council runs its services. It also showed some areas that need improvement, such as people from different background getting on well together and satisfaction with the local area. The Council will work with residents to find ways to increase satisfaction across the Borough.

During the 2012-13 refresh of the Strategic Plan, residents were consulted on the budget to identify what matters to them in respect of council services. This exercise was factored into the Cabinet's prioritisation of spending and services. More detail is provided in the prioritisation section of the plan. The importance of the rural transport network, cleanliness of our town centre and supporting and encouraging a range of business development were identified during a resident focus group reviewing our priorities.

About the Council

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

When the Council conducted the Place Survey in 2008, 44% of respondents said they were very or fairly satisfied with the way the Council runs things. This was just below the national average of 45%. 32% strongly or tended to agree that the Council provides value for money. The resident survey conducted from December 2011 to January 2012 showed a significant improvement in resident satisfaction with 63% of respondents indicating that they were satisfied with the way the Council runs things. The Council is looking to continue to improve resident satisfaction and increase value for money as a priority going forward.

The services we deliver

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

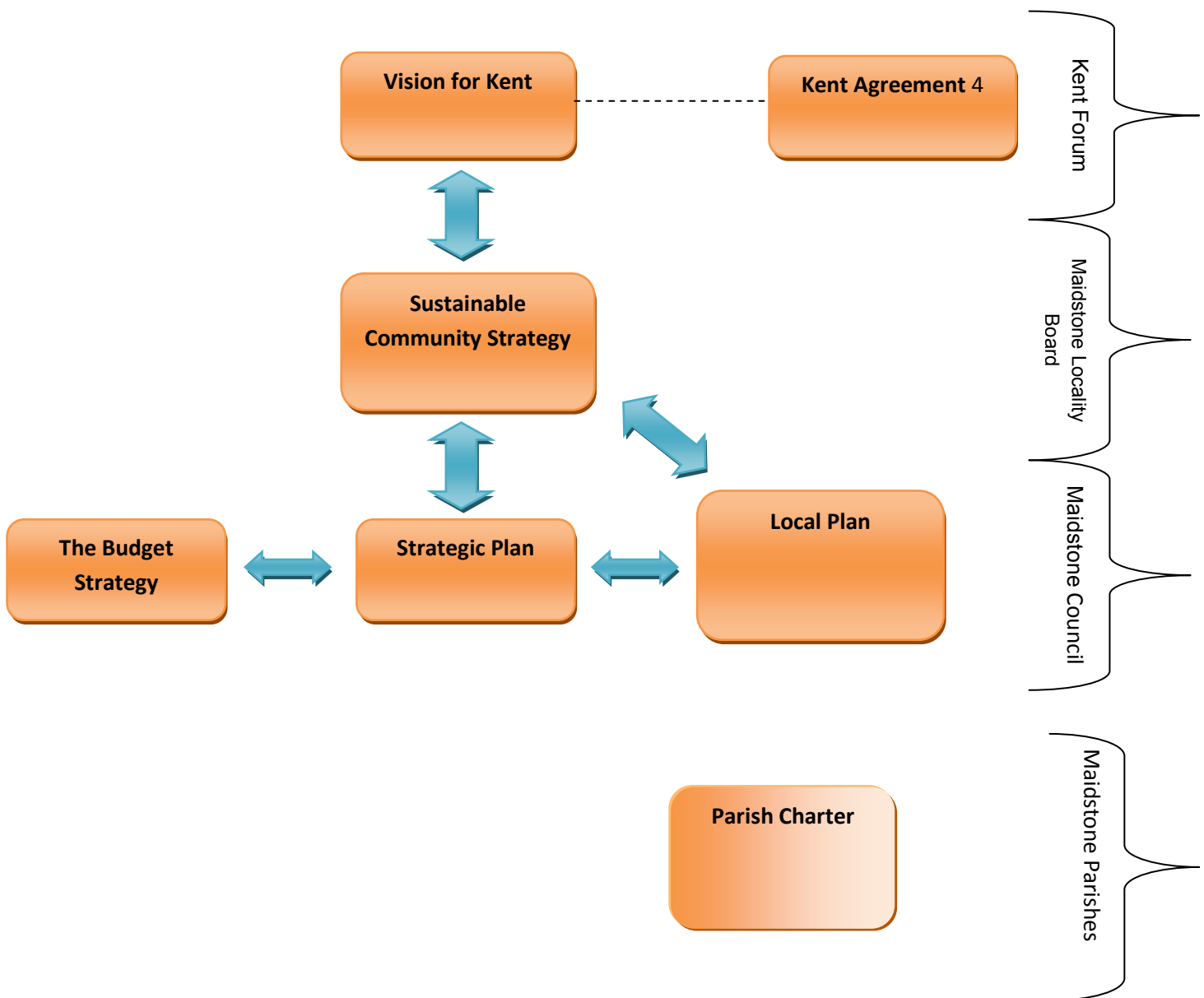
How the Council works

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

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

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

Strategy map - how we work with others



Our Vision, Priorities and Outcomes for Maidstone

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

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

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

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

Priorities

1. For Maidstone to have a growing economy

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

Outcomes by 2015:

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

2. For Maidstone to be a decent place to live

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

Outcomes by 2015

- Decent, affordable housing in the right places across a range of tenures, with a focus on
 - Developing sustainable communities
 - Increasing choice and improving the quality of life for vulnerable people
 - Improving existing homes

Improving access to housing and working to prevent homelessness and rough sleeping in Maidstone

- Continues to be a clean and attractive environment for people who live in and visit the borough by;
 - Implementing new waste management arrangements
 - Implementing a new cleansing model
 - Reducing the Council's energy consumption
 - Implementing an Air Quality Action Plan
- Residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced, focusing on two key areas; early intervention work with young children and their families to tackle disadvantage and undertaking work to help families who have multiple needs.

3. Corporate and Customer Excellence

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

Outcomes by 2015

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

Delivering Priorities and Outcomes

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

Why it matters for Maidstone

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

Public consultation consistently reveals transport as a major concern. For example, consultation carried out for the Sustainable Community Strategy showed that a large proportion of Maidstone's local people view the transport system and particularly the accessibility of public transport, as inadequate. Links are generally good although rail travel could still be improved with journeys to London mostly taking over an hour and none of the main stations having full disabled access. There are proposals to put in place a new train line direct to the City and to other London destinations, which we will support. In 2011 a fast link from Maidstone West to London was introduced and the Council will seek to encourage use and see the service continued. The Borough is well

served by the motorway network with multiple accesses to the M20 and M2 both providing links to the M25 and the Channel Ports. In terms of town centre congestion, during the morning peak time it takes three minutes and 28 seconds to drive one mile. Peak congestion is a problem and projected to get worse. The town is also vulnerable to 'operation stack' which alleviates traffic problems at the Port of Dover and Channel Tunnel by using the M20 to park traffic. There is a park and ride scheme which serves the town centre.

What we plan to do	Milestones	Ownership
Deliver an integrated transport strategy (alongside the Core Strategy) in partnership with the transport authorities and operators which will result in joint working to improve and develop an effective and integrated transport network to meet future needs	<p>– 2012-Mid 2013 Develop Integrated Transport Strategy alongside the Core Strategy</p> <p>2013-15 - Milestones as set out in the Integrated Transport Strategy</p>	Maidstone council and partners
Implement an infrastructure delivery plan with partners utilising available funding including S106/CIL, new homes bonus, Local Transport Plan 3, other grant funding and potentially tax incremental financing	<p>2013-2014 - Develop Infrastructure Delivery Plan</p> <p>2014-2015 - Milestones as set out in the Infrastructure Delivery Plan</p>	Maidstone council. Kent county council and partners
Create and deliver a Local Development Framework including a Core Strategy and related documents that create good conditions for prosperity whilst still providing balance with environmental protection.	Mid 2015 – Core Strategy adopted	Maidstone council

Indicator	Frequency	Out-turn 2011/12	Target 2012/13	Target 2013/14	Target 2014/15
Percentage change in bus usage on services from Maidstone depot (NEW)	Annual	+2.24%	Contextual – partner data		
Average journey time per mile for key routes (Congestion)	Annual	Contextual – partner data			

Number of Park and Ride transactions	Quarterly	428,902	420,000	420,000	420,000
Income from pay and display car parks per parking space (NEW)	Quarterly	£1,121.17	£1,153.19	Will be set as part of the budget process each year	

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

Why it matters for Maidstone

As a Borough we want Maidstone to be a place where the conditions are in place for businesses to flourish. The Council is committed to growth that is sustainable and will create the conditions which enable local businesses to start up, expand and attract new business to the borough. We will also support business growth and development across the Borough through our planning policies and land allocation including the management of the green and blue infrastructure network. Our Development Management service will ensure the relevant Council services provide an effective pre-application service and will process planning applications in a cost effective and timely manner. Maidstone also has significant rural business economies our Local Development Framework will include the rural areas.

Maidstone has the largest economy of all Kent Districts and Boroughs. More people commute into the Borough each day than commute out. The Borough is an economic hub providing employment for a large part of Kent. However, despite its natural location advantages, Maidstone’s growth rate was the 4th lowest in Kent between 1998 and 2008 and behind the South East and Great Britain averages. It is a diverse economy with reliance on town services and 30% of businesses located in the rural area. Moreover much of this employment growth has been public sector employment. Whilst around 10,000 jobs were created in the service sector during this period, the Borough lost over 3,000 jobs in manufacturing. Neighbouring areas have been able to provide a greater choice and range of employment sites in both quality and quantum and in some cases at more competitive prices. If the planned cuts in public sector expenditure of 30% result in jobs losses in the sector in the same proportion, nearly 6,000 people who work in Maidstone could lose their jobs. We also have a low wage local economy and the national changes to education and skills development will impact on our residents and employment. We are determined to address these local issues through our land allocations, planning policy and work with the education and skills sector. A new Economic Development Strategy will be agreed in 2013 this strategy sets out the progress the Council has made in relation to our priority for a growing economy and the future actions we will be taking.

What we plan to do	Milestones	Ownership
Create and deliver local plan including a core strategy with the policies and land allocations that will create the right conditions for economic development*	Mid 2015 - Core Strategy adopted	Maidstone Council

APPENDIX A

Update the Council's Economic Development Strategy and Regeneration Statement and deliver actions to support the Council's priorities.	2013- 2015 Milestones in accordance with the updated Economic Development Strategy and regeneration statement	Maidstone Council
Assist businesses who want to develop or locate to the Borough through our pre-application planning advice service, a new role of business champion to encourage new business and supporting existing businesses and ensuring that the planning committee continues to be effective in supporting the Council's priorities	April 2011- August 2011 – Peer Review of planning completed 2011-12 Introduction of a training schedule for Members and officers completed	Maidstone Council
Review Park Wood Industrial Estate and implement a strategy for its regeneration	November 2010 - Strategy review completed 2011-2015 Implement strategy actions	Maidstone Council and relevant partners
Work with partners through the worklessness forum to assist people into training and employment	Milestones to be set and agreed by the Maidstone Locality Board	The Council and relevant partners

* The local development plan sets out the Council's planning policies for the Borough, as well as where it wishes to see housing and commercial development

Indicator	Frequency	2011/12 Out-turn	2012/13 Target	2013/14 Target	2014/15 Target
Overall employment rate	Annual	81.0%	82.5%	84.0%	85.0%
Percentage of commercial planning applications completed within statutory timescales	Quarterly	88.89%	90%	90%	90%
Percentage of people claiming Job Seekers Allowance	Quarterly	2.7%	2.4%<	2.3%<	2.3%<
Percentage of vacant units within the town centre	Annual	9.24%	11.50%	10.75%	10.00%
Value of business rateable floor space	Annual	£139,904,131	1% increase year on year		
Percentage of major business planning applications take-up of pre-applications advice	Bi-annual	90.0%	92.0%	93.0%	94.0%
Percentage of those taking pre-application advice where the applications were approved		100.0%	90.0%	90.0%	90.0%
Number of 16-18 year olds who are not in education, employment or training (NEETS) (NEW)	Annual	5.7 (2010/11)	Contextual- Partner data Data is released 1 year in arrears.		
Working age people educated to NVQ level 4 or higher	Annual	34.3%	Contextual partner data		

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

Why it matters for Maidstone

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

In terms of affordable housing, we are referring to a range of tenure that includes socially rented, intermediate or affordable rent and a variety of shared ownership products. Maidstone Borough Council works to ensure that all new developments of 15 homes or over contain at least 40% affordable housing, which in 2011/12 led to 284 affordable homes becoming available. Due to Council intervention, 30 empty private sector homes were brought back into use or demolished - the majority being let to households from our housing list. We also have a role to play in improving the quality of private housing through grants for improvements to insulation and heating. The Council has completed a Strategic Housing Market Assessment to help us build the right kind of homes in the right places.

Housing in Maidstone town has traditionally been considered relatively affordable compared to the south east average, but this is not the case in rural Maidstone and for those on average or low incomes. The recent recession has resulted in an increase in home repossession and homelessness generally has risen across the UK. Whilst Maidstone has seen a rise in the numbers of households requiring temporary accommodation provided under the homelessness legislation this remains comparably low compared to the other Boroughs in Kent and a significantly lower level than the worst affected areas in England. Maidstone continues to perform above targets for homelessness prevention and is seeking to find new ways of encouraging people to seek housing advice at an earlier stage than when the crisis point of homelessness is reached.

What we plan to do	Milestones	Ownership
New Housing: Enable the delivery of a range of high quality homes that are desirable and affordable to all sections of the community	2011-2015 Implement Housing Strategy	Maidstone council
Existing Housing: Ensure our existing housing is suitable and able to meet future challenges; providing sought after homes now and into the future	2011-2015 Implement Housing Strategy	Maidstone council

Homelessness & vulnerable groups: Commission and provide services with partners that meet identified needs, reduce inequalities, are responsive and timely, promote stable, strong communities, self-reliance and encourage positive aspirations	<p>2011-2015 Implement Housing Strategy</p> <p>2013 – Implement the new Allocation Scheme</p>	Maidstone council
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Indicator	Frequency	2011/12 Out-turn	2012/13 Target	2013/14 Target	2014/15 Target
Percentage of residential planning applications processed within statutory timescales	Quarterly	75.0%	78.0%	83.0%	86.0%
Number of affordable homes delivered	Quarterly	284	200	Targets for future years will be agreed as part of the budget process	
Number of homes occupied by vulnerable people made decent	Quarterly	205	180	180	180
Percentage of new homes built on previously developed land	Annual	92.33%	80%	70%	60%
Average grant per MCB funded affordable home unit	Annual	£8210.00	>£10,000	>£10,000	>£10,000
DCV 007 Average cost of planning service per application	Annual	£209	TBC	Targets for future years will be agreed as part of the budget process.	

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

Why it matters for Maidstone

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

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

APPENDIX A

What we plan to do	Milestones	Ownership
Deliver focused enforcement activity to ensure high impact on the cleanliness of the Borough	April 2012 - Area Based Enforcement implemented	The Council
Work with partners to ensure that all areas of the Borough are clean and well-maintained	Ongoing - Deep Cleaning Programme in place	The Council and Partners
Continually develop street cleaning operations to ensure Maidstone is a clean and tidy Borough	August 2013 –Introduce mechanical cleaning operation as part of joint waste an street cleaning contract Ongoing – work with partners to ensure that all areas of the Borough are clean and well maintained	The Council The Council with others
Ensure provision of timely specialist advice and services on heritage and landscape design to protect and enhance Maidstone's environment	Ongoing - Provide quality pre-application advice services for heritage and landscape design	The Council
Deliver the Carbon Management Plan to ensure that the Council reduces its carbon footprint by 3% per annum	Ongoing - Reduce carbon emissions across the Borough and improve air quality Ongoing - Reduce the Council's carbon footprint and improve the use of other natural resources whilst ensuring the Council is planning to adapt to Climate Change	Maidstone council and partners
Maximise our leisure and cultural offer to enhance the quality of life for our residents whilst attracting visitors, new residents and businesses	March 2012 - Completed the redevelopment of the Museum's East Wing June 2013 – Complete a review of play areas and produce a strategy for future provision June 2012 - Completed Mote Park regeneration project capital works	Maidstone council
New waste contract	Summer 2013 –New Waste Contract in place	Maidstone council

Indicator	Frequency	2011/12 Out-turn	2012/13 Target	2013/14 Target	2014/15 Target
Satisfaction with local area as a place to live (residents survey)	Biennial	84%		87%	
Satisfaction with street cleaning (residents	Biennial	56%		59%	

APPENDIX A

survey)					
Satisfaction with Parks & Open Spaces (residents survey)	Biennial	76%		78%	
Percentage waste recycled	Quarterly	45.13%	46%	48%	50%
Percentage of relevant land assessed with unacceptable levels of litter	Annual	1.70%	1.705%	1.70%	1.70%
Percentage of relevant land assessed with unacceptable levels of detritus		5.28%	5.8%	5.75%	5.70%
Percentage of fly tipping reports responded to within one working day	Quarterly	99.24%	99.00%	99.00%	99.00%
Cost of maintaining the borough's parks and open spaces per hectare	Annual	£12.89*	£13.00	Targets for future years will be agreed as part of the budget process.	
Percentage of planning enforcement cases signed off within 21 days	Quarterly	90.42%	92%	92%	92%
Cost of waste collection per household	Annual	£55.96	<£59.00	<£57.00	<£57.00
Cost of street cleansing per head of population	Annual	£10.00*	<£10.50	Targets for future years will be agreed as part of the budget process.	
Residual Waste per household (kg)	Quarterly	446.29kg	440kg	430kg	420kg
Percentage reductions in CO2 emissions from local authority operations (tonnes)	Annual	-7.63%	-3%	-3%	-3%

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

Why it matters for Maidstone

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

Following an internal review on the issue of disadvantage and having regard to the findings of the Marmot Review, *Fair Society Healthy Lives*, the Cabinet has determined to tackle disadvantage in the long-term through improving early years' development. This will be achieved through giving every child the best possible start in life; maximising their capabilities; and creating fair employment and good work for all, the result of which will be to break the cycle of deprivation and disadvantage. This cannot be achieved overnight but the positive gains will have generational benefits. The Marmot Review concluded that effective local delivery requires residents to be involved

in the decisions that affect them. Local authorities are best placed to enable and co-ordinate this approach by empowering individuals and local communities.

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

As community leaders, we will convene resources to reduce the number of young people not in education, employment or training and reduce the number of adults out of work. We will seek to do this through working with local businesses and supporting social enterprise start ups. We will be working to prevent disadvantage and will seek to participate in a pilot with KCC to address the needs of complex families in our Borough. We have also started to identify families who we will be working alongside as part of the government's troubled families programme. This programme seeks to understand the problems facing families with complex needs and to help them by giving them one key worker to talk to rather than dealing with multiple agencies.

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

Indicator	Frequency	2011/12 Out-turn	2012/13 Target	2013/14 Target	2014/15 Target
Percentage of the Borough covered by Broadband	Annual	64.94%	66%	68%	70%
Average time taken to process and notify applicants on housing register (days)	Quarterly	3.5	5 days	5 days	5 days
Number of residents participating in	Annual	14.89%	17%	20%	23%

APPENDIX A

neighbourhood planning as a percentage of the ward population					
Average time taken to process new benefit claims and changes of circumstances	Quarterly	9.16	15 days	15 days	10 days
In setting the above target at 15 days we have worked on the basis that the focus going forward will on reducing cost of delivery, whilst maintaining the level of service expected by customers and allowing for some short term impact on performance during the shared service implementation. This is supported by the BTP review of the service which looked specifically at processing times to establish whether it was a driver for satisfaction and concluded that within certain boundaries, it was quality of service rather than speed of assessment that was key.					
Number of households prevented from becoming homeless through intervention	Quarterly	608	500	500	500
The council provides help for all households presenting as homeless and will use the appropriate means to resolve the situation. It should be noted that intervention is not an appropriate option in all cases. It is expected that the performance of this indicator will improve as the economy recovers from the recession.					
Gap between median wage of employee (residents) and the median wage of employees (workplace) (salary differences)	Annual	£73.40	>£75.00	>£70.00	>£70.00

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

Why it matters for Maidstone

This outcome is related to ensuring that services received by residents are delivered in the best way to ensure that the most value is received for every pound spent. We will commission services to improve outcomes in the most efficient, effective, equitable and sustainable way that will involve a more diverse set of providers and include social enterprise, voluntary, public and employee run services

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

In 2012 the Council carried out a review to identify the optimum customer service model looking at how people prefer to access our services and find out information. The research work has been significant identifying what is in place now and how we perform; consulting with residents, businesses and staff as well as visiting and talking with other authorities. From this work and research a range of improvements have been identified. Once the recommendations for improvement have been agreed, a programme of improvement will be implemented.

APPENDIX A

What we plan to do	Milestones	Ownership
Seek out and implement new ways of delivering services that are not our core business, such as the Theatre and the Museum	March 2013 – Plans in place for cost neutral Museum and Theatre service	Maidstone council
Progress the shared services programme for those services that it is practical to do so and savings can be achieved	April 2011 – March 2015 - progress shared services	Maidstone council and partners
Undertake a programme of business improvement service reviews to ensure services are customer focused and delivered efficiently and effectively	April 2011- March 2015 - Undertake programme of reviews as per the Corporate Improvement Plan.	Maidstone council
Ensure that the authority has a productive, proactive and flexible workforce	April 2013 - Produce and implement a Workforce Plan incorporating a skills audit for current resources and a plan to develop the workforce for future needs March 2015 - Gain Investors in People Gold 2011-2015 - Manage the change initiatives through a strategic approach to organisation development in line with Strategic Plan milestones	Maidstone council

Indicator	Frequency	2011/12 Out-turn	2012/13 Target	2013/14 Target	2014/15 Target
Percentage of business rates collected	Quarterly	97.39%	97.4%	97.4%	97.4%
Percentage of Council tax collected	Quarterly	98.30%	98.30%	98.30%	98.30%
Savings delivered through reviews (value for money)	Quarterly	£491,750			
Number of missed bins per 100,000 collections	Quarterly	30.4	25	30	25
Percentage of planning decisions taken under delegation	Quarterly	94.18%	94.5%	95%	95%
Value of fraud identified (Housing benefits) (Efficiency)	Quarterly	£1,165,746.51	£500,000	£500,000	£500,000
Percentage of financial transactions not carried out on-line or by direct debit/standing order	Quarterly	14.01%	13.5%	13.0%	12.5%
Percentage of customer contact that is avoidable	Quarterly	4.7%	12.5%	12%	11.5%

APPENDIX A

Indicator	Frequency	2011/12 Out-turn	2012/13 Target	2013/14 Target	2014/15 Target
Average cost of planning per application	Annual	£209	£209	Targets for future years will be agreed as part of the budget process	
Working Days Lost Due to Sickness Absence (rolling year) (BV 12) (SPI)	Quarterly	7.84	8.0	8.0	8.0

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

This outcome is related to ensuring that residents are satisfied with the services they receive and the way the Council spends money. We will conduct regular satisfaction surveys and carry out regular consultation with residents, using the information gathered to inform service design.

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

What we plan to do	Milestones	Ownership
Ensure we use performance management data, customer satisfaction and customer feedback to improve services	December 2012 - new correspondence system introduced and use complaints and compliments to inform service delivery and improvements Ongoing - Cabinet & Scrutiny to monitor performance quarterly Ongoing - Ensure there are robust audit and overview and scrutiny arrangements in place	Maidstone council
Review the way we interact with our customers through the Customer Centricity Review	April 2012-September 2012 Conduct review	Maidstone council
Implement improvements in customer service delivery as recommended in the Customer Centricity Review	April 2013- March 2015 Undertake programme of customer service delivery improvements	Maidstone council

Indicator	Frequency	2011/12 Out-turn	2012/13 Target	2013/14 Target	2014/15 Target
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APPENDIX A

Indicator	Frequency	2011/12 Out-turn	2012/13 Target	2013/14 Target	2014/15 Target
Satisfaction with the way the council runs things	Biennial	63%		65%	
Satisfaction with the council's recycling service	Biennial	78%		80%	
Satisfaction with the council's refuse collection service		82%		85%	
Satisfaction with the leisure centre		53%		55%	
Satisfaction with the council's parks and open spaces		76%		78%	
Satisfaction with street cleansing		56%		58%	
Percentage of customers satisfied with benefits processing service	Quarterly	84.69%	85%	85%	85%
Percentage of residents that feel that the Council keeps them well informed about the services and benefits it provides	Biennial	63%		65%	
Average wait time for calls (seconds)	Quarterly	80.67	50	50	50
Percentage of customers to the Gateway seen within 20 minutes	Quarterly	83.64%	80%	80%	80%
Percentage of residents agreeing that the Council provides value for money (Residents Survey)	Biennial	46%		48%	
Percentage of those making complaints satisfied with how their complaint was handled	Quarterly	34.19%	36%	38%	40%

Service Principles – How we will design our services

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

Values - How we will deliver our services

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

- Superb customer service – It is important to understand that everything we do impacts on our customers, both internal and external. We will listen to and

understand their needs, then take action to provide the right service in a professional manner.

- Teamwork - working together to achieve our objectives and goals in away that utilises the talents and creativity of everyone within our organisation.
- Responsibility for delivering on our promises
 - being focussed on the Council’s vision and priorities. Leadership and management that respond and take the organisation through change.
- Integrity and high standards of corporate governance – being transparent and accountable. Having the courage to act on our convictions to build trust and honesty within the organisation. Working with our partners and customers to create a feeling of openness and transparency in all that we do.
- Value for money – taking care and weighing up our options, aiming to get maximum effect for every penny of public money we spend. Promoting ownership to ensure that all of us feel responsible for providing value for money in all that we do and making suggestions for improvements.
- Equality within a diverse organisation - valuing our differences for the enrichment and betterment of our working environment. Having the courage to question our own reactions and mindset in order to be open to new ideas and concepts.

How we have prioritised and funded services

The Council has to make £5.9m of savings between 2011 and 2015, £1.2m more than originally projected in 2011. In order to identify savings, the Council has focused on the delivery of core services which meet our priorities and asked the public to determine what matters to them in relation to the Council’s discretionary services.

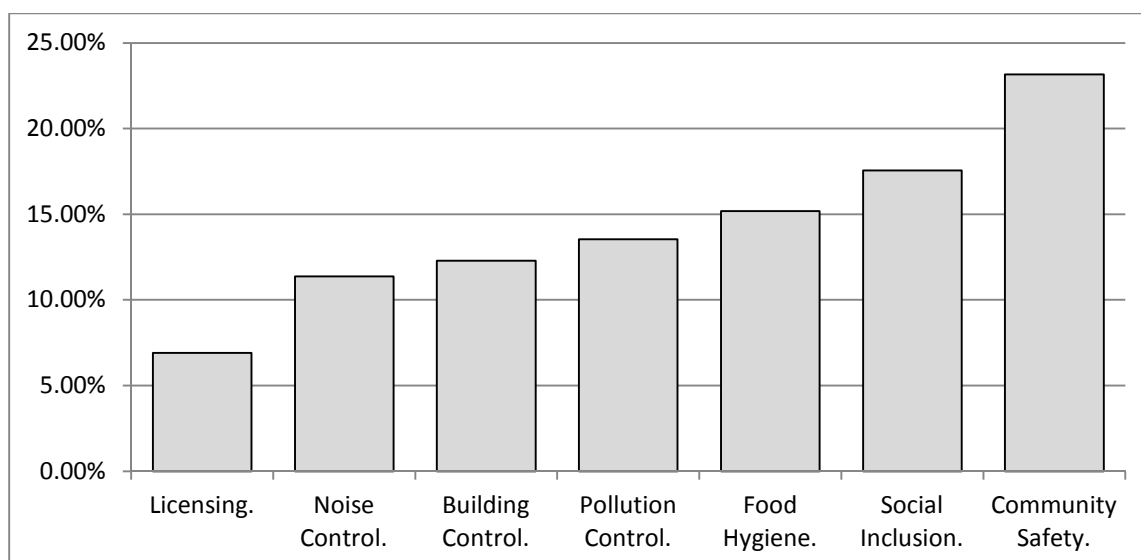
The Cabinet, as a first stage in determining budgets, prioritised the Council’s front line services into low, medium and high, by identifying which services would best achieve their priorities through a paired analysis. A paired analysis is where each service is compared in a pair with every other service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

Revenue	High	Medium	Low
Invest	Economic Development		
Maintain	Parking and Transport Housing		Environmental Health

Reduce	Planning and Building Control	Community Safety Waste Collection and Recycling Community Development Recreation, Sport and Open Spaces	Culture and Heritage Tourism Street Cleansing
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Once Cabinet had carried out this exercise, they reviewed the services to determine which should receive investment, which should be maintained and where investment should be reduced. It should be noted that maintaining services will not necessarily mean maintaining the cost of the service. Also, where the service has been identified for reduction, this refers to the cost of the service. For example, it was identified that for the planning service the service level should be maintained but the service should be more efficient and costs reduced. The prioritising of services was followed up with meetings between senior managers and the Cabinet and, where appropriate, the shadow Cabinet to identify how savings could be made in accordance with the prioritisation. As a consequence, the Council has reviewed our cultural services and tourism offer creating a new visitor economy business unit within in economic development. The low financial priority given to Tourism should not prevent the authority from pursuing opportunities that would benefit the local economy and tourism, should they arise.

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

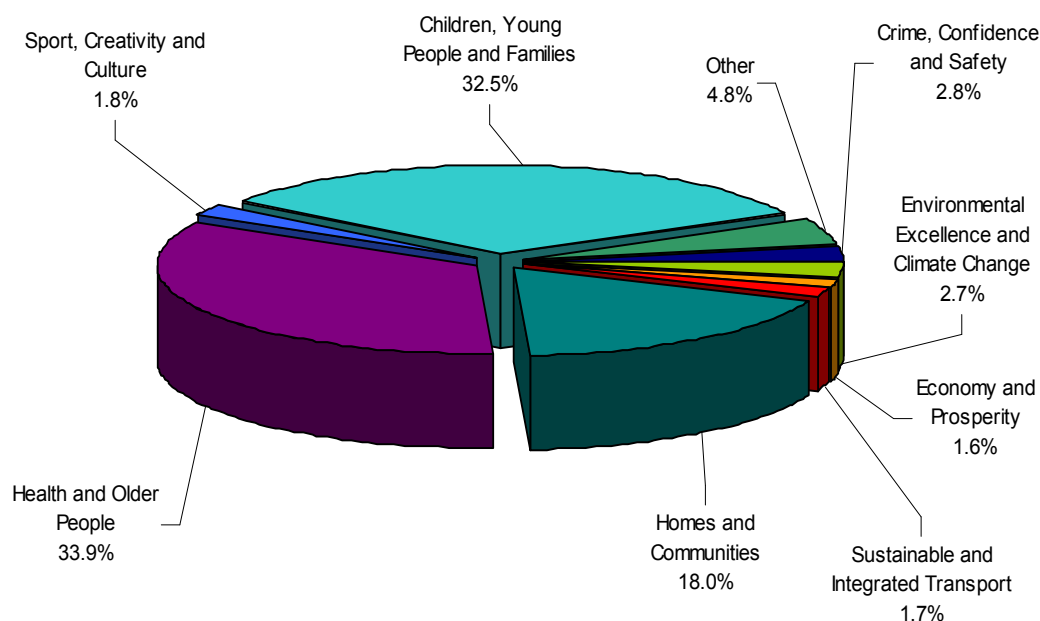


During the consultation the public were also asked their views on a series of potential changes to customer service provision and as a result of these initial responses the Council will review opening hours of the Gateway and options for an automated switchboard. The Council has already taken action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

Working in Partnership: How Resources are Spent in Maidstone

In 2010 the Council took part in a study of how resources were allocated locally.

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



Performance Management – Doing what we say we will

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

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

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

Risk Management

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

Glossary

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

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

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

Neighbourhood Planning – A neighbourhood development plan can establish general planning policies for the development and use of land in a neighbourhood, like:

- where new homes and offices should be built; and
- what they should look like.

Neighbourhood plans allow local people to get the right type of development for their community, but the plans must still meet the needs of the wider area.

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

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

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

Customer care and engagement

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

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

For a number of years, the Council has helped parish councils to develop parish plans that have led to improved services and facilities for rural residents.

Last year the Council and its partners worked with over 600 residents in Park Wood to develop a pilot urban Neighbourhood Action Plan. New projects to help unemployed people back into work and provide more activities for young people as well as campaigns to tackle litter and dog mess have come out of this. The has evaluated this project and intends to roll it out to other priority urban wards.

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

Agenda Item 14

MAIDSTONE BOROUGH COUNCIL

27 FEBRUARY 2013

REPORT OF THE CABINET HELD ON 13 FEBRUARY 2013

BUDGET STRATEGY 2013/14 ONWARDS

Issue for Decision

To consider the proposed Revenue and Capital Budgets for all portfolios for 2013/14, including service savings and growth previously agreed, in accordance with the agreed budget strategy and to consider the proposals for 2013/14 in the context of the draft Medium Term Financial Strategy and the Medium Term Financial Projection.

To calculate and approve the Council Tax requirement for 2013/14

Recommendation Made

1. That the revised revenue estimates for 2012/13 be agreed as set out in **Appendix A** (circulated separately).
2. That the minimum level of General Fund Balances be set at £2m for 2013/14.
3. That the proposed Council Tax of £226.62 at Band D for 2013/14 be agreed.
4. That the revenue estimates for 2013/14 incorporating the growth and savings items set out in **Appendix A** be agreed.
5. That the Statement of Reserves and Balances as set out in **Appendix A** be agreed.
6. That the Capital Programme, as set out in **Appendix A** be agreed.
7. That the funding of the Capital Programme as set out in **Appendix A** be agreed.
8. That the Medium Term Financial Strategy as set out in **Appendix A** be agreed.
9. That the Medium Term Financial Projection, as set out in **Appendix A** as the basis for future financial planning be endorsed.
10. That it be noted that, at the meeting of the General Purposes Group on 19th December 2012, the Group calculated the Council's Council Tax base for the year 2013/14 in accordance with regulations made

under Section 33 (5) of the Local Government Finance Act 1992, as 55155.1 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) regulations 1992.

11. That it be noted that, at the meeting of the General Purposes Group on 30th January 2013, the group approved the values for the business rates yield in accordance with the principles of the Government's guidance for the form NNDR1. The yield approved was £54,915,542 and this information has been provided to the Government and major preceptors.
12. That it be noted that, as detailed in **Appendix B**, the Council Tax Base for each of the Parish Areas, calculated in accordance with Regulation 6 of the Regulations, are the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which a special item relates (Parish precepts).
13. That the distribution of Local Council Tax Support funding to parish councils, as set out in **Appendix C**, be approved.
14. Calculate that the Council Tax requirement for the Council's own purposes for 2013/14 (excluding Parish precepts) is £12,498,993
15. That the following amounts now be calculated by the Council for the year 2013/14 in accordance with Section 31A, 31B and 34-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:-
 - (a) £79,052,734 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £65,365,967 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £13,686,767 being the amount by which the aggregate at 13(a) above exceeds the aggregate at 13(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
 - (d) £248.15 being the amount at 13(c) above (Item R), all divided by the figure state at 10 above (Item T in the formula in section 31A(4) of the Act), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

- (e) £1,187,774 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B).
- (f) £226.62 being the amount at 13(d) above less the result given by dividing the amount at 13(e) above by the tax base given in 10 above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

16. That it be noted that for the year 2013/14 Kent County Council, the Kent Police & Crime Commissioner and the Kent & Medway Fire & Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

<u>Valuation Bands</u>	<u>KCC</u> £	<u>KPCC</u> £	<u>KMFRA</u> £
A	698.52	94.31	45.30
B	814.94	110.03	52.85
C	931.36	125.75	60.40
D	1,047.78	141.47	67.95
E	1,280.62	172.91	83.05
F	1,513.46	204.35	98.15
G	1,746.30	235.78	113.25
H	2,095.56	282.94	135.90

17. That, having calculated the aggregate in each case of the amounts at 13 (d), and 14 above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets out in **Appendix D**, the amounts of Council Tax for the year 2013/14 for each of the categories of dwellings shown.

Reasons for Recommendation

The Cabinet considered the report of Corporate Leadership Team regarding the Budget Strategy for 2013/14 at its meeting held on 13 February 2013.

Summary

The financial restrictions surrounding local government have led inevitably to a time of major restraint on expenditure. It is clear from the Chancellor of the Exchequer's Autumn Statement that the restrictions will continue through the period of this medium term financial strategy (MTFS). At the same time demand for services provided by the Council is increasing.

The MTFS is not a standalone strategy. Its main objective is, through integration with the other strategies of the Council, to ensure that

resources are focused on the Council's priorities. The work on the MTFS to date, the other strategies and the previously identified risks are all set out below. These risks include the loss of the 2012/13 Council Tax Freeze Grant and a need to identify savings to compensate and the predicted outturn for fees and charges in 2012/13.

Changes to national policy and guidance since the report considered by Cabinet in December 2012 have led to a worsening of the overall financial position of the Council. Key amongst these is the finance settlement which is a new method of distribution of resources from central government from 1st April 2013. Details of the settlement were distributed to Councils, by the Government, on 20th December 2012 following the announcement on 19th December 2012. The settlement is provisionally announced for two years and, including the loss of Council Tax Freeze grant, provides an 8.2% reduction in resources in 2013/14 and a further 13.3% reduction in 2014/15.

The local council tax support scheme was agreed by the Council in December 2012 and will replace the national arrangements for Council Tax benefit, also on 1st April 2013. The first year's funding was announced as part of the finance settlement. The funding represents this Council's share of 90% of the Council Tax Benefit Grant distributed, based on 2011/12 values. Central Government have allocated this funding to cover the loss of Council Tax for the borough and parish councils in Maidstone. It does not cover the full cost of the new local scheme and the Government has used a simple but inequitable distribution method. Set out below is information on if and how funding should be shared with parish councils.

Also commencing on 1st April 2013 is the new system of partial retention of business rates as set out below. The finance settlement has set the level of business rates that the Council will retain as its baseline and this is £2.8m, only 5.7% of the business rates estimated for the borough area. The major risk from the new proposal is that the Council now shares the risk of non-collection, no matter the reason. The largest of the non-collection risks is the backdated and still outstanding list of valuation appeals. The level of risk is so significant that if the Government's Valuation Office was to settle all outstanding appeals in 2013/14 the estimate of the Council's share of the backdated refund would be as great as its baseline. In which case, the Council would retain no resources from business rates. This scenario is unlikely but all appeals will be settled at some future time and this future risks leads to the need to create a provision against the future loss. The provision will require funding from 2013/14.

The Council has prudently chosen not to support its revenue account by the use of balances to replace savings and efficiency required to achieve a balanced budget and this intention is clearly stated in the MTFS. Instead it has used balances to support strategic objectives through the funding of projects and initiatives that deliver, or improve the opportunity to deliver, those objectives. In this report the approach to the use of balances is considered and it is proposed to formalise the methodology so that future unallocated resources are utilised in a timely and effective manner.

The Council's stated strategy on the level of Council Tax is to take a long term view of the need for resources and the effect on the budget, while identifying the need to agree a balanced budget annually. The Council has not increased the level of Council Tax since 2010/11 and has obtained Council Tax Freeze Grant funding from Central Government. The Government is offering a new arrangement at 1% per annum for two years. In 2013/14 the 2012/13 grant ceases and savings are required to finance the loss of resources. In 2015/16 the 2011/12 grant ceases and further savings will be required at that time. Due to the high level of risk because of the changes in funding arrangements and the low level of available resources, the report of Corporate Leadership Team was based upon a maximum increase of 1.9%. Details of the options available should the Council wish to consider alternatives are set out under "Council Tax Levels" below.

The Capital Programme is set out below. The Council's strategy on capital expenditure is to prioritise schemes based upon legislative need or fit to key priorities. One key tenet of the strategy is that resources must exist in advance of the commencement of any project or contract. The current programme is fully funded from resources that the Council already holds. However the programme only extends to 2014/15. Two essential strands of any future programme are the work on commercial activity, for which Council has given approval to prudential borrowing, and the infrastructure required to deliver the development plans of the Council. Further work is still required to ensure a stable and funded programme exists into the future as current resource levels cannot provide for all infrastructure needs and a programme to meet other objectives.

Taken together the considerations summarised above identify a significant level of change in the way the Council will receive or generate resource in the future. Many of the changes individually bring significant financial risk, taken together as a series of changes occurring at one time they bring a greater risk to the Council than the sum of their individual risks. This is due to the additional risk that more than one event occurring in 2013/14 could produce a total financial consequence greater than the provisions the Council usually considers adequate. The Council must do all it can in 2013/14 to maximise resource while it gains experience of the new financial environment in which it is operating.

At its July 2012 meeting Cabinet considered the initial budget strategy for 2013/14 onwards. It agreed a strategic revenue projection, a level of council tax for use in planning and consultation on the budget and the method by which consultation would be carried out.

The Corporate Services Overview and Scrutiny Committee's early consideration of the budget strategy led to the creation of a budget working group that considered the issues and advised the Committee in its later deliberations. At that time the Committee generally agreed with the approach put forward by Cabinet.

During 2012/13 Cabinet has received two quarterly budget monitoring reports considering the revenue account and other balance sheet issues for the end of June and the end of September 2012. The predicted outturn

at that time was £0.4m. A further report predicting a reduced outturn of £0.3m was considered at this meeting.

In the budget monitoring reports a number of issues have been identified to Cabinet, among them is a shortfall in the level of income from fees and charges. At the end of September 2012 this was predicted to have a full year effect of a £0.2m shortfall. By December the predicted outturn has been partly reversed by the revised planning fees announced late in 2012 by Central Government.

At its meeting on 19 December 2012 Cabinet considered a corporate review of fees and charges for 2013/14. This review was in line with the Council's policy on fees and charges. The agreed increases produced an overall estimated increase in income of £0.17m. This was incorporated into the budget strategy report considered later on the same agenda. Because of the previously identified risk of shortfall for some services, most fees and charges were not increased for 2013/14. The major element of the estimated increase comes from planning fees, which have benefitted from a Government set national increase.

At that same meeting, on 19 December 2012, Cabinet reconsidered the budget strategy and agreed a strategy for formal consultation with Corporate Services Overview and Scrutiny Committee in January 2013. Combined with the agreed increase in fees and charges discussed above, Cabinet agreed the following:

- a) That the provisional allocation of the local council tax support funding, as set out in Appendix A of the report of Corporate Leadership Team, be agreed and notified to parish councils along with their tax base.
- b) That the revised strategic revenue projection, as set out in Appendix B of the Corporate Leadership Team, which incorporates the changes outlined in sections 1.6 and 1.7 be agreed.
- c) That the proposed savings, as set out in Appendix C to the report of Corporate Leadership Team, be agreed.
- d) That the assumptions used in the development of the available resources as detailed throughout the report of Corporate Leadership Team be noted.
- e) That consideration of the use of the additional capital resources identified in paragraph 1.13.3 of the report of Corporate Leadership Team be deferred pending the final cost of the Museum East Wing project.
- f) That the Chief Executive, in consultation with the Leader of the Council, be given delegated authority to amend the detail of the Budget Strategy arising from the annual announcement by the Department for Communities and Local Government regarding local government finance.

It is the intention of this Budget Strategy to address the financial consequences of the government's actions to reduce the budget deficit in

a sustainable manner. Over £3m in savings have been delivered since the spending review of 2010 and a similar level of savings, totalling £5.5m, is required over the five years of this strategy. Agreement to the proposals in this report can still deliver a balanced budget without the use of balances to finance long term commitments in 2013/14 but some future need for £3.2m of savings is not yet identified.

The budget strategy has been developed in parallel with the Cabinet's consideration of a number of other plans. In particular the budget strategy incorporates the following:

- a) The Strategic Plan – the budget strategy has been developed in parallel with the revision to the strategic plan. The medium term financial strategy has been produced to ensure the efficient use of the Council's resources in delivering the strategic objectives.
- b) The People Strategy – budget provision is included for expected employee costs.
- c) The Asset Management Strategy – the budget requirements identified in this strategy have been previously included within the budget strategy and have been maintained for 2013/14 onwards at their current levels. The asset management strategy recognises the pressure on the capital programme from the need for future funding and assesses options for the appropriate utilisation of assets, the pressures upon the capital programme are considered as a complete package and not as individual schemes. At this time the budget strategy does not consider the capital requirements beyond 2014/15.
- d) ICT Strategy – the resources for this strategy are limited but some resources for developments in ICT remain available. The exact nature of the strategy and the arrangements for the use of resources for the ICT Strategy are currently evolving as the MKIP Shared Service commences across Maidstone, Swale and Tunbridge Wells Councils.
- e) Strategic Risk Register – the strategic risks are reviewed regularly by Audit Committee and Cabinet and have been fully updated for 2013/14 onwards. The funding for actions within the risk actions plans are, where appropriate, incorporated into the budget strategy.
- f) Other Strategies – appropriate resources to aid various other strategies are incorporated into the budget strategy. These include strategies for areas such as Regeneration and Economic Development, Climate Change, Equalities, Regeneration, Integrated Transport and Community Development.

Corporate Services Overview and Scrutiny Committee

The Committee, at its meeting on 8 January 2013, debated both the budget strategy decision and the fees and charges decision made by Cabinet on 19 December 2012. The committee considered all aspects of both reports and the Council's ability to produce a balanced budget.

The Committee's conclusion was that the reports were a comprehensive assessment of the current situation and the Cabinet decisions represented an effective means of producing a balanced budget and securing the Council's financial standing in the medium term.

Audit Committee

The Committee, at its meeting on 14 January 2013, debated the operational risk analysis of the budget strategy. This risk analysis forms part of the Finance Section's service plan and the individual elements do not represent strategic risks. The committee debated the risks and felt they were a comprehensive list.

The Finance Settlement

The finance settlement was announced in Parliament on 19 December 2012 however the Council did not receive specific details of its own settlement until the 20 December 2012. It was not possible to update Cabinet of the provisional figure from Central Government for revenue support grant and the retained business rates baseline until now.

The figures provided as part of the settlement are given in the table below and were confirmed on 4th February 2013. The figures given in the table are gross payments and part of the LCTS funding is identified by the DCLG as provided for support to parish councils. In considering the budget strategy report presented to the Cabinet on 19 December 2012, Members agreed to a provisional distribution to parish councils, which is considered further below. An adjustment to deduct the final value agreed for distribution by the Council will need to be made to the figures for 2013/14 so that they can be used in the strategic revenue projection.

	RSG	Baseline	Total	Year on Year
2013/14	£,000	£,000	£,000	Reduction
				%
BASIC GRANT SETTLEMENT	3,146	2,092	5,238	8.2
COUNCIL TAX FREEZE 2011/12	202	133	335	
HOMELESSNESS PREVENTION	60	41	101	
LCTS SCHEME FUNDING	874	581	1,455	
	4,282	2,847	7,129	
2014/15	£,000	£,000	£,000	
BASIC GRANT SETTLEMENT	3,048	2,755	5,803	13.3
COUNCIL TAX FREEZE 2011/12	196	139	335	
HOMELESSNESS PREVENTION	60	41	101	
	3,304	2,935	6,239	

Cabinet noted that the total sum of both RSG and Business Rates for 2013/14 is £0.15m greater than the sum estimated in the strategic revenue projection presented to Cabinet on 19 December 2013. This contrasts with a sum that is £0.14m less than estimated for 2014/15. As a consequence of the 2014/15 reduction it was proposed to make no

specific plans for the use of the additional resource in 2013/14. In developing the strategy for the report of Corporate Leadership Team, Officers have amended the timing of proposed savings so that some proposals that had supported 2013/14 now support 2014/15.

The Cabinet noted that the Corporate Services Overview and Scrutiny Committee were advised of the settlement figures and the proposal to adjust the timing of some saving planned for 2013/14 at their meeting on 8 January 2013. The Committee did not object to the principle set out or propose an alternative action for Cabinet to consider.

Members noted that two issues remain unresolved that have a minor effect on the values used to formulate the budget figures:

- a. The element of the government funding for the LCTS scheme is reduced from £1.455m to £1.365m by the amount calculated for support to parishes, as considered by Cabinet on 19 December 2012, and is subject to change as set out below.
- b. The Council intends to apply for transitional grant as the LCTS scheme agreed by Council meets the Government's criteria and this would provide an additional £38,000 in funding if the Council is successful.

Local Council Tax Support Scheme - Arrangements for Parish Councils

As part of the finance settlement the Government provided partial funding for the Local Council Tax Support (LCTS) scheme. This funding is identified separately in the finance settlement for 2013/14 as £1.455m. The Government has stated that the funding passed to district councils includes funding for the effect of the LCTS scheme on parish council tax bases.

As part of Cabinet's considerations on 19 December 2012 a proposal for sharing the total funding across all councils, which was distributed according to loss rather than precept levels, was reported. The calculated amounts were then provided to parish councils along with their tax base figures to assist them in calculating the precept they required.

The figure announced in the finance settlement is less than the figure assumed in the 19 December 2012 report which was estimated at £1.463m. Therefore the calculation needs to be adjusted. In addition the Government's announcement split the total sum of £1.455m into two elements one for the borough council and the other for parishes based upon precept levels.

By using precept levels to apportion the funding, the Government has used an available but inequitable method of apportionment. Should the Cabinet wish to distribute the announced share based upon precept levels a complication would arise. Although the total distributed to parishes would increase, some parishes would lose out relative to others and the borough council would also lose out. This happens because the loss of council tax from the new system is related to the number of working age claimants of LCTS in an area and not the precept. Where there is a high

level of working age claimants, then the distributed support would not be adequate to cover the loss equitably.

The values received by each Council under the original apportionment method set out in the report of 19 December 2012 have been updated to distribute £1.455m and at this level all councils receive support of 93.7% of their total loss. In addition the Government proposal has been calculated down to individual parishes and the loss or gain is variable.

The figures for each parish and the borough are given in Appendix A to the report of Corporate Leadership Team for consideration and comparison. However, choosing, as examples, two of the more extreme values under the Government's proposal.

- a) Tovil Parish Council only receives 75% through this method of funding. Losing in total £2,110.
- b) Boxley Parish Council receives 155% through this method of funding. Being in surplus by £4,933.

Cabinet considered potential methods of apportionment and have recommended payment of the Government's calculated share of £110,631 but distributed to individual parishes based upon the loss incurred as a consequence of the local council tax support scheme changes to individual tax bases. This is set out in Appendix C to this recommendation.

Business Rates – Estimated Yield

The finance settlement outlined above set out the baseline funding level for retained business rates at £2.85m. This is the level of assessed need for this Council. Based on Central Government's assumptions about this Council's share of total business rates collected nationally. In detail the Government has set the following values by apportioning their national calculation:

Authority	Share %	Amount £	Tariff
Government	50	27,010,106	
Maidstone - split:	40	21,608,085	
Less Tariff			18,760,179
= Retained Value			2,847,906
Kent County Council	9	4,862,820	
Kent Police	1	540,200	
Business Rates Assumed Yield		54,021,211	

At General Purposes Group on 30 January 2013 the Committee considered the Council's own estimate of Business Rates yield for 2013/14 and the figures approved by the Group are as follows:

Authority	Share %	Amount £	Tariff
Government	50	27,457,771	
Maidstone - split:	40	21,966,217	
Less Tariff			18,939,245
= Retained Value			3,026,972
Kent County Council	9	4,942,399	
Kent Police	1	549,155	
Business Rates Assumed Yield		54,915,542	

The values are greater than the sums calculated from the government's national assumptions and therefore indicate growth in yield. The estimate of the growth that would be retained is £0.18m and this is shown within the retained value in the table above. However the yield approved by General Purposes Group includes sums relating to valuation appeals that remain outstanding with the Government's Valuation Office. These appeals date back over the last eight years and, under the new system, present a financial risk to the Council. While the income previously collected from the businesses has been passed to Central Government in previous years, successful appeals will mean that there will be a charge against the current year's business rates yield to cover the backdated refund. This Council's share of any refunds paid will be 40% of their total value.

The Valuation Office has provided data that suggests the potential value of refunds could be as great as £6.5m and this Council's share could be as great as £2.6m. While successful appeals decided by the valuation officer in 2013/14 will probably not represent all outstanding cases, proper accounting practice and prudent financial control would require the Council to set aside a provision for the risk at a maximum of £2.6m.

This risk leads to the conclusion that while the business rates yield suggests a potential for this Council to receive growth of £0.18m a need to set aside a provision of up to £2.6m means that at this time it would not be prudent for the Council to budget for the use of this potential business rates income for any other purpose. The appropriate treatment of backdated refunds is still the subject of dialogue with Central Government and officers will advise Members of any changes to national guidance at the meeting.

The Strategic Revenue Projection

The strategic revenue projection (SRP) is given in Appendix A to this recommendation and has been updated to account for the changes that have been identified as occurring since the Cabinet meeting on 19 December 2012.

The effect of the changes on the strategic revenue projection is to reduce the need to identify savings in 2013/14 but to increase the need in 2014/15. Savings required for 2013/14 now total £0.988m however the target for 2014/15 has increased to £1.787m.

For 2013/14 the strategic revenue projection is based on a Council Tax increase that is just below the threshold for a referendum, at 1.9%. This assumption is in line with Cabinet's agreed planning assumption of 2%. The reason for the 0.1% variance is the effect of the Upper Medway Internal Drainage Board's levy on the referendum calculation.

For future years the strategic revenue projection uses the current value of a 1.9% increase each year.

Revenue Estimates

A summary of the revenue estimate by portfolio is attached as Appendix A to this recommendation. This also summarised the approved use of balances. This estimate assumes the final approval of all growth and savings set out in the SRP and savings detailed here. The estimate is based upon the funding available from a 1.9% Council Tax increase. Any alternative decision will require amendment to the revenue estimates as set out above.

Details of the savings proposals, as amended following the finance settlement, are given at Appendix A to this recommendation.

Revised Estimate 2012/13

The revised estimate 2012/13, given in Appendix A to this recommendation, totals £23.919m. This compares to an original estimate of £20.043m as approved by Council in March 2012. The increase reflects the decisions of Cabinet to approve the carry forward of resources from 2011/12 of £3.876m.

Original Estimate 2013/14

The estimate 2013/14, given in Appendix A to this recommendation, shows a cost of service estimated at £19.525m. After net contribution to balances of £0.05m, the budget requirement for 2013/14 will be £19.575m including a 1.9% Council Tax increase.

Cabinet will recall that the budget, as proposed in this recommendation, has been based on a number of initiatives completed during the year. These include:

- a) A refresh of the strategic plan that includes a clearer analysis of the outcomes deliverable in the medium term and a prioritisation of the actions required.
- b) A budget consultation exercise to identify public opinion on the importance to the public of services considered low priority to Cabinet and the importance of a range of customer service levels.
- c) A longer term focus from the recognition that the financial year 2013/14 will see the commencement of a spending review to support the Government's objectives up to the next general election. In addition the Chancellor of the Exchequer has made clear in his Autumn Statement that there is expected to be further public sector spending reductions that will effect local government to a similar level as those announced at the time of the 2010 spending review.

Statement of Balances

Appendix A to this recommendation includes a statement of the General Fund Balances. The statement identifies in detail the agreed use of balances arising from the 2012/13 budget, approved by Council in March 2012, and subsequent Cabinet decisions. Cabinet will recall that it agreed a reserve in relation to the potential level of overspend on the Museum extension contract. This reserve is not shown in the capital programme as set out in Appendix A to this recommendation but is comfortably within the estimate of unallocated balances at 31 March 2014, of £3.1m.

During the development of the medium term financial strategy for 2013/14 onwards there has been two proposals for the future use of balances.

- a) The creation of a provision to support the commercialisation work of the Council. The sum considered is £0.5m and will only be called upon if a commercial activity does not generate the expected return and the resources are required to maintain repayments on any prudential borrowing associated with the scheme; and
- b) Support to parish councils who provided footway lighting through concurrent functions in 2011/12, for one further year. This will allow time for adoption by the County Council or other actions by the parish and will cost this Council approximately £30,000.

It is necessary at this time for Cabinet to consider the level of working balances it wishes to set for operational purposes. There are two levels set:

- a) The first is a practical minimum below which Cabinet cannot approve the use of balances without agreement of Council. In the past this has been set at 10% of net revenue spend, which equates to £1.96m. However in recent years, as net revenue expenditure has declined due to Government reductions in public sector spending, the balance has been retained at £2m. It would be prudent to continue at this level and Cabinet is recommended to propose this level to Council;
- b) The second is an operational minimum, set for daily use of balance by Cabinet. In the past this has been £0.3m greater than the Council set practical minimum. This would be £2.3m and it is recommended that Cabinet set this operational minimum.

In recent years the Council has been successful in identifying and achieving income from exceptional opportunities. One example is the VAT declared and paid on a range of services for which HM Revenue and Customs were obliged to give refunds in 2010/11. Other examples include the 2011/12 gain from early delivery of savings from shared services and other restructures. Such events are expected in the future with possible gains from successful commercial activity and shared benefit from contractual arrangements such as surpluses from contracts currently being let.

While these resources are much needed and are able to benefit the Council's strategic objectives, there is an issue of the Council's ability to react in a timely and efficient way when resources are unexpected. The recent work on the use of balances available from 2011/12 evidences that such resources can be effectively focused on achieving the Council's priorities. Although this was achieved it was not in a timely and efficient manner. It was proposed that Cabinet consider options to formalise the use of such resources to make the process more efficient. Possible means could include pre-agreed programmes of work. The report of Corporate Leadership Team recommended that Cabinet agree to consider options regarding this issue in a further report.

Council Tax Levels

The strategic revenue projection included in Appendix A to this recommendation is developed in accordance with the previous planning decisions of Cabinet and includes a 1.9% increase in Council Tax.

Acceptance of the government offered Council Tax freeze grant by recommending a zero per cent increase in Council Tax was an option available to Cabinet. However the action would require additional savings of £0.12m in both 2013/14 and 2015/16. This is because the offered grant is only equivalent to a 1% increase in Council Tax but is available for two years.

The consequences of accepting the Council Tax freeze grant in 2013/14 would create an additional budget pressure for all future years. This pressure would be £0.25m by 2015/16 and the Council Tax income foregone would compound at that level plus any annual increase. Assuming a 1.9% increase, this would equate to £2.7m in ten years.

Following consideration of the financial risks over the medium term, as set out in the report of the Corporate Leadership Team, Cabinet agreed to recommend to Council an increase of 1.9% in the level of Council Tax.

Strategic Assessment of the Revenue Estimate

The revenue estimate for 2013/14 requires net resources of £19.549m. This can be balanced by a 1.9% increase in the Council Tax charged, as detailed in the table below:

	£
Revenue Support Grant	4,280,809
Retained Business rates	2,847,906
Less: Parish LCTS Support	-110,631
Council Tax at £222.39 (Band D), tax base 55155.1	12,265,942
1.9% Council Tax Increase (£4.23 @Band D)	233,055
Collection Fund Adjustment	32,033
TOTAL AVAILABLE RESOURCES	19,549,114

Should Cabinet have considered an alternative approach, a 1% change in Council Tax charged is equivalent to a change in resources available of £123,000. Cabinet should be aware that Council Tax freeze grant is absolute and offered only where no increase occurs. It cannot be claimed proportionate to any increase that is less than 2%.

Capital Programme

The budget strategy incorporates estimates for both revenue and capital expenditure. Included in Appendix A to this recommendation is the approved capital programme for the period 2012/13 to 2014/15.

The Budget Monitoring Report to December 2012 includes a recommendation on slippage of scheme budgets between 2012/13 and 2013/14. This proposal was also agreed by Cabinet and therefore the programme outlined in Appendix F to the report of Corporate Leadership Team has been updated. The Cabinet also noted that the programme is subject to growth up to the level agreed as a maximum for funding increased costs in relation to the Museum's East Wing development.

It is normal at this time to bring forward proposals to extend the programme for further years up to 2017/18. A significant number of the likely schemes that would be brought forward for amendment or extension to the programme are under consideration as part of the infrastructure delivery plan (IDP) as a component part of the Core Strategy.

The work on ensuring the accuracy of the IDP must be completed as an essential first stage. Funding of any schemes, arising from the IDP and forming elements of any future capital programme, will be partly achieved by the setting and charging of a community infrastructure levy. In order to set this levy accurately the work on the IDP must be completed.

At this time it is recommended that no change to the programme be made but to note that extensive work on prioritisation of schemes and the identification of funding will be required during March 2013 to prepare the Council to charge the community infrastructure levy required to make the IDP affordable.

Consultation

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 of 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 Matters 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.

Consultation on the 2012-13 budget followed a similar format requesting ideas for savings beyond those already identified and an evaluation of seven statutory services that were not placed as high priority in the Cabinet’s priority matrix. The consultation looked at the potential for from variations in the level of customer service.

Two consultations have been carried out during the 2013-14 budget strategy process. The results of the consultation on the localisation of council tax support were reported to Cabinet in November and the Council agreed a local council tax discount scheme in December 2012.

Consultation on the budget is usually completed between October and November but consultation on the budget for 2013-14 was delayed until January 2013, to avoid any confusion with the localisation of council tax support consultation. The consultation on the budget sought views on the Cabinet’s proposals for savings, specifically whether the council should provide services directly itself or through voluntary, business and charity organisations, and whether the Council should provide profit making commercial services and borrow money to cover the start-up costs of them. Residents were also asked how they wanted to contact the council.

The results of this consultation were attached at Appendix G to the report of Corporate Leadership Team. The results show that:

- a) There are good levels of support for the Cabinet’s proposals to look to provide more services through voluntary, business and charity organizations and to provide commercial profit-making services.
- b) there is less support for the proposal to borrow money to cover the start-up costs of commercial services. Cabinet was recommended to agree that the previously agreed measures and controls on this activity are included in the responses to consultees and publication of the results of consultation.
- c) Cabinet also noted the confirmation of the Council’s channel shift strategy in the responses to the question on methods of contacting the Council and requesting services, for which the highest response was for the use of electronic means including the website.

Approval of Tax Base and Business Rates Yield

As detailed in this recommendation, new local government finance arrangements are being introduced from 1 April 2013. These cover the tax raising and collecting processes of the Council. The setting of the Council Tax and now the calculation of the business rates yield are set out in statute and the procedure at this Council is set out in the constitution.

Some local authorities have raised questions about the legislative basis upon which the Tax Base and the new Business Rates Yield figures are calculated and approved. Set out in the new statutory instrument for the

calculation of the tax base there is a need for the calculation to be agreed only by the Authority. The business rates yield calculation would appear to require the same approval process as the tax base.

The Council's constitution delegates authority to approve the Tax Base to General Purposes Group and they approved the figures at their meeting on 19 December 2013. Following the same process for the Business Rates Yield meant that this was presented to General Purposes Group on 30 January 2013.

Having obtained and considered the advice of the Head of Legal Services on this matter it is felt to be necessary to request of Council that they "confirm" the figures approved by General Purposes Group and used in this recommendation to set the budget for 2013/14. The Head of Legal Services also believes that, once the Government's intention is clear, a further report to amend the constitution to meet the requirements of the new local government finance regime may be required.

At this time it is recommended for Council to confirm both the Council Tax base and the Business Rates yield for 2013/14 as considered and approved by General Purpose Group.

Future Actions to Set the Council Tax

As Members will be aware, it is a statutory requirement of this Authority to resolve the level of Council Tax for the area. To achieve this objective the recommendations detailed in this recommendation need to be addressed. In addition the precepts of Kent County Council, the Police Authority, the Fire Authority and all parish councils are required. These have been incorporated into the recommendations above.

In addition it is necessary for the section 151 Chief Financial Officer to give her opinion to Council, when setting the above requirements, that the budget calculations are based upon robust estimates and that the level of reserves is sufficient for the purposes of the budget exercise. This opinion is set out at the beginning of Appendix A to this recommendation.

Medium Term Financial Strategy

Included in Appendix A to this recommendation is the Medium Term Financial Strategy (MTFS). The strategy is focused on the period of the spending review, with a fifth year to incorporate the consequences of the actions taken within the spending review period.

The financial projection that complements the MTFS is also given in Appendix A to this recommendation. It summarises the growth and savings items that are detailed throughout the portfolio budgets in Appendix A to this recommendation. The financial projection considers the targeted need for growth and savings over the period of the MTFS and incorporates a number of assumptions about inflation and changes in local and national initiatives. These are all detailed in the MTFS statement given at Appendix H to the report of Corporate Leadership Team.

The MTFS may require amendment following Council's consideration of this recommendation. The final version will be published as part of the budget documents on the Council's website.

Alternatives considered and why not recommended

The major alternatives are included above for consideration.

Cabinet could have recommended to Council the setting of a Council Tax level greater than that used as a planning assumption in the strategic revenue projection. The Department for Communities and Local Government has announced that the level of increase that would be expected to trigger a local referendum on Council Tax increases is 2% for 2013/14. Allowing for the influence of levying bodies, the Council could only agree an increase up to the level currently proposed without triggering a referendum. This is below both RPI and CPI inflation measures.

Any increase above the level of 1.9% would most likely incur the need to carry out a referendum and result in a reduction in the level of Council Tax and additional cost to the Council.

The setting of a balanced budget is a statutory obligation. To choose not to set a budget and a Council Tax level for 2013/14 is not an option.

Background Papers

None

MAIDSTONE BOROUGH COUNCIL

COUNCIL TAX 2013/2014

Schedule of Council Tax Base and Additional Basic Amounts of

Council Tax in parts of the area with Parish Precepts

PARISH	TAX BASE	PRECEPT £	BAND 'D' TAX £
Barming	710.6	20,000	28.15
Bearsted	3,529.1	91,051	25.80
Boughton Malherbe	212.2	5,000	23.56
Boughton Monchelsea	1,237.3	45,000	36.37
Boxley	3,777.3	97,983	25.94
Bredhurst	166.3	8,224	49.45
Broomfield & Kingswood	697.6	46,200	66.23
Chart Sutton	399.7	19,500	48.79
Collier Street	349.6	10,186	29.14
Coxheath	1,453.2	54,550	37.54
Detling	345.6	19,520	56.48
Downswood	805.5	23,374	29.02
East Sutton	140.1	5,413	38.64
Farleigh East	633.1	27,417	43.31
Farleigh West	204.9	13,000	63.45
Harrietsham	888.5	30,000	33.76
Headcorn	1,455.8	80,888	55.56
Hollingbourne	419.8	14,797	35.25
Hunton	299.1	17,000	56.84
Langley	469.0	16,453	35.08
Leeds	312.5	22,819	73.02
Lenham	1,336.2	54,637	40.89
Linton	242.8	10,537	43.40
Loose	1,069.2	56,529	52.87
Marden	1,468.9	76,928	52.37
Nettlestead	299.0	11,440	38.26
Otham	206.0	7,289	35.38
Staplehurst	2,227.5	99,800	44.80
Stockbury	297.7	11,674	39.21
Sutton Valence	640.7	26,961	42.08
Teston	298.2	19,016	63.77
Thurnham	538.8	15,474	28.72
Tovil	1,160.5	65,721	56.63
Ulcombe	385.4	16,393	42.54
Yalding	931.5	47,000	50.46

MAIDSTONE BOROUGH COUNCIL

COUNCIL TAX 2013/2014

Distribution of Government funding for
Local Council Tax Support Scheme

Parish	LCTS Adjustment to Tax Base £	Government Support £	Excess over need £	Gain / (loss) %
Barming	866.34	1,066.00	199.66	23
Bearsted	4,905.61	6,039.00	1,133.39	23
Bicknor				
Boughton Malherbe	136.77	168.00	31.23	23
Boughton Monchelsea	2,493.83	3,070.00	576.17	23
Boxley	3,188.48	3,925.00	736.52	23
Bredhurst	793.63	977.00	183.37	23
Broomfield & Kingswood	1,762.02	2,169.00	406.98	23
Chart Sutton	1,354.25	1,667.00	312.75	23
Collier Street	396.22	488.00	91.78	23
Coxheath	5,642.10	6,945.00	1,302.90	23
Detling	1,867.96	2,299.00	431.04	23
Downswood	1,725.69	2,124.00	398.31	23
East Sutton	92.04	113.00	20.96	23
Farleigh East	2,448.70	3,014.00	565.30	23
Farleigh West	1,056.98	1,301.00	244.02	23
Frinsted				
Harrietsham	2,086.21	2,568.00	481.79	23
Headcorn	7,166.42	8,822.00	1,655.58	23
Hollingbourne	1,276.67	1,572.00	295.33	23
Hucking				
Hunton	1,067.90	1,315.00	247.10	23
Langley	2,073.07	2,552.00	478.93	23
Leeds	2,929.29	3,606.00	676.71	23
Lenham	5,520.63	6,796.00	1,275.37	23
Linton	571.36	703.00	131.64	23
Loose	3,224.91	3,970.00	745.09	23
Marden	7,894.10	9,717.00	1,822.90	23
Nettlestead	1,456.63	1,793.00	336.37	23
Otham	754.18	928.00	173.82	23
Otterden				
Staplehurst	6,456.39	7,948.00	1,491.61	23
Stockbury	1,194.85	1,471.00	276.15	23
Sutton Valence	1,943.50	2,392.00	448.50	23
Teston	1,383.03	1,702.00	318.97	23
Thurnham	324.61	400.00	75.39	23
Tovil	8,351.38	10,280.00	1,928.62	23
Ulcombe	643.80	792.00	148.20	23
Wichling				
Wormshill				
Yalding	4,824.95	5,939.00	1,114.05	23
	89,874.50	110,631.00	20,756.50	23
Maidstone (Borough)	1,463,184.79	1,344,732.00	-118,452.79	-8
	1,553,059.29	1,455,363.00	-97,696.29	

MAIDSTONE BOROUGH COUNCIL

COUNCIL TAX 2013/2014

Schedule of Council Tax Levels for all Bands

and all Parts of the Area including District Spending and all Precepts.

Parish	Band A Total Rate £	Band B Total Rate £	Band C Total Rate £	Band D Total Rate £	Band E Total Rate £	Band F Total Rate £	Band G Total Rate £	Band H Total Rate £
Barming	1,007.98	1,175.97	1,343.97	1,511.97	1,847.97	2,183.96	2,519.95	3,023.94
Bearsted	1,006.41	1,174.15	1,341.88	1,509.62	1,845.09	2,180.57	2,516.03	3,019.24
Boughton Malherbe	1,004.92	1,172.40	1,339.89	1,507.38	1,842.36	2,177.33	2,512.30	3,014.76
Boughton Monchelsea	1,013.46	1,182.37	1,351.28	1,520.19	1,858.01	2,195.83	2,533.65	3,040.38
Boxley	1,006.50	1,174.26	1,342.01	1,509.76	1,845.26	2,180.77	2,516.26	3,019.52
Bredhurst	1,022.18	1,192.54	1,362.91	1,533.27	1,874.00	2,214.73	2,555.45	3,066.54
Broomfield & Kingswood	1,033.36	1,205.59	1,377.82	1,550.05	1,894.51	2,238.97	2,583.41	3,100.10
Chart Sutton	1,021.74	1,192.03	1,362.32	1,532.61	1,873.19	2,213.77	2,554.35	3,065.22
Collier Street	1,008.64	1,176.74	1,344.85	1,512.96	1,849.18	2,185.39	2,521.60	3,025.92
Coxheath	1,014.24	1,183.28	1,352.32	1,521.36	1,859.44	2,197.52	2,535.60	3,042.72
Detling	1,026.86	1,198.01	1,369.15	1,540.30	1,882.59	2,224.88	2,567.16	3,080.60
Downwood	1,008.56	1,176.65	1,344.75	1,512.84	1,849.03	2,185.22	2,521.40	3,025.68
East Sutton	1,014.97	1,184.13	1,353.30	1,522.46	1,860.79	2,199.11	2,537.43	3,044.92
Farleigh East	1,018.08	1,187.77	1,357.45	1,527.13	1,866.49	2,205.86	2,545.21	3,054.26
Farleigh West	1,031.51	1,203.43	1,375.35	1,547.27	1,891.11	2,234.95	2,578.78	3,094.54
Harrietsham	1,011.72	1,180.34	1,348.96	1,517.58	1,854.82	2,192.06	2,529.30	3,035.16
Headcorn	1,026.25	1,197.29	1,368.34	1,539.38	1,881.47	2,223.55	2,565.63	3,078.76
Hollingbourne	1,012.71	1,181.50	1,350.28	1,519.07	1,856.64	2,194.22	2,531.78	3,038.14
Hunton	1,027.10	1,198.29	1,369.47	1,540.66	1,883.03	2,225.40	2,567.76	3,081.32
Langley	1,012.60	1,181.36	1,350.13	1,518.90	1,856.44	2,193.97	2,531.50	3,037.80
Leeds	1,037.89	1,210.87	1,383.86	1,556.84	1,902.81	2,248.77	2,594.73	3,113.68
Lenham	1,016.47	1,185.88	1,355.30	1,524.71	1,863.54	2,202.36	2,541.18	3,049.42
Linton	1,018.14	1,187.84	1,357.53	1,527.22	1,866.60	2,205.99	2,545.36	3,054.44
Loose	1,024.46	1,195.20	1,365.95	1,536.69	1,878.18	2,219.67	2,561.15	3,073.38
Marden	1,024.12	1,194.81	1,365.50	1,536.19	1,877.57	2,218.95	2,560.31	3,072.38
Nettlestead	1,014.72	1,183.84	1,352.96	1,522.08	1,860.32	2,198.56	2,536.80	3,044.16
Otham	1,012.80	1,181.60	1,350.40	1,519.20	1,856.80	2,194.40	2,532.00	3,038.40
Staplehurst	1,019.08	1,188.92	1,358.77	1,528.62	1,868.32	2,208.01	2,547.70	3,057.24
Stockbury	1,015.35	1,184.58	1,353.80	1,523.03	1,861.48	2,199.94	2,538.38	3,046.06
Sutton Valence	1,017.26	1,186.81	1,356.35	1,525.90	1,864.99	2,204.08	2,543.16	3,051.80
Teston	1,031.72	1,203.68	1,375.63	1,547.59	1,891.50	2,235.41	2,579.31	3,095.18
Thurnham	1,008.36	1,176.42	1,344.48	1,512.54	1,848.66	2,184.78	2,520.90	3,025.08
Tovil	1,026.96	1,198.13	1,369.29	1,540.45	1,882.77	2,225.10	2,567.41	3,080.90
Ulcombe	1,017.57	1,187.17	1,356.76	1,526.36	1,865.55	2,204.75	2,543.93	3,052.72
Yalding	1,022.85	1,193.33	1,363.80	1,534.28	1,875.23	2,216.19	2,557.13	3,068.56
Basic Level of Tax	989.21	1,154.08	1,318.95	1,483.82	1,813.56	2,143.30	2,473.03	2,967.64

MAIDSTONE BOROUGH COUNCIL

27 FEBRUARY 2013

REPORT OF THE CABINET HELD ON 13 FEBRUARY 2013

TREASURY MANAGEMENT STRATEGY 2013/14

Issue for Decision

In accordance with CIPFA's Code of Practice on Treasury Management, Council is asked to consider the Draft Treasury Management Strategy for 2013/14 including the Treasury and Prudential Indicators.

Recommendation Made

That the Treasury Management Strategy 2013/14 be adopted.

Reasons for Recommendation

The Cabinet considered the report of the Head of Finance and Customer Services regarding the Treasury Management Strategy 2013/14 at the meeting held on 13 February 2013.

The Council has adopted CIPFA's Code of Practice on Treasury Management (the Code) and this requires that the council sets out a treasury management strategy on an annual basis. This recommendation considers the proposed strategy for 2013/14 onwards along with current guidance from CIPFA and the DCLG.

The primary requirements of the Code are as follows:

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

The agreed process previously approved by Council is:

- a) Audit Committee will consider, as part of their monitoring role, the initial draft and make recommendations to Cabinet.

- b) Cabinet will consider the draft and any recommendations from Audit Committee and recommend to Council
- c) Council will approve the strategy by March of each year for the forthcoming financial year.

The 2012/13 Strategy

The Strategy for 2012/13 was approved by Council in February 2012 and set the following objectives:-

- a) Keep investments short term (up to 1 year) to make funds available to invest if rates increase;
- b) Use up to £3m from core cash balances to be invested for 1 year or above if rates are at a premium over predicted base rates and funds are available for the term. This would leave a balance of £2m if there were to be any unexpected events;
- c) No planned borrowing, other than for short-term cash flow purposes. The council is currently debt-free;
- d) Use the Council's Treasury Management Consultant's scheme for rating of institutions for creditworthiness which uses a sophisticated modeling approach with credit rating agencies, Moodys, Fitch and Standard & Poors, along with Sovereign ratings, CDS spreads and credit watches.
- e) Group limits placed on institutions within the same group and not separate for each institution. This is an added security measure as there is a burden upon the parent company. The group limit will be the highest individual credit criteria for the group.
- f) An institution will never have a higher credit rating than the sovereign country it operates within. If the sovereign is downgraded below the rating of an institution, the institution is downgraded to the same level.
- g) A reduction in overseas institutions due to the uncertainty of 'Sovereignty status', with the exception of Svenska Handelsbanken, a AAA rated Swedish Organisation with whom the Council currently has funds.
- h) The top 5 Building Societies, ranked using the management expenses and asset size ranking.
- i) The Head of Finance & Customer Services be given delegated responsibility to add or withdraw institutions from the counterparty list when ratings change, either as advised by Sector Treasury Management (the Council's advisors) or from another reliable market source.

At the November 2012 meeting of the Audit Committee an amendment was agreed to the 2012/13 Strategy and this was formally presented to Council and approved. This amendment was to agree a revised item c) in

the paragraph above, to recognise the potential to borrow during 2012/13. This amendment included a change to the prudential indicators that was also agreed by Council to increase the limits for prudential borrowing by £2m, coupled with the existing £4m limit this set a maximum for long term borrowing to finance the capital programme of £6m.

Consideration by Audit Committee

On 14th January 2013 this draft strategy was presented to Audit Committee for consideration in line with the approved process set above.

Audit Committee debated the proposed changes and the risks surrounding the proposed prudential borrowing limit.

As a result of the debate the Committee indicated that it was satisfied with the adequacy of the draft Treasury Management Strategy 2013/14 and resolved that it be recommended to Cabinet for submission to Council.

Current Cashflow Performance

Also at the November 2012 meeting of the Audit Committee the mid-year performance report included details for 2012/13 of the position as at 30th September 2012. Given below is an update on that position.

	£m	%
Investments as at 1 st April 2012	13.6	
Investment Balance as at 31st Dec 2012	31.1	
Investment Income as at 31st Dec 2012	0.3	
Ave Balance/Rate of Investments during year	25.5	1.2
Est. Investments as at 31 st March 2012	11.0	

Investments with Lloyds TSB (part nationalised bank) total £5m. This is made up of two longer term investments, one of £3m for 346 days and the other of £2m for 367 days.

All other investments have been completed on a short term basis (up to one year), as agreed within the Strategy.

During 2012/13 to date the Council has not borrowed either for cash flow purposes or financing. During the last quarter of 2012/13 there is a high probability that the Council will borrow as the first purchases arising from the commercialisation projects occur.

Based on the current cash flow projection the Council has anticipated cash balances at 1st April 2013 available for investment totalling £11m.

Developing the Strategy

In formulating and executing the strategy for 2013/14, the Council will continue to have regard to the DCLG's guidance on Local Government

Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectional Guidance Notes.

CIPFA's Treasury Management Code of Practice states that "in balancing risk against return, local authorities should be more concerned to avoid risks rather than maximising return". Therefore the underlying principles of the strategy are to ensure absolute security of Council funds, and to minimise large variations in annual investment returns, which would impact upon the budget.

The Council will also achieve optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to on-lend and make a return is unlawful and the Council will not engage in such activity. The existing operational arrangements which have been agreed to achieve its Treasury Management objectives are summarised above.

The Council, in conjunction with its treasury management advisor, Sector, will use Fitch, Moodys and Standard and Poors ratings in combination to derive its credit criteria. All credit ratings will be monitored daily. The Council is alerted to changes in ratings of all agencies through its use of the Sector creditworthiness service.

If a downgrade means the counterparty or investment scheme no longer meets the Council's minimum criteria, its use for further investment will be withdrawn immediately. If funds are already invested with the downgraded institution, a decision will be made by the Head of Finance & Customer Services whether to withdraw the funds and maybe incurring a penalty.

If a body is placed under negative rating watch (i.e. there is a probability of a rating change in the short term and the likelihood of that change being negative) and it is currently at the minimum acceptable rating for placing investments, then no further investments will be made with that body.

In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in a downgrade of an institution or removal from the Council's lending list.

The use of leading building societies for investment purposes to use the top 5 ranked on a combination of management expenses of the group, as shown within the Income and Expenditure Account, as well as the asset size.

Other market intelligence will also be used to determine institutions credit worthiness, such as financial press, financial broker advice and treasury management meetings with other authorities, e.g. Kent Treasury Management Forum. If this information shows a negative outcome, no further investments will be made with that body.

The Head of Finance & Customer Services has previously been given delegated authority to use alternative forms of investment, should the

appropriate opportunity arise to use them, and should it be prudent and of advantage to the Council to do so. This delegated authority is subject to prior consultation with the Cabinet Member for Corporate Services on any possible use of these instruments. This delegation has not been exercised to date.

The following table shows the balance of investments which will mature during 2013/14 and the total of this balance which will be needed to fund the revenue/capital expenditure.

Investment	2013/14 £m
Short Term Investments at start of Year	11.0
Use of Balances/Capital receipts	6.0
Total Core Cash	5.0

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

A Forward Look

The economic problems facing the UK and similar problems in the remainder of Europe and the USA are expected to require a long term resolution. The Chancellor of the Exchequer announced in his Autumn Statement that the Government currently expected the deficit reduction plan to be in force until 2018 and for the public sector to face a second spending review that brings significant reductions in resources.

Against the backdrop of the global economic problems Sector, the Council's Treasury Management Advisors, have given the following forward look.

- a) The focus of so many consumers, corporates and banks on reducing their borrowings, rather than spending, will continue to act as a major headwind to a return to robust growth in western economies.
- b) Given the weak outlook for economic growth, Sector sees the prospects for any changes in Bank Rate before 2015 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.
- c) Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries

This indicates that there will be a very slow recovery and the prospects for investment are reducing as institutions reduce their borrowing levels. In order for the Council to sustain viable and secure investments the strategy must begin to look longer term.

Interest Rate Forecast

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

Bank Rate															
	NOW	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yr PWLB Rate															
	NOW	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's View	1.66%	1.50%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
UBS	1.66%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	1.66%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.50%	1.60%	-	-	-	-	-
10yr PWLB Rate															
	NOW	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's View	2.64%	2.50%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
UBS	2.64%	2.80%	3.00%	3.10%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	-	-	-	-	-
Capital Economics	2.64%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	-	-	-	-	-
25yr PWLB Rate															
	NOW	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's View	3.88%	3.70%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
UBS	3.88%	4.00%	4.20%	4.30%	4.40%	4.50%	4.50%	4.50%	4.50%	4.50%	-	-	-	-	-
Capital Economics	3.88%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	-	-	-	-	-
50yr PWLB Rate															
	NOW	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's View	4.04%	3.90%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
UBS	4.04%	4.10%	4.30%	4.40%	4.50%	4.60%	4.60%	4.60%	4.60%	4.60%	-	-	-	-	-
Capital Economics	4.04%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	-	-	-	-	-

Growth in the UK economy is expected to be weak in the next two years and there is a risk of a technical recession (i.e. two quarters of negative growth). Bank Rate, currently 0.5%, underpins investment returns and is not expected to start increasing until quarter 1 of 2015.

Capital Programme and Prudential Borrowing

As part of the development of the prudential indicators, that themselves form part of the treasury management strategy, the Council must consider the affordability of its capital programme.

In the past this programme has been financed by the use of capital resources such as receipts from asset sales and grants. More recently the Council has also used receipts from the New Homes Bonus initiative. In which case, affordability of the programme is calculated by the lost revenue income from the possible investment of the resources.

The authority to borrow up to £6m for the financing of capital expenditure is included in the current capital programme and the current prudential indicators. The report of the Head of Finance & Customer Services includes the continuation of that authority within the calculation of the indicators. If the Council is to borrow then the affordability of the capital programme must include an assessment of the cost of borrowing along with the loss of investment income from the use of capital resources held in cash.

At this time the strategy permits the use of up to £3m of core cash for longer term investment of over one year where rates on longer term investments are at a premium. As detailed above, when considering a forward look, the income from investments of greater than one year is diminishing as the counterparties used by the Council are becoming less interested in longer term borrowing. During 2012/13 the return from the Council's investment of greater than one year was 2.85%, during 2013/14 a similar deal available at 1.1%. Call accounts currently return 0.4%. This means that the premium on investments of greater than one year will be 0.7% in future, compared to 2.45% currently.

The current long term borrowing rate from the Public Works Loan Board given in the table at paragraph 1.8.1 is 3.88% for 25 years. Were the Council to temporarily borrow the necessary resources from its own cash balances rather than complete a further one year investment it would save the equivalent of 2.78% of the amount borrowed. Consequently the affordability of the capital programme as set out in the prudential indicators accompanying this draft strategy has been calculated based upon the assumption that internal borrowing would occur initially.

In future years, once the Council's commercial activities have provided evidence of being self-financing, the Council should consider the option of external borrowing. This should be considered at an appropriate time to ensure the Council takes advantage of low rates of interest before a significant upturn occurs. Considering the forecast above, a suitable time for a review would be during the development of the 2014/15 strategy.

Should rates move quicker than the forecast predicts, the current and proposed strategies do allow the Head of Finance and Customer Services to take advantage of external borrowing before the 2014/15 review occurs.

Cash Flow Projection to 2015/16

A cash flow projection up to March 2016 has been created reflecting the spending proposals in the Budget Strategy 2013/14 onwards. The cash flow projection shows that anticipated investment income will be consistently £0.25m per annum over the period from 2013/14 to 2015/16. This is based on interest rates remaining as forecast.

Considering the proposal to use internal borrowing to finance the capital programme, as set out above, the investment income suggested by the cash flow projection may be provided in part from internal charges or through the surplus generated by commercialisation projects.

Minimum Revenue Provision

Where spend is financed through the creation of debt, the Council is required by the Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2008 to make a prudent provision for the repayment of debt. The total debt is identified as the capital financing reserve and ensures that the Council includes external and internal borrowing along with other forms of financing considered to be equivalent to borrowing.

The payment is made through a revenue charge (the minimum revenue provision - MRP) made against the Council's expenditure, although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

The Council has maintained a capital financing reserve based upon the prudential borrowing limit previously set; the MRP was based upon the actual payments made under the Serco Paisa arrangements for the capital works completed by Serco at Maidstone Leisure Centre. In this case the financial arrangement set out in the contract with Maidstone Leisure Trust is that the Council directly repays the cost of borrowing arising from the improvements at the Leisure Centre. Debt repayment is made by annual installments over the 15 year life of the contract and is suitably equivalent to a MRP value.

With the real potential for the use of prudential borrowing it is recommended that the Council adopts a clear policy for how the Minimum Revenue Provision is calculated and that the policy statement is approved by Council in line with the requirements of the Code. The Code states that there is a choice between two options, or a mix of both:

- a. **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
- b. **Depreciation method** – MRP will follow standard depreciation accounting procedures.

Due to the requirement to split assets into component parts and depreciate different components at different rates it is felt that the Depreciation method is overly complex for the Council's property portfolio and that the asset life method of calculating MRP would provide a more stable and comprehensible method for the Council to use.

Summary of Changes Proposed

With this outlook in mind it was recommended that the Council should consider changes to the policy for use of the core revenue funds of the Council and the level of investment with the most secure counterparties on the Council's list. It is proposed that the Treasury Management Strategy for 2013/14 therefore looks to enhance these areas as follows:

- a) Increasing the maximum investment limits with some part-nationalised groups to £8m;
- b) The inclusion of enhanced cash funds (which are similar to the money market funds already in use by the Council) in the portfolio of investment options to be used. The major difference is that these funds take a longer term investment view and provide a higher return for a longer notice period but still within the limits of the current strategy;

- c) To consider the use of core cash during 2013/14 for internal borrowing; and
- d) Introducing a minimum revenue provision policy.

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

Strategy for 2013/14

The council will maintain a counterparty list to identify institutions suitable for investment. The current list is given at Appendix A and will be maintained using the following principles.

- a) Use the Council's Treasury Management Consultant's scheme for rating of institutions for creditworthiness which uses a sophisticated modeling approach with credit rating agencies, Moodys, Fitch and Standard & Poors, along with Sovereign ratings, CDS spreads and credit watches.
- b) Group limits placed on institutions within the same group and not separate for each institution. The group limit will be the highest individual credit criteria for the group.
- c) An institution will never have a higher credit rating than the sovereign country it operates within. If the sovereign is downgraded below the rating of an institution, the institution is downgraded to the same level.
- d) Limit the Lloyds TSB group and the Royal Bank of Scotland group (part nationalised) to £8m to reduce exposure to lower rated institutions. Remaining institutions at £5m.
- e) Use of the top 5 Building Societies is ranked using the management expenses and asset size ranking.
- f) The Head of Finance & Customer Services be given delegated responsibility to add or withdraw institutions from the counterparty list when ratings change, either as advised by Sector Treasury Management (the Council's advisors) or from another reliable market source.

The DCLG provides criteria for specified investments with all other investments being non-specified. The list of specified and non-specified investment types that the Council may use is given at Appendix B. The following principles are applied to their use.

- a) Only the top five building societies and other local authority investments will be non-specified.
- b) Funds will be invested short term (up to one year) so that funds are available to invest when rates increase.

- c) The use of £3m core cash deposits limits with part nationalised institutions can be greater than one year if rates are at a premium over predicted base rates and funds are available for the term.
- d) The use of enhanced cash funds which is an extension to the current AAA rated money market funds. These offer higher yields to money market funds due to giving short term notice to withdraw funds.

Minimum Revenue Provision 2013/14

- a) The assumption is to borrow up to a maximum of £6m through the most economically advantageous method, as decided by the Head of Finance & Customer Services, from: internal borrowing of core cash balances; PWLB loans; or other reputable sources of lending.
- b) The Council will use the asset life method for the calculation of the Minimum Revenue Provision on all future unsupported borrowing;
- c) Principal repaid will be used to calculate the Minimum Revenue Provision on the arrangement with Serco Paisa regarding the Leisure Centre improvements.

Prudential and Treasury Management Indicators

Given at Appendix C are the Prudential and Treasury Management Indicators. These have been produced based upon the proposed strategy set out above.

Alternatives considered and why not recommended

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

Within the strategy proposed the Council could chose to retain a maximum investment with any institution of £5m or even reduce this level. Given the difficulty in identifying opportunities to lend at suitable rates within the counterparty list it is necessary to increase the level of investment possible with the most secure organisations.

Also within the strategy proposed the Council could chose to utilise additional counterparties with the investments from the non-specified investments group. Due to the fact that this increases the risk to capital it is appropriate that the Council continues to only use such investments with the top five building societies and other local authorities.

As an additional action the Council could consider alternative investment options such as Certificates of Deposit or corporate bonds with banks and building societies. At this time the yields on these arrangements are not significantly higher and often these come with a management fee or requiring a high level of initial capital investment. As the strategy identifies other appropriate methods of investment for the Council these

options are not recommended as they do not offer benefits commensurate with the cost. They will continue to be reviewed and proposed if suitable in future strategies.

The Council could utilise the resources invested in expenditure on key priority outcomes. However the core cash held by the Council is either set aside for future expenditure, such as the capital programme, or held as a form of risk mitigation, such as the minimum level of revenue balances. To utilise these resources for alternative projects would put the Council at future risk should an unforeseen event occur.

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

Background Papers


None

MAIDSTONE BOROUGH COUNCIL
COUNTERPARTIES LIST 2013/14

Sector's Suggested Credit Rating Methodology

Sector has recently implemented a new credit rating system that incorporates credit ratings from all three major rating agencies; Fitch, Moody's, and Standard & Poor's. The system uses all the available ratings and, as such, uses a four-way approach to produce a mathematically calculated, risk-weighted score that is then compared to pre-determined credit scoring bands. The system uses the Long term, Short term, Individual, and Support ratings to produce the credit score. Depending on which band the credit score falls between, determines the duration that Sector suggests lending to for that institution.

Colour Key.

£8m Limit	
£5m limit	
£8m limit - Part Nationalised	
£3m limit	
£2m limit	
Lower Rated Building Societies - £2m limit	

Note: All institutions with the exception of UK part nationalised and Public Bodies are subject to a 3 month capping

As well as limits on the amount of funds that can be placed with individual counterparties, Sector would suggest imposing group limits. The group limit should be equal to the individual limit of one counterparty within the same group.

Bank Grouping Key

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

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

LIST OF SPECIFIED & NON-SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS (All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable)	Minimum 'High' Credit Criteria	Use
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies *	Sector Green Rating	In-house
Term deposits UK Part Nationalised Banks	Sector Blue Rating	In-house
Certificates of deposits issued by banks and building societies *	UK Sovereign rating	In-house
UK Government Gilts	UK Sovereign rating	In-house
Bonds issued by multilateral development banks	AAA	In-house
Bonds issued by a financial institution which is guaranteed by the UK government	UK Sovereign rating	In-house
Treasury Bills	UK Sovereign rating	In-house
Sovereign bond issues (i.e. other than the UK govt)	AAA	In-house
<i>* Only highly credit-rated building societies are included</i>		
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -		
1. Government Liquidity Funds	AAA	In-house
2. Money Market Funds	AAA	In-house
3. Enhanced Cash Funds	AAA	In-house
4. Bond Funds	AAA	In-house
5. Gilt Funds	AAA	In-house
NON-SPECIFIED INVESTMENTS (These are any investments which do not meet the specified investment criteria)		
Fixed term deposits with variable rate and variable maturities: -	Sector Green Rating	In-house
Term deposits with unrated Building Societies **	Top 5 Building Societies, excluding Nationwide as highly credit rated.	In-house
Term deposits UK Part Nationalised Banks	Sector Blue Rating	In-house
Certificates of deposits issued by banks and building societies *	UK Sovereign rating	In-house
UK Government Gilts	UK Sovereign rating	In-house
Bonds issued by multilateral development banks	AAA	In-house
Bonds issued by a financial institution which is guaranteed by the UK government	UK Sovereign rating	In-house
Treasury Bills	UK Sovereign rating	In-house
Sovereign bond issues (i.e. other than the UK govt)	AAA	In-house
Commercial paper issuance by UK banks covered by UK Government guarantee	UK Sovereign rating	In-house
Corporate Bonds issued by UK banks covered by UK Government guarantee : the use of these investments would constitute capital expenditure	UK Sovereign rating	In-house
Corporate Bonds other : the use of these investments would constitute capital expenditure	Short-term F1, Long-term A, Individual B, Support 3	In-house
Other debt issuance by UK banks covered by UK Government guarantee	UK Sovereign rating	In-house

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

2012/13 %	2013/14 %	2014/15 %	2015/16 %
-1.7	-0.9	-1.0	-1.1

This indicator shows the proportion of the net revenue stream (revenue budget) that is attributable to financing costs of capital expenditure. As estimated investment income is higher than interest costs, this results in a negative total.

Incremental Impact of Capital Investment Decisions on the Council Tax

	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
i) Forecast of total budgetary requirement no changes to capital programme	5,424	10,766	1,916	414
ii) Forecast of total budgetary requirement after changes to capital programme	5,424	10,836	1,970	450
iii) Additional Council Tax Required	0.00	1.27	0.97	0.64

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

Current Financial Plan

6

2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
5,424	10,836	1,970	450

This is the estimate of capital expenditure taken from the Corporate Budget Strategy 2013/14 Onwards .

Capital Financing Requirement

2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
0	4,614	5,733	5,383

This indicator measures the underlying need to borrow for capital purposes. This shows £6m assumed borrowing for the capital programme from 2012/13 onwards.

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

	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
Borrowing	10,000	10,000	10,000	10,000
Other Long Term Liabilities	6,294	5,891	5,463	5,010
Total	16,294	15,891	15,463	15,010

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

PRUDENTIAL INDICATORS

Operational Boundary

	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
Borrowing	6,000	6,000	6,000	6,000
Other Long Term Liabilities	6,294	5,891	5,463	5,010
Total	12,294	11,891	11,463	11,010

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

Upper Limit for Fixed Interest Rate Exposure

2012/13 %	2013/14 %	2014/15 %	2015/16 %
100	100	100	100

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

Upper Limit for Variable Interest Rate Exposure

2012/13 %	2013/14 %	2014/15 %	2015/16 %
80	80	80	80

This is the maximum amount of net borrowing and investment that can be at a variable rate. The limit set reflects the fact that during the year there can be excess surplus funds available for short term investment. These arise from timing differences between receipts received and payments made.

Maturity Structure of New Fixed Rate Borrowing during 2012/13

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

It is may be necessary to borrow at fixed term rates during 2013/14. This will be monitored as the year progresses and a decision will then be made.

Principal Invested for more than 364 Days

2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000
3,000	3,000	3,000	3,000

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

Agenda Item 16

MAIDSTONE BOROUGH COUNCIL

RECORD OF RECOMMENDATION OF THE CABINET MEMBER FOR COMMUNITY & LEISURE SERVICES TO COUNCIL

Recommendation Made: 15 February 2013

MAIDSTONE COMMUNITY SAFETY PARTNERSHIP PLAN 2013 - 2018

Issue for Decision

To approve the new Maidstone Community Safety Partnership Plan 2013 – 2018.

Recommendation Made

That the new Maidstone Community Safety Partnership Plan 2013 – 2018 be endorsed.

Reasons for Recommendation

In adherence with the Borough Council's Constitution, the Crime and Disorder Reduction Strategy, 'Maidstone Community Safety Partnership Plan 2013 – 2018 Plan' needs to be put before Full Council for endorsement.

A public consultation took place between September and October 2012 and recommendations from the Communities Overview and Scrutiny Committee in January 2013 have been incorporated into the attached Maidstone Community Safety Partnership Plan 2013 – 2018. This provides a strategic framework to deliver the priorities, which have been reviewed and determined using evidenced based information, including comparative county-wide performance, through the annual Strategic Assessment.

Following the election of a Police and Crime Commissioner in November 2012, the Maidstone Community Safety Partnership Plan 2013 – 2018 has been updated to reflect the new appointment.

Alternatives considered and why not recommended

The partnership plan contributes towards the Council's statutory requirement to reduce crime under Section 17 Crime & Disorder Act. It is a statutory legal requirement for the plan to be approved by full Council.

Background Papers

Strategic Assessment 2012-13



DRAFT

Safer Maidstone Partnership

Community Safety Partnership Plan 2012–2017

'Delivering Safer Communities'

1. Introduction

- 1.1 The Maidstone Community Safety Partnership (CSP) was formed as a result of the Crime and Disorder Act 1998, which required local councils, police and other agencies to set up Crime and Disorder Reductions Partnerships (CDRPs) and to work together to tackle local crime problems. The Maidstone CSP is made up of Responsible Authorities (those bodies for whom membership of the CSP is a statutory obligation) and voluntary members.

Responsible Authorities			
Maidstone Borough Council	Kent County Council	Kent Police	Kent Police Authority*
Kent Fire and Rescue Service	Kent Probation Service	West Kent NHS Primary Care Trust	

*Until November 2012

2. Background

- 2.1 The Maidstone Community Safety Plan 2012-17 is a rolling five year document, which highlights how the CSP plans to tackle community safety issues that matter to the local community. This plan is revised on an annual basis, through reviewing information provided from a wide range of organisations in a strategic assessment, to ensure that current issues can be taken into account into the activities undertaken by the CSP. The Plan will seek to promote a more holistic approach, with a greater emphasis on prevention and harm reduction. For example, the harm done by alcohol has far reaching consequences that go beyond potential disorder and violence in the night-time economy; the implications for health and wellbeing have also to be taken into account; with their longer term implications.

3. Priorities

- 3.1 The strategic assessment document that has been produced for 2011/12 provides a crime overview of Maidstone Borough highlighting the issues that are of most importance to our communities and enables the CSP to identify emerging trends and plan actions to tackle these issues. From the available data and analysis, five key priorities have been agreed and are reflected in the SMP Partnership Plan. The priorities are:

- **Antisocial behavior**
To work to reduce incidents of rowdy nuisance behaviour; fly-tipping; and noise; and to reduce the perception of the local community that believe ASB is a large problem in their local area, with emphasis on noisy neighbours.
- **Domestic abuse**
Work to reduce repeat victimisation of domestic abuse victims and to ensure effective services are in place to support and meet the needs of victims.
- **Reducing reoffending**
Work to embed the responsibility of reducing re-offending across all agencies for all age groups, including awareness raising of existing services and activities. Work will be targeted around known reasons for people to offend, included education, training and employment as well as addressing housing needs.
- **Road safety**
To continue multi-agency work promoting road safety awareness to reduce the number of people killed or seriously injured on the roads.
- **Substance misuse**
To continue multi-agency work to reduce the impact of drug and alcohol misuse on individuals and the local community, including drunken behaviour, binge and underage drinking.

3.2 How we are going to tackle these issues

The CSP has created an action plan detailing how each priority will be addressed, which is shown in the action plan (see item 6). These activities range from revising current processes to ensuring that services are delivered as effectively as possible, creating value for money and also commissioning new services and projects in areas of need. The CSP is committed to achieving these priorities and has set targets against what we are planning to achieve, shown in item 7.

3.3 Priority leads

Lead officers for each of the priorities have been identified as set out below and have the responsibility for developing and delivering, with partners, the action plans to deliver the Maidstone borough priorities. The leads will also act as a champion for the designated priority and provide regular progress updates for the Safer Maidstone Partnership, the Maidstone Locality Board and the borough council’s Overview and Scrutiny Committee as required. They will be supported by secondary lead officers who will be responsible for individual actions within each plan.

Priority	Lead Officer/Agency
Antisocial behaviour	Stefan Martin, Kent Police
Domestic abuse	Sarah Robson, Maidstone Borough Council
Substance misuse	Angela Painter, The Kenward Trust
Reducing re-offending	Inspector Simon Alland, Kent Police
Road safety (killed or seriously injured)	Nick Silvester, Kent Fire and Rescue Service

4. Organisational changes – a local overview

4.1 Safer Maidstone Partnership (SMP)

In 2010, the Improvement and Development Agency for Local Government (IDeA) undertook a peer review of the SMP, the crime and disorder reduction partnership for the Maidstone borough. As a result of the review and its recommendations and to ensure compliance with Section 17 of the Crime and Disorder Act 1998 which directs that we must have community safety embedded into our planning, our policy and our operational day-to-day activity, the SMP structure was revised to ensure that there is a more robust intelligence-led business process.

The SMP brings together people from local government, the NHS, the police, the fire service, probation, local businesses, housing providers and voluntary and community organisations to work as a team to tackle issues such as crime, education, health, housing, unemployment and the environment in Maidstone Borough.

SMP membership is made up of the public sector agencies (Kent County Council, Maidstone Borough Council, Kent Police, Kent Police Authority, NHS, Kent Fire and Rescue Service, KDAAT, Kent Probation Service and Maidstone Prison) and also incorporates members from other key partners including Maidstone Mediation, The Kenward Trust, Golding Homes and Town Centre Management. The SMP is chaired by Martin Adams, Area Manager for the Kent Fire and Rescue Service.

4.2 Community Safety Unit

The Maidstone Community Safety Unit (CSU) continues to grow. In recent months, existing Borough Council and Kent Police staff have been joined by partners from Kent Community Wardens, Trading Standards and local Registered Providers, such as Golding Homes. In the coming months other partners including the Integrated Offender Management Unit will also be based with the CSU. Increasing the range of partners working as part of the CSU is a key priority to ensure community safety related issues are tackled holistically.

4.3 Kent Police

As part of the force's modernisation programme, changes have been made to the command of the new policing divisions. Three policing divisions, **East, West and North**, have replaced the previous six areas. This has seen a shift of some of the current area commanders to new posts within the organisation's new structure, and marks a slimming-down of management posts across the force. Local policing is at the heart of the new model and there has been a significant increase in neighbourhood constables and sergeants across the county.

5. The Kent County Perspective

5.1 The Kent Community Safety Agreement is an amalgamation of the strategic assessments undertaken annually by the local Community Safety Partnerships (CSPs) across Kent. The common issues and priorities from these assessments have been identified and key stakeholders consulted to identify any potential gaps and cross-cutting themes for inclusion in the agreement. The following priorities have been identified for 2011/12 as those with the potential to benefit from being supported at a county level, with the cross-cutting themes to be addressed within each priority:

PRIORITIES	
Anti-social behaviour including environmental	Domestic Abuse
Substance Misuse	Acquisitive crime (i.e. thefts/shoplifting)
Violent Crime	Road Safety
CROSS-CUTTING THEMES	Early Intervention, Prevention & Education
	Priority Neighbourhoods / Geographic Focus
	Vulnerable Households & Individuals
	Safeguarding Children & Young People
	Reducing Re-Offending

6. Maidstone Community Safety Partnership Action Plan

The Action Plan sets out a series of actions through which the priorities supporting the CSP Plan will be delivered for the period 2012–2017. The Action Plan makes clear arguments for building stronger and safer communities in Maidstone, with the actions identified against each priority supporting the overarching aim to reduce crime and disorder and its impacts. The plan will be reviewed annually to allow for new projects and priorities to be added.

Priority 1: Antisocial behaviour	Action	Anticipated Outcomes	Lead Agency
<p>To work to reduce incidents of rowdy nuisance behaviour; fly-tipping; and noise; and to reduce the perception of the local community that believe ASB is a large problem in their local area, with emphasis on noisy neighbours.</p>	<p>Identification of ASB hotspots and multi-agency tasking through the weekly CSP Partnership Tasking and Action Group meeting and monthly ASB meeting.</p>	<p>Reduction in reported ASB across the borough. Quicker targeted response to priorities for CSP. Support for at-risk families through Progress Programme referrals process.</p>	<p>Maidstone Community Safety Unit (CSU)</p>
	<p>Work to address high perceptions of ASB in the borough, in particular in relation to noisy neighbours through activities such as Noise Week, Love Where You Live and Fly tipping poster campaign.</p>	<p>Reduced percentage of community who consider there is a high level of ASB. Increased awareness of work undertaken to tackle ASB.</p>	<p>Maidstone CSU</p>
	<p>Review current mobile camera deployment and provision.</p>	<p>Targeted action to tackle ASB issues.</p>	<p>Maidstone CSU</p>
	<p>Ensure Section 106 contributions are secured to ensure appropriate crime prevention measures are considered at the earlier stage of the design process.</p>	<p>More effective service through co-ordination of existing resources.</p>	<p>Maidstone CSU</p>
	<p>Ensure Section 106 contributions are secured to ensure appropriate crime prevention measures are considered at the earlier stage of the design process.</p>	<p>Reduction and prevention of ASB and crime in new developments.</p>	<p>Maidstone CSU and MBC Planning</p>

Priority 2: Domestic abuse	Action	Anticipated Outcomes	Lead Agency
<p>Work to reduce repeat victimisation of domestic abuse victims and to ensure effective services are in place to support and meet the needs of victims.</p> <p>77</p>	<p>Support the development and implementation of a Maidstone Domestic Abuse Action Plan to support the CSP Plan.</p> <p>Support the continuation of a One-Stop Shop to increase support to victims.</p> <p>Support the Specialist Domestic Violence Court and the work of the Independent Domestic Violence Advisors.</p> <p>Continuation of the Multi-Agency Risk Assessment Conference (MARAC) in Maidstone.</p>	<p>Increased access to information for agencies, victims, families and friends; improvement of agency links to DV Forum; improved referral routes; improved awareness and access to services for adults, children and teenage victims.</p> <p>Improved awareness and access to services for adults, children and teenage victims.</p> <p>Increased number of domestic abuse cases seen at Court.</p> <p>Increased referrals from wider range of agencies. Support to high risk victims of domestic abuse.</p>	<p>Maidstone Domestic Violence Forum</p> <p>K-dash</p> <p>HM Court Services</p> <p>Maidstone Domestic Violence Forum</p>

Priority 3: Reducing reoffending	Action	Anticipated Outcomes	Lead Agency
<p>Work to embed the responsibility of reducing re-offending across all agencies for all age groups, including awareness raising of existing services and activities. Work will be targeted around known reasons for people to offend, included education, training and employment as well as addressing housing needs.</p>	<p>Undertake awareness raising activities to highlight statutory agencies responsibilities to tackle reducing re-offending and to raise awareness of existing work to tackle offending.</p>	<p>Reduced re-offending across all groups.</p> <p>Increased number of project suggestions for unpaid work schemes through Probation, YOS and HMPS.</p>	<p>SMP Reducing Re-offending sub-group</p> <p>SMP Reducing Re-offending sub-group</p>

Priority 4: Road safety - killed or seriously injured (KSI)	Action	Anticipated Outcomes	Lead Agency
<p>To continue multi-agency work promoting road safety awareness to reduce the number of people killed or seriously injured on the roads.</p>	<p>Deliver road safety education programmes (e.g. RUSH, Car'nage) delivered in schools, colleges and community groups in the borough.</p> <p>Focus campaigns on discouraging drink driving and using mobile phones.</p> <p>Engage with the business community (which often includes young drivers) through the Driving Business Safely Campaign</p>	<p>Reduced road fatalities and serious injury caused by young drivers and drivers of two-wheeled vehicles.</p> <p>Reduced road fatalities and serious injury caused by drinking drive and mobile phone use.</p> <p>Reduced road fatalities and serious injury caused by speeding and careless driving.</p>	<p>Kent Fire and Rescue Service</p> <p>Kent Council Council</p> <p>SMP Road Safety (KSI) sub-group</p>

7

Priority 5: Substance misuse	Action	Anticipated Outcomes	Lead Agency
<p>Continue multi-agency work to reduce the impact of drug and alcohol misuse on individuals and the local community, including drunken behaviour, binge and underage drinking.</p>	<p>Raise awareness and implement activities as part of a 2-year Alcohol Action Plan supporting the Don't Abuse the Booze project.</p> <p>Directed operations and supervision to be undertaken to ensure that licensed premises are well run.</p> <p>Engage with licensees through the Night-time Economy Forum and call ins to licensed premises.</p> <p>Provide a reassuring presence in the night-time economy</p>	<p>Reduction in underage drinking across Maidstone.</p> <p>Raised young people's awareness of the dangers of drugs and alcohol.</p> <p>Reduced impact on the local community and individuals as a result of alcohol misuse.</p> <p>Reduced underage sales through licensed premises.</p> <p>Reduced impact on the local community and individuals as a result of alcohol misuse.</p> <p>Improved promotion of responsible drinking messages within licensed premises.</p> <p>Improved perceptions around safety in the night-time economy.</p>	<p>SMP Substance Misuse sub-group</p> <p>MBC Licensing/Trading Standards</p> <p>MBC Licensing</p> <p>Urban Blue/Street Pastors</p>

	<p>Launch a Directory of Substance Misuse and poster campaign.</p> <p>Increase multi-agency street outreach through CRI and other providers.</p>	<p>Increased access to information for agencies and service users.</p> <p>Increased number of people accessing and completing treatment for substance misuse.</p>	<p>Maidstone CSU</p> <p>CRI</p>
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7. Maidstone Community Safety Partnership Targets

Priority	Indicator	Baseline Sept 2011	Kent-wide comparison	Target (by 2017)
Antisocial behaviour	ASB incidents per 1,000 population	22.67%	25.25%	Reduce to 20% in the Kent-wide comparison by 2017
	Perceived high level of ASB	2.2%	4.5%	Maintain under 2.5%
	CSU comment on new planning applications for developments of 15 units and above	Not currently recorded	Not currently recorded	CSU comment on 100% of new planning applications for developments of 15 units and above
Domestic abuse	Number of DA incidents per 1,000 population	15.92	16.88	Maintain below the Kent-wide comparison
	% who are repeat victims	23.3%	23.5%	Reduce to 21%
	% of Police MARAC referrals (West Kent)	39.62%	50.76%	Maintain current levels
Reducing re-offending	First time entrants to the Youth Justice System aged 10 – 17 (YISP/YOS)	13.7%	12.8%	Reduce to 12%
	Proportion of adult and juvenile offenders who re-offend	25.1%	23.7%	Reduce to 23%
Road Safety (killed or seriously injured)	Perception speeding vehicles	27.4%	28.0%	Reduce to 25%
	Delivery of RUSH education programme to Year 11 students	3,000	Not applicable	RUSH delivered to 3,000 Year 11 students annually
	Road users killed or seriously injured (all)	58	N/A	Reduce to 40

Priority	Indicator	Baseline Sept 2011	Kent-wide comparison	Target (by 2017)
Substance Misuse	Perception drunk/rowdy	7.7%	11.4%	Reduce to 7%
	Perception using dealing/drugs	4.3%	11.4%	Reduce to 4%
	Perception overall feelings of safety	95.8%	94.2%	Maintain current levels
	Number of discarded needles picked up	2,400	Not available	Reduce to 1,200

7. Plan for and Effectively Police Major Events in Maidstone and Prepare for 2012 Olympics

The Maidstone CSP will work in partnership with emergency services, district councils, other police forces, businesses and the community to ensure security planning is consistent across all agencies. Prioritising the Olympic year will also assist the CSP to keep the Prevent initiative high on colleagues' and the public's agendas.

8. Metal theft

A rise in the price of copper, lead and other non-ferrous metals has led to a dramatic increase in the number of metal thefts across the UK due to their scrap value. The CSP will monitor levels of metal theft in the locality devising plans, if necessary, to tackle any further increases. The Partnership is working with scrap metal dealers, recyclers and other agencies to promote the use of SmartWater forensic technology. New laws are expected to come into force in 2012, banning all cash transactions and unlimited fines for people caught trading the metal.

9. Consultation on Priorities and Partnership Plan

Maidstone has some clearly defined urban as well as rural areas, often with competing demands on resources and emphasis on what local priorities should be. To assist with informing the action plan for the coming year consultation will take place at an annual event with a wide range of stakeholders. The purpose of the event will be to inform stakeholders of progress against the previous Partnership Plan; obtain views and suggestions from partners and the community on the identified priorities to ensure there are no other compelling issues that should be included in the partnership plan.

10. Authorisation

Martin Adams

Area Manager, SMP Chair, Kent Fire and Rescue Service

Jon Bumpus

Chief Inspector, Maidstone Police

Alison Broom

Chief Executive, Maidstone Borough Council

Agenda Item 17

MAIDSTONE BOROUGH COUNCIL

COUNCIL

27 FEBRUARY 2013

REPORT OF THE MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

1. PAY POLICY STATEMENT

1.1 Issue for Decision

1.1.1 To approve the Pay Policy Statement (attached at Appendix B) for publication.

1.2 Recommendation Made

1.2.1 That the attached Pay Policy Statement be agreed.

1.2.2 That the Chief Executive be given delegated authority to update the Pay Policy Statement with the pay figures at the end of the financial year, prior to publication.

1.3 Reasons for Recommendation

1.3.1 On 28 January 2013, the Member and Employment and Development Panel considered the report of the Chief Executive (copy attached at Appendix A) regarding the pay policy statement for 2013/14 and agreed to recommend the Pay Policy Statement to Council, as amended by the Head of HR Shared Service.

1.3.3 The Panel asked questions regarding, inter alia, market supplements and the Chief Executive's election earnings.

1.4 Appendices

1.4.1 Appendix A – Report of the Chief Executive dated 28 January 2013
Appendix B - Amended Pay Policy Statement

MAIDSTONE BOROUGH COUNCIL

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

28th JANUARY 2013

REPORT OF THE CHIEF EXECUTIVE

Report prepared by Dena Smart, Head of HR Shared Service

1. Pay Policy Statement

1.1 Issue for Decision

1.1.1 A Pay Policy Statement must be agreed by full Council for publication by 31st March 2013. The Pay Policy Statement should set out the main aspects of the remuneration strategy of the council.

1.1.2 The Council met the target to publish a Pay Policy Statement by 31st March 2012 and the attached document has been updated to reflect changes during the year.

1.2 Recommendation of Head of Human Resources

1.2.1 That the Council be recommended to agree the proposed Pay Policy Statement set out at appendix 1 to this report prior to publication on the council's web site.

1.3 Reasons for Recommendations

1.3.1 Section 38 (1) of the Localism Act 2011 came into force on 15 January 2012 and required English and Welsh local authorities to produce a pay policy statement for 2012/13 and for each financial year after that. The Bill as initially drafted referred solely to chief officers (a term which includes both statutory and non-statutory chief officers, and their deputies); but amendments reflecting concerns over low pay and also drawing on Will Hutton's 2011 Review of Fair Pay in the Public Sector introduced requirements to compare the policies on remunerating chief officers and other employees, and to set out policy on the lowest paid.

1.3.2 The matters that must be included in the statutory pay policy statement are as follows:

- a local authority's policy on the level and elements of remuneration for each chief officer
- a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition)

- a local authority's policy on the relationship between the remuneration of its chief officers and other officers
- a local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.

The reference to 'chief officer' refers to the statutory posts of Head of Paid Service, Monitoring Officer and Section 151 Officer plus any Deputy Chief Officers, which in our organisation includes anyone at Head of Service or above.

1.3.3 With regard to the process for approval, the pay policy statement:

- Must be approved formally by the council meeting
- Must be approved by the end of March each year
- Can be amended in year
- Must be published on the authority's website
- Must be complied with when the authority sets the terms and conditions for a chief officer

1.3.4 In creating the pay policy statement we must have due regard for guidance issued by the Secretary of State the attached draft has adopted the guidance.

1.3.5 The Act specifically mentions that the pay policy statement may set out the authority's policies relating to other terms and conditions for chief officers and in the interest of open government there are recommendations that the pay policy statement sets out as much information relating to employee terms and conditions as is practical.

1.3.6 Terms and conditions of employment for employees is a non-executive function and the Member and Employment and Development Panel has delegated responsibility for this within the constitution.

1.3.7 The general approach of the Member and Employment and Development Panel has been to take the same approach to senior members of staff as that taken with all other employees in relation to the benefits available and the review processes followed. The council has a thorough approach that applies best practice in the areas of remuneration and equal pay.

1.4 Alternative Action and why not Recommended

1.4.1 The Council could choose to publicise a reduced version of the Pay Policy Statement that meets the minimum requirements of the Act but this is not recommended as it does not satisfy the need for transparency and means that the data is not seen in the context of the good work already undertaken by the council.

1.5 Impact on Corporate Objectives

1.5.1 This supports the People Strategy and and the corporate objective Corporate and Customer Excellence.

1.6 Risk Management

1.6.1 The purpose of the report is not to change existing policy but to set out clearly the council’s current position on pay, on this basis there are no risks associated with agreeing the Pay Policy Statement. There are risks associated with not publishing a Pay Polciy Statement as the council would be in breach of the Localism Act 2011.

1.7 Other Implications

1.7.1

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

X
X

The implications are set out in the report.

1.8 Relevant Documents

1.8.1 Appendices

Appendix I – Pay Policy Statement

1.8.2 Background Documents

None

Maidstone Borough Council

Pay Policy Statement

1. Introduction

The local government workforce strategy has five key themes, which are mirrored by our own local strategy:

- Organisational development
- Leadership development
- Skills development
- Recruitment and retention
- Pay and rewards

These strategic themes recognise the importance of pay and rewards as fundamental to our role as an employer. Our work on pay and rewards began in 2006 with an equal pay audit resulting in significant changes to the council's terms and conditions. The work continued through the implementation of the Work Force Strategy and the development of a Total Rewards approach to remuneration for council staff.

Maidstone Borough Council has developed many of its own terms and conditions and undertakes local pay bargaining with trade unions. It reflects the Local Government Joint National Conditions (JNC) for terms such as the sickness and maternity schemes and those that apply for the dismissal processes of Statutory Officers (Head of Paid Service, Section 151 Officer or Monitoring Officer).

2. Terms and Conditions – Decision Making

Terms and conditions for employees are a non-executive function and the responsibility for decisions on these matters is delegated to the Member and Employment and Development Panel by full council. The terms of reference for this group are set out in the constitution as follows:

- a) to consider the applications received for the posts of Chief Executive and Directors and to compile a short list for interview and subsequently to interview and make appointments.
- b) to review annually the performance of the Chief Executive and Directors, to agree targets for the coming financial year, and agree any corrective action which may be required relating to the previous financial year.
- c) to consider all other matters concerning the terms and conditions of service of the post of Chief Executive, and to recommend Accordingly the Council.
- d) Power to determine terms and conditions on which staff hold office (including procedures for their dismissal.)
- e) to hear and determine appeals under the disciplinary procedures for staff on the JNC Conditions of Service for Chief Officers of Local Authorities

f) to hear and determine appeals against decisions taken by the Chief Executive under the Disciplinary or Capability Procedures or to hear grievances raised against the Chief Executive under the Grievance Procedure

Where the decision of the Member and Employment and Development Panel has a budgetary implication beyond the agreed in year budget this will also require agreement from Cabinet.

3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff and Members and was agreed by the Employment and Development Panel on 5th April 2006. This was a very thorough piece of work that ensured the Council managed the terms of employees at all levels in the same way and applied the principles of equal pay and performance management to the scheme that was developed. The strategy has been refined over time but the principles have remained in place.

The principles for the reward strategy are to:

1. Support a **performance** orientated organisation;
2. Provide an **attractive** employment package at all levels;
3. Be relevant to a **modern** local government authority;
4. Have a pay structure that is **transparent** and straightforward;
5. Reward people **fairly** and consistently;
6. Move toward a **Total Reward** approach; and
7. To be **affordable** within the Medium Term Financial Strategy.

The reward strategy takes a 'Total Reward' approach to the benefits package received by employees at the council to ensure that maximum benefit is gained from all aspects of what is on offer to employees. The key elements of this package are set out below.

3.1 Pay Scale and Pay Progression

Our policy for grades within the organisation is to apply an objective assessment of the relative 'size and value' of all our roles using a formal job evaluation process. Posts are graded through the HAY Job Evaluation Scheme and this process measures the requirements of the role against the key criteria of Know How, Problem Solving and Accountability when all the duties are being performed and the employee is fully effective in the role. Job evaluators are drawn from different parts of the organisation and trained to use the HAY scheme; every panel has one trade union representative as part of the panel. The **Lowest Paid** employees are defined as those whose posts have HAY points of 43 to 57 which place them into grade 1 of the pay scale, the same process is applied to Chief Officers whose roles are evaluated at the highest level of points. It is the policy of the organisation to refer to the HAY salary data for Local

Appendix B

Government and to reflect the median salary for grades below Head of Service and upper quartile at Head of Service and above.

The pay scale has up to seven increments which recognise that with development in a role over time an employee's skills are of more value to the organisation and therefore warrants a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy. The pay scale is at Appendix I(A).

Incremental progression is assessed against the agreed Competency Profile for the role and evidence of the necessary Performance Standards and agreed objectives. Assessment will be on an annual basis but will be linked to the clear and continuous performance at the level required at each incremental step. Standard progression for fully effective performance is not beyond scale point four; in grades 13 – 16 there are an additional three high performance increments which may be awarded for performance which is over that usually required in the post. The rules for pay progression are set out in Appendix I(B).

Incremental progression is assessed by an employee's line manager in consultation with the Head of Service and Director who has to approve the recommendations within their Directorate; this is monitored by Corporate Management Team. The process and timetable for appraisals and incremental progression for the Chief Executive and Directors is set out at Appendix I(C).

3.2 Market Supplements

Currently there are no employees in receipt of Market Supplements within the council. The policy that has been applied in times of recruitment difficulty is at Appendix I(D).

3.3 Pension

The council offers access to the Local Government Pension Scheme (LGPS) which is a significant benefit to employees and is one of the aspects of the Total Rewards package. The LGPS is a defined benefits scheme which requires contribution rates from employees of between 5.5% and 7.5% depending on earnings in accordance with the following table.

Full-Time Equivalent Pay Rate is:			Contribution rate:
£0	to	£13,500	5.5%
£13,500.01	to	£15,800	5.8%
£15,800.01	to	£20,400	5.9%
£20,400.01	to	£34,000	6.5%
£34,000.01	to	£45,500	6.8%
£45,500.01	to	£85,300	7.2%
More than £85,300			7.5%

The employer contribution rate is around 14 % although this does vary from year to year, this is the future service rate excluding past service deficit.

The pension scheme is standard between all local government employers and in broad terms offers a pension benefit equivalent to 1/60th of pensionable salary per year of service with a retirement age of 65 years of age. The government is currently consulting on changes to the benefits of the scheme.

Although most of the rules associated with the scheme are set centrally there are a few areas where local employers must define their own policy; the discretionary policy is attached at Appendix I(E). In broad terms it is not the policy of the council to increase pension benefits to employees through any form of enhancement.

Kent County Council is the administering authority for the Maidstone Borough Council scheme.

The provisions of the pension scheme are currently under negotiation with central government to make the scheme more affordable and this will change the terms of the scheme.

3.4 Pay Protection and Redundancy Payments

The council has a Redundancy Policy which sets out the approach that must be followed if posts are going to be affected because of organisational change. The procedure sets out the approval process and the consultation timetable, it also sets out the terms for redundancy and the pay protection policy, the pay protection policy is set out at Appendix I(F).

Any payments paid to an employee in relation to redundancy shall be in accordance with the statutory redundancy payments scheme and any other regulations applicable except that the Council will calculate a week's pay on actual earnings where this is in excess of the statutory maximum figure. (*Local Govt. (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2000*).

The policy of the organisation regarding re-employment following redundancy follow the NJC terms and conditions i.e. if a redundant employee is commences local government employment within one month of the redundancy then the redundancy payment must be returned. Any other re-employment will only be considered where all other council rules on recruitment or procurement have been followed.

3.5 Other payments.

Honoraria

The council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; this is often as a cost saving measure when there is a vacancy, maternity leave etc. In 2012/13 there were 7 people in receipt of Honoraria.

Cash and Non-cash Awards

As part of the Total Rewards package the council has mechanisms for recognising exceptional contributions both from individuals and teams. In 2012/13 these were received by eight employees and there was a total of £5200 paid in cash awards.

Stand- By payments

These are paid to a small number of employees (twenty seven in 2011/12 and sixteen in 2012/13) who are on an out of hours on-call rota for specialist duties such as collecting stray dogs or attending noise complaints. The level of remuneration is £147 for each week of being on-call.

Car Allowances

In 2010 the council removed the facility for lease cars however a lease car allowance remains and in 2012/13 there were fifty seven employees in receipt of this allowance, although two of these left the council's employment during the year. In 2010 there were two levels of cash allowance one for senior managers (£4452) and a lower one for other members of staff (£2733 per annum). In 2010 Members decided to cease the higher allowance and retain only the lower allowance. Senior officers are in the period of the allowance being reduced to the standard level. Mileage rates for those receiving this allowance are currently 28 pence per mile. In 2012 it was agreed that there would be no further allocation of the Lease Car Allowance in the future and that the current allowance would be frozen.

A car allowance of £1239 is given to those employees that are required to have a vehicle for their role and in 2012/13 this was given to forty eight members of staff. The majority of those staff in receipt of this payment are within the statutory services which require external visits e.g. planning, environmental health and housing. Mileage rates for those receiving this allowance are at the HMRC level (in 2013 45 pence per mile)

Bonuses

The council does not make use of bonuses as part of its own remuneration package however there are currently 13 employees in receipt of regular bonuses as part of their TUPE (Transfer of Undertakings(Protection of Employment) Regulations 2006) transfer terms and conditions from a previous employer, this is six fewer than in 2011/12. These employees are all employed in the grounds maintenance teams and the productivity bonus tops up a lower basic wage. The TUPE regulations give protection to employees when their employment transfers and may only be changed through consultation.

3.6 Special fees and arrangements

Special fees may be paid for certain additional duties, in general these are connected to election duties and the funding for the allowance will not come from the council's own budget. An additional fee is paid for the role

of Returning Officer for the District elections, this statutory role may be allocated to the Chief Executive or other officer within the council. Additional fees may be paid when an employee undertakes the role of Returning Officer, Counting Officer or other similar role, on behalf of another authority or organisation.

The council has adopted the Kent schedule of fees which is attached at Appendix I(G).

3.7 Other employee benefits

The council provides access to an Employee Assistance Programme which gives both telephone and face to face counselling on a range of issues. The council has access to an Occupational Health Service which helps to ensure that employees are properly supported to avoid taking sick leave and to return to work as soon as possible.

The council supports employees in their role with a development plan and training opportunities to ensure they are fully qualified to give excellent service. The council has been recognised for its development focussed culture through the achievement of the Investors in People award.

On an annual basis the council has an Awards Ceremony which recognises the best achievements during the preceding year. The council also recognises long service and gives an award of £100 for 20 - 25 years service, £150 for 25 - 35 years and £250 for 35 + years.

Salary sacrifice schemes – the council offers a salary sacrifice scheme to employees for the purchase of bicycles and childcare vouchers. There is a small administration cost to the council of these schemes.

Buying annual leave – subject to agreement with their manager, employees are allowed to sacrifice some of their salary to buy more annual leave. In 2012/13 there were fifteen members of staff that used this benefit.

4. Monitoring

Salary budgets are monitored through the normal budget management processes by line managers. Members and senior officers regularly consider the Medium Term Financial Strategy and in particular to consider ways to reduce costs to the council.

As required by the Equality Act 2010 the council undertakes an equal pay audit of salaries annually which is published on the council's web site. This helps to identify whether there are significant differences in any employees that have the protected characteristics.

The Code of Recommended Practice for Local Authorities on Data Transparency 2011 required that salary data was published on the highest earning staff within the council; this was actioned by March 2011 as required by the code. There has now been further qualification of the

Appendix B

salary threshold for publication which has been set at £58,200 and above. This information is at Appendix 1(H).

The Code of Recommended Practice for Local Authorities on Data Transparency September 2011 also requires that there is a process established to monitor the rate of growth of senior earnings compared to all other employees in the organisation. The formula required is to calculate the pay multiple of the Chief Executive compared to the average median earnings of all other employees and where there is any significant change year on year this should be explained. It is the council's policy to use this pay multiple to monitor the relationship between remuneration of chief officers and other employees.

The recommendation in the 'Hutton Review of Fair Pay' 2011 has been followed:

'the pay multiple should be calculated on the basis of all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind'

	2011/12	2012/13	% change
Chief Executive earnings	123,657	115,947	-6.23 %
Median	19,158	18,081	-5.62%.
Pay Multiple	6.45	6.41	-0.62%
Average (Mean)	20,120	19,568	-2.74%
Pay Multiple	6.15	5.93	-3.58%

Overall earnings have fallen this year – this has largely been as a result of an increased number of canvassers employed for the Police and Crime Commissioner elections in November and as these are short term activities the earnings over the year are low and thus reduce the average and median salaries.

The Chief Executives earnings have reduced as a result of a reduction in the car allowance from £4452 to £3887 and a lower election fee of £1897 compared to £11,971 in 2011/12. The reduction in the Chief Executive earnings is greater in proportion to the median and average and this has resulted in a reduction in the pay multiple.

5. Contact for further information

If you require any further information regarding the salary policy of the council you should contact Dena Smart, Head of HR Shared Services on 01795 417391 or by email on denasmart@maidstone.gov.uk

Appendix I(A)

Pay Scale 2012-13

94

Grade	Know How Evaluation Points	Spine point 1	Spine point 2	Spine point 3	Spine point 4	High Performance Increment SP 5	High Performance Increment SP 6	High Performance Increment SP 7
1	43/50/57	£12,195	£12,500					
2	66	£13,864	£14,211	£14,566				
3	76	£14,991	£15,366	£15,750				
4	87	£16,065	£16,467	£16,878				
5	100	£17,203	£17,633	£18,074	£18,526			
6	115	£19,078	£19,555	£20,044	£20,545			
7	132	£21,038	£21,564	£22,103	£22,656			
8	152	£23,018	£23,709	£24,420	£25,153			
9	175	£26,150	£26,935	£27,743	£28,575			
10	200	£29,124	£29,998	£30,898	£31,825			
11	230	£32,118	£33,082	£34,074	£35,096			
12	264	£35,796	£37,228	£38,717	£40,266			
13	304	£42,028	£43,852	£45,675	£47,456	£49,611	£51,765	£53,919
14	350	£57,774	£60,395	£63,017	£65,639	£68,751	£71,956	£74,091
15	460	£77,434	£80,830	£84,228	£87,625	£91,022	£94,419	£98,196
16	608	£102,836	£105,766	£108,698	£111,628	£114,560	£117,490	£122,190

Appendix I(B)

Pay Progression

1. Annual Inflation Award

Annual pay consultation will consider the cost of living, the position of MBC pay in comparison to the market but affordability will be the foremost consideration. Consultation will commence annually in September with the aim to reach agreement within the budget cycle so that payment can be made in April salaries.

The Chief Executive and Head of HR are responsible for undertaking pay negotiation with trade unions but the Cabinet takes ultimate responsibility for agreeing the budget.

2. Pay progression within grade

The pay scale has up to four standard increments which recognise that with development in a role over time an employee is of more value to the organisation and therefore warrants a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy.

Progress through the grade will be assessed annually. This will not be an automatic progression but will require an assessment against the agreed Competency Profile and Performance Standards for the position. Where the employee has progressed towards the full competency profile they will be awarded an increment. Assessment for incremental progression will take place by October each year. This will therefore not be linked to the annual appraisal but will take place mid year. Increased increments will be paid with effect from 1st October.

Employees must have six months service in their role by the 1st October to be eligible for assessment, if they are more recently appointed they will receive a review after six months in the position, thereafter they will be reviewed annually for the October increment.

Individuals will need to consistently demonstrate the behaviours required by the Competency Profile and Performance Standards for their role in order to maintain their incremental position. One off performance will not be sufficient to merit or maintain an increment.

Where individuals do not sustain the level of performance or where they have been assimilated to the top of the grade but are assessed as not having the full range of competencies they will be given time to improve but their pay will be frozen until they drop to the pay level that matches their performance, this includes any rise in annual pay as a result of pay inflation. This is outside the normal Pay Protection policy as it does not represent an organisational change. Where the individual is assessed as not meeting the requirements of the grade their performance will be treated as a capability issue.

3. High Performance Increments (HPI) – Grades 13-16

In addition to the standard incremental progression which is linked to fully acceptable performance there are an additional three incremental points in grades 13 to 16. These incremental points will be linked to sustained high performance and should not be awarded for one off projects for which either an ex-gratia payment or cash award may be more appropriate. These HPI's recognise the impact of senior managers on the high performance of the organisation and they should only be used where it is possible to demonstrate that the individual has added significant value over and above what might be seen by other fully effective performers in the same role.

High Performance Increments will be considered in line with the mid year review for effect in October. The HPI may be awarded on either a consolidated or non-consolidated basis. Recommendation for an HPI must be made by a Director to the Corporate Leadership Team for grades 13 and 14, by the Chief Executive to the Member and Employment and Development Panel (MEDP) appraisal sub-committee for Directors (grade 15) and by the Leader to the MEDP appraisal sub-committee for the Chief Executive.

Consideration of some or all of the following factors is appropriate when an award of an HPI is recommended:

- Flexibility to manage new services following structure changes
- Innovative ways of working to improve performance and reduce costs
- Management of services outside the council e.g. shared services
- Continued performance at a level above the current grade but where there are no suitable opportunities for promotion
- Increased income to the council from selling services

It is important to emphasise that the HPI will not be the norm for pay progression and movement onto these increments will be carefully monitored to ensure that there are no equal pay implications.

4. Career Grades and Incremental Progression

A Career Grade offers the opportunity of a long path of progression to a particular professional position. As such the nature of the role and the requisite competencies are likely to vary considerably between the entry point and final destination. This means that through Job Evaluation the Career Grade is likely to span several grades and have many steps. To enable this clear stepped progression there may be some need to have interim points between the normal incremental points e.g. in recognition of the achievement of some particular milestone. These half incremental steps will be allowed providing that there is prior agreement with the Head of HR and that they are applied equally to all those who meet the criteria and are set out as part of the agreed career grade structure. Progress through the career grade will need to be evidence based and the Head of HR will need to agree to the progression if it is between grades.

Appendix I(C)

Chief Executive and Director Appraisal Process

The appraisal panel for the Chief Executive will comprise of a sub-committee of the Member and Employment and Development Panel..

This panel will also take a 'grandparent' role to review and comment on the full annual appraisal and objectives for the Directors as set by the Chief Executive.

An indicative timetable and process for the Chief Executive is set out below:

Process	Dates	Papers Required	Deadlines
Chief Executive Appraisal and Director review with MEDP	March		
Mid Year Review – CEO with Chair of MEDP and Leader;	By mid September	Appraisal documents with agreed objectives and development plan – to be reviewed and up-dated	Paperwork to be ready and circulated to Leader, Leader of the Opposition & Chair of MEDP by 7 September 2011. Meeting on 14 September 2011 at 8.30 am in the Leader's office
Mid Year Review - Directors with CEO	September	Appraisal documents with agreed objectives and development plan – to be reviewed and up-dated	
Chief Executive preparation Documents complete for circulation to Sub Committee of MEDP	January	Previous years appraisal & Mid Year Review Knowledge, Skills and Performance Standards Strategic Direction Competency	Papers to be with Democratic Services by Noon on 31 January 2012 for circulation with Agenda

Appendix B

		Framework Appraisal Preparation document Briefing note on appraisal preparation	
Chief Executives appraisal with Sub Committee of MEDP	February	Appraisal produced from the meeting	Meeting on Wednesday 8 February 2012 at 9am, Room B, Town Hall
Directors appraisals with CEO	February	Directors appraisals then CEO to write up and agreed by Directors by 21 February 2012	
MEDP Sub Committee review of Directors appraisals	March	Previous years appraisal & Mid Year Review Knowledge, Skills and Performance Standards Strategic Direction Competency Framework Appraisal completed by Chief Executive & Director	Papers to be with Democratic Services by Noon on 22 February 2012 for circulation with Agenda Meeting on 2 March 2012 starting at 9 am (9.30 am David Edwards, 11 am Zena Cooke), Town Hall

Appendix I(D)

MARKET SUPPLEMENTS FOR PAY

Introduction

The Council will utilise a Market Supplement to ensure that competitive salaries will attract and retain key workers in skill shortage areas without distorting the pay structures for all other employees. A Market Supplement for recruitment or retention purposes will only be used where there are clear business reasons that cannot be better addressed through the total benefits package, the work environment or department skill mix. It is recognised that pay is only one factor contributing to our attractiveness as an employer and other aspects of employment, particularly those relating to development, should be applied rather than using just a Market Supplement.

All jobs are graded using the HAY Job Evaluation system and the defined pay policy of the Council is to pay at Market Median where the market used is the HAY Local Government salary data. This is also checked against local Kent salary surveys to ensure that it is robust for the geographical region. This approach ensures that the employees of Maidstone Borough Council are paid at a fair level in comparison to other workers in similar employment groups.

However there is recognition that in certain professions there are either national or regional skill shortages and Maidstone needs to be responsive to the competition for these skills. In the longer term our aim will be to train employees to move into these specialist areas and to ensure that the specialists' skills are used properly within the organisation. In the short term Market Supplements may be used.

Identification of the Skill Shortage

Recruitment Campaigns

Where there is no anticipated shortage there will need to be a minimum of two appropriate external recruitment campaigns within a 12 month period to establish that it is not possible to fill a position before it is agreed there is a requirement for a market supplement.

KPOG Salary Survey

The Kent Personnel Officer Group (KPOG) salary survey is conducted on an annual basis and gives details of the comparative salaries for defined positions in the Kent Districts. This clearly identifies the median salaries and is particularly relevant for local government roles. This will enable the identification of positions which may be vulnerable and where there is more than a 10% salary difference from the median there should be consideration of the need for a market supplement. The existence of this difference alone is unlikely to be sufficient justification and further analysis will be required to identify whether this has had an adverse impact on the Council's ability to recruit and retain.

National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation. In 2012 these skills were listed as:

1. Children's social workers
2. Planning officers *
3. Building control officers *
4. Environmental health officers *
5. Educational psychologists
6. School crossing patrol
7. Adult social workers
8. Trading standards officers
9. Solicitors and lawyers *
10. Mental Health Social Workers

* category of worker employed by MBC

This national picture is the first indicator of a shortage. Where there is an identified shortage nationally the manager will still be required to demonstrate that this applies to the local area. This proof can be gained through the outcome of a relevant recruitment campaign during the previous 12 month period or through information from agencies about the availability of particular skill sets.

Market Supplement for Recruitment Purposes

The level of supplement will be agreed between the Director and the Head of HR in consultation with the Head of Finance. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary related enhancements eg overtime which will be paid at the normal salary rate.

The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in section 5.

The payment of a Market Supplement must be within the Directors agreed budget. Approval must be given by the relevant Director and the Head of Human Resources who will ensure that all alternative options have been explored.

Market Supplement for Retention Purposes

Whilst the Market Supplement is principally to enable the Council to be able to compete in a highly competitive market to attract new employees, there may be exceptional cases where a supplement should be considered for existing employees. This may occur in situations where a new recruit is offered a supplement which would then cause equally mobile colleagues to

leave and seek a similar salary elsewhere. There may also be occasions where an employee with a specialist skill needs to be retained to ensure business continuity.

The level of supplement will be agreed between the Director and the Head of HR in consultation with the Head of Finance. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary related enhancements eg overtime which will be paid at the normal salary rate. The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in section 5.

Agreement to the Market Supplement (or appointment above the bottom of the grade) will require the completion of the form at Appendix 1.

Payment of a Retention Supplement must only be considered in exceptional circumstances and particular attention must be paid to the Equal Pay issues.

Removal of the Supplement

The availability of skills varies over time. As professions are identified as skill shortage areas and salaries rise they can attract an increased number of trainees. Where this is the case the Council would not wish to incur unnecessary costs ie paying more for a skill than the median rate if this would be sufficient to attract high quality applicants.

Management Team will review the posts attracting a supplement annually in January. When it is clear that a particular profession or skill area no longer necessitates a market supplement this will be withdrawn over a phased period of 2 years – with the withdrawal of 25% of the supplement every six months until the employee returns to the normal rate for the job. The assessment of the on-going need will relate to the national skills assessment combined with local salary reviews and the response to recruitment campaigns. When a market supplement is to be withdrawn the employee will be notified by the end of January and the phased withdrawal will commence in April of that year. In this way the annual pay award should help to offset any reduction.

Appendix I(E)

**Maidstone Borough Council
Policy and Procedural Issues
Local Government Scheme Regulations
Employer Discretions**

This paper confirms the pension policy of Maidstone Borough Council as it relates to the exercise of discretions contained in the Local Government Pension Scheme Regulations 1997 (as amended), the Local Government Pension Scheme (Administration) Regulations 2007¹ and the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007². Last updated July 2010.

- **Regulation 4 (1) (a)** ²

The calculation of pensionable pay will include basic annual salary plus any other pensionable salary items from the following categories – Market Supplement/ Premium, Contractual Overtime, Contractual Bonus, Honorarium of greater than 12 month period, Salary Supplement eg for Emergency Planning responsibilities. The pensionable pay will be reviewed annually with effect from 1st April to identify the appropriate Band and Contribution percentage. If the Pay Award is not made on 1st April and the review of contribution rates will be delayed until the award is applied.

- **Regulation 11(2)** ²

Where a scheme member's pensionable pay consists of fees, it is the policy of Maidstone Borough Council that, if this produced a higher figure, an average of all such fees for any 3 consecutive years ending 31 March within the period of 10 years ending with the last date of active membership may be used in the calculation of benefits.

- **Regulation 12 and 13** ²

It is the policy of the Borough Council only to grant extra pension scheme membership to employees where there is a proven total benefit to the organisation which includes any costs that might be borne by the authority. Any such granting of extra scheme membership needs to be agreed between the Head of Human Resources and the relevant Director. Additional service will not be granted in respect of pre April 1972 service, which at the point of retirement has not been up rated.

- **Regulation 16 (4)ii** ¹

If a scheme member wishes to aggregate the most recent of their periods of previous scheme membership with their current membership, it is the policy of Maidstone Borough Council that the election must be made within 12 months of the Pension Section of Kent County Council being notified

that the employee has again become an active member. If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Head of Finance and the relevant Director.

- **Regulation 18(1)**²

It is Maidstone Borough Council's policy to only provide consent for flexible retirement and the immediate payment of benefits where there is no detrimental effect on the service. Any such consent requires the agreement of the Director of Human Resources and the relevant Director.

- **Regulation 18(3)**²

If consent has been given under Regulation 18(1), it is not Maidstone Borough Council's policy to waive, in whole or part, any actuarial reduction to the scheme member's benefits.

- **Regulation 22(2)**¹

Employees who have the option to pay contributions in respect of a period of unpaid absence must elect to do so within 30 days of the date of the notice issued to them by the Human Resources Section stating the amount of contributions to be paid. This time limit may be extended by the Head of Human Resources if the employee can demonstrate exceptional circumstances so as to justify an extension of time.

- **Regulation 25(3)**¹

It is not the current policy of the Borough Council to operate a shared cost Additional Voluntary Contribution Scheme for employees. However, this policy will be reviewed from time to time by the Head of Human Resources in conjunction with the Chief Finance Officer, subject to Member's approval.

- **Regulation 30(2) and (5)**²

It is not the policy of the Borough Council to give consent to the immediate payment of benefits to employees under this regulation unless there is a demonstrable benefit to the organisation which would take full account of any extra costs to be borne by the Authority. In circumstances where a request is made for an early payment of a deferred benefit this is unlikely to be granted except in the most extreme cases of hardship. Any such consent shall be agreed by the Head of Human Resources and the relevant Director taking account of all the details involved in the case.

Where a scheme member has previously been awarded a preserved benefit, it is not generally the policy of Maidstone Borough Council to give consent under this regulation to the early payment of benefits. However

each request will be considered and full account taken of any costs to be borne by the authority. Any consent shall be agreed by the Head of Human Resources and the relevant Director taking account of all the details involved in the case.

Where consent is given on the grounds of compassionate circumstances, full consideration must be given to the Kent County Council guidelines, and only after agreement between the Head of Human Resources and the relevant Director. In compassionate circumstances the Borough Council will be responsible for any additional costs deriving from the decision to release benefits prematurely.

- **Regulation 83(8)**¹

If a scheme member wishes to transfer any pension benefits they have built up in other schemes to the Local Government Pension Scheme, it is the policy of Maidstone Borough Council that the election must be made within 12 months of the Pension Section being notified that the employee has become an active member of the Kent Scheme. If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Head of Finance and the relevant Director.

Appendix I(F)

Pay Protection Policy Introduction

The Council believes that an integral feature of any successful organisation is its ability to identify the need for change and to manage that change, taking into account management's aspirations as well as the aspirations and well being of its employees.

Whilst the Council is committed to providing security of employment and to minimising the personal impact of organisational change there will be occasions when it will be necessary to reorganise services and the way in which they are delivered. In these circumstances the provisions of this policy will apply.

Scope

This policy applies to any employee who, as a consequence of organisational change, is required by management to move to a new post or suffers a reduction in basic hours worked within the standard working week. The provisions of this policy do not apply where an employee moves to another position as a result of:

action taken in accordance with the Council's disciplinary or capability procedures

the need for re-deployment on health grounds

unacceptable standards of work performance

a request from the individual or by mutual agreement between the individual and the Council

a voluntary application to another position within the Council

Protection Period

Protection of earnings will be given for a period of 36 months. The first twelve months will be protected at the full earnings of the role held by the employee prior to the change. The 13-24 month period will be with a 33% reduction of the difference between the new earnings and the earnings of the role held prior to the change. The 25-36 month period will be with a 66% reduction and after a period of 36 months the employee will move to the salary and earnings of the new post. The employee will be moved to the salary point of the pay scale for the grade of the new post that is closest to the salary of the previous post. In most cases this is likely to be the highest incremental point of the relevant grade.

In exceptional circumstances, and where there may be a cost advantage to the organisation (eg where redundancy costs would be very high) there may be agreement with the Chief Executive, the Head of Finance and

Head of Human Resources to extend this period to a maximum of five years.

Calculation of Protection

Earnings protection will be calculated as an average of the earnings in the four months preceding the organisational change. This will include basic salary, essential car user allowance, lease car cash allowance, stand-by payments and an average of overtime and out of hours payments.

Earnings in the new post will be off-set against protected earnings and if for any particular pay period the earnings in the new post exceed the protected earnings then the higher earnings will be paid for that pay period.

Where the period of protection spans the annual pay award the protected earnings shall remain as they were prior to any pay uplift (ie on a mark-time basis) but the calculation of the new earnings will be at the increased rate.

Conditions of Protection

Protection of earnings is conditional upon the employee undertaking any shift work or other duties which may be required in the new post up to the level at which the earnings in the new post equal the protected earnings.

Protection of earnings is also conditional upon the employee accepting any subsequent offer of a suitable alternative post which attracts a salary in excess of that of the new post.

Overtime will be paid at the new rate (ie the real rate attached to the post) not at the protected rate.

Terms and Conditions other than Pay

Annual Leave entitlements and length of notice period required from the employee will not be protected and those applicable to the new post will be effective from the date of transfer.

Appendix I(G)**KENT ASSOCIATION OF ELECTORAL REGISTRATION
OFFICERS AND STAFF****Proposed scale of fees for District/Borough and Parish Council
elections held on or after 1st April 2012**

ITEM	Current 2011 £	Proposed 2012 £	% increase
1. For each Presiding Officer at a Polling Station – single election	197.25	197.25	nil
2. For each Presiding Officer at a Polling Station – combined election or difficult station due to local circumstances (at the discretion of the Returning Officer)	242.32	242.32	nil
3. For a Presiding Officer who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 9.56	(additional) 9.56	nil
4. Presiding Officer travel (see note 4 below)	13.52	13.52	nil
5. For each Poll Clerk at a Polling Station – single election	118.35	118.35	nil
6. For each Poll Clerk at a Polling Station – combined election (at the discretion of the Returning Officer)	146.52	146.52	nil
7. Poll Clerk travel (see note 4 below)	7.86	7.86	nil
8. Supervising Officer – for every 10 polling stations overseen	–	197.25	–
9. For each Presiding Officer, Poll Clerk and Supervising Officer attending training	43.78	43.78	nil
10. For each training session provided by the Returning Officer to Presiding Officers and Poll Clerks	169.09	169.09	nil
11. For the delivery of official Poll Cards by hand	0.34	0.34	nil
12. For the employment of persons in connection with the counting of votes, clerical and other assistance required by the Returning			

Appendix B

ITEM	Current 2011 £	Proposed 2012 £	% increase
Officer – for each 500 electors (or part) in a contested election	69.01	69.01	nil
13. For the employment of persons in connection with the preparation, issue and opening of postal ballot papers – for every 100 (or part) postal ballot papers issued. (Further resources may be needed to meet the effects of the Electoral Administration Act 2006)	67.63	67.63	nil
14. For each recount of the votes – for each 500 electors (or part) (see note 3 below)	3.97	3.97	nil
15. Travel of staff in connection with the counting of votes (at the discretion of the Returning Officer – see note 4 below)	7.86	7.86	nil
16. For clerical and other assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)	18.77	18.77	nil
17. Payment to the District/Borough for the use of Council staff to support the Returning Officer in the conduct of elections as follows:			
(a) contested election – (i.e. without District/Borough) for each 500 electors (or part)	53.45	53.45	nil
(b) contested joint election (i.e. with District/Borough) – for each 500 electors (or part)	26.72	26.72	nil
18. Payment to the District/Borough for the use of Council staff at an uncontested election – per uncontested election (see note 5 below)	14.74	14.74	nil
19. Returning Officer’s fee for the conduct of elections as follows:			
(a) contested District/Borough OR Parish election – for each 500 electors (or part)	29.87	29.87	nil
(b) contested joint District/Borough AND Parish election – for each 500 electors (or part)	41.26	41.26	nil
(c) uncontested District/Borough election – single fee	51.15	51.15	nil
(d) uncontested Parish election – single fee	17.52	17.52	nil

Appendix I(H)

Salaries in excess of £58,200 per annum

Name	Job Title	FTE of minimum contracted hours	FTE pay floor	FTE Pay ceiling
Alison Broom	Chief Executive	1	110000	115000
David Edwards	Director of Change, Planning and the Environment	1	95000	99999
Zena Cooke	Director of Regeneration and Communities	1	95000	99999
Steve Goulette	Assistant Director Environmental & Regulatory Services	1	70000	74999
Brian Morgan	Assistant Director Regeneration & Cultural Services	1	70000	74999
Brian Parsons	Head of Audit Partnership	1	65000	69999
Angela Woodhouse	Head of Change & Scrutiny	0.89	65000	69999
Roger Adley	Head of Communications	1	65000	69999
Paul Riley	Head of Finance & Customer Services	1	65000	69999
Dena Smart	Head of HR Shared Service	1	70000	74999
Dave Lindsay	Head of IT Services	1	60000	64999
Paul Fisher	Head of Legal Services	1	65000	69999
Rob Jarman	Head of Planning	1	60000	64999

This information is published in accordance with the guidance associated with The Code of Recommended Practice for Local Authorities on Data Transparency which requires the publication of senior salaries within a £5000 range.

Organisational Scale: Employment - Headcount & FTE as at 31 December 2012

	Headcount			FTE		
	Full time	Part time	Total	Full time	Part time	Total
Permanent	334	119	453	334	68.4	402.4
Temp/Casual	27	11	38	27	5.92	32.92
	361	130	491	361	74.32	435.32

Appendix B**Individual Accountability: Staff under direct or indirect management responsibility**

Name	Job Title	No. of staff under management responsibility
Alison Broom	Chief Executive	490
David Edwards	Director of Change, Planning and the Environment	254
Zena Cooke	Director of Regeneration and Communities	184
Steve Goulette	Assistant Director Environmental & Regulatory Services	186
Brian Morgan	Assistant Director Regeneration & Cultural Services	46
Brian Parsons	Head of Audit Partnership	4
Angela Woodhouse	Head of Change & Scrutiny	6
Roger Adley	Head of Communications	3
Paul Riley	Head of Finance & Customer Services	52
John Littlemore	Head of Housing & Community Services	29
Dena Smart	Head of Human Resources Shared Service	18
Andy Cole	Head of ICT Shared Service	16
Dave Lindsay	Head of IT Services	15
Paul Fisher	Head of Legal Services	5
Rob Jarman	Head of Planning	39
Stephen McGinnes	Head of Revenues & Benefits Shared Service	39

Agenda Item 18

MAIDSTONE BOROUGH COUNCIL

COUNCIL

27 FEBRUARY 2013

REPORT OF THE HEAD OF DEMOCRATIC SERVICES

Report prepared by Janet Barnes

1. MEMBERS' ALLOWANCES

- 1.1 In accordance with the requirements set out in the Local Government Act 2000 and subsequent Regulations, the Council is obliged to give consideration to the recommendations of the Joint Independent Remuneration Panel ("JIRP").
- 1.2 Attached at Appendix A is the report of the Head of Democratic Services considered by the JIRP in January 2013. Appendix B sets out the response from the Chairman of the JIRP, having taken into account the views of the other Members of the Panel.
- 1.3 Broadband Allowance
 - 1.3.1 Following an internal audit review, it is recommended that the current broadband allowance be incorporated into the Members' Allowance Scheme.
 - 1.3.2 There are no financial implications with regard to the Broadband Allowance as there is no change to the claimable amounts and it is not expected that the number of Members currently claiming will increase.
- 1.4 Leader of the Opposition Allowance
 - 1.4.1 It is proposed that the allocation of allowances to the Group Leaders on the current basis (£11,663 (50% of the Leader of the Council's allowance), shared between each Group Leader on basis of number of members in Political group) be scrapped and a new system be adopted, namely an amount is given to the Leader of the Opposition equivalent to 50% of the existing Group Leaders Allowance of £11,663 which would be £5,831. This would be given to the Leader of the main opposition group but which should have a minimum of ten Members.
 - 1.4.2 An allowance would also be given to Group Leaders of groups of 5 or more Members which would equate to 20% of the total amount of £11,663, a

sum of £2332, and that Group Leaders for groups below 5 should receive no allowance.

1.4.3 There are no financial implications expected with this proposal as the maximum sum available remains the same.

2. **RECOMMENDED:**

2.1 That the following clause relating to Broadband Allowance be included in the Members' Allowances Scheme as a new paragraph 11:-

"Councillors are entitled to claim for the actual cost of their broadband service, up to a maximum of £23.49 per month. A copy of the Internet Service Provider's ("ISP") invoice must be supplied to the Payroll Department in May every year in order to continue to receive the allowance and should there be a change of provider, a copy of the new invoice must be sent to Payroll Department informing them of the change of supplier and, if appropriate, the associated monthly and yearly cost thereafter."

2.2 That Schedule 1 of the Members' Allowances Scheme be amended as follows:-

- a) Delete: Group Leaders Allowance;
- b) Add: Leader of the Opposition (minimum of 10 Councillors) (25% of Leader's Allowance) £5,831;
Group Leader (minimum of 5 Councillors) (10% of Leader's Allowance) £2,331.

MAIDSTONE BOROUGH COUNCIL

REPORT OF THE HEAD OF DEMOCRATIC SERVICES

JANUARY 2013

JOINT INDEPENDENT REMUNERATION PANEL

Report prepared by Janet Barnes

MEMBERS' ALLOWANCES

INTRODUCTION AND BACKGROUND

In November 2011 the Joint Independent Remuneration Panel conducted a full review of the Maidstone Members' Allowances Scheme. The report is attached as Appendix A.

The recommendations were considered by Standards Committee and then Council in December 2011 and Members resolved:-

"That the recommendations of the Joint Independent Remuneration Panel on Members' Allowances for Maidstone Borough Council, as set out in the report attached as an Appendix to the report of the Standards Committee, be approved."

ISSUES RAISED FOR 2012

All Members have been asked if there are any particular issues they would like the Panel to consider as part of the 2012 review, to which there have been no submissions. However, one Councillor did make the comment that he felt there should be no increase in Councillor's allowances and that consideration should be given to a reduction in the allowance for the next couple of years.

Earlier this year, our Internal Audit department conducted an audit of Members Allowances and rated us as Substantial, which is one below the top ranking. One of the recommendations from the audit was regarding the Broadband Allowance where they felt the Independent Remuneration Panel should consider the levels of payment made and confirm whether or not they feel they are at the appropriate level.

The Broadband Allowance currently paid to members is in line with the payment made to staff who work from home on a regular basis and have "gold" access, which is a rate of up to £23.49 per month. The amount paid is the actual amount paid, up to the maximum, by the Member to the Internet Service Provider ("ISP") and this is confirmed by Members' submitting a copy of their bill to Payroll on a yearly basis, or earlier if they change ISP.

LEADER OF THE OPPOSITION

The Independent Remuneration Panel has previously considered whether there should be a special responsibility allowance for the Leader of the Opposition. The Council currently has a special responsibility allowance scheme whereby Group Leaders have an allowance of £11,663 which is split between each of them on the basis of the number of Members within their group divided by the total number of Members of the Council.

Currently there is no formal role for the Leader of the Opposition set out within the Council's Constitution other than the title would be given to the person who leads the largest political group outside of the Cabinet. Previously, the Leader of the main opposition party at the Council had indicated that she felt that this was not a significant recognition of the role of the Leader of the Opposition.

This issue has been discussed with the Group Leaders within the Council and a job description for the Leader of the Opposition has been developed which whilst not setting out a role for that post within the Constitution, does clearly set out a specific role for the Leader of the Opposition. This job description is attached to this report at Appendix A. You will see that the Leader of the Opposition now has a clear role with a number of different areas including political leadership, representing the Council's opposition, Governance Ethical Standards and Relationships.

It is felt that with this new job description the Independent Remuneration Panel could review their previous decision in respect of an allowance for this role and consider whether it should be allocated a specific allowance.

The options which could be available to the Panel could be:-

- a) No change.
- b) Give a percentage of the existing allowance of £11,663 to the Leader of the Opposition and then allocate the remainder to Group Leaders in accordance with the existing policy. It is suggested that the percentage to be given to the role of Leader of the Opposition should not be higher than 50%.
- c) That the allocation of allowances to the Group Leaders on the current basis is scrapped and a new system is adopted namely an amount is given to the Leader of the Opposition equivalent of up to 50% of the existing amount which would be £5,832. This would be given to the Leader of the main opposition group but which should have a minimum of 10 Members. An allowance would also be given to Group Leaders of groups of 5 or more Members which would equate to 20% of the total amount of £11663, a sum of £2333, and that Group Leaders for groups below 5 should receive no allowance. This could be funded from the existing budget allocation.

In addition, the Leader of the Opposition has worked with me in the preparation of this document and supports the attached Job Description. She also favours Option B but is less concerned on this part other than the need for recognition of this role. Also attached (Appendix B) are the views of the Leader of the Council and the Leader of the Independent Group, both of whom support the principle and the Job Description, though the Leader of the Independent Group has suggested some minor changes but support different options.

Recommendation:

That the Panel consider the report and determine which option they would support and recommend for adoption to the Council.

LEADER OF THE OPPOSITION

Purpose

To provide visible *and vocal* political leadership for the main Opposition Group on the Council in relation to the Council and its citizens, stakeholders and partners in terms of Council policies, strategies and service delivery.

Duties and Responsibilities

Political leadership

- To be a political figure head for the opposition group; to be the principal political spokesperson for the Council's opposition;
- To constructively challenge the vision for the Council and community where appropriate;
- To provide strong, clear leadership in the co-ordination of alternative policies, strategies and service delivery;
- To manage the work of councillors within the opposition group, and the overall co-ordination of opposition spokespersons and the business of the group;
- To shadow and scrutinise the Leader of the Council and the policy committees in their duties;
- To participate *inclusively* in the development of corporate strategies and policies.

Representing the Council's opposition

- To represent the opposition group to a high standard; providing a strong competent figure to represent the opposition within the Authority;
- **To submit to regular re-election as the opposition leader and to choose an opposition team**

Governance, ethical standards and relationships

- To promote and support good governance of the Council;
- To promote and support open and transparent government;
- To promote, support, and adhere to respectful, appropriate and effective relationships with officers;
- To promote and support development opportunities for members of the Council.

Personal Competencies

1. Ability to think strategically, analyse complex and often conflicting information and develop a clear vision.
2. Excellent communication skills, including the ability to manage the reputation of the Council as well as interacting with staff, stakeholders, partners and the community.
3. To be able to act as an ambassador for the Council with the ability to identify and exploit opportunities to achieve corporate and community objectives.
4. Ability to understand the business of local government including budgets, corporate planning and performance management.
5. Ability to think creatively, challenge and generate innovative and effective solutions.

Dear Neil

Thank you for your email. Although you didn't specify timescales, I trust it's not too late to give my views.

For the democratic, effective governance / management of the borough, I think it is very important for the role of Leader of the Opposition to be clearly defined, and consequently, be recognised formally and financially. I'd favour option b).

The role spec (Appendix A) is succinct. I have suggested a few possible amendments which you may or may not find acceptable. Otherwise I'm happy for it to go forward as it stands.

Fay

Independent Ward Member for Barming & Teston
Leader of the Independent Group

Hi Neil

I am Ok with this but would favour option C, as you do need to define what constitutes a group in number terms. I would also favour making the group leaders' allowance £12,000 to round up from £11,663. This would not be a problem in budgetary terms as I don't take my share because of the SRA for leader.

Fran would therefore get £6,000 if we go for Option C.

I am happy with the role description.

Thanks,

Chris

Leader of the Council

Broadband allowance paid to members

The Chairman is happy with £24 / month for members - as a maximum amount (although this should be based on the cost of their ISP provider). As a caveat, it should be ensured that members are submitting receipts for the *actual* cost of their broadband allowance. It may also be useful for the council to ascertain whether £23.49 is still a current average payment for a broadband allowance.

Alternatively the council may want to consider integrating the broadband allowance into the regular member's allowance. A number of councils are now integrating any broadband IT allowances into their basic allowance.

Leader of the opposition

The view of the chairman is for option c). This appears to be the easiest to interpret particularly bearing in mind the perception of members of the public.

The Chairman is happy with the role description for Leader of the Opposition. It should however be clarified whether there are also role profiles for all the other key councillor posts? The council needs to ensure that role profiles are regularly reviewed and updated, and they should be submitted to future IRP panel meetings.

The Leader of the Council in an email, suggested rounding up the SRA for the group leader. The view of the Chairman is that this should not be done and rates should be kept at the current level with any revisions submitted for consideration at future meetings of the IRP.

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