

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 13 August 2014

OFFICE ACCOMMODATION PROJECT

Issue for Decision

To consider the proposed strategy for future office accommodation;

To consider funding for the provision of specialist advice in connection with the Council's long term accommodation requirements; and

To consider funding for external project management and other specialist advice in connection with the Council's short and medium term office accommodation.

Decision Made

1. That the scope of the work completed and planned for provision of the Council's office accommodation for 2016 and 2023 be noted.
2. That funding for the revenue costs of £90,000 required to progress the current review of office accommodation, as set out in paragraph 1.3.14 of the report of the Director of Environment and Shared Services and the first quarter's budget monitoring report for 2014/15, be agreed.
3. That further funding be identified as part of the development of the medium term financial strategy for 2015/16 and in accordance with the recommendations of the reviews that are proposed in the report of the Director of Environment and Shared Services.

Reasons for Decision

In 2008, the Council relocated from a mixture of a 1970's office block and Victorian buildings on the edge of the town centre to its current location in the town centre, known as Maidstone House. The current location consists of approximately 3800m² of air conditioned offices on three and a half floors in a six storey office block above the Mall shopping centre built in the 1970's and refurbished in 2007. This is linked by an elevated and enclosed bridge to a building constructed in 2007 of approximately 1000m² containing the Council's main reception on the lower floor and meeting rooms and large breakout area on the upper floor.

The main reception is shared with Kent County Council under a licence from the Council and is branded as a Gateway to provide a common front of house operation. Partner organisations such as the Citizens' Advice Bureau also operate a face to face service from the Gateway but on a more limited basis.

The accommodation is leased from The Mall Corporation, the owners of the Mall shopping centre, on a fifteen year lease, terminating in October 2023. The first floor of Maidstone House is the subject of a separate lease, also terminating in October 2023, but contains a break clause allowing termination in October 2016, with a minimum of six months' notice. The licence with KCC also terminates in October 2023, and contains a break clause allowing termination in October 2016, with a minimum of twelve months' notice.

The Council has recognised that it is appropriate to commence planning for the decisions required by the termination dates identified in the paragraph above and an informal cross party Member and Officer working group has been looking at the options since November 2013. An interim report of its progress was presented to the Strategic Leadership and Corporate Services Overview and Scrutiny Committee on 6 May 2014, which recommended that Cabinet consider the appointment of a project manager to investigate all accommodation options. The report of the Director of Environment and Shared Services considers ways to achieve that recommendation and other immediate needs for funding to move forward with the work of the group.

The group has an open remit as to future accommodation. It will consider all options; i.e. leasing, buying, negotiating a new lease or building either on its own land or land bought for the purpose.

Some work has been done on developing a blueprint for future office accommodation in terms of spatial requirements, and this will be developed further as part of the rationalisation if the break clause for the first floor of Maidstone House is exercised in October 2016. The blue print will form the basis of the Council's long term spatial requirements.

Separately the Council is also progressing work on "channel shift", with the intention of reducing unnecessary contacts through getting things right first time, clearer information and processes, greater availability of on-line access and keeping face to face transactions to a minimum. Output from this work will also need to inform the long term accommodation strategy.

The long term aims for the Council are to reduce its accommodation costs, provide more flexible working for staff, support a digital first approach to customer service delivery and generate income where possible to mitigate the cost of services to local taxpayers.

In order to properly consider the options for its long term accommodation in a timely manner, the Council needs to obtain specialist advice from a suitably qualified external advisor. The estimated cost is £50,000. The advice will be expected to provide the following outcomes:

- A recommendation whether to lease, buy or build its future accommodation requirements including outline, comparable capital and lifetime costs;
- A template for its requirements in terms of size and location;
- Identification of suitable sites; and
- Evaluation of options for stand alone or shared accommodation or as part of a mixed use development with an income stream.

It is proposed to invite quotations and procure the advisor between September and December 2014; and for the final report to be available by June 2015.

Additionally, in connection with the opportunity to exercise the break clause for the first floor of Maidstone House in October 2016, potentially reducing annual accommodation costs by £156,000, the Council needs to examine the feasibility of so doing, and reach a decision before October 2015.

As this would involve relocation of Member facilities and Democratic Services, into the Council's remaining accommodation within Maidstone House, it will be a challenging exercise and will need project management, space planning and analysis of existing desk and meeting room usage and storage requirements. To facilitate long term effective management of these spaces, it is also proposed to investigate and procure suitable desk and meeting room booking software. The estimated cost of this exercise is £40,000.

It is proposed to undertake this exercise between September 2014 and September 2015, resulting in the outcomes of new space plans for 2016 onwards and a blueprint for the Council's spatial requirements for 2023 onwards.

The Cabinet was asked to approve the funding for this work to commence and was advised that this can be achieved by using the resources identified in the first quarter's budget monitoring report elsewhere on the agenda. The resources proposed come from the additional grant payment of £198,000 relating to the return of the unused top slice for the business rates safety net, details of which are set out in the first quarter's monitoring report.

The Cabinet noted that if the feasibility exercise concludes that exercising the break clause is viable, the cost of facilitating the revised accommodation in 2016 will be in the order of £240,000. This should be considered in the context of annual reductions in rent of £82,780 (rising to £89,875 from October 2018), business rates of £36,000 and running costs of approximately £37,000; i.e. a total annual saving of £155,780. If Member facilities and Democratic Services can be relocated to the remaining accommodation in Maidstone House before October 2016 there will be additional savings in the running costs.

As referred to above, there is a break clause in the licence with KCC that allows termination of the Gateway arrangements. The options, if the licence is terminated, are being examined and assessed, with the potential of a further reduction in annual accommodation costs of up to £300,000 if the Gateway building is wholly sub-let and arrangements are made to provide alternative Gateway services.

The Cabinet will consider the options following the completion of the feasibility and space planning exercises that are proposed. At that time more accurate estimates of the likely capital cost of works required by 2016 will be available. Resources in both the revenue budget and the capital programme can then be made available through the normal process of inclusion in the medium term financial strategy.

Cabinet Members reiterated the need to ensure that the feasibility and space planning exercises are completed on time and within budget, and requested that details of the tender documentation and project management plan be circulated when available.

Alternatives Considered and Why Rejected

If the Council does not undertake these actions in the timeframes and in the manner proposed, it could put itself in a vulnerable position commercially and with fewer options.

Funding for the initial costs could be identified from balances or other savings could be sought. The use of the unexpected resources from the business rates safety net top slice ensures that there is no consequence to the Council's budget or its financial stability.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: **22 August 2014.**

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 13 August 2014

BUDGET MONITORING 1ST QUARTER

Issue for Decision

To consider the capital and revenue budget and expenditure figures for the first quarter of 2014/15.

To consider other financial matters with a material effect on the medium term financial strategy or the balance sheet.

Decision Made

1. That the satisfactory revenue position at the end of the first quarter of 2014/15 be noted.
2. That the proposals for slippage and re-profiling in the capital programme to 2015/16, including the specific allocations for the local growth fund approved schemes as set out in paragraph 1.7.5 of the report of the Director of Regeneration and Communities, be agreed.
3. That increased income from development control applications be utilised to fund additional appeals costs, as set out in paragraph 1.4.10b of the report of the Director of Regeneration and Communities.
4. That £230,000 of the additional income arising from the return of the unused top slice for the business rates safety net (£198,000) and the repayment from HMRC (£42,825) for over declared VAT in relation to car parking overpayments be utilised as follows:

	<u>£</u>
Office accommodation project	90,000
Land charges fee refunds	120,000
Economic Development business database	<u>20,000</u>
	230,000

5. That agreement be given to the temporary virement of £50,000 from the Leader's contingency to employ an Information Manager for 12 months, as detailed in paragraph 1.4.8 of the report of the Director of Regeneration and Communities.

6. That the detail in the report on the collection fund, general fund balances and treasury management activity be noted.

Reasons for Decision

The Director of Regeneration and Communities is the Responsible Financial Officer, and has overall responsibility for budgetary control and financial management. However in practice day to day budgetary control is delegated to service managers, with assistance and advice from their Director and the Finance Section. The report of the Director of Regeneration and Communities advises and updates the Cabinet on the current position with regard to both revenue and capital expenditure against the approved budgets, and also includes sections on Collection Fund performance and Treasury Management performance.

The report uses a number of terms that may require definition and a glossary of terms is given in section 1.14.3 of the report.

Revenue

The budget used in the report is the agreed estimate for 2014/15 including the carry forward resources agreed by Cabinet in May 2014. Actual expenditure to June 2014 includes all major accruals for goods and services received but not paid for by the end of the quarter.

An analysis that is summarised by Portfolio of the full year budget, the profiled budget to June 2014 and expenditure to June 2014 is attached as Appendix A to the report. The financial analysis is based on direct expenditure only. This removes the influence of internal recharges and accounting adjustments upon the variance analysis. An indicative projected year end outturn figure is also shown.

Appendix A shows that actual spend is £432,516 less than the budget at the end of the first quarter, including one off receipts of £240,000 as set out in paragraph 1.4.9d of the report. A detailed analysis of the figures at cost centre level shows 135 out of a total of 230 cost centres are currently reporting actual spend less than budget. Subject to the proposed use of the one off income, the projected outturn at 31 March 2015 is currently £392,516.

Also shown at Appendix A is a subjective analysis across all services. This identifies that within the net under spend £114,618 relates to employee costs, due to continuing vacancy levels.

The third table at Appendix A summarises the position specifically with regard to fees and charges income. At the end of the first quarter this income is £69,560 above the target figure. It should be noted that within this total there are some areas reporting income below budget. Further details of service areas where there are major variations from budgeted fees and charges are set out later in this section of the record of decision.

In accordance with best practice, virements are reported to Cabinet as part of quarterly budget monitoring. A virement represents the transfer

of a budget between objectives that occurs subsequent to the formal approval of the budget by Council. There were no virements to report for the first quarter of 2014/15.

Three priority requests for funding have been received from service managers. These relate to future costs which are not reported elsewhere.

- a) The first is £20,000 for a business database to support the work of the Economic Development Service;
- b) The second is £50,000 to employ an Information Manager for 12 months to implement the previously agreed Information Management Plan; and
- c) The third is the need for £90,000 of additional resources in 2014/15 and 2015/16 to progress the current review of office accommodation and prepare the Council for 2023 when the current accommodation comes to the end of its lease period. Further details are contained in a specific report to the meeting of the Cabinet held on 13 August 2014.

It is proposed that the business database and the office accommodation works are funded from the additional income set out in paragraph 1.4.9d of the report and that the Information Manager post is funded from the Leader's contingency.

A number of service areas are reporting positive variances through significantly less spend or additional income than was budgeted for at the end of the first quarter. Brief details on these areas are given below:-

- a) There is a positive variance of £32,358 on Pay and Display Car Parks which is attributable to an under spend in running costs and higher than expected income. Two car parks, King Street and Lockmeadow, are performing significantly above their income targets. However, this under spend will be substantially off-set by the over spend in off-street parking enforcement.
- b) There is a positive variance of £84,009 from the Refuse and Recycling Service, which is due to the continuation of better than expected receipts from the bulky domestic refuse collection service, wheeled bins, and green waste bin hire. No problems are anticipated at year-end, although Weekend Freighter costs may increase substantially. The weekend freighter does not form part of the contract and any increase would be a direct cost to the Council.
- c) Development Control applications are continuing to show increased income, which has produced a positive variance of £72,143 for the first quarter of 2014/15. This increase is in line with the expectations for increased applications in the second half of the year. Income is continuing to exceed the budgeted figure. However, there are substantial appeals costs being incurred, as detailed elsewhere in this record of decision, and it is therefore proposed that the excess income is utilised to fund these costs.

- d) An additional grant payment of £198,000 relating to the return of the unused top slice for the business rates safety net has been received together with a £42,825 repayment from HMRC for over declared VAT in relation to car parking overpayments. It is proposed that these amounts are utilised as follows:

	<u>£</u>
Office accommodation project	90,000
Land charges fee refunds	120,000
Economic Development business database	<u>20,000</u>
	230,000

The Cabinet is aware of the proposals regarding office accommodation. Additional costs in respect of land charges fee refunds are detailed within paragraph 1.4.10c of the report and further detail relating to the Economic Development business database is set out at paragraph 1.4.7 of the report.

- e) The budgets for new shared service arrangements with partner authorities are in the process of being finalised. This has resulted in a positive variance of £41,853 for the Development Management Business Support Section and adverse variances detailed elsewhere in the report. It is expected that these variances will be resolved through budget transfers upon agreement of the budgetary arrangements for these services with partner authorities. However, it should be noted that due to the additional set up costs incurred in establishing these shared services, the year end projection for these budgets is an overall adverse variance.

A number of service areas are showing significantly more spend or a shortfall in income than was actually budgeted at the end of the first quarter, and these are reported below:-

- a) The Homeless Temporary Accommodation budget has continued to show expenditure greater than budget, with a variance of £99,166 for the first quarter of 2014/15. Cabinet is aware that a project has commenced to target reductions in the cost of temporary accommodation and two properties have now been purchased for this purpose. These properties are expected to be operational later in 2014/15 and it is anticipated that this will result in a reduction in future expenditure on temporary accommodation.
- b) There are substantial unbudgeted costs being incurred in respect of development control appeals which has resulted in an over spend of £115,561 at the end of the first quarter. This over spend could be funded by excess planning fee income noted elsewhere in this decision.
- c) There is an adverse variance of £49,392 against the land charges budget due to payments being made to refund fees paid following legal action by a group of property search companies. In addition to these, further payments amounting to £70,000 will need to be made during the next quarter. It is proposed that these additional costs are

funded from additional grant income as set out in paragraph 1.4.9d of the report.

- d) As noted above, the budgets for new shared service arrangements with partner authorities are in the process of being finalised. This has resulted in an adverse variance of £114,234 for the Mid-Kent Planning Support Service as well as the favourable variances detailed elsewhere in the report. These variances will be resolved through budget transfers upon agreement of the budgetary arrangements for these services with partner authorities. However, as previously noted, the year end outturn projection for these service budgets is an overall adverse variance due to the additional resources required to set up the shared service.

The report identifies a number of areas requiring action by Cabinet at this time and the decisions set out above reflect this. Allowing for the continuation of the issues detailed as budget pressures above, the predicted outturn for 2014/15 is an under spend of £392,516. This projection is sufficiently robust at this time to enable consideration of the under spend in a similar way to previous years. As the Council faces significant further cuts, the Cabinet's agreement to the proposals listed at paragraph 1.2.1 of the report at this time will enable the eventual under spend to be used to influence the future budget need.

The budget strategy for 2014/15 identified savings and efficiencies totalling £1.254m. These savings are being monitored corporately and it is anticipated that the target will be met in year.

Balances

Balances as at 1st April 2014 were £15.4m. The current medium term financial strategy assumes balances of £3.6m by 31st March 2015.

The major reason for the movement in balances during 2014/15 relates to the use of carry forwards approved by Cabinet in May 2014.

The position set out above allows for the minimum level of balances of £2.3m, as previously agreed by Cabinet, to be maintained.

Collection Fund

Following the introduction of local Council Tax support from 1st April 2013 and the approval of the Business Rates pooling arrangement with Kent County Council, enhanced monitoring of the collection fund has been put in place to provide adequate assurance around developments affecting the assumptions made in the current year's budget.

The collection rates achieved at the first quarter, and the targets set, are reported below. The rates are given as a percentage of the debt targeted for collection in 2014/15.

	Target %	Actual %
Council Tax	30.10	29.80
NNDR	34.32	33.64

Both have marginally missed their respective targets and this reflects the experience at other billing authorities in Kent, although it should be noted that Maidstone's collection rate for the year to date is in line with the other Kent districts.

Whilst the percentage variances are small, the gross values of Council Tax and Business Rates collected each year are significant. The Head of Revenues and Benefits Shared Service follows a recovery timetable and action will be taken before year end to attempt to bring collection rates back to target.

Prior year arrears collection is on target and Officers will continue to pursue payment of any developing arrears along with the arrears from prior years.

Capital

Attached at Appendix B to the report of the Director of Regeneration and Communities is a summary of the current capital programme for 2014/15, as agreed by Council. This includes the initial capital programme for the financial year plus amounts carried forward from 2013/14. It also reflects the slippage that was identified in the monitoring reports throughout 2013/14.

The table in Appendix B gives the following detail:

Column	Detail.
1.	Description of scheme, listed in portfolio order.
2.	Approved budget for 2014/15 after the adjustments detailed above.
3.	Actual spend to the end of June 2014.
4.	Balance of budget available for 2014/15.
5 – 7.	Quarterly analysis of expected spend for the remainder of 2014/15.
8.	Balance of budget that will slip into 2015/16.
9.	Budget no longer required.

Capital expenditure to the end of the first quarter of 2014/15 is shown as £360,000. The budget for the year is £14.4m although this includes £5.4m for acquisition of commercial assets and £2.2m for transport and highways projects for which significant expenditure has yet to be incurred.

The capital programme for 2014/15 identifies funding for transport and infrastructure schemes of £2.2m in 2014/15 and annual figures in future years between £2m and £2.6m. The Council has recently been notified of the Government's award from the local growth fund to the SELEP. Included within the awards were the two schemes to which the Council is now required to commit match funding and it is proposed that funding be made available from the infrastructure resources to the schemes as set out below.

The two schemes that were awarded funding are as follows:-

- a) The bridges' gyratory – this scheme is to improve traffic flow and direction around the gyratory system at the River Medway that connects the A20, A26 and A229 at the west end of the High Street. Total scheme cost as per the bid is £5.75m of which the Council's contribution will be £1.14m.
- b) Sustainable access to Maidstone employment areas – this scheme will provide a cycle route from East Farleigh to Aylesford along the River Medway. The scheme cost as per the bid is £3m of which between £0.5m and £1m will be required from the Council or other contributors. Should the Council's contribution to this scheme reduce as a result of funding from other contributors, then the additional resources will be reallocated to other capital schemes in order of priority.

Following the first quarter monitoring, Officers anticipate that £7.1m will need to be re-profiled into 2015/16. This is detailed in column 8 of Appendix B to the report. These are items where the programmed works have been rescheduled to now take place during 2015/16.

Capital Financing

The agreed capital programme for the period 2014/15 to 2018/19, as approved by Council in March 2014, identifies sufficient resources to finance the 2014/15 programme.

Resources that can currently be confirmed are:

<u>Funding Source:</u>	<u>£m</u>
Grants & Contributions	0.5
Revenue Support	10.2
Prudential Borrowing	6.0
Capital receipts	<u>0.2</u>
	16.9

The slippage and re-profiling proposed will mean that net expenditure of £9.8m will be re-profiled into 2015/16.

Treasury Management

The Council has adopted and incorporated into its Financial Regulations, the CIPFA Code of Practice on Treasury Management in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In March 2014, the Council approved a Treasury Management Strategy for 2014/15 that was based on this Code. The strategy requires that Cabinet should formally be informed of treasury management activities quarterly as part of budget monitoring.

During the Quarter ended 30th June 2014:-

- There has been a sharp fall in inflation (CPI) reaching 1.5% in May. This is the lowest it has been since 2009.

- Strong growth has resulted in unemployment falling much faster through the threshold of 7% set by Monetary Policy Committee (MPC) back in August 2013.

The Council's Treasury Management advisors, Capita Asset Services, provide the following forecast:-

- Growth is likely to continue through 2014.
- The markets are expecting the first bank rise around the end of 2014 or early 2015.
- The latest interest rate and PWLB rate forecast is listed below:-

	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	2.00%	2.00%
5yr PWLB rate	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.60%
10yr PWLB rate	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.40%	4.40%
25yr PWLB rate	4.40%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	4.90%	5.00%
50yr PWLB rate	4.40%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	4.90%	5.00%

At 30th June 2014 the Council held investments totalling £26.53m. A full list of investments held is given in Appendix C to the report of the Director of Regeneration and Communities. £21.53m of investments are in accounts which can be called upon immediately or for a short notice period due to the shorter term rates being more appealing than longer term.

Investment income is slightly below target with a balance of £47,000 compared to a budget of £57,000. The average interest rate for this period is 0.68%. The low interest rates are a consequence of Government support for lending schemes which has prompted a reduction in need for additional cash by financial institutions.

£1.5m was borrowed for one week at a rate of 0.28% during the period from 20th June 2014 to 27th June 2014. This was to cover an unplanned shortfall until Council Tax income was received on 27th June 2014.

Alternatives Considered and Why Rejected

The budget monitoring process could be left to Officers. The Constitution already requires Officers to report budget variances to the relevant Cabinet Member in specific circumstances. The absence of any such reports would then suggest that no specific items have been identified for consideration.

If such an approach were taken the leadership team would have a reduced financial awareness. This could restrict their ability to meet service requirements and achieve the Council's corporate objectives.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: 22 August 2014.
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MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 13 August 2014

ANNUAL REPORT 2013-14

Issue for Decision

To consider the Council's Annual Report for 2013-14.

Decision Made

That the Council's Annual Report 2013-14, attached as a draft at Appendix A to the report of the Head of Policy and Communications, be approved for publication on the Council's website and for collection at Council receptions, Maidstone Museum and local libraries, subject to the following amendments to the Performance Highlights section:

Great Opportunity

Delete bullets about planning applications, TPOs and neighbourhood planning.

Add bullets:

- Helped 161 families on the Maidstone Families Matter initiative with employment and other advice.
- Made another 17 Tree Preservation Orders - the Council has more than 1,000 TPOs, covering trees and woodlands in the Borough.
- Prevented 358 families from becoming homeless through housing advice, and brought back into occupation 107 empty properties.

Great Place

Delete bullets on footfall in Mote Park and school visits to Maidstone Museum.

Add bullets:

- More than 1 million people visited Mote Park.
- Recycled more than 25,000 tonnes of waste.
- More than 13,000 children took part in education and workshop activities at Maidstone Museum.

Reasons for Decision

Whilst there is no duty on the Council to publish an Annual Report the Council's own Local Code of Corporate Governance sets out how we will engage with and are accountable to our residents.

The Code, based on best practice advice from the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives, includes a number of core principles and actions. Core principle 1 is: 'Focusing on the purpose of the authority and on outcomes for the community creating and implementing a vision for the local area'. One of the actions under this priority is to publish on the Council's website an Annual Report on the Council's activities and achievements, its financial position and performance.

At its meeting in July the Audit Committee considered the Local Code of Corporate Governance. The Committee suggested that printed copies of the Annual Report should be displayed and available for collection at Council receptions and Maidstone Museum, and distributed to libraries in Maidstone Borough. The report and these arrangements will be publicised in Borough Update and elsewhere.

The Head of Policy and Communications has also sought advice from the Council's external auditors about the content of local authority Annual Reports. Grant Thornton advised that the Report should look back at what was spent and achieved, and look forward at the Council's plans.

The Report is not intended to be a complete record of the Council's year. It sets out the main achievements in 2013-14 towards the delivery of the Council's strategic priorities, and some of the key activities for 2014-15. It includes performance highlights and a summary of the Council's finances. Wherever possible, graphics and illustrations have been used to make the information easy to understand.

The Cabinet made some amendments to improve the range of Performance Highlights included in the report.

Alternatives Considered and Why Rejected

The decision could be made not to publish an Annual Report, but it is an opportunity to inform residents about the Council's performance.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: 22 August 2014.
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MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 13 August 2014

COMMERCIALISATION STRATEGY

Issue for Decision

To consider the draft Commercialisation Strategy.

Decision Made

1. That the draft Commercialisation Strategy, attached at Appendix A to the report of the Head of Commercial and Economic Development, be adopted subject to the following amendments:

- At paragraph 2 of the Strategy, amend the final section to read:

This is a fundamental shift in approach and consequently a simple, easily understood Commercialisation Strategy is required to give direction; and which links into the Medium Term Financial Strategy. All projects and activities undertaken under the Commercialisation Strategy will therefore be evaluated against the priorities of the Medium Term Financial Strategy at paragraph 2.5 of that Strategy.

- At paragraph 4.3 of the Strategy, the 'Commercial Projects Development Team', add a new bullet point to read, as the first and primary function:

To look for trading projects that prioritise capture of commercial opportunities afforded by our existing statutory and non-statutory services, so that synergy exists between our commercial and other desired outcomes.

2. That the decision to implement a project will be made by the full Cabinet.

Reasons for Decision

The Commercialisation Strategy will enable the Council to continue with 'self-help' measures, in the face of reduced funding. Commercial activity is nothing new for the Council but the Strategy will consolidate its previous commercial activity (such as the commercial waste collection service; shared services; car park charging; events; etc.) and provide a

framework and Strategy, with defined objectives, for these commercial projects and for the delivery of future commercial activity.

Feedback from other authorities of comparable size regarding their experience in delivering commercial projects will be circulated for Members' information, and visits can be arranged as appropriate.

Alternatives Considered and Why Rejected

The Cabinet could have decided not to undertake a course of Commercialisation. However, this would require additional funding to be found, at the levels specified in paragraph 3.2 of the draft Strategy, and/or result in an additional adverse impact on service delivery.

Background Papers

Commissioning and Procurement Strategy
Contract Standing Orders and Purchasing Guide
Corporate Fees and Charging Policy
Asset Management Plan
Guide to Performance Management
Budget Strategy
Medium Term Financial Strategy
Strategic Revenue Projection
Strategic Plan

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