



## AGENDA

### CABINET MEETING

Date: Wednesday, 4 February 2015  
Time: 7.00 pm  
Venue: Council Chamber - Swale House

Membership:

Councillors Bowles (Chairman), Mike Cosgrove, Duncan Dewar-Whalley, Gerry Lewin (Vice-Chairman), Ken Pugh, David Simmons, Mike Whiting, Ted Wilcox and John Wright

Quorum = 3

#### RECORDING NOTICE

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1. Apologies for Absence

2. Minutes

To approve the Minutes of the Meeting held on 3 December 2014 (Minute Nos. 382 - 387) as a correct record.

3. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.

The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

(b) Disclosable Non Pecuniary (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.

**Advice to Members:** If any Councillor has any doubt about the existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Director of Corporate Services as Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as early as possible, and in advance of the Meeting.

**Part A Reports for recommendation to Council**

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**Part B Reports for Decision by Cabinet**

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| 10. | South Thames Gateway Building Control Partnership: Business Plan 2015-2018                           | 113 - 152 |
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| 13. | Scrutiny Committee Recommendations on Discretionary Housing Payment Policy                           | 195 - 198 |
| 14. | Scrutiny Committee recommendations on Mid Kent Improvement Partnership Governance and Communications | 199 - 254 |
| 15. | Minutes of the Swale Joint Transportation Board meeting held on 8 December 2014                      | 255 - 256 |

Cabinet is asked to approve the recommendations which fall within the remit of Swale Borough Council's Cabinet.

Members are reminded that the terms of reference for the JTB state that: The Cabinet will normally act in accordance with the advice or views of the JTB. If the Cabinet is minded to act otherwise, no decision will be taken until after a discussion between the relevant Cabinet Member and the Chairman and Vice-Chairman of the JTB.

### **Issued on Monday, 26 January 2015**

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 DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of the Cabinet, please visit [www.swale.gov.uk](http://www.swale.gov.uk)

**Corporate Services Director, Swale Borough Council,  
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

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<b>Cabinet</b>	
<b>Meeting Date</b>	<b>4 February 2015</b>
<b>Report Title</b>	<b>Medium Term Financial Plan and 2015/16 Revenue and Capital Budgets</b>
<b>Cabinet Member</b>	<b>Cllr Duncan Dewar-Whalley, Cabinet Member for Finance</b>
<b>SMT Lead</b>	<b>Abdool Kara, Chief Executive</b>
<b>Head of Service</b>	<b>Nick Vickers, Head of Finance</b>
<b>Lead Officer</b>	<b>Phil Wilson, Chief Accountant</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To approve the 2015/16 Revenue and Capital Budgets.</li> <li>2. To approve the proposed council tax at band D for 2015/16 of £159.93 (zero increase).</li> <li>3. To note the Medium Term Financial Plan funding position.</li> <li>4. To approve the Capital Strategy.</li> <li>5. To note the additional amount of Council Tax for Parish Precepts.</li> <li>6. To approve the Minimum Revenue Provision (MRP) Statement as set out in Appendix IX.</li> <li>7. To delegate authority to the Head of Finance in consultation with the Leader and the Cabinet Members for Finance and Regeneration to approve an in year change to the budget and policy framework to allow for funding to be provided for the investment up to a maximum borrowing of £6m.</li> <li>8. To consider recommendations of the Scrutiny Committee.</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Medium Term Financial Plan and the Revenue and Capital Budget proposals for 2015/16.
- 1.2 The Cabinet received a budget report on 3 December and this report will move on from this to incorporate the Provisional Local Authority Grant Settlement announced on 18 December.
- 1.3 The 3 December Cabinet report provided the basis for Scrutiny Committee's examination of the budget proposals on 28 January and Scrutiny Committee were given an update on key issues from the Settlement.
- 1.4 This report if agreed by Cabinet will then go forward to Council on 18 February.

## 2. Background

### Provisional Local Government Finance Settlement 2014/15 and 2015/16

- 2.1 On 18 December the Provisional Local Government Finance Settlement 2015/16 was announced. The December 2014 Settlement was for two years, 2014/15 and 2015/16, so we would not have expected any major changes in this settlement announcement.
- 2.2 At a national level the Local Government Minister stated that total spending power of local authorities would reduce by 1.8%.
- 2.3 The main headline announcements in the Settlement were:
- Local authorities freezing or lowering Council Tax level in 2015/16 will receive a Council Tax Freeze Grant equivalent to a 1% increase in Council Tax. Local authorities increasing Council Tax by 2% or above will be required to hold a local referendum. This applies to local authorities, fire authorities and police authorities.
  - Council Tax Freeze Grant for 2014/15 is now included within the Settlement Funding Assessment for 2015/16.
  - The loss in funding as a result of the 2% cap on the 2015/16 Business Rates Multiplier (announced at Autumn Statement 2014) will be refunded to local authorities through a S31 grant payment (in the same way as the 2014/15 2% cap).
- 2.4 For Swale the reductions in funding are in line with our assumptions – our Settlement Funding Assessment is down 15.7% from 2014/15 for 2015/16, exactly in line with our forecasts.
- 2.5 The Settlement stated that local authorities will face an overall reduction in spending power of 1.8%. Spending Power is a measure of all the resources available to local authorities and includes council tax, RSG, business rates, new homes bonus and other government grants. According to Government figures the spending power for Swale has decreased by £749,000 (4.1%) from 2014/15 to 2015/16, although this will include assumptions about business rate income that will vary from that predicted by the authority.

## Variations from the December Budget Report to Cabinet

2.6 The main variations to the 3 December budget report to Cabinet are:

Budget Change	Amount £'000	Explanation of Change
Take out preceptors council tax support	+125	This sum is to support the Revenues Section to address the changes as a result of the new method of allocating business rates from 2013/14. This removes this sum from the Council's base budget and allocates it to a reserve to support this Section.
Increase in SERCO utility costs	+42	Previously uncharged utility costs from SERCO relating to government imposed levy on businesses' utility bills to fund supply infrastructure maintenance <a href="http://auditel.co.uk/duos-tuos/">http://auditel.co.uk/duos-tuos/</a> . This applies to all businesses, and SBC pays this as part of our utility costs but SERCO have not been passing on.
Increase in MKIP costs	+11	Inflationary increase of 1% for Mid Kent Improvement Project (MKIP) services.
Increase in Council Tax base	-100	As previously we had allowed for a 1% increase in the Council tax base arising from net new properties - the actual figure is 2.5%.
Increase in New Homes Bonus	-87	Higher than forecast due to additional build.
Reduction in RSG	+1	Reduction in forecast for RSG
Increase in collection fund surplus	-146	Swale share of forecast surplus on collection fund for council tax
<b>Subtotal movements</b>	<b>-154</b>	
Add requirement for balanced position per 3 December Cabinet report	96	
<b>2015/16 surplus</b>	<b>-58</b>	

## Business Rates

2.7 At this stage we are not moving the estimate of business rate income from the 3 December report. The NNDR1 forecast for 2015/16 income is not available at the time this report has been written. The key variables are:

- Gross sum payable
- Provision for bad debt
- Losses in Collection
- Provision for Appeals
- Full provision for backdated appeal costs

- Transitional protections
  - Allowance for cost of collection
- 2.8 In year monitoring does indicate significant growth in the business rates income. Council has previously agreed that any additional income over the level budgeted for will go into the Business Rates Volatility Reserve. The operation of the business rates system where actual income retained is not known until June for the 2014/15 financial year does argue for prudence in the budget forecasts made.
- 2.9 The Department for Communities and Local Government (DCLG) has confirmed that the proposal for a business rate pooling arrangement between Kent County Council and 10 of the 12 borough and district councils has been agreed. Maidstone Borough Council will be the coordinator of the scheme which will apply in 2015/16.

### **Council Tax**

- 2.10 For the fifth year running Cabinet will be recommending to Council that there is no increase in the level of the Council Tax.

### **Housing Benefit Administration Subsidy and Council Tax Subsidy**

- 2.11 The Council receives a specific grant from Government to administer Housing Benefit and Council Tax subsidy. This grant has been reducing for a number of years linked in part to the planned introduction of Universal Credit. The service actually makes a net contribution to the Council's base budget position.
- 2.12 In 2014/15 funding is £921,178 but this reduces by 8.6% for 2015/16 to £841,859.
- 2.13 We have been notified that:
- For 2015/16, following the introduction of Local Council Tax Support (LCTS) in April 2013, the funding baseline for Housing Benefit (HB) and Council Tax Benefit Administration Grant will continue to be split between Department for Works and Pensions (DWP) (for HB) and Department for Communities and Local Government (DCLG) (for Localised Council Tax Support-LCTS).
  - In discussions with the Treasury, it had been agreed that the split would be for 80% of the grant to reside within the DWP and 20% within CLG, and this has continued into 2015/16.
  - The total HB allocation for England in 2015/16 is £270.7m, which is 9.4% lower than the allocation of £298.7m in 2014/15. The 2015/16 allocation is before adjustments are made for deductions for the Single Fraud Investigation Service (SFIS). After deductions are made for the SFIS, the net total funding distributed is £261.4m, which represents a decline of 12.5% compared to funding in 2014/15.
  - The total funding available for DCLG to distribute for LCTS in 2015/16 has been set at £67.7m, which is 8.4% less than the £73.9m made available in 2014/15.
- 2.14 In addition, the grants for council tax support New Burdens funding for 2014/15 are £100,000, but these have reduced to £35,000 for 2015/16.



- 2.15 The existing Revenues and Benefits reserves will be utilised as needed to assist in managing the overall reduction in funding.

### **3. Proposal**

#### **Medium Term Financial Plan**

3.1 The Medium Term Financial Plan (MTFP) is a forecast of the financial position over the next three years to aid the Council in meeting its objectives as set out in the Corporate Plan. The MTFP is underpinned by the following principles:

- achieving a balanced budget position with the base budget requirement being met from core income;
- reserves being used to fund one-off cost pressures;
- accepting Council Tax freeze grant in 2015/16; and
- a prudent forecast for business rates.

3.2 The updated Medium Term Financial Plan is attached in Appendix I.

#### **Balanced Budget Proposals**

3.3 Growth Items, Unavoidable Cost Pressures, Service Savings, Loss of Income and Additional Income are attached in Appendix II.

#### **Council Tax**

3.4 The Council will be recommended to adopt no change in the level of Council Tax for 2015/16.

3.5 The Collection Fund and Council Tax base is set out in Appendix III.

3.6 The Council Tax base was agreed by Council on 21 January.

3.7 The calculation of the Budget Requirement and Council Tax Requirement is shown in Appendix IV.

3.8 Parish precepts are shown in Appendix V.

#### **Reserves**

3.9 The principle of the management of reserves moving forward should be:

- maintain a prudent level of reserves to allow the Council to deal with unexpected one-off events; and
- fund one-off items of expenditure against the Council's highest priorities, as determined by Members.

3.10 When the authority is considering its budget requirement it is the Chief Finance Officers' duty to report on the adequacy of reserves (under section 25 of the Local Government Act 2003). These have been reviewed in line with latest guidance from the Chartered Institute of Public Finance and Accountancy.

- 3.11 Currently, the Council has sought to maintain a minimum of £1.5m as its General Fund balance, and it is concluded that through this period of uncertainty that this level should be continued. The balance for 31 March 2016 is forecast to be £3.4m. In addition, the Council holds a number of earmarked reserves held for specific purposes. The remaining (unallocated) General Reserve is available in future years to support one-off revenue items rather than funding on-going revenue budget requirements and to fund capital expenditure agreed on a case by case basis. Appendix VI details the authority's reserves. It is the Head of Finance's view that the balances and reserves held by the Council are at a reasonable level.
- 3.12 The Section 151 Officer (Head of Finance), in accordance with Local Government Act 2003, hereby has confirmed his opinion that the 2015/16 budget submitted is robust and the reserves are reasonable given an assessment of risks.

### **Capital Strategy**

- 3.13 The Council's priorities for the use of available capital funds will be:
- projects which support the Council's regeneration agenda;
  - earmarked receipts related to specific projects e.g. Section 106 monies;
  - minimum fulfilment of legal duties e.g. Disabled Facilities Grant (DFG);
  - essential life and death maintenance work e.g. Health & Safety; and
  - essential remedial expenditure on the Council's IT systems.
- 3.14 The Council is currently debt free but at its meeting on 16 July, it agreed to allow borrowing for the build of the new Sittingbourne town centre multi storey car park. Any other proposal to borrow will be subject to report to Cabinet and Council.
- 3.15 It is anticipated that subject to due diligence Cabinet will be asked on 11 March to consider a significant investment related to the regeneration of Sittingbourne Town Centre in addition to the Spirit of Sittingbourne project. For completeness as part of the budget process Council is asked to agree that authority is delegated to the Head of Finance in consultation with the Leader and the Cabinet Members for Finance and Regeneration to approve an in year change to the budget and policy framework to allow for funding to be provided for the investment up to a maximum borrowing of £6m.
- 3.16 The Capital Programme is attached in Appendix VII.

### **2015/16 Minimum Revenue Provision Statement**

- 3.17 The concept of Minimum Revenue Provision (MRP) was introduced in 1989 to prescribe the minimum amount which must be charged to the revenue account each year to meet credit liabilities (borrowing and leasing costs). MRP is charged to the General Fund and therefore does affect the level of the Council Tax. An annual statement is required setting out the method of calculation of MRP.
- 3.18 The Annual MRP Statement is subject to Council approval and the recommended statement is set out in Appendix IX

## 4. Alternative Proposals

4.1 This paper details the budget proposals of the Cabinet, who invite alternative proposals to be put forward.

## 5. Consultation Undertaken or Proposed

5.1 The budget proposals reported to Cabinet on 3 December plus updates for developments since then were reported to Scrutiny Committee on 28 January. Consultation has also been made with representatives of local businesses.

## 6. Implications

6.1 The implications are set out in the table below:

Issue	Implications
Corporate Plan	The budget proposals for 2015/16 support the Corporate Plan objectives.
Financial, Resource and Property	This report sets out the approach to the 2015/16 budget and the medium term financial plan.
Legal and Statutory	The approach set out reflects the legal requirement for the Council to agree a balanced budget.
Crime and Disorder	Any potential impact will be addressed by service managers in their budget proposals.
Sustainability	The sustainability implications of budget decisions will be fully investigated by service managers in drawing up their detailed proposals.
Health and Wellbeing	Any potential impact will be addressed by service managers in their budget proposals.
Risk Management and Health and Safety	A risk register for the budget is attached in Appendix VIII. Risks will be reviewed as part of the strategic risk update. Specific Health & safety risks will be addressed by service managers in their budget proposals.
Equality and Diversity	Where necessary there will need to be full consultation with service users on savings proposals, and these will need specifically to address equality and diversity issues with appropriate Equality Impact Assessments undertaken.

## 7. Appendices

7.1 The following documents are published with this report:

- Appendix I: Medium Term Financial Plan
- Appendix II: Balanced Budget Proposals
- Appendix III Collection Fund and Council Tax Base
- Appendix IV Calculation of Budget and Council Tax Requirement

- Appendix V Parish Precepts
- Appendix VI Reserves
- Appendix VII Capital Programme and Funding
- Appendix VIII Risk Issues
- Appendix IX Minimum Revenue Provision Statement 2015/16

## **8. Background Papers**

- 3 December 2014 Cabinet Budget Report
- 19 February 2014 Council Budget Report

## MEDIUM TERM FINANCIAL PLAN

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Base Budget	17,583	17,583	17,583	17,583
Growth Items	0	243	193	193
Unavoidable cost pressures	0	35	114	142
Loss of income	0	190	190	190
Additional income	0	(157)	(136)	(137)
Committed price increases	0	239	382	528
<u>Salary Related:</u>				
Increments	0	89	139	168
Pay Award	0	118	237	358
Contribution to/(from) reserves	595	317	317	317
Revenue Support Grant	(4,296)	(2,929)	(1,976)	(1,280)
Business Rates	(4,604)	(5,053)	(5,123)	(5,204)
Council Tax	(6,690)	(6,856)	(6,925)	(6,994)
Council Tax Freeze 2014/15	(79)	(79)	(79)	(79)
Council Tax Freeze 2015/16		(80)	(80)	(80)
New Homes Bonus	(2,269)	(2,811)	(3,299)	(2,989)
Collection Fund Surplus/Deficit	(178)	(176)	0	0
<b>Savings Required</b>	<b>62</b>	<b>673</b>	<b>1,537</b>	<b>2,716</b>
Preceptors Council Tax Support	(125)	0	0	0
Service savings	0	(731)	(751)	(815)
Requirement for balanced position	0	0	(786)	(1,901)
<b>Committed savings</b>	<b>(125)</b>	<b>(731)</b>	<b>(1,537)</b>	<b>(2,716)</b>
<b>Contribution (to) from Funds</b>	<b>(63)</b>	<b>(58)</b>	<b>0</b>	<b>0</b>

## BALANCED BUDGET PROPOSALS

Growth Items:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Procurement - greater use of electronic procurement systems to advertise contract opportunities.	Cllr D. Dewar-Whalley / D. Thomas	10,000
2	Swale Community Leisure Ltd for Executive officer post.	Cllr D. Simmons / D. Thomas	50,000
3	Additional waste contract monitoring activity.	Cllr D. Simmons / D. Thomas	50,000
	<b>Director of Regeneration</b>		
4	Increase Director post by two days.	Cllr M. Cosgrove / P. Raine	53,540
	<b>Economic &amp; Community Services</b>		
5	Heritage activities.	Cllr M. Whiting / E. Wiggins	10,000
6	New structure in the Communications Team.	Cllr A. Bowles / E. Wiggins	16,290
7	Increased grants for the First World War commemoration.	Cllr M. Whiting / E. Wiggins	5,000
	<b>Environmental Health</b>		
	Shellfish Sampling - increase to fee.	Cllr D. Simmons / M. Radford	9,620
8	<b>Service Delivery</b>		
9	Christmas car parking concessions.	Cllr D. Simmons / B. Planner	25,000
10	Resilience Officer - increase in hours.	Cllr D. Simmons / B. Planner	13,700
	<b>Total Growth Items</b>		<b>243,150</b>

## BALANCED BUDGET PROPOSALS

## Unavoidable Cost Pressures:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Democratic Services</b>		
1	Members Allowances – 1% increase.	Cllr A. Bowles / M. Radford	3,600
	<b>Finance</b>		
2	Insurance increase from annual renewal. The projection assumes a 3% increase pa.	Cllr D. Dewar- Whalley / N. Vickers	10,000
3	Increase in precept from Lower Medway Internal Drainage Board 2%	Cllr D. Dewar- Whalley / N. Vickers	3,200
	<b>Property Services</b>		
4	Maintenance cost of new equipment in Print Room.	Cllr D. Dewar- Whalley / A. Adams	2,210
5	Maintenance cost of new equipment in Council Chamber.	Cllr D. Dewar- Whalley / A. Adams	850
	<b>Service Delivery</b>		
6	Increase in electricity charges for SBC owned street lighting.	Cllr D. Simmons / B. Planner	880
7	Council Tax - Single person discount review.	Cllr D. Dewar- Whalley / B. Planner	4,000
8	Council Tax - court costs of recovery action.	Cllr D. Dewar- Whalley / B. Planner	10,000
	<b>Total Unavoidable Cost Pressures</b>		<b>34,740</b>

## BALANCED BUDGET PROPOSALS

Loss of Income:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Kent County Council recycling credits replaced by enabling payments as part of the new joint waste contract.	Cllr D. Simmons / D. Thomas	83,000
	<b>Economic &amp; Cultural Services</b>		
2	CCTV - loss of income.	Cllr K. Pugh / E. Wiggins	12,150
	<b>Property Services</b>		
3	Transfer of Princes Street Depot – Sittingbourne Town Centre Regeneration.	Cllr D. Dewar-Whalley / A. Adams	70,000
	<b>Service Delivery</b>		
4	Parking Enforcement – reduced income	Cllr D. Simmons / B. Planner	25,000
	<b>Total Loss of Income</b>		<b>190,150</b>



## BALANCED BUDGET PROPOSALS

Service Savings:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Reduce the number of play area inspections by Zurich from two to one per year.	Cllr D. Simmons / D. Thomas	(5,000)
2	Reduce budget commitment for contract variations for the leisure contract.	Cllr D. Simmons / D. Thomas	(1,200)
3	Graffiti cleaning – now included in the main waste contract.	Cllr D. Simmons / D. Thomas	(6,000)
4	Bring site repairs - cease to exist.	Cllr D. Simmons / D. Thomas	(1,000)
5	Bring site maintenance - cease to exist.	Cllr D. Simmons / D. Thomas	(2,840)
6	Recycling credit payments	Cllr D. Simmons / D. Thomas	(58,700)
7	Additional waste contract savings.	Cllr D. Simmons / D. Thomas	(250,000)
8	Channel shift – greater use of digital as opposed to face-to-face contact.	Cllr A. Bowles / D. Thomas	(19,000)
9	Automated switchboard facility, fewer calls handled by Customer Services Centre staff - channel shift.	Cllr A. Bowles / D. Thomas	(9,000)
10	Swale Community Leisure Ltd reduction in utility levy.	Cllr D. Simmons / D. Thomas	(40,000)
	<b>Economic &amp; Community Services</b>		
11	Kemsley Hall - asset transfer efficiencies.	Cllr M. Whiting / E. Wiggins	(10,000)
	<b>Finance</b>		
12	Minimum Revenue Provision Reduction – accountancy charge for capital expenditure.	Cllr D. Dewar-Whalley / N. Vickers	(56,600)
	<b>Housing</b>		
13	Reduction in use of emergency accommodation in Medway through the provision of a Council owned House in Multiple Occupation (HMO).	Cllr J. Wright/ A. Christou	(6,000)
14	Council tax payment for housing in Teynham owned by the Council.	Cllr J. Wright/ A. Christou	(1,500)

## BALANCED BUDGET PROPOSALS

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Housing</b>		
15	Cost of maintenance for the Council owned Teynham house by using in house handyperson.	Cllr J. Wright/ A. Christou	(1,000)
16	Private Sector Housing Manager - reduced hours.	Cllr J. Wright/ A. Christou	(20,000)
17	Enhancements to the Housing ICT system following new allocations policy enabling management of homeless register and greater use of digital services.	Cllr J. Wright/ A. Christou	(23,600)
	<b>Planning</b>		
18	Non-salary shared service efficiency savings e.g. printing, advertising etc.	Cllr G. Lewin/ J. Freeman	(10,000)
	<b>Policy</b>		
19	Revised Team Structure.	Cllr A. Bowles / A. Kara	(5,860)
	<b>Property Services</b>		
20	Reduction in the cost of trade waste at Swale House.	Cllr D. Dewar-Whalley / A. Adams	(1,250)
21	End of leases at New Road Industrial Estate.	Cllr D. Dewar-Whalley / A. Adams	(33,110)
22	Reduction in running costs at Sheerness District office following move to Gateway and re-letting of building on FRI terms.	Cllr D. Dewar-Whalley / A. Adams	(6,950)
23	Reduction in staffing costs of community halls due to community asset transfer.	Cllr D. Dewar-Whalley / A. Adams	(11,100)
24	Reduction in utility costs at Swale House.	Cllr D. Dewar-Whalley / A. Adams	(8,640)
	<b>Service Delivery</b>		
25	Retirement of Head of Service.	Cllr D. Dewar-Whalley / B. Planner	(94,470)

## BALANCED BUDGET PROPOSALS

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Mid Kent Improvement Partnership (MKIP) Services</b>		
26	ICT predicted savings as agreed by Cabinet in April 2012 and based on savings against 2011/12 base budgets.	Cllr D. Dewar-Whalley / M. Radford	(15,000)
27	Savings on move to MKIP GIS service.	Cllr D. Dewar-Whalley / M. Radford	(5,000)
28	Corporate training budget to be reduced by 10%, this reflects the reduced staffing levels but also the increased efficiencies of purchasing for the three MKIP councils.	Cllr T. Wilcox/ D. Smart	(9,000)
29	Extension of HR shared service to Tunbridge Wells Borough Council.	Cllr T. Wilcox/ D. Smart	(19,690)
	<b>Total Service Savings</b>		<b>(731,510)</b>

## BALANCED BUDGET PROPOSALS

Additional Income:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Introduction of extra beach huts to sell and lease on to the public.	Cllr D. Simmons / D. Thomas	(20,000)
2	Ground rent for extra beach huts.	Cllr D. Simmons / D. Thomas	(2,500)
3	Sell space for memorial plaques at the new Iwade cemetery.	Cllr D. Simmons / D. Thomas	(3,000)
4	Swale Indoor bowls - increasing existing fees & charges.	Cllr D. Simmons / D. Thomas	(2,500)
5	Increased income from seafront concessions.	Cllr D. Simmons / D. Thomas	(4,600)
6	Increased subscriptions to garden waste service.	Cllr D. Simmons / D. Thomas	(12,430)
	<b>Finance</b>		
7	Investment income.	Cllr D. Dewar-Whalley / N. Vickers	(10,000)
	<b>Planning</b>		
8	Anticipated increase in planning fees.	Cllr G. Lewin/ J. Freeman	(34,000)
9	Anticipated increase in pre-application advice fees.	Cllr G. Lewin/ J. Freeman	(20,000)
	<b>Property Services</b>		
10	Increase in rental income from miscellaneous properties.	Cllr D. Dewar-Whalley / A. Adams	(47,500)
	<b>Total Additional Income</b>		<b>(156,530)</b>

## COLLECTION FUND AND COUNCIL TAX BASE

**Tax Base**

The tax base for 2015/16 is as 42,869.49.

**Collection Fund**

As the Billing Authority, Swale Borough Council had to make an estimate of the surplus or deficit on the Council Tax Collection Fund on 15 January 2015, notifying Kent County Council, The Police and Crime Commissioner for Kent and the Kent & Medway Towns Fire & Rescue Authority of their proportions within seven days. The declared surplus of £2,742,000 is shared as follows:

	<b>£'000</b>
Kent County Council	1,160
The Police and Crime Commissioner for Kent	141
Kent & Medway Towns Fire & Rescue Authority	81
Swale Borough Council	702
Central Government	658
<b>Total</b>	<b>2,742</b>

These amounts are not added to precepts or budgets, but must be taken into account by each Authority when setting their Basic Council Tax. The net surplus for Swale Borough Council is therefore £702,000 including £526,000 for business rates and £176,000 for council tax. Only the council tax surplus is shown in the Budget Projections for the calculation of the 2015/16 Council Tax as the business rates surplus will be taken to the business rates volatility reserve.

**Other Preceptors**

Kent County Council, the Kent & Medway Fire Authority and the Kent Police and Crime Commissioner will set their own precepting for all valuation bands. These tax levels will form part of the overall Council Tax to be set by full Council on 18 February 2015.

**Parish Council Precepts**

Parish Council precept demands have been submitted during January 2015 as and when the Parish Councils met to set their precepts. These will be expressed as an additional precept.

## CALCULATION OF BUDGET AND COUNCIL TAX REQUIREMENT

	2015/16 £'000
<b>2015/16 Swale Operating Expenditure Budget Before Savings and Growth Items</b>	<b>17,583</b>
Growth Items	243
Unavoidable cost pressures	35
Loss of income	190
Additional Income	(157)
Committed price increases	239
Pay Increments	89
Pay award	118
Contribution to/ from reserves	317
Service savings	(731)
<hr/> Sub total	<hr/> 17,926
Budget Surplus, i.e. increase in Funds	58
Council Tax Freeze Grant	(159)
New Homes Bonus	(2,811)
<hr/> <b>Swale Budget Requirement (to be agreed)</b>	<hr/> <b>15,014</b>
Less Revenue Support Grant	(2,929)
Less Business Rates	(5,053)
Less Collection Fund Surplus	(176)
<hr/> <b>Council Tax Requirement (to be agreed)</b>	<hr/> <b>6,856</b>
 Council Tax Income (assuming £159.93 for Band D)	 (6,856)

## PARISH PRECEPTS

Parish/Town Council	Additional Council Tax for Band D 2014/15 £	Tax Base 2015/16	Parish Precept (rounded) 2015/16 £	Additional Council Tax for Band D 2015/16 £	Parish Precept 2015/16 % Change
Bapchild	22.29	451.05	To be advised		
Bobbing	19.61	700.12	13,875	19.82	1.07 %
Borden	44.97	1,021.03	46,468	45.51	1.20 %
Boughton-under-Blean	58.88	664.98	45,224	68.01	15.51 %
Bredgar	32.06	285.17	9,500	33.31	3.90 %
Doddington	35.72	210.01	7,600	36.19	1.32 %
Dunkirk	25.01	473.92	11,792	24.88	-0.52 %
Eastchurch	41.40	665.47	30,000	45.08	8.89 %
Eastling	20.28	140.70	3,000	21.32	5.13 %
Faversham Town Council	41.07	5,987.03	258,345	43.15	5.06 %
Goodnestone & Graveney	30.51	177.22	6,236	35.19	15.34 %
Hartlip	18.33	360.56	7,000	19.41	5.89 %
Hernhill	28.62	279.36	8,000	28.64	0.07 %
Iwade	31.67	1,187.20	40,000	33.69	6.38 %
Leysdown	23.67	1,141.19	25,180	22.06	-6.80 %
Lower Halstow	47.63	446.11	25,250	56.60	18.83 %
Luddenham	0	44.77	0	0	0 %
Lynsted	39.01	445.97	17,049	38.23	-2.00 %
Milstead	34.84	88.17	3,900	44.23	26.95 %
Minster	22.77	4,906.21	111,714	22.77	0 %
Newington	45.78	856.90	42,000	49.01	7.06 %
Newnham	18.63	149.58	3,250	21.73	16.64 %
Norton & Buckland	31.85	180.99	5,660	31.27	-1.82 %
Oare	51.77	162.90	8,568	52.60	1.60 %
Ospringe	20.31	273.71	6,500	23.75	16.94 %
Queenborough Town Council	62.63	746.90	44,000	58.91	-5.94 %
Rodmersham	31.91	235.86	7,500	31.80	-0.34 %
Selling	22.12	326.56	8,825	27.02	22.15 %
Sheldwich, Leaveland & Badlesmere	24.95	344.31	To be advised		
Stalisfield	28.27	90.83	To be advised		
Teynham	55.40	838.07	44,480	53.07	-4.21 %
Throwley	22.93	139.63	To be advised		
Tonge	16.24	110.94	1,800	16.22	-0.12 %
Tunstall	22.03	391.94	8,800	22.45	1.91 %
Upchurch	26.16	889.71	25,423	28.57	9.21 %
Warden	36.83	464.54	16,000	34.44	-6.49 %
<b>TOTAL</b>					

## RESERVES

Description	Balance as at 31/03/14 (after approved rollovers) £'000	Forecast Contributions to / from Reserves 2014/15 £'000	Balance as at 31/03/15 £'000	Forecast Contributions to / from Reserves 2015/16 £'000	Balance as at 31/03/16 £'000
General Reserve	(3,291)		(3,291)		(3,291)
Performance Fund	(906)		(906)		(906)
Transformation Fund	(252)		(252)		(252)
Regeneration Fund	(355)	(250)	(605)	(250)	(855)
Swale Local Loan Fund	(250)		(250)		(250)
Building Maintenance Fund	(519)		(519)		(519)
Housing Reserves	(238)		(238)		(238)
Repairs and Renewals Funds	(225)	(78)	(303)	(78)	(381)
Local Development Framework Fund	(171)		(171)		(171)
Stay Put Grants Reserve	(146)		(146)		(146)
Empty Property Initiative	(150)		(150)		(150)
Revenues Main Reserve	(428)		(428)	(125)	(553)
Business Rates Resilience Reserve	(450)	(278)	(728)	(526)	(1,254)
Other Reserves	(633)	11	(622)	11	(611)
<b>Total Earmarked Reserves</b>	<b>(8,014)</b>	<b>(595)</b>	<b>(8,609)</b>	<b>(968)</b>	<b>(9,577)</b>
<b>Usable Capital Receipts Reserve</b>	<b>(1,331)</b>	<b>444</b>	<b>(887)</b>	<b>30</b>	<b>(857)</b>
<b>Capital Grants Unapplied Account</b>	<b>(243)</b>		<b>(243)</b>		<b>(243)</b>
<b>General Fund</b>	<b>(3,263)</b>	<b>(63)</b>	<b>(3,326)</b>	<b>(58)</b>	<b>(3,384)</b>
<b>Total Usable Reserves</b>	<b>(12,851)</b>	<b>(214)</b>	<b>(13,065)</b>	<b>(996)</b>	<b>(14,061)</b>

Note: This shows the Base position, but in-year expenditure will be reflected in closedown and in the Council's financial accounts.



## CAPITAL PROGRAMME AND FUNDING

	Funding SBC / P	2014/15 Original Budget £	2014/15 Revised Budget £	2015/16 Original Budget £	2016/17 Original Budget £	Budget Later Years £
<b><u>ECONOMY &amp; COMMUNITIES - E.WIGGINS</u></b>						
CCTV - Repairs & Renewals Reserve	SBC	15,000	15,000	15,000	15,000	15,000
Queenborough Harbour Trust Loan - Swale Loan Fund	SBC	0	50,000	0	0	0
Sittingbourne War Memorial - Capital Receipts	SBC	0	8,100	0	0	0
Capital Expansion of CCTV Service - S106	P	0	38,800	0	0	0
Meads Community Centre - S106	P	0	348,000	0	0	0
Kemsley Community Facilities - S106	P	0	4,870	0	0	0
<b>TOTAL ECONOMY &amp; COMMUNITIES</b>		<b>15,000</b>	<b>464,770</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b><u>CORPORATE SERVICES - M.RADFORD</u></b>						
I.T Equipment Scanners - External Grant	P	0	6,200	0	0	0
<b>TOTAL CORPORATE SERVICES</b>		<b>0</b>	<b>6,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>COMMISSIONING &amp; CUSTOMER CONTACT - D.THOMAS</u></b>						
Cemeteries - future burial provision in the borough - Capital Receipts	SBC	0	32,590	0	0	0
Wheelie Bins - Repairs & Renewals Reserve	SBC	35,000	35,000	0	0	0
Beach Huts, Minster Leas - Performance Fund	SBC	0	7,170	0	0	0
Cemetery Chapel, Love Lane Faversham- Capital Receipts	SBC	0	25,300	0	0	0
Milton Creek Footpath - Capital Receipts	SBC	0	30,000	0	0	0
High Risk Tree Works in 3 Cemeteries - Capital Receipts	SBC	0	45,000	30,000	0	0
Medium Risk Tree Works in 3 Cemeteries- Capital Receipts	SBC	0	10,000	0	0	0
Customer Service Centre telephony system - Capital Receipts	SBC	0	40,000	0	0	0
The Glen Play Area - Revenue Funding	SBC	0	5,050	0	0	0
The Glen Play Area - S106	P	0	30,950	0	0	0
Thistle Hill Community Woodland - Trim Trail - S106	P	0	35,000	0	0	0
New Play Area - Iwade Schemes - S106	P	0	92,200	0	0	0
Kemsley West Play Area- S106	P	0	56,000	0	0	0
Kemsley East Play Area- S106	P	0	50,000	0	0	0
Oare Village Hall - S106	P	0	0	9,000	0	0
Oare Gunpowder Works - S106	P	0	0	9,000	0	0
<b>TOTAL COMMISSIONING &amp; CUSTOMER CONTACT</b>		<b>35,000</b>	<b>494,260</b>	<b>48,000</b>	<b>0</b>	<b>0</b>

## CAPITAL PROGRAMME AND FUNDING

	Funding SBC / P	2014/15 Original Budget £	2014/15 Revised Budget £	2015/16 Original Budget £	2016/17 Original Budget £	Budget Later Years £
<b>SERVICE DELIVERY - B. PLANNER</b>						
Ground Floor Reception Area - Revenue Funding	SBC	0	25,000	0	0	0
Ground Floor Reception Area - Capital Receipts	SBC	0	20,000	0	0	0
<b>TOTAL SERVICE DELIVERY</b>		<b>0</b>	<b>45,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HOUSING - A. CHRISTOU</b>						
Disabled Facilities Grants - Reserves	SBC	100,000	252,150	0	0	0
Emergency Accomodation - House Purchase - Earmarked Reserves	SBC	0	165,000	0	0	0
Disabled Facilities Grants - External Grant	P	926,740	926,740	1,040,000	0	0
<b>TOTAL HOUSING</b>		<b>1,026,740</b>	<b>1,343,890</b>	<b>1,040,000</b>	<b>0</b>	<b>0</b>
<b>FINANCE - N. VICKERS</b>						
Cash Receipting System - Replacement - Capital Receipts	SBC	30,000	56,570	0	0	0
<b>TOTAL FINANCE AND PERFORMANCE PORTFOLIO</b>		<b>30,000</b>	<b>56,570</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROPERTY - A. ADAMS</b>						
Swale House Window Rep & Blding Refurbishment - Capital Receipts	SBC	0	26,470	0	0	0
Central Plaza Sittingbourne - Capital Receipts	SBC	0	25,740	0	0	0
Committee Room new Equipment - Capital Receipts	SBC	0	17,850	0	0	0
Committee Room new Equipment - Capital Receipts	SBC	0	920	0	0	0
Council Chamber Digital System - Reserves	SBC	0	52,000	0	0	0
Folder Inserter Machine - Capital Receipts	SBC	0	15,970	0	0	0
Folder Inserter Machine - Revenue Grant	P	0	4,550	0	0	0
<b>TOTAL PROPERTY</b>		<b>0</b>	<b>143,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROGRAMME</b>	SBC	<b>180,000</b>	<b>960,880</b>	<b>45,000</b>	<b>15,000</b>	<b>15,000</b>
<b>TOTAL CAPITAL PROGRAMME</b>	P	<b>926,740</b>	<b>1,593,310</b>	<b>1,058,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROGRAMME</b>		<b>1,106,740</b>	<b>2,554,190</b>	<b>1,103,000</b>	<b>15,000</b>	<b>15,000</b>

## CAPITAL PROGRAMME AND FUNDING

	Original Estimate 14/15 £	Revised Estimate 14/15 £	Original Estimate 15/16 £	Original Estimate 16/17 £	Budget Later Years £
<b>TOTAL CAPITAL EXPENDITURE</b>	1,106,740	2,554,190	1,103,000	15,000	15,000
<b>FUNDING ANALYSIS</b>					
<b>PARTNERSHIP FUNDING</b>	<b>926,740</b>	<b>1,593,310</b>	<b>1,058,000</b>	<b>0</b>	<b>0</b>
<b>REVENUE CONTRIBUTIONS:-</b>					
<b>(a) Repairs &amp; Renewals Reserves</b>					
- Recycling Bins (Wheeled Bins)	35,000	35,000	0	0	0
- CCTV	15,000	15,000	15,000	15,000	15,000
<b>(b) Disabled Facilities Grant Reserve</b>	50,000	50,000	15,000	15,000	15,000
<b>(c) Housing Benefits Reserve</b>	100,000	100,000	0	0	0
- Ground Floor Reception Area	0	25,000	0	0	0
<b>(d) General Reserve</b>					
- Disabled Facilities Grants	0	62,610	0	0	0
<b>(e) Council Chamber Improvements Reserve</b>					
- Council Chamber Digital System	0	52,000	0	0	0
<b>(f) Performance Fund</b>					
- Beach Huts, Minster Leas, Sheppey	0	7,170	0	0	0
<b>(g) Housing Reserves</b>					
- Emergency Accommodation	0	165,000	0	0	0
<b>(h) Swale Local Loan Reserve</b>					
- Swale Local Loan Reserve	0	50,000	0	0	0
<b>(i) Open Spaces Revenue underspend</b>					
- The Glen Play Area	0	5,050	0	0	0
<b>TOTAL REVENUE CONTRIBUTIONS</b>	<b>150,000</b>	<b>516,830</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

## CAPITAL PROGRAMME AND FUNDING

	Original Estimate 14/15 £	Revised Estimate 14/15 £	Original Estimate 15/16 £	Original Estimate 16/17 £	Budget Later Years £
	£	£	£	£	£
<b>CAPITAL RECEIPTS:-</b>					
- Disabled Facilities Grants	0	89,540	0	0	0
- New Cash Module	30,000	56,570	0	0	0
- High Risk Tree Works Cemeteries	0	45,000	30,000	0	0
- Medium Risk Tree Works Cemeteries	0	10,000	0	0	0
- Sittingbourne War Memorial	0	8,100	0	0	0
- Cemeteries - future burial provision	0	32,590	0	0	0
- Swale House Window Replacement & Building Refurbishment	0	26,470	0	0	0
- Customer Service Centre telephony system	0	40,000	0	0	0
- Cemetery Chapel, Love Lane Faversham	0	25,300	0	0	0
- Milton Creek Footpath	0	30,000	0	0	0
- Ground Floor Reception Area	0	20,000	0	0	0
- Central Plaza Sittingbourne	0	25,740	0	0	0
- Folder Inserter Machine	0	15,970	0	0	0
- Committee Room Adaptations	0	18,770	0	0	0
<b>TOTAL CAPITAL RECEIPTS</b>	<b>30,000</b>	<b>444,050</b>	<b>30,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNDS UTILISED</b>	<b>1,106,740</b>	<b>2,554,190</b>	<b>1,103,000</b>	<b>15,000</b>	<b>15,000</b>

## RISK ISSUES

Budget Risk Issues  
(High =3, Medium = 2, Low = 1).

<b>Issue</b>	<b>Likelihood (L)/ Impact (I)</b>	<b>Management</b>
Delivery of the Medium Term Financial Plan	L – Medium I – High = 6	Early development of a new MTFP
Fraud	L – Medium I – Medium = 4	Internal controls, Internal Audit
Loss of key staff	L – Medium I – Medium = 4	Succession planning, staff development & training.
New Homes Bonus	L – Medium I – Medium = 4	Planning decisions, lobbying
Sittingbourne Town Centre	L – Medium I – Medium = 4	Project Management, professional advice.
Localisation of Business Rates	L – Low I – Medium = 3	Detailed consideration, modelling of impact.
Delivery of 2015/16 savings	L – Low I – High = 3	Robust challenge to savings assumptions, close monitoring of delivery.
Delivery of savings on major contracts	L – Low I – High = 3	Contract monitoring, future arrangements for major contracts.
Loss of principal funds in treasury deposits	L – High I – Low = 3	Security of deposits overriding criteria, use of treasury advisers
Judicial review of a major decision.	L – Low I – High = 3	Good governance, member & officer training.
Inflation	L – Low I – Medium = 2	Monitoring of macroeconomic position, contract preparation.

## MINIMUM REVENUE PROVISION (MRP) STATEMENT 2015/16

The Department for Communities and Local Government's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

The Regulations require that "A local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent".

The concept of Minimum Revenue Provision (MRP) was introduced in 1989 to prescribe the minimum amount which must be charged to the revenue account each year to meet credit liabilities (borrowing and leasing costs). MRP is charged to the General Fund and therefore does affect levels of Council Tax. Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted Capital Financing Requirement (CFR) which represents the underlying need to borrow for the Council.

The detailed rules and formulae to be used in the more recent method of calculation were laid down in Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. This system was later radically revised and now requires an annual statement setting out the method of calculation of MRP.

The Secretary of State for Communities and Local Government has issued guidance under section 21(1A) of the Local Government Act 2003. This states that "the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of the grant." This would affect any future borrowing that local authorities may be considering.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method (Equal Instalment or Annuity)
- Option 4: Depreciation Method

Note: This does not preclude other prudent methods.

MRP in 2015/16: Options 1 and 2 may be used only for supported expenditure (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government). Methods of making prudent provision for self-financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

**MINIMUM REVENUE PROVISION (MRP) STATEMENT 2015/16**

The MRP Statement will be submitted to Council before the start of the 2015/16 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

Council on 19 February 2014 resolved that for the 2014/15 financial year, the Council's policy for the calculation of Minimum Revenue Provision would be the regulatory method for supported borrowing and the asset life (equal instalment) method for Prudential borrowing.

The policy will be reviewed on an annual basis.

**For 2015/16 it is recommended that:**

- **for supported expenditure and for all capital expenditure incurred prior to 1 April 2008 MRP will, under delegated authority, be calculated under the Regulatory Method;**
- **MRP for all self-financed capital expenditure incurred after 1 April 2008 will, under delegated authority, be calculated under the Asset Life (Equal Instalment) Method;**
- **MRP in respect of leases and Public Finance Initiative (PFI) schemes brought on Balance Sheet under the International Financial Reporting Standards based Accounting Code of Practice will match the principal repayment for the associated deferred liability, to ensure that the impact on the revenue account is neutral.**
- **Where loans are made to other bodies for their capital expenditure, no MRP will be charged.**

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<b>Cabinet</b>	
<b>Meeting Date</b>	4 February 2015
<b>Report Title</b>	Treasury Management Strategy Statement and Investment Strategy 2015/16
<b>Cabinet Member</b>	Cllr. Duncan Dewar-Whalley Cabinet Member for Finance
<b>SMT Lead</b>	Nick Vickers, Head of Finance
<b>Head of Service</b>	Nick Vickers, Head of Finance
<b>Lead Officer</b>	Olga Cole, Management Accountant
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Forward Plan</b>	Yes
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To approve the Treasury Management Strategy Statement and Investment Strategy for 2015/16.</li> <li>2. To agree the proposed inclusion of Treasury Bills, highly rated overseas banks for increased deposits, use of the CCLA Property Fund, pooled corporate and absolute return funds to levels specified.</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement and Prudential Indicators on an annual basis.
- 1.2 The Chartered Institute of Public Finance and Accountancy has defined Treasury Management as:
 

“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.3 The changes to the regulatory regime for UK and European banks in January and July 2015 makes bank deposits, which have been the bedrock of our investment strategy, far riskier than previously and means that bank positions will need to be reduced and diversifying into other asset classes considered.

- 1.4 This report sets out and seeks approval of the proposed Treasury Management Strategy and Investment Strategy for the Council in 2015/16. It will be proposed to Council at the meeting on 18 February 2015.

## **2. Background**

### **Borrowing Strategy**

- 2.1 The Medium Term Financial Plan assumes that the Council remains free from external borrowing other than any borrowing necessary for short term cash flow reasons. The Council on 30 July 2014 agreed that borrowing would be allowed for the construction of a multi storey car park in Sittingbourne as part of the regeneration of the town centre.

### **Interest Rate Forecast**

- 2.2 The Council's treasury management advisor Arlingclose forecasts the first rise in official interest rates in Quarter 3 2015 and a gradual pace of increases thereafter, with the average for 2015/16 being around 0.75%. Arlingclose believes the normalised level of the Bank Rate post-crisis to range between 2.5% and 3.5%. This is a position which Arlingclose have held for a considerable time and increasingly the consensus view amongst forecasters has moved towards interest rates being lower for a longer time. A more detailed economic and interest rate forecast provided by the Arlingclose is attached at Appendix I.

### **Investment Strategy**

- 2.3 The Council holds invested funds, averaging in the year to date £20m with a maximum of £35m, representing income received in advance plus balances and reserves held.
- 2.4 Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and have regard to the security and liquidity of its investments before seeking higher return.
- 2.5 The Council has had a risk averse investment strategy limiting deposits to major highly rated UK financial institutions and Money Market Funds.
- 2.6 UK and European Governments have been working on options to avoid a repeat of the "bail out" of banks which we have seen since 2008. This has been replaced with the concept of "bail in" where classes of owners or depositors in the bank take the first tranches of any losses. The impact of this is reinforced by the likely downgrading of the credit ratings of banks as the impact of Government support is removed from the ratings in 2015.
- 2.7 The implementation of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors. The Bank Recovery

and Resolution Directive promotes the interests of individual and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast Deposit Guarantee Schemes Directive includes large companies into these schemes. The combined effect of these two changes is to leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.

- 2.8 The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, the credit risk associated with making unsecured bank deposits will increase relative to the risk of other investment options available to the Council.

### **Criteria for Counterparty Selection**

- 2.9 Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2015/16. This will mean less of the Council's total deposits being held with banks on an unsecured basis.

- 2.10 The Council could make use of the following asset classes:

- (1) **Government:** Loans, bonds and bills issued or guaranteed by national governments and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- (2) **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks with a minimum long term credit rating of A-. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. The only exception to this would be overnight deposits at the Council's current account provider if this was downgraded to BBB or BBB- at some future point.
- (3) **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

- (4) Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.
- (5) Money Market Funds: These are pooled investment funds managed by major financial institutions. Money Market Funds offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts. We already make extensive use of Money Market Funds.
- 2.11 Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 2.12 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 2.13 The Council understands that credit ratings are useful, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 2.14 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

## **Specified and Non-Specified Investments**

2.15 The CLG Guidance defines specified investments as those:

Denominated in pound sterling

Due to be repaid within 12 months of arrangement

Not defined as capital expenditure by legislation, and

Invested with one of:

;

- The UK Government

;

- A body or investment scheme of “high credit quality”

2.16 The Council defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

2.17 Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality.

## **Investment Strategy**

2.18 The current counterparties are:

Debt Management Office (DMO)

Supranational Banks

Barclays Bank Plc

HSBC Bank Plc

Lloyds Banking Group

RBS Group

Santander UK Plc

Nationwide Building Society

Standard Chartered Bank Plc

Svenska Handelsbanken

Leeds Building Society

Close Brothers

Small building societies- Furness, Leek, Newbury, Hinckley & Rugby, Darlington, Market Harborough, Melton Mowbray, Tipton & Coseley, Scottish, Loughborough, Mansfield, Harpenden and Vernon.

Money Market Funds

2.19 In consultation with Arlingclose the following additions are proposed:

Treasury Bills - these are fixed period Treasury deposits which are bought in an auction and typically pay higher rates than Debt Management Office deposits with the same level of security.

Highly rated overseas banks (unsecured deposits)- to be determined with Arlingclose and have a minimum credit rating of A+ compared with A- for UK banks, for example JP Morgan Chase Bank, various Australian and Canadian banks, Deutsche Bank, ING Bank.

Investment in the Church Charities and Local Authorities LAMIT Property Fund. This fund now has investments of over £200m and local authorities can invest in it without the investment counting as capital expenditure. Local councils including KCC, Tunbridge Wells and Ashford have invested.

Pooled corporate credit or loan funds- high quality, well diversified corporate credit funds.

Absolute return funds- these are funds which invest in a range of asset classes, equities, fixed income and alternatives, against a benchmark return typically of cash plus 5%.

2.20 Arlingclose are now recommending moving from a 10% of total deposits limit for unsecured deposits to 5%. The Council will move to a 5% limit on unsecured bank deposits at its discretion depending upon the assessment of individual counter parties by the Head of Finance. At the same time we will need to be extremely vigilant and either cease to use a counter party or move to overnight deposits if there are any signs of concern. The Money Market Fund individual limits will remain at £1.5m.

2.21 The recommended counterparty limits are:

Debt Management Office (Debt Management Account Deposit Facility) and Treasury Bills	Unlimited
Major UK banks / building societies. (Barclays, HSBC, Lloyds Banking Group, RBS Group, Santander UK, Nationwide, Standard Chartered) unsecured deposits.	£3m reducing to £2m per bank/building society
Svenska Handelsbanken	£3m
Leeds Building Society unsecured deposits	£1m
Close Brothers unsecured deposits	£1m
Small UK building societies unsecured deposits meeting Arlingclose preferred criteria	£250k each or £1m in aggregate
Major Overseas banks unsecured deposits (to be determined with Arlingclose)	£1m limit per bank
Short Term Money Market Funds	£1.5m each
CCLA LAMIT Property Fund	£1.5m in aggregate
Supranational bonds	£6m in aggregate
Corporate bond funds	£3m in aggregate
Absolute return funds	£3m in aggregate

### Duration of Investments

- 2.22 The maximum duration for term deposits will be 12 months. The Head of Finance in consultation with the Cabinet Member for Finance may consider longer duration.
- 2.23 For bonds the maximum duration will be 5 years including, where applicable, the 5-year benchmark bond which may at the point of issue have a maturity a few months in excess of 5 years.

## Treasury Advisors

2.24 Arlingclose is the Council's treasury adviser. Officers meet with Arlingclose on a quarterly basis.

## Treasury Training

2.25 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice requires the Head of Finance to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

## 3. Consultation Undertaken or Proposed

3.1 Consultation has been taken with Arlingclose.

## 4. Implications

Issue	Implications
Corporate Plan	Good management of the Council's cash balances assists the overall financial position of the Council and this helps meet its objectives.
Financial, Resource and Property	The low risk, low return investment strategy is reflected in investment income assumptions in the 2015/16 budget.
Legal and Statutory	DCLG and CIPFA requirements complied with.
Crime and Disorder	Not applicable
Risk Management and Health and Safety	Risk is controlled through adherence to specific guidance included in CIPFA's Treasury Management Code of Practice and Cross-Sectoral Guidance Notes. The principle of security of funds over-rides investment performance considerations.
Equality and Diversity	Not applicable
Sustainability	Not applicable

## 5. Appendices

5.1 The following appendices are published with this report and form part of the report



- Appendix I: Arlingclose Interest Rate Forecast
- Appendix II: Prudential and Treasury Management Indicators

## **6. Background Papers**

6.1 None

## ARLINCLOSE INTEREST RATE FORECAST

Underlying assumptions:

The UK economic recovery has continued. Household consumption remains a significant driver, but there are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP throughout this year.

We expect consumption growth to slow, given softening housing market activity, the muted outlook for wage growth and slower employment growth. The subdued global environment suggests there is little prospect of significant contribution from external demand.

Inflationary pressure is currently low and is likely to remain so in the short-term. Despite a correction in the appreciation of sterling against the US dollar, imported inflation remains limited. We expect commodity prices will remain subdued given the weak outlook for global growth.

The MPC's focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee.

Nominal earnings growth remains weak and below inflation, despite large falls in unemployment, which poses a dilemma for the MPC. Our view is that spare capacity remains extensive. The levels of part-time, self-employment and underemployment are significant and indicate capacity within the employed workforce, in addition to the still large unemployed pool. Productivity growth can therefore remain weak in the short term without creating undue inflationary pressure.

However, we also expect employment growth to slow as economic growth decelerates. This is likely to boost productivity, which will bear down on unit labour costs and inflationary pressure.

In addition to the lack of wage and inflationary pressures, policymakers are evidently concerned about the bleak prospects for the Eurozone. These factors will maintain the dovish stance of the MPC in the medium term.

The continuing repair of public and private sector balance sheets leave them sensitive to higher interest rates. The MPC clearly believes the appropriate level for Bank Rate for the post-crisis UK economy is significantly lower than the previous norm. We would suggest this is between 2.5 and 3.5%.

While the ECB is likely to introduce outright QE, fears for the Eurozone are likely to maintain a safe haven bid for UK government debt, keeping gilt yields artificially low in the short term.

The probability of potential upside risks crystallising have waned a little over the past two months. The primary upside risk is a swifter recovery in the Eurozone.

## ARLINCLOSE INTEREST RATE FORECAST

Forecast:

Arlingclose continues to forecast the first rise in official interest rates in Q3 2015; general market sentiment is now close to this forecast. There is momentum in the economy, but inflationary pressure is benign and external risks have increased, reducing the likelihood of immediate monetary tightening.

We project a slow rise in Bank Rate. The pace of interest rate rises will be gradual and the extent of rises limited; we believe the normalised level of Bank Rate post-crisis to range between 2.5% and 3.5%.

The short run path for gilt yields is flatter due to the deteriorating Eurozone situation. We project gilt yields on an upward path in the medium term.

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Dec-17	Mar-18
<b>Official Bank Rate</b>													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75
Downside risk				0.25	0.25	0.50	0.50	0.75	0.75	1.00	1.00	1.00	1.00
<b>3-month LIBID rate</b>													
Upside risk	0.05	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.55	0.60	0.65	0.85	1.00	1.15	1.30	1.45	1.60	1.75	1.85	2.05	2.15
Downside risk	0.10	0.15	0.20	0.30	0.40	0.55	0.65	0.75	0.85	-0.95	-0.95	-0.95	-1.00
<b>1-yr LIBID rate</b>													
Upside risk	0.10	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.95	1.00	1.05	1.20	1.35	1.50	1.65	1.80	1.95	2.10	2.20	2.40	2.50
Downside risk	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80	-0.80
<b>5-yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	1.70	1.75	1.90	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.90	2.95
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.70	-0.70
<b>10-yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	2.40	2.45	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	3.05	3.10
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60
<b>20-yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	2.90	2.95	3.05	3.10	3.15	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.55
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60
<b>50-yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	3.00	3.05	3.10	3.15	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.55	3.60
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

### 1. Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

### 2. Gross Debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

Should the Council borrow in advance of need, this will be limited to a three year maximum and will not exceed this indicator.

### 3. Estimates of Capital Expenditure:

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
<b>Total</b>	<b>2,454</b>	<b>1,103</b>	<b>15</b>	<b>15</b>

Capital expenditure will be financed or funded as follows:

Capital Financing	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Capital receipts	444	30	0	0
Government Grants	1,593	1,058	0	0
Revenue contributions	417	15	15	15
<b>Total Financing</b>	<b>2,454</b>	<b>1,103</b>	<b>15</b>	<b>15</b>
<b>Total Funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financing and Funding</b>	<b>2,454</b>	<b>1,103</b>	<b>15</b>	<b>15</b>

### 4. Ratio of Financing Costs to Net Revenue Stream:

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

The ratio is based on costs net of investment income.

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

Ratio of Financing Costs to Net Revenue Stream	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Total	1.75	1.70	1.67	1.71

**5. Capital Financing Requirement:**

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Total CFR	5,776	5,145	4,833	4,524

**6. Incremental Impact of Capital Investment Decisions:**

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
Decrease in Band D Council Tax	-0.01	0.00	0.00

**7. Authorised Limit and Operational Boundary for External Debt:**

The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Borrowing	5,000	5,000	5,000	5,000
Other Long-term Liabilities	2,000	2,000	2,000	2,000
<b>Total</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>

The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Operational Boundary for External Debt	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Borrowing	2,000	2,000	2,000	2,000
Other Long-term Liabilities	992	774	623	376
<b>Total</b>	<b>2,992</b>	<b>2,774</b>	<b>2,623</b>	<b>2,376</b>

### 8. Adoption of the CIPFA Treasury Management Code:

This indicator demonstrates that the Council has adopted the principles of best practice.

The Council approved the adoption of the revised CIPFA Treasury Management Code at its Council meeting on 22 February 2012.

The Council has incorporated the changes from the revised CIPFA Treasury Management in the Public Services: Code of Practice 2011 into its treasury policies, procedures and practices.

### 9. Credit Risk:

The Council considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

## Treasury Management Indicators

## 10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments)

	Existing level at 31/12/2014 %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
Interest on fixed rate borrowing	0	100	100	100
Interest on fixed rate investments	-38	-100	-100	-100
<b>Upper Limit for Fixed Interest Rate Exposure</b>	<b>-38</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest on variable rate borrowing	0	100	100	100
Interest on variable rate investments	-62	-100	-100	-100
<b>Upper Limit for Variable Interest Rate Exposure</b>	<b>-62</b>	<b>0</b>	<b>0</b>	<b>0</b>

As the Council has no borrowing, these calculations have resulted in a negative figure.

## 11. Maturity Structure of Fixed Rate borrowing:

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

Maturity structure of fixed rate borrowing	Lower Limit for 2015/16 %	Upper Limit for 2015/16 %
under 12 months	0	100
12 months and within 24 months	0	0
24 months and within 5 years	0	0
5 years and within 10 years	0	0
10 years and above	0	0



## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

**12. Upper Limit for total principal sums invested over 364 days:**

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

<b>Upper Limit for total principal sums invested over 364 days</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
<b>Total</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>

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<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	4 February 2015
<b>Report Title</b>	Corporate Plan 2015 - 2018
<b>Cabinet Member</b>	Cllr Bowles – Council Leader
<b>SMT Lead</b>	Abdool Kara – Chief Executive
<b>Head of Service</b>	David Clifford – Policy and Performance Manager
<b>Lead Officer</b>	David Clifford – Policy and Performance Manager
<b>Key Decision</b>	No
<b>Classification</b>	Open
<b>Forward Plan</b>	Yes
<b>Recommendations</b>	<p>Cabinet is asked to make the following recommendations to full council:</p> <ol style="list-style-type: none"> <li>1. To <b>adopt</b> the text at Appendix I as the council’s corporate plan for the period 2015-2018.</li> <li>2. To <b>adopt</b> the table at Appendix II as the council’s high-level action plan to sit immediately below the corporate plan objectives in 2015/16 and to be reviewed annually thereafter.</li> <li>3. To <b>give delegated authority</b> to the chief executive, in consultation with the cabinet member for performance, to confirm and where necessary amend indicators and targets in the corporate performance indicator set for 2015/16, based on the three-year targets adopted by council in May 2013 (minute No. 16, 2013/14).</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 This report seeks council’s agreement to adopt a new corporate plan to cover the period 2015-2018. It sets out the purpose of a corporate plan and summarises the recent history of strategic planning at Swale, before considering the options for dealing with the fact that the current plan will come to the end of its life in March 2015. The report contains the proposed new plan for 2015 - 2018 at Appendix I, and a proposed high-level action plan for 2015/16, to be updated annually, at Appendix II.

## 2 Background

- 2.1 The corporate plan is the overarching statement of SBC’s medium-term strategic objectives. The council’s first plan covered the period 2007/08 - 2010/11, while

the current one commenced at the start of the municipal year 2011/12 and will expire at the end of 2014/15.

- 2.2 The plan is traditionally structured around a limited number of high-level priorities, which articulate both local political aspirations and a considered response to anticipated changes in the council's wider operating environment. These priorities determine the focus of the council's activities and resource allocation for the duration of the plan. They are generally concerned with areas of change and development for the organisation, rather than acting as complete list of the council's disparate range of activities.
- 2.3 The plan is more of an inward-facing document than a public one, although of course it is published on the website and freely available to anyone who wants to read it. Its primary purpose is to ensure that council resources are coherently allocated in support of agreed priorities: as part of this, the plan plays an important role in staff engagement and motivation. Conversely, the objectives set out in the plan do need to be achievable within the resources available to the organisation.

### **3 Proposals**

- 3.1 Throughout the development of the version of the plan at Appendix I, there has been a strong sense from many stakeholders that a new corporate plan which continues the work of the current one is the most appropriate option. Much progress has been made over the four years since the current plan was adopted but, as would be expected, there remains more to be done before the council's long-term ambitions in areas such as regeneration or localism are fully realised. The new plan thus needs to update the objectives to ensure that they remain comprehensive in terms of addressing emerging issues within the Borough and more widely.
- 3.2 Given the high proportion of members' aspirations for the Borough which cannot be realised by the council acting alone, the council's ambitions can be split into those which are wholly within the power of the council to realise, and those which are not. With regard to the latter, it would seem sensible in setting objectives to determine the most that the council is able to do in pursuit of them, whether that is influencing partners to work with the council (at one end of the spectrum), through to concerted and systematic lobbying of the actual decision-makers and budget-holders (at the other), and to base concrete, measurable objectives on this.
- 3.3 The priorities in the version of the plan set out at Appendix I include objectives of both types. The three priorities represent the overarching statements of what it is that the council is setting out to achieve, and the objectives which sit under them represent the concrete steps it intends to take to achieve them. These priorities and objectives are summarised below. Objectives marked with an asterisk are those intended to further the council's aspirations in policy areas which are not

within the its exclusive control, and where we are therefore looking to work collaboratively in some way or another. The final objective under Priority 3 is intended precisely to strengthen the council's ability to do this effectively.

### **Priority 1: A borough to be proud of**

- 3.4 This priority focuses on the council's aspirations for Swale as a physical place. It continues the 2007 - 2011 priority of 'Regenerating Swale', but updates this to focus on the delivery phase as we move towards construction work commencing. The priority also carries on much of what is covered by 'Open for Business' in the current plan, including physical economic enablers such as infrastructure, but also covering the need for the Borough to improve its 'brand recognition' to attract both investment and visitors. Finally, the priority picks up many of the place-related elements of the 2007 - 2010 'Cleaner and Greener' and the 2011 - 2014 'Healthy Environment' priorities.
- 3.5 The proposed medium-term objectives under this priority are:
- Deliver major regeneration projects;
  - Enhance the borough's economic and tourism offer;
  - Keep Swale clean and tidy;
  - Protect and improve the natural and built environments; and
  - Lobby for better roads and transport\*.

### **Priority 2: A community to be proud of**

- 3.6 This priority focuses on the council's aspirations for the people of Swale. It continues the emphasis placed on encouraging more active communities in the 'Embracing Localism' priority of 2011- 2014 and the 'Safer and Stronger' priority of 2007 - 2010. It seeks to recognise that the council, and the wider public sector more generally, can never be the whole solution to the issues faced by communities in Swale, and that an important role for the council is in enabling and empowering residents to find their own answers to the difficulties they want to overcome.
- 3.7 Strongly aligned to this, the priority also covers the people-focused elements of the 2011 - 2014 'Open for Business' priority, such as support for indigenous business growth and the need to improve qualifications and skills. Finally, the priority picks up members' concerns and aspirations with regard to the health and mental health agendas, recognising the role the council needs to play in influencing local provision.
- 3.8 The proposed medium-term objectives under this priority are:
- Foster economic growth and prosperity for all;
  - Encourage active communities and support the voluntary sector;

- Reduce crime and disorder;
- Use our influence to ensure local skills are matched to local jobs\*; and
- Work collaboratively to improve health and mental health\*.

### **Priority 3: A council to be proud of**

- 3.9 This priority focuses on the council's need to develop its own organisational capacity and culture as it continually reassesses how it can best achieve the outcomes of the other two priorities. In part, this is related to the 2007 - 2010 priority of 'Becoming a High-Performing Organisation', but it acknowledges that the criteria for evaluating councils' performance have become more complex and more opaque during the lifetime of the current plan. The priority recognises the need to develop and sustain non-traditional sources of income while also minimising expenditure by encouraging innovation and experimentation in delivering services.
- 3.10 The priority additionally makes a clear reference to members' focus on the need to improve residents' perceptions and customers' experiences.
- 3.11 Finally, in including an explicit objective to enhance the council's capacity for achieving outcomes collaboratively (e.g. through lobbying, influencing or partnership working), the priority also seeks to deal as positively as possible with the problem that many of the most significant political aspirations for the Borough covered under the first two priorities are simply not within the power of the council to realise on its own.
- 3.12 The proposed medium-term objectives under this priority are:
- Improve residents' perceptions and customers' experiences;
  - Ensure that Swale's internal governance and decision-making are second to none;
  - Encourage innovation at every level;
  - Strengthen our financial and political resilience; and
  - Enhance our capacity for achieving outcomes collaboratively\*.

### **High-level action plan**

- 3.13 The plan at Appendix II is intended to sit below the broad objectives set out above and in Appendix I. Action plans of this type have historically been used as intermediaries between the corporate plan and individual departments' and divisions' annual service plans, and as such are generally updated on an annual basis. Some of the actions on the plan at Appendix II are at a greater level of detail than others, and there is also a range of likely durations, with some actions achievable by the end of 2015/16 and others expected to range over a longer term.

- 3.14 Both of these features are in accordance with the corporate plan's focus on change and development rather than on cataloguing the day-to-day activities of every team in the council: some of the actions needed to pursue the organisation's medium-term objectives will be fairly straightforward and quickly completed, whereas others will be as complex and long-ranging as the objectives themselves. Keeping the action plan updated on an annual basis enables completed actions to be removed and new ones added in response to any new risks to, or opportunities for, the achievement of the objectives.

### **Equality impact**

- 3.15 Members are reminded of the council's duty under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity, and to foster good relations between different groups in society. Case-law on this duty has established that having 'due regard' involves a conscious state of mind, and that it must be exercised with rigour and with an open mind in such a way that it influences the final decision. The equality duty is not a duty to achieve a particular result, but rather to have regard to the need to achieve the aims of the duty when making decisions.
- 3.16 A full assessment of the equality impact of the recommendations in this report is attached at Appendix III. As noted in the assessment, the corporate plan and its associated high-level action plan are in general at too high a level of abstraction for impacts to be assessed appropriately, and many of the pieces of work which will flow from it will need their own impact assessments at the time that specific decisions related to them are being considered. The impact of the plan itself on the aims of the equality duty, without reference to these more detailed pieces of work, is at this stage considered to be low, and no adverse impacts requiring mitigation have been identified.

### **Recommendation**

- 3.17 Council is **recommended** to adopt the text at Appendix I as the council's corporate plan for the period 2015 - 2018, and to adopt the table at Appendix II as the council's high-level action plan to sit immediately below the corporate plan objectives in 2015/16 and to be reviewed annually thereafter.
- 3.18 The corporate performance indicator set was updated in 2013/14 with a view to ensuring that, taken as a whole, it provides a broadly balanced and holistic overview of the entire organisation's performance. This new indicator set was adopted by council in May 2013, together with three-year targets to cover the period 2013/14 to 2015/16 (council minute No. 16, 2013/14).
- 3.19 Council is therefore further **recommended** to give delegated authority to the chief executive, in consultation with the cabinet member for performance, to confirm and where necessary amend indicators and targets in the corporate performance

indicator set for 2015/16, based on the three-year targets adopted by council in May 2013.

## **4 Alternative Options**

- 4.1 The council is under no statutory duty to adopt a corporate plan, so the option not to have a plan in place beyond 2014/15 is a valid one. However, the decision to produce the council's first corporate plan back in 2007 has been widely recognised as sound one: while many factors have contributed to Swale's 'rapid improvement in a range of areas' over the last few years, the opportunity to agree clear priorities and then to focus sustained effort and resources on them over a medium-term period has certainly been beneficial. The option to dispense with a corporate plan altogether is thus not recommended.
- 4.2 A further option would be to adopt a new corporate plan which established a wholly different direction for the council. However, while it is important that the council undertakes regular reviews of its strategic objectives to ensure that they remain the most appropriate ones in the light of emerging local issues and changes in the broader context within which it works, this does not mean that each new corporate plan should represent a radical departure from the last one.
- 4.3 Four years is not a long time in terms of strategic ambitions for a borough, and many of the council's most significant aspirations for Swale will take longer than the lifetime of a single plan to realise. While it is entirely appropriate that the opportunity should be taken to review and update priorities and objectives, it is therefore not recommended that the new plan should abandon the overall direction set by the current one.

## **5 Consultation Undertaken or Proposed**

- 5.1 The corporate plan is primarily an internal document, and as such the proposed text and action plan at Appendices I and II have been developed in close consultation with members and senior officers. In particular, the appendices as they are presented here accommodate the views and priorities of cabinet members, the policy development and review committee, the strategic management team and all heads of service.
- 5.2 The plan has also been subject to external consultation involving the publication of a draft version and a set of consultation questions to solicit feedback. This was publicised for example through the Swale Community Empowerment Network (SCEN) and the Swale Public Services Board (PSB), as well as through the council's Facebook and Twitter accounts. At the time of writing the consultation had not yet closed, but no responses had so far been received.
- 5.3 This compares with six responses received to the consultation exercise carried out before the current corporate plan was adopted, which followed a similar pattern of publicity to the one about to finish, with the exception that the council



did not at that time use social media. It should be borne in mind that the current corporate plan represented a fairly radical departure from its predecessor, and several of the consultation responses at that time related to this, for example questioning how 'embracing localism' could be a priority rather than a philosophy, and commenting on the apparent downgrading of the regeneration priority from the 2007 - 2010 plan. Clearly, with the proposed plan at Appendix II representing the development and evolution of the current plan, this issue does not arise in the same way.

- 5.4 In addition, two of the six responses received last time were from partner agencies on the Public Services Board. These organisations will have experienced significant reductions in their budgets over the intervening years, and may no longer routinely respond to consultations of this nature. However, discussions are currently ongoing with the Swale Clinical Commissioning Group on how our respective strategic and operational planning activities could be better aligned, and this could yet result in some suggestions to amend the corporate plan and/or its high-level action plan before it is finally adopted..

## 6 Implications

Issue	Implications
Corporate Plan	The report proposes a new corporate plan to replace the current one, which expires at the end of 2014/15.
Financial, Resource and Property	The corporate plan to some extent represents the narrative complement to the medium-term financial strategy (MTFS) in that it sets out in broad terms what the council intends to achieve given the distribution of resources established by the MTFS, albeit that its focus is on change and development rather than on cataloguing the complete list of activities the council expects to undertake. In general it is anticipated that the actions in the high-level action plan which sits beneath the corporate plan (Appendix II to this report) will be achieved within the resource allocations established in the MTFS.
Legal and Statutory	The council is under no statutory duty to prepare or adopt a corporate plan. However, section 3 of the Local Government Act 1999 (as amended) does impose a general duty, known as the 'Best Value Duty', to 'secure continuous improvement in the way in which [the council's] functions are exercised, having regard to a combination of economy, efficiency and effectiveness'. One of the purposes of the corporate plan is to provide clear strategic direction on agreed medium-term priorities in order to facilitate optimal and equitable resource allocation, thereby improving the economy, efficiency and effectiveness of council services.
Crime and Disorder	The proposed plan includes an explicit medium-term objective to 'Reduce crime and disorder' (Objective 2.3). No further specific

	implications have been identified at this stage.
Sustainability	The proposed plan includes an explicit medium-term objective to 'Protect and improve the natural and built environments' (Objective 1.4). No further specific implications have been identified at this stage.
Health and Wellbeing	The proposed plan includes an explicit medium-term objective to 'Work collaboratively to improve health and mental health' (Objective 2.5). No further specific implications have been identified at this stage.
Risk Management and Health and Safety	The corporate plan is a key tool in managing council risks, particularly those listed on the strategic risk register. Together with the high-level action plan at Appendix II, the plan at Appendix I addresses all of the risks on the current register with the exception of safeguarding, which while a strategic risk in terms of its impact, is more operational in terms of the actions which are taken to reduce the likelihood of it materialising. No specific health & safety implications have been identified at this stage.
Equality and Diversity	Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to the need to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper could directly impact on end users. The impact has been analysed and at this level of abstraction does not vary between groups of people. The results of this analysis are set out in the impact assessment attached at Appendix III.

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Making Swale a Better Place: SBC corporate plan 2015 - 2018
- Appendix II: High-level action plan 2015/16
- Appendix III: Community impact assessment

## 8 Background Papers

- Swale corporate plan 2012 – 2015: <http://www.swale.gov.uk/corporate-plan/>
- Swale's LGA corporate peer challenge report (February 2012): <http://www.swale.gov.uk/corporate-peer-challenge/>

**Version control: This is version 1.3.**

<b>Version</b>	<b>Summary of changes</b>	<b>Author</b>	<b>Date</b>
V0.1	First draft – for SMT 19/08/14	David Clifford	29/07/14
V0.2	Reviewed prior to SMT	Abdool Kara	14/08/14
V0.3	Minor amends following SMT	David Clifford	19/08/14
V0.4	Amends following informal Cabinet	David Clifford	29/08/14
V0.5	Amends following Comms review	David Clifford	04/09/14
V0.6	Amends following informal Cabinet	David Clifford	08/09/14
V1.0	Consultation draft for publication	David Clifford	06/10/14
V1.1	First draft following consultation prior to SMT	David Clifford	06/01/15
V1.2	Amends following SMT	David Clifford	14/01/15
V1.3	Amends following Cabinet agenda planning	David Clifford	19/01/15
V2.0	<i>Not yet written: final version for Council adoption</i>		

## ***Making Swale a Better Place***

### **Corporate Plan 2015-2018**

## **Foreword**

Welcome to *Making Swale a Better Place*, the Council's corporate plan for the period 2015 to 2018.

The purpose of the plan is to ensure that the Council's resources are allocated in a coherent, accountable and effective way, by setting out the three main priorities which we will be working to achieve over the next four years, together with the broad objectives we will be pursuing in support of these priorities. Our priorities for this period are:

- A Borough To Be Proud Of
- A Community To Be Proud Of
- A Council To Be Proud Of

Our previous corporate plan ran from 2011 to 2014. This was not always an easy period for local government, and Swale has had to shoulder its share of the funding reductions experienced by almost all public services during this time. The Council's response to these difficulties has been upbeat, enthusiastically embracing the need to devolve power over assets and services to the community, and continuing to make good progress with our ambitions for the regeneration of the Borough.

The scale of the national budget deficit is such that no matter who wins the 2015 general election there will be no end in sight to the austerity we have all lived through over these past four years. I am confident that this new corporate plan will enable Swale to face this challenging future in the same spirit that we have weathered the storm to date: working harder and more efficiently than ever, in close partnership with residents and other stakeholders, to drive forward our ambitions for the Borough and to fulfil our mission to make Swale a better place.

***Councillor Andrew Bowles, Leader of the Council***

## Contents

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## Introduction

This corporate plan is the overarching statement of Swale Borough Council's strategic objectives for the period April 2015 to March 2018. It is structured around three high-level priorities, each containing a limited number of objectives. Between them, these objectives articulate both local political aspirations and the organisation's response to anticipated changes in its wider operating environment.

The plan's primary purpose is to ensure that Council resources are coherently allocated in support of agreed priorities. The objectives established here will thus determine the focus of the Council's activities and expenditure for the duration of the plan, although they are intended to cover areas for change and development rather than encompassing everything that the Council does. They are supported by more detailed action-planning and budgeting processes, including the medium-term financial plan, strategies for tackling individual issues, and the annual budget-setting and service-planning rounds.

This is the Council's third corporate plan, the previous two having covered the periods 2007/08-2010/11 and 2011/12-2014/15. While it is important that the Council undertakes regular reviews of its strategic objectives to ensure that they remain the most appropriate ones in the light of emerging local issues and changes in the broader context within which the Council works, this does not mean that each new corporate plan should represent a radical departure from the last one.

Four years is not a long time in terms of strategic ambitions for a borough, and many of the Council's most significant aspirations for Swale will take longer than the lifetime of a single plan to realise. The Council has already had some major successes in achieving these long-term ambitions, and the prudent financial management of recent years means that it is well-placed to accomplish even more for the Borough over the lifetime of this new plan. The ways in which the priorities and objectives of this plan relate to those of previous plans is highlighted throughout the document.

## **The Council's purpose: Making Swale a better place**

The Council's statutory remit combines responsibility for a wide range of local government services with a focus on the Borough of Swale, one of the 12 districts which make up the county of Kent. Swale is located on the County's north coast between Medway, Maidstone and Canterbury, around 45 miles from London. It includes the towns of Sittingbourne, Faversham and Sheerness, as well as an extensive rural hinterland which takes in the whole of the Isle of Sheppey and part of the Kent Downs Area of Outstanding Natural Beauty. The Borough covers an area of 140 square miles, roughly one-tenth of Kent, and is home to 139,200 residents.

Swale's economy has historically been most strongly associated with manufacturing, port activities and agriculture, but the last 25 years have seen a successful diversification towards a broad range of small and medium-sized businesses. Swale is ranked by central government as the 99th least well-off area out of 326 in England<sup>1</sup>, meaning that on average our residents' socioeconomic wellbeing is among the lowest third of local authority areas in the country.

However, this overall figure masks considerable variation within the Borough, with affluent and up-and-coming areas sitting cheek-by-jowl with some of the worst-off neighbourhoods in the country. While prosperity is returning to most of the Borough following the recession, Swale still encompasses some pockets of entrenched poverty and disadvantage.

At the root of many of these issues is the decline of the traditional manufacturing base, with its need to employ large numbers of low-skilled workers. One of the legacies of Swale's industrial past is thus its 'skills gap', with a higher than average proportion of residents having insufficient skills to be competitive in the modern workplace, and fewer than average highly qualified professionals.

This relative lack of professional jobs and marketable skills means that unemployment remains higher than the regional average and salaries are lower. Associated with the pockets of poverty that these factors produce are a number of further demographic issues, particularly with regard to residents' health. Variations in lifestyle choices and in access to opportunities to improve health mean that average life expectancy is up to 10 years lower in the Borough's worst-off neighbourhoods than in its more affluent.

### **What do Swale's residents think of the Borough and of the Council?**

The Council runs an annual postal survey as a statistically robust way of assessing residents' views and priorities. In the 2013 survey, 56 per cent of residents said they were satisfied with the way the Council runs things locally, up from 39 per cent in 2010. This result would appear to mirror the national picture of satisfaction with, and trust in,

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<sup>1</sup> Based on the 2010 English Indices of Deprivation. Updated rankings will be published in Summer 2015.

local councils increasing, while that in national institutions is falling. Some 76 per cent of residents report that they are satisfied with their local area as a place to live.

The survey asks residents to list the five things they think are most important in making somewhere a good place to live, and the five things they think most need improving in their local area. The most popular answers have remained broadly the same for several years; those for 2013 are shown in Table 1, while some of the ways the Council is working to address the things in need of improvement are described on page 6.

<b>Most important in making somewhere a good place to live</b>	<b>Most in need of improvement in Swale</b>
1. Level of crime	1. Road and pavement repairs
2. Clean streets	2. Activities for teenagers
3. Health services	3. Job prospects
4. Good schools	4. Traffic congestion
5. Road and pavement repairs	5. Shopping facilities

*Table 1: Residents' views of what is important and what is in need of improvement*

### **What does the Council do to make Swale a better place?**

The Council is responsible for providing or commissioning a wide range of public services in the Borough. Many of these are concerned with its physical appearance and the amenities it offers, including street cleaning, leisure facilities, open spaces, and management of the countryside and coastline. The Council consults with residents to establish the planning framework within which building is permitted, and works with developers to oversee construction projects. It is actively engaged in economic development, promoting the Borough for tourism and inward investment, and supporting existing employers to thrive.

The Council also provides or commissions many services for individual customers, whether on a universal basis – such as household refuse collection and running national and local elections – or in a way which is targeted at people who are most in need. The latter include a wide range of housing-related services, such as accommodation for homeless households, home adaptations to keep people out of residential care, regulation of private landlords, and the administration of housing benefit. The Council is also actively involved in supporting people affected by crime and disorder, including domestic abuse sufferers.

In addition to the services provided by the Council, the fact that councillors are democratically elected by residents gives the Council a legitimate interest in all the ways in which public money is spent in the Borough and the issues it is intended to tackle. Many of the most entrenched problems experienced by some of Swale's communities – including low skills, worklessness, and poor health – are more directly the concern of other agencies with wider geographical remits, but the Council is

ambitious to play its part in working with and influencing those agencies to agree joint priorities and deliver the best solutions for Swale.

### **What is the Council's track record in making Swale a better place?**

The Council has a strong track record in optimising the use of its limited resources to make Swale a better place and improve facilities and opportunities for the people who live and work here. Over the past year, for example, the Council has:

- delivered a highly successful regeneration conference to raise awareness of Swale's advantages as an investment location, attracting keynote speakers including Lord Digby Jones and the Rt Hon Michael Fallon MP, who described the Borough as 'a superb location to do business';
- rolled out a new waste collection arrangement with contractor Biffa, developed and signed in partnership with Kent County Council and Ashford and Maidstone Borough Councils, which will enable residents to separate food waste for composting and increase recycling rates by over a third by 2016, while saving Swale taxpayers at least £800,000 per annum; and
- worked with community representatives on the Sittingbourne Skate Park Steering Group to develop ambitious plans for a state-of-the-art skate park on the Lloyds Wharf site, as a way to encourage healthier levels of physical activity among residents and provide the Borough's young people with an amenity they can enjoy and be proud of.

The Council's role in the things listed by residents as most in need of improvement in the Borough (Table 1 above) is in most cases restricted to influencing or working in partnership with the responsible organisation to ensure that Swale's needs are given high priority. The Council is already experienced and effective in this collaborative approach to tackling local problems, and will be looking to enhance further its capacity for lobbying and influencing over the lifetime of this plan. Some of the ways in which the Council works to address residents' priorities as shown in Table 1 include:

- **Road and pavement repairs:** Although Swale Borough Council receives no funding for roads and has no statutory powers, it is an active member of the Joint Transportation Board, where it works to promote Swale's needs and ensure maintenance of Swale's roads is given a high priority within Kent.
- **Activities for teenagers:** The Council takes its responsibility for physical amenities in Swale very seriously, although children's and youth services in the Borough are run by Kent County Council. In addition to its work on the new skate park, the Borough Council is working hard with development partners to ensure that the new town centre for Sittingbourne, construction of which is scheduled to commence in 2015, will include a multiplex cinema and a range of other leisure facilities.
- **Job prospects:** The Council's Economy and Community Services team works to attract businesses into the Borough, support existing companies to grow, and improve opportunities for people to gain workplace skills. Since 2008, over two



million square feet of new employment floorspace has been created in Swale, almost twice that of any other Kent district, and last year almost 1,200 young people from Swale benefited from apprenticeship placements supported by the Council. The TIGER loan scheme has enabled over £6.9m of interest-free loans to be offered to local companies, supporting 433 new high-quality jobs in the Borough and helping safeguard a further 272.

- **Traffic congestion:** The Council is active in lobbying government for better road infrastructure to support economic growth in the Borough, with improvements to major highways of particular importance. Thanks largely to the Council's efforts, the Borough has recently been allocated £2.5m for town centre road improvements, and following significant local lobbying activity, the government has recently announced its commitment to improvements at Junction 5 of the M2.
- **Shopping facilities:** The regeneration of Sittingbourne town centre has long been a top priority for the Council. This is a complex piece of work involving a wide range of partners and finely judged assessments of what is viable given the town's geographic, economic and other characteristics. Having successfully steered negotiations through the difficult days of national economic recession, the Council and the Spirit of Sittingbourne consortium are now confident that construction work on Phase I will begin in 2015.

This plan outlines how the Council intends to carry on making Swale a better place over the period April 2015 to March 2018. It is organised under three overarching priorities, intended to draw together the disparate strands of the Council's work to improve Swale as a place, as a community, and as an organisation. Some further examples of the Council's recent successes are given under each of the plan's three priorities.

## Priority One: A Borough To Be Proud Of

This priority focuses on the Council's aspirations for Swale as a physical place. The key outcomes we are working towards under this priority are:

- a redeveloped town centre for Sittingbourne which acts as a catalyst for the wholesale regeneration of the Town, fostering economic and cultural renewal;
- delivery of smaller-scale regeneration projects elsewhere in the Borough to improve the appearance and facilities of our towns and villages;
- a borough which is noticeably clean and well maintained, in which the natural and built environments are respected, conserved, and enhanced for future generations;
- a borough with a strong brand, which is recognised nationally and internationally for its advantageous business environment and for its wealth of visitor attractions; and
- world-class multi-modal transport links which facilitate economic growth and enable residents from across the Borough to take advantage of it.

This priority thus continues the 2007-2011 priority of 'Regenerating Swale' but updates it to focus on the delivery phase as we move towards construction work commencing. The priority also carries on much of what is covered by 'Open for Business' in the 2011-2014 plan, including physical economic enablers such as infrastructure, but also covering the need for the Borough to improve its 'brand recognition' to attract both investment and visitors. Finally, the priority continues many of the place-related elements of the 2007-2010 'Cleaner and Greener' and the 2011-2014 'Healthy Environment' priorities.

Given this continuity between past and present corporate plans, it is unsurprising that teams from across the Council are already working hard to ensure that Swale is a borough to be proud of. Over the past year, for example, the Council has:

- undertaken detailed preparatory work with the Spirit of Sittingbourne consortium so that a planning application for the first phase of the town centre regeneration, including a new cinema, multi-storey car-park, and leisure and restaurant facilities, is currently being determined, with work likely to begin on the ground this year;
- launched high-profile media and advertising campaigns against littering and dog-fouling, helping us ensure that Swale's streets remained clean and tidy;
- launched new 'Visit Swale' and 'Swale Means Business' websites to provide free promotion to the Borough's tourism businesses and showcase the many advantages of the Borough as a place for business investment;
- won numerous awards for the Borough's beaches and open spaces, as well as being shortlisted for a prestigious Municipal Journal award for the work of the Environmental Response Team.

In order to continue this work into 2015 and beyond, our high-level objectives under this priority, beneath which more detailed action plans are either already in existence or will be developed, are:

1. Deliver major regeneration projects
2. Enhance the Borough's economic and tourism offer
3. Keep Swale clean and tidy
4. Protect and improve the natural and built environments
5. Lobby for better roads and transport

## Priority Two: A Community To Be Proud Of

This priority focuses on the Council's aspirations for the people of Swale. The key outcomes we are working towards under this priority are:

- communities across Swale in which people work together to solve the issues that confront their local areas;
- a diverse, flourishing and well-supported voluntary sector working to improve lives across the Borough;
- a low-crime Borough in which a 'zero tolerance' approach is taken to antisocial behaviour and no-one has to live in fear of crime, domestic abuse or intimidation;
- an educated community in which everyone has the opportunity to acquire the skills which will enable them to work to support their families, and in which businesses are able to thrive through the recruitment of well-qualified local people; and
- a community in which everyone plays their part in maintaining their own physical and mental wellbeing through healthy lifestyle choices, but where people have easy access to world-class healthcare when things go wrong.

This priority thus continues the emphasis placed on encouraging active communities in the 'Embracing Localism' priority of 2011-2014, and the 'Safer and Stronger' priority of 2007-2010. It seeks to recognise that the Council, and the wider public sector more generally, can never be the whole solution to the issues faced by communities in Swale, and that an important role for the Council is in enabling and empowering residents to find their own answers to the difficulties they want to overcome.

Strongly aligned to this, the priority also covers the people-focused elements of the 2011-2014 'Open for Business' priority, such as support for indigenous business growth and the need to bring the Council's influence to bear to improve residents' opportunities to acquire qualifications and skills. Finally, the priority recognises the significant contribution made by the Council's services to public health in the Borough, as well as its increasingly important role in working with partners to influence local healthcare provision.

Given this continuity between past and present corporate plans, it is unsurprising that teams from across the Council are already working hard to ensure that Swale is a community to be proud of. Over the past year, for example, the Council has:

- worked to support the Borough's employers to offer apprenticeship opportunities to local young people as a way to improve their skills and employability, so that Swale now out-performs much of Kent in the number of apprenticeships it can offer its young people;

- continued to transfer responsibility for the management of community assets such as community halls and sports and leisure facilities to groups of local volunteers with the passion and local knowledge to make the best use of them for the benefit of their communities;
- supported Isle of Sheppey residents to prepare for a changing climate through the Sustainable Sheppey project, increasing community resilience and helping people to adopt greener lifestyles, learn new skills, and save money on household bills;
- run a successful campaign to increase the number of people giving their time to help others in Swale, and organised the first ever Volunteer Swale Awards as a way to say “thank you” for the vital work they do to improve the lives of Swale’s residents.

In order to continue this work into 2015 and beyond, our high-level objectives under this priority, beneath which more detailed action plans are either already in existence or will be developed, are:

1. Foster economic growth and prosperity for all
2. Encourage active communities and support the voluntary sector
3. Reduce crime and disorder
4. Use our influence to ensure local skills are matched to local jobs
5. Work in partnership to improve health and mental health

### **Priority Three: A Council To Be Proud Of**

This priority focuses on the Council's need to develop its own organisational capacity and culture as it continually reassesses how it can best achieve the objectives of the other two priorities. The key outcomes we are working towards under this priority are to be:

- a Council which is regarded as a positive asset to the area by its residents and taxpayers, and which routinely exceeds its customers' expectations;
- an organisation which continually and actively seeks new ways of achieving better results at lower cost, and in which all employees are supported to experiment and innovate to improve the way they do their jobs;
- a Council whose ongoing financial viability is largely independent of the decisions made by central government, which is less dependent on grant funding, and which is well placed to secure the best arrangement for Swale's residents in the event of local government reorganisation; and
- a Council with the confidence and capacity to fulfil its community leadership role, sustaining effective partnerships with other local agencies and punching above its weight to ensure that Swale's needs are taken fully into account at a national and European level.

In part, this priority reaches back to the 2007-2010 priority of 'Becoming a High-Performing Organisation', but it acknowledges that the criteria for evaluating councils' performance have become more complex and more opaque in recent years. The priority also recognises the need to develop non-traditional sources of income while minimising expenditure by encouraging innovation and experimentation in delivering services. Thanks to its robust financial management practices, the Council will be able to make reserve funds available on an 'invest to save' basis for projects which offer realistic opportunities to make savings or generate revenue.

The priority additionally acknowledges the need for the Council to continue to be run as effectively and efficiently as possible, and to maintain a focus on residents' perceptions and customers' experiences. Finally, in incorporating an explicit objective to enhance the Council's capacity for achieving outcomes collaboratively (e.g. through lobbying, influencing or partnership working), the priority also seeks to deal as proactively as possible with the fact that some of the most significant aspirations for the Borough encompassed by the other two priorities are simply not within the power of the Council to realise on its own.

Given the continuity between past and present corporate plans, it is unsurprising that teams from across the Council are already working hard to ensure that Swale's is a council to be proud of. Over the past year, for example, the Council has:

- frozen council tax for the fourth year in a row, maintaining Swale's position as the third-lowest of all Kent districts, notwithstanding its high proportion of properties in lower council tax bands;
- continued its prudent management of public finances, dealing positively with government spending reductions by setting a balanced revenue budget 18% smaller than three years ago and delivering an overall underspend against this at year end, further strengthening the council's ability to invest in long-term regeneration projects and earning an exemplary report from the Council's external auditor.
- supported a wide range of internal and partnership-based initiatives designed to cut costs and improve outcomes, including the 'troubled families' initiative, new service-sharing arrangements with Maidstone and Tunbridge Wells Councils, and co-location of housing and benefits advisors to provide a more seamless service to clients;
- made innovative use of new freedom from government red tape to invest reserves in the purchase of a house for use as temporary accommodation for local homeless households, enabling vulnerable people to remain in the Borough, close to their families and support networks, while saving taxpayers around £19,000 per year on the cost of bed-and-breakfast accommodation; and
- won numerous awards and accreditations, including corporate 'Investors in People' and 'Customer Service Excellence' in a number of customer-facing services, and ensured that three-quarters of the indicators we use to measure the quality of our services are performing better than an average local authority.

In order to continue this work into 2015 and beyond, our high-level objectives under this priority, beneath which more detailed action plans are either already in existence or will be developed, are:

1. Improve residents' perceptions and customers' experiences
2. Ensure that Swale's internal governance and decision-making are second to none
3. Encourage innovation at every level
4. Strengthen our financial and political resilience
5. Enhance our capacity for achieving outcomes collaboratively

## **Financial Summary**

[To follow]

## **Your Councillors**

...



**PRIORITY 1: A BOROUGH TO BE PROUD OF****Objective 1.1: Deliver major regeneration projects**

- |       |                                                                                                                                       |
|-------|---------------------------------------------------------------------------------------------------------------------------------------|
| 1.1.1 | Encourage regeneration investment, job creation and urban renewal across the Borough.                                                 |
| 1.1.2 | Work with Spirit and other partners to deliver the regeneration of Sittingbourne Town Centre.                                         |
| 1.1.3 | Ensure that sufficient short-term car-parking spaces are created in Sittingbourne Town Centre to offset spaces lost to redevelopment. |

**Objective 1.2: Enhance the Borough's economic and tourism offer**

- |       |                                                                                                                                                      |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.2.1 | Promote Swale for business investment and expansion.                                                                                                 |
| 1.2.1 | Continue to support the success of key employment locations including Eurolink, Port of Sheerness, Kent Science Park, Kemsley Fields and Neatscourt. |
| 1.2.3 | Support the local tourism industry.                                                                                                                  |
| 1.2.4 | Support partners in the roll-out of fibre-based broadband within the Borough.                                                                        |

**Objective 1.3: Keep Swale clean and tidy**

- |       |                                                                                                                                    |
|-------|------------------------------------------------------------------------------------------------------------------------------------|
| 1.3.1 | Keep the streets and open spaces in the Borough clean and tidy and encourage reduced littering.                                    |
| 1.3.2 | Continue to develop a waste collection service which encourages greater levels of recycling and reduced levels of household waste. |

**Objective 1.4: Protect and improve the natural and built environments**

- |       |                                                                                                 |
|-------|-------------------------------------------------------------------------------------------------|
| 1.4.1 | Publish, submit and adopt the Local Plan.                                                       |
| 1.4.2 | Continue to provide excellent stewardship of the countryside, coastline, parks and open spaces. |
| 1.4.3 | Continue to mitigate against the causes of climate change.                                      |

**Objective 1.5: Lobby for better roads and transport**

- |       |                                                                                                                                                              |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5.1 | Lobby for infrastructure improvements to the M2 in the Borough as set out in the 2014 South-East Local Growth Fund bid.                                      |
| 1.5.2 | Continue to press the case for the completion of the Sittingbourne relief road.                                                                              |
| 1.5.3 | Work with partners to ensure Swale has a public transport network which enhances work and leisure opportunities and is an attractive alternative to car use. |

**PRIORITY 2: A COMMUNITY TO BE PROUD OF****Objective 2.1: Foster economic growth and prosperity for all**

- |       |                                                                                                                                                             |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1.1 | Continue to provide tailored packages of support to local businesses and start-ups.                                                                         |
| 2.1.2 | Promote opportunities to bid for Council contracts among local businesses, and use social value criteria when assessing tenders to ensure fair competition. |

2.1.3	Work with partners to support residents through welfare reform and encourage greater independence where appropriate.
2.1.4	Continue to support initiatives to help troubled families across Swale.
<b>Objective 2.2: Encourage active communities and support the voluntary sector</b>	
2.2.1	Continue to transfer responsibility for assets and services to parish/town councils and voluntary/community groups.
2.2.2	Ensure the aims of the volunteering strategy are delivered.
2.2.3	Promote opportunities to bid for Council contracts among local voluntary/community organisations, and use social value criteria when assessing tenders to ensure fair competition.
2.2.4	Commemorate the 1914-1918 centenary.
2.2.5	Help residents and communities to adapt to a changing climate.
<b>Objective 2.3: Reduce crime and disorder</b>	
2.3.1	Continue to tackle crime, disorder and antisocial behaviour.
<b>Objective 2.4: Use our influence to ensure local skills are matched to local jobs</b>	
2.4.1	Target lobbying and influencing activity on the need to bring the Borough's skills profile up to the national and regional averages.
2.4.2	Continue to encourage the creation of opportunities for young people to enter employment and learning, particularly apprenticeships.
2.4.3	Press the case for equitable access to further education across Swale (especially Sittingbourne), and ideally for better provision within the Borough.
2.4.4	Work to facilitate an improvement in linkages between employers and skills providers so that training provision more accurately reflects employers' needs.
<b>Objective 2.5: Work collaboratively to improve health and mental health</b>	
2.5.1	Continue to use the local Health and Wellbeing Board to influence the local health and public health agendas.
2.5.2	Support partners to improve health and reduce hospital admissions through effective home adaptations and by improving conditions in privately rented homes.
2.5.3	Pilot and roll out an identification and initial assessment service among frontline staff to ensure appropriate referral of apparent mental health needs.
2.5.4	Implement <i>Move Ourselves</i> , the sport and physical activity framework for Swale.
2.5.5	Support the development of shared routes for cycling and walking.
<b>PRIORITY 3: A COUNCIL TO BE PROUD OF</b>	
<b>Objective 3.1: Improve residents' perceptions and customers' experiences</b>	
3.1.1	Implement the corporate Communications Strategy.
3.1.2	Identify and address the factors with the strongest influence on residents' perceptions of the Council.

3.1.3	Provide a choice of access to our services through a balance of cost-effective and convenient options, and pursue initiatives to improve customer service at reduced cost.
<b>Objective 3.2: Ensure that Swale's internal governance and decision-making are second to none</b>	
3.2.1	Use the annual budget-setting process to produce balanced budgets and ensure maximum value for money, and closely monitor expenditure against budgets during the year.
3.2.2	Continue to undertake robust performance management of Swale's services and regular benchmarking with other top-performing councils.
3.2.3	Improve the Council's understanding of its appetite for risk and ensure that appropriate mechanisms are in place to manage risks at all levels.
<b>Objective 3.3: Encourage innovation at every level</b>	
3.3.1	Ensure that staff are supported to experiment and innovate in finding new ways to achieve better outcomes at lower cost.
3.3.2	Continue to be proactive in learning about 'what works', whether from our own experiences or from those of other organisations across the public, private and voluntary sectors.
<b>Objective 3.4: Strengthen our financial and political resilience</b>	
3.4.1	Ensure that income from government sources over which the Council has some control (e.g. New Homes Bonus and retained NNDR) is maximised.
3.4.2	Assess and pursue options for generating revenue to reduce dependence on government-controlled funding streams.
3.4.3	Work to develop a preferred outcome to secure the best arrangements for Swale's residents in the event of local government reorganisation.
<b>Objective 3.5: Enhance our capacity for achieving outcomes collaboratively</b>	
3.5.1	Strengthen further our ability to work in partnership with other agencies, whether at strategic, tactical or operational levels.
3.5.2	Work to improve our capacity for systematic and concerted lobbying.

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# Community Impact Assessment

A Community Impact Assessment (CIA) is a document that summarises how the council has had due regard to the public sector equality duty (Equality Act 2010) in decision-making.

## When to assess

A CIA should be carried out when you are changing, removing or introducing a new service, policy or function. The assessment should be proportionate; a major financial decision will need to be assessed more closely than a minor policy change.

## Public sector equality duty

The Equality Act 2010 places a duty on the council, when exercising public functions, to have due regard to the need to:

- 1) Eliminate discrimination, harassment and victimisation;
- 2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- 3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

These are known as the three aims of the general equality duty.

## Protected characteristics

The Equality Act 2010 sets out nine protected characteristics that apply to the equality duty:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership\*
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

\*For marriage and civil partnership, only the first aim of the duty applies in relation to employment.

**We also ask you to consider other socially excluded groups**, which could include people who are geographically isolated from services, with low literacy skills or living in poverty or low incomes; this may impact on aspirations, health or other areas of their life which are not protected by the Equality Act, but should be considered when delivering services.

## Due regard

To 'have due regard' means that in making decisions and in its other day-to-day activities the council must consciously consider the need to do the things set out in the general equality duty: eliminate discrimination, advance equality of opportunity and foster good relations.

How much regard is 'due' will depend on the circumstances and in particular on the relevance of the aims in the general equality duty to the decision or function in question. The greater the relevance and potential impact, the higher the regard required by the duty. The three aims of the duty may be more relevant to some functions than others; or they may be more relevant to some protected characteristics than others.

## Collecting and using equality information

The Equalities and Human Rights Commissions (EHRC) states that 'Having due regard to the aims of the general equality duty requires public authorities to have an adequate evidence base for their decision making'. We need to make sure that we understand the potential impact of decisions on people with different protected characteristics. This will help us to reduce or remove unhelpful impacts. We need to consider this information before and as decisions are being made.

There are a number of publications and websites that may be useful in understanding the profile of users of a service, or those who may be affected.

- The Office for National Statistics Neighbourhoods website <http://www.neighbourhood.statistics.gov.uk>
- Swale in 2011 [http://issuu.com/swale-council/docs/key\\_data\\_for\\_swale](http://issuu.com/swale-council/docs/key_data_for_swale)
- Kent County Council Research and Intelligence Unit [http://www.kent.gov.uk/your\\_council/kent\\_facts\\_and\\_figures.aspx](http://www.kent.gov.uk/your_council/kent_facts_and_figures.aspx)
- Health and Social Care maps <http://www.kmpho.nhs.uk/health-and-social-care-maps/swale/>

At this stage you may find that you need further information and will need to undertake engagement or consultation. Identify the gaps in your knowledge and take steps to fill these.

## Case law principles

A number of principles have been established by the courts in relation to the equality duty and due regard:

- Decision-makers in public authorities must be aware of their duty to have 'due regard' to the equality duty
- Due regard is fulfilled before and at the time a particular policy is under consideration as well as at the time a decision is taken. Due regard involves a conscious approach and state of mind.
- A public authority cannot satisfy the duty by justifying a decision after it has been taken.
- The duty must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.
- The duty is a non-delegable one. The duty will always remain the responsibility of the public authority.
- The duty is a continuing one.
- It is good practice for those exercising public functions to keep an accurate record showing that they have actually considered the general duty and pondered relevant questions. Proper record keeping encourages transparency and will discipline those carrying out the relevant function to undertake the duty conscientiously.
- The general equality duty is not a duty to achieve a result, it is a duty to have due regard to the need achieve the aims of the duty.
- A public authority will need to consider whether it has sufficient information to assess the effects of the policy, or the way a function is being carried out, on the aims set out in the general equality duty.
- A public authority cannot avoid complying with the duty by claiming that it does not have enough resources to do so.

Examples of case law can be found here [EHRC relevant case law](#). They include examples of why assessing the impact **before** the decision is made is so important and case law around the need to have due regard to the duty

<b>Lead officer:</b>	David Clifford – Policy and Performance Manager
<b>Decision maker:</b>	Council
<b>People involved:</b>	David Clifford – Policy and Performance Manager Bob Pullen – Policy and Performance Officer Sarah Porter – Sustainable Sheppey Project Manager
<b>Decision:</b> § Policy, project, service, contract § Review, change, new, stop	This is a high-level strategic plan which is being reviewed and updated.
<b>Date of decision:</b> The date when the final decision is made. The CIA must be complete before this point and inform the final decision.	Council: 18 February 2015
<b>Summary of the decision:</b> § Aims and objectives § Key actions § Expected outcomes § Who will be affected and how? § How many people will be affected?	<p>The plan proposes three overarching priorities for the council to focus on over the period 2015/16-2018/19. Beneath each of these priorities sit five high-level objectives, as follows:</p> <p><b>Priority 1: A borough to be proud of.</b></p> <ul style="list-style-type: none"> <li>§ Deliver major regeneration projects.</li> <li>§ Enhance the borough's economic and tourism offer.</li> <li>§ Keep Swale clean and tidy.</li> <li>§ Protect and improve the natural and built environments.</li> <li>§ Lobby for better roads and transport.</li> </ul> <p><b>Priority 2: A community to be proud of.</b></p> <ul style="list-style-type: none"> <li>§ Foster economic growth and prosperity for all.</li> <li>§ Encourage active communities and support the voluntary sector.</li> <li>§ Reduce crime and disorder.</li> <li>§ Use our influence to ensure local skills are matched to local jobs.</li> <li>§ Work collaboratively to improve health and mental health.</li> </ul> <p><b>Priority 3: A council to be proud of.</b></p> <ul style="list-style-type: none"> <li>§ Improve residents' perceptions and customers' experiences.</li> <li>§ Ensure that Swale's internal governance is second to none.</li> <li>§ Encourage innovation at every level.</li> <li>§ Strengthen our financial and political resilience.</li> <li>§ Enhance our capacity for achieving outcomes collaboratively.</li> </ul> <p>The key actions for 2015/16 are set out in the accompanying high-level action plan, which is intended to sit below the objectives listed above. Action plans of this type have historically been used as intermediaries between the corporate plan and individual departments' annual service plans, and as such are</p>

	<p>generally reviewed updated on an annual basis. Some of the actions on the plan at Appendix II are at a greater level of detail than others, and there is also a range of likely durations, with some actions achievable by the end of 2015/16 and others expected to range over a longer term.</p> <p>What all these actions have in common, however, is that whether they will need to be broken down into more discrete 'sub-actions' or not, they are at too abstract a level to allow a robust assessment of their impact in terms of equality legislation. In many cases, separate impact assessments will need to be made on these pieces of work as their precise parameters become clearer, and these will be brought to members for consideration in due course.</p> <p>Insofar as it provides guidance for the allocation of council resources over the medium term, the corporate plan potentially has an impact on everyone living in, working in or visiting the borough. However, as with the action plan, the plan is a strategic document which sets out broad areas of focus rather than proposing concrete pieces of work which could have a definite and measurable equality impact.</p>
<p><b>Information and research:</b></p> <ul style="list-style-type: none"> <li>• Outline the information and research that has informed the decision.</li> <li>• Include sources and key findings.</li> <li>• Include information on how the decision will affect people with different protected characteristics.</li> </ul>	<p>The text of the plan contains a great deal of contextual demographic information about the borough and its residents. However, the plan is (intentionally) at too abstract a level to have a definite impact on people with particular protected characteristics. More detailed pieces of work which will sit under the objectives in the plan will need to be subject to impact assessments in their own right in due course.</p>
<p><b>Consultation:</b></p> <ul style="list-style-type: none"> <li>• Has there been specific consultation on this decision?</li> <li>• What were the results of the consultation?</li> <li>• Did the consultation analysis reveal any difference in views across the protected characteristics?</li> <li>• Can any conclusions be drawn from the analysis on how the decision will affect people with different protected characteristics?</li> </ul>	<p>The corporate plan is primarily an internal document, and as such was developed in close consultation with members and senior officers. In particular, the plan accommodates the views and priorities of cabinet members, the policy development and review committee, the strategic management team and all heads of service.</p> <p>The plan was also subject to external consultation involving the publication of a draft version and a set of consultation questions to solicit feedback. This was publicised for example through the Swale Community Empowerment Network (SCEN) and the Swale Public Services Board (PSB), as well as through the council's Facebook and Twitter accounts.</p> <p>As would probably be expected with a document at this level of abstraction, no responses were received to suggest any differences in views between people with protected characteristics.</p>



<b>Is the decision relevant to the aims of the equality duty?</b>	
Guidance on the aims can be found in the EHRC's <a href="#">PSED Technical Guidance</a> .	
<b>Aim</b>	<b>Yes/No</b>
1) Eliminate discrimination, harassment and victimisation	Yes
2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it	Yes
3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	Yes

**Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.**

When assessing relevance and impact, make it clear who the assessment applies to within the protected characteristic category. For example, a decision may have high relevance for young people but low relevance for older people; it may have a positive impact on women but a neutral impact on men.

<b>Characteristic</b>	<b>Relevance to decision High/Medium/Low/None</b>	<b>Impact of decision Positive/Negative/Neutral</b>
Age	Low at this stage	Neutral at this stage
Disability	Low at this stage	Neutral at this stage
Gender reassignment	Low at this stage	Neutral at this stage
Marriage and civil partnership	Low at this stage	Neutral at this stage
Pregnancy and maternity	Low at this stage	Neutral at this stage
Race	Low at this stage	Neutral at this stage
Religion or belief	Low at this stage	Neutral at this stage
Sex	Low at this stage	Neutral at this stage
Sexual orientation	Low at this stage	Neutral at this stage
Other socially excluded groups <sup>1</sup>	Medium at this stage	Potentially positive at this stage

<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>Consider how due regard has been had to the equality duty, from start to finish.</li> <li>There should be no unlawful discrimination arising from the decision (see <a href="#">PSED Technical Guidance</a>).</li> </ul> <p>Advise on the overall equality implications that should be taken into account in the final decision, considering relevance and impact.</p>	<p>The corporate plan and its associated high-level action plan are in general at too high a level of abstraction for the aims of the equality duty to be relevant in any concrete way, although it is likely to be much more relevant to many of the pieces of work which will flow from it. The impact of the plan itself on the aims of the equality duty, without reference to these more detailed pieces of work, is at this stage considered to be low, and nothing requiring the mitigation of adverse impacts has been identified. It is believed at this stage that the plan involves no unlawful discrimination.</p>
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**Timing**

- Having 'due regard' is a state of mind. It should be considered at the inception of any decision.
- Due regard should be considered throughout the development of the decision. Notes should be taken on how due regard to the equality duty has been considered through research, meetings, project teams, committees and consultations.
- The completion of the CIA is a way of effectively summarising the due regard shown to the equality duty throughout the development of the decision. The completed CIA must inform the final decision-making process. The decision-maker must be aware of the duty and the completed CIA.

<sup>1</sup> Other socially excluded groups could include those with literacy issues, people living in poverty or on low incomes or people who are geographically isolated from services

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<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	4 <sup>th</sup> February 2015
<b>Report Title</b>	<b>Queenborough Allotment Transfer</b>
<b>Cabinet Member</b>	Cllr Mike Whiting. Cabinet Member for Localism, Sport, Culture & Heritage
<b>SMT Lead</b>	Dave Thomas, Head of Commissioning & Customer Contact
<b>Head of Service</b>	Dave Thomas, Head of Commissioning & Customer Contact
<b>Lead Officer</b>	Len Mayatt, Commissioning & Open Spaces Manager
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Yes</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To agree the freehold transfer of the three allotment sites in Queenborough to Queenborough Town Council</li> <li>2. To delegate authority to the Head of Commissioning &amp; Customer Contact, in conjunction with the Cabinet Members for Finance and Localism, Sport, Culture &amp; Heritage to agree the final detailed terms of the freehold transfer</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to seek approval from Cabinet to complete the freehold transfer of the three allotment sites in Queenborough to Queenborough Town Council.
- 1.2 The three sites are owned by the Borough Council and are managed directly by the Borough Council, who let the individual plots and take payments directly from each allotment holder. None of the sites are statutory allotments.

## 2 Background

- 2.1 Cabinet previously received a report on this subject in March 2014, when the option for a 125 year lease for each of the sites was discussed and approved. Queenborough Town Council subsequently refused the offer of a 125 year lease, maintaining their wish to achieve a transfer of the freehold.
- 2.2 In order to comply with the Borough Council's Community Asset Transfer Policy (revised November 2014) a freehold transfer, as opposed to 125 year lease, can be offered under exceptional circumstances. The Policy states that under such circumstances a claw back clause will be included as a condition of the transfer. Paragraph 5.6 of the Policy states:
- "In the exceptional event that a form of tenure other than leasehold is entered into, a 'clawback' or 'asset lock' provision will be placed as a legal condition on the transfer."*
- 2.3 While considering the principle of transferring the allotments, Members are advised that the transfer is recommended as under the provisions of the Local Government Act 1972, in an area where there is a Parish Council, all functions under the Allotments Acts 1908 to 1950 which include the provision of allotments shall only be exercisable by the Parish Council for the area. As such, in an area such as Queenborough, the Town Council are the relevant authority to provide allotments and not the Borough Council. Therefore, there are strong grounds to offer the freehold transfer as an exceptional circumstance, which will also ensure the Borough Council is fully compliant with the Local Government Act 1972.
- 2.4 Under the provisions of Section 123 of the Local Government Act 1972, the Council is required to achieve the best consideration that can be reasonably obtained in the circumstances when offering the freehold unless Government consent is specifically granted for a disposal at "under value".
- 2.5 Where an agreement is proposed that means the Council will not be achieving best consideration and the 'under value' does not exceed £2 million, the Local Government Act 1972: General Disposal Consent 2003 (Circular 6/03) removes the requirement for a specific consent to be obtained in circumstances where the transaction will help it to secure the promotion or improvement of the economic, social or environmental wellbeing of its area. Local authorities should seek professional advice relating to the likely amount of 'under value' resulting from the transaction, so the Council can make an informed decision on the implications of the proposal.

2.6 DVS were appointed to supply an independent valuation in February 2014. They provided the following valuations:

- (a) 'Unrestricted Value' this is the current market value of the freehold interest based upon a 125 year lease for an unrestricted use at a market rent
- (b) 'Restricted Value' this is the current market value of the freehold interest subject to the specific terms of the proposed transaction.

They considered the Unrestricted Value to be £31,500 and the Restricted Value to be £265. Therefore, the estimated Undervalue resulting from the proposed transaction being the difference between the Unrestricted and Restricted Valuations is **£31,325**.

2.7 The Council obtained further advice from DVS in September 2014 on the values based on a freehold disposal. They subsequently confirmed that without any material changes to the terms of the transfer there should be no significant difference in the market value of the allotments between a freehold disposal or disposal by way of a 125 year lease.

2.8 If the freehold transfer is approved, there will be a de minimus impact on the Borough Councils budget as there will be a reduction in maintenance costs for the three sites, balanced by a reduction in income from the allotment holders.

### **3 Proposals**

3.1 The proposal is to offer Queenborough Town Council the freehold for the four allotment sites and the public amenity land, including a clawback clause as a condition of the transfer as required by the Borough Council's Community Asset Transfer Policy.

### **4 Alternative Options**

4.1 There are two alternative options for consideration.

4.2 **Option One:** as the Borough Council does not have legal powers to provide allotments within the boundary of the Queenborough Town Council area, there is an option for the Borough Council to retain ownership of the sites and cease using them as allotments. This would mean the Town Council would then either have to purchase alternative land to provide allotments, or for there to be no allotments in the Queenborough area. This is not considered to be a sensible or cost effective approach and is not recommended to Members.

4.3 **Option Two:** as Members have previously offered the Town Council 125 year lease for each of the sites in question, they may wish to adhere to that previous decision. However, as the Borough Council does not have legal powers to provide allotments in the Queenborough area as described in Paragraph 2.2 and Queenborough Town Council have resisted the offer of 125 year lease, there is a

strong case to offer the freehold transfer as an exceptional circumstance under the Borough Council's current Community Asset Transfer Policy. Therefore, the option of maintaining the offer of 125 year lease is not recommended for approval.

## 5 Consultation Undertaken or Proposed

- 5.1 Consultation has been undertaken with the Cabinet Member for Localism, Sport, Heritage and Culture and the Cabinet Member for Finance. Queenborough Town Council has been consulted and is in agreement with the proposal. Allotment holders have been advised of the transfer and have not raised objections.

## 6 Implications

Issue	Implications
Corporate Plan	<p>This proposal supports the corporate priority for Embracing Localism by transferring ownership (in response to the special conditions contained within the Local Government Act 1972) to the Town Council.</p> <p>The proposal is compatible with the Council's Community Asset Transfer Policy 2014.</p>
Financial, Resource and Property	<p>Once the transfer is complete, all future maintenance costs will be borne by the Town Council.</p>
Legal and Statutory	<p>The Local Government Act 1972 states that in an area where there is a Parish Council, provision of allotments lies solely with the Parish Council. Therefore, Queenborough Town Council is the relevant authority to provide allotments which lends further support to the proposal in this report</p> <p>The Council has met its obligations under Section 123 of the Local Government Act 1972 by appointing a Property Specialist to establish the estimated level of any Under Value if the proposal is approved.</p>
Crime and Disorder	<p>No implications noted at this time.</p>
Sustainability	<p>Queenborough Town Council will be able to apply for funding to sustain and improve the sites which the Borough Council may not have had access to.</p> <p>No environmental sustainability implications identified at this stage.</p>

Health and Wellbeing	The activity of working an allotment and growing fresh produce is a positive contribution to the health and wellbeing of the local community.
Risk Management and Health and Safety	The Town Council will be responsible for complying with appropriate Health & Safety legislation.
Equality and Diversity	None noted at this stage

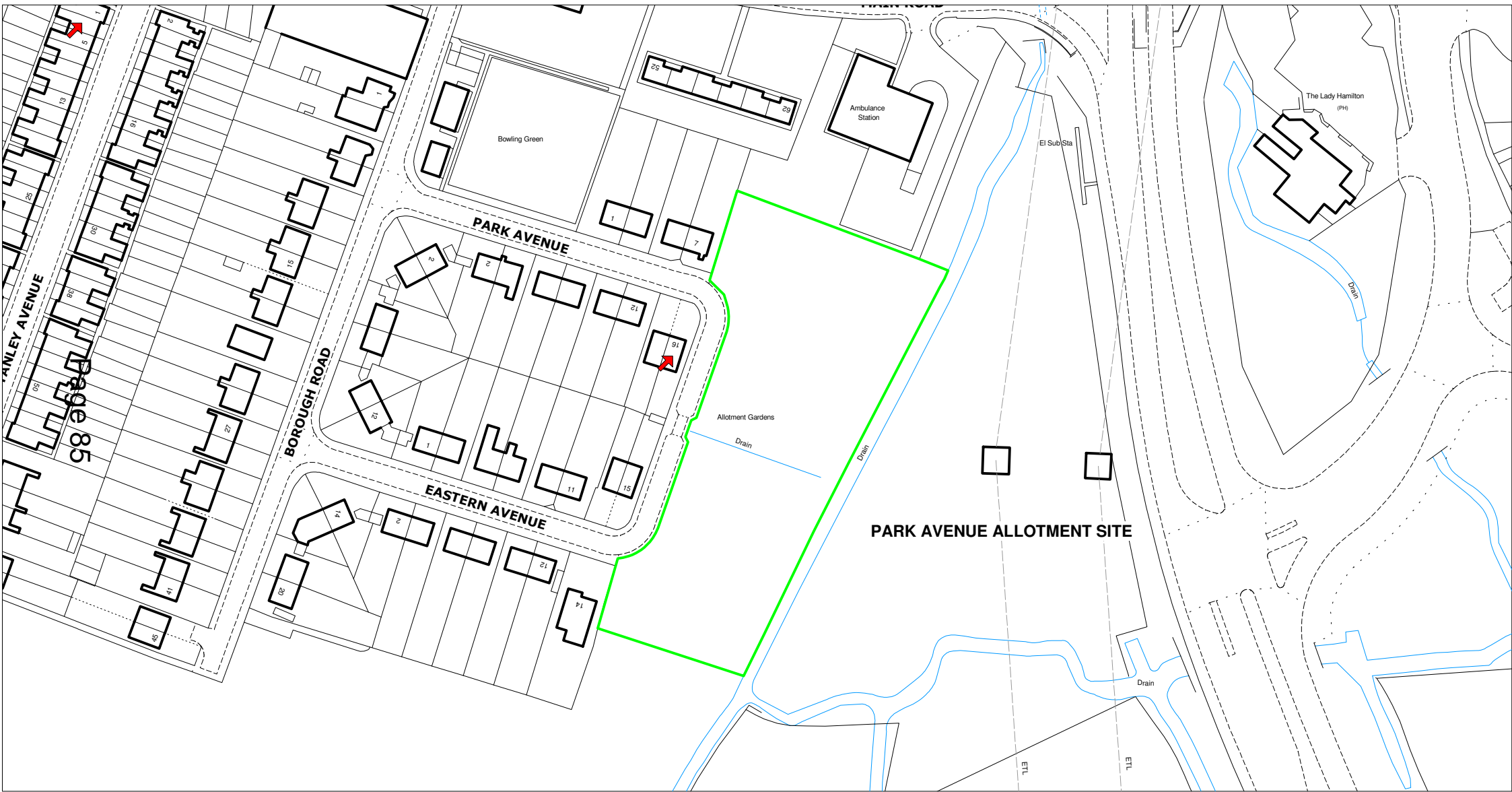
## **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Location Plans

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CORONATION CRESCENT EAST  
ADN WEST ALLOTMENT SITES

Allotment Gardens

# QUEENBOROUGH

Works

Hose  
Tower  
Fire  
Station

El Sub Sta

Page  
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JUBILEE CRESCENT

CORONATION CRESCENT

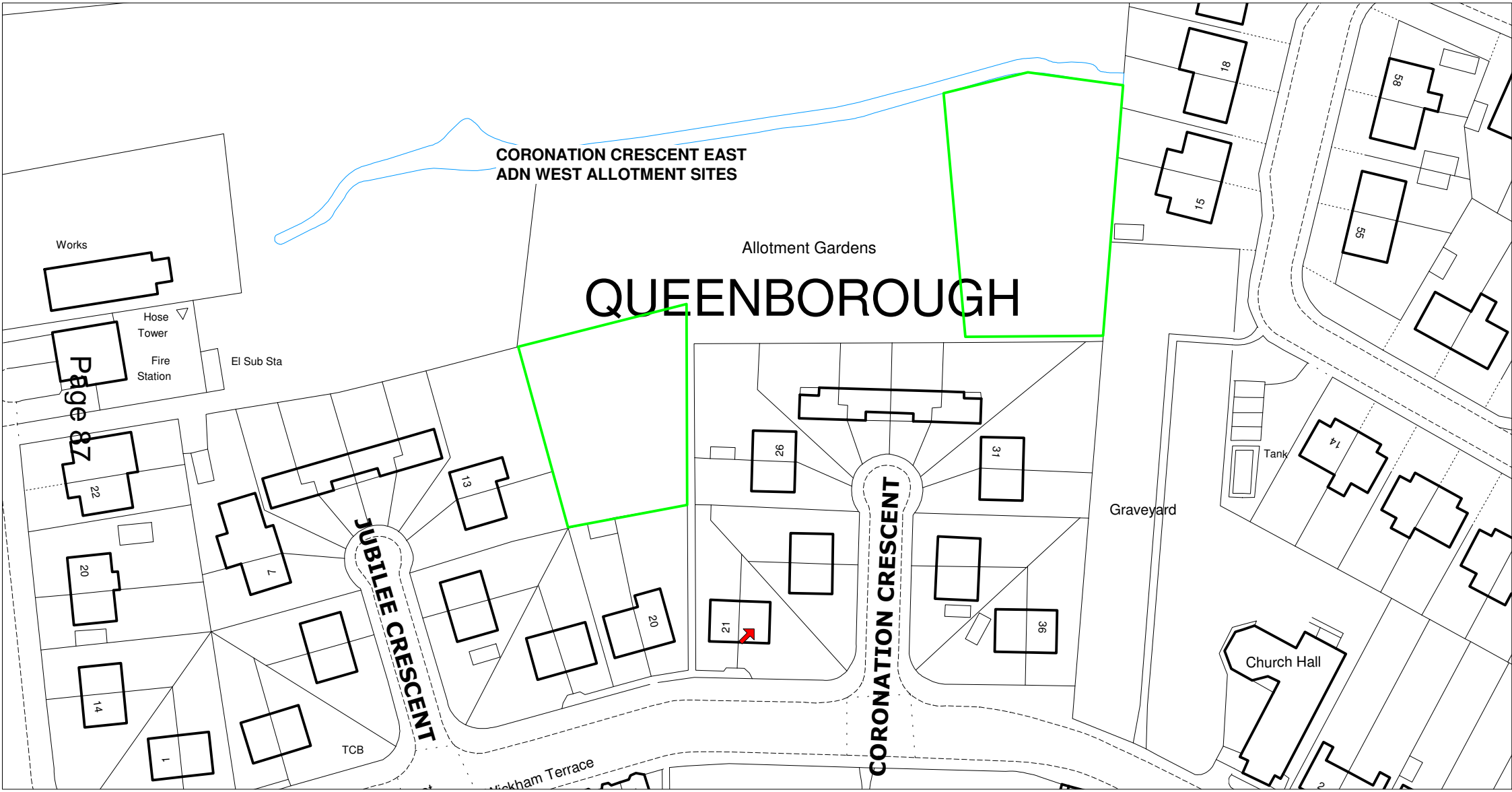
Graveyard

Church Hall

Wickham Terrace

TCB

Tank



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<b>Cabinet Meeting</b>	
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<b>Meeting Date</b>	4 <sup>th</sup> February 2015
<b>Report Title</b>	<b>Swale Fisherman’s Association – Lease</b>
<b>Cabinet Member</b>	Cllr Mike Whiting. Cabinet Member for Localism.
<b>SMT Lead</b>	Dave Thomas
<b>Head of Service</b>	Dave Thomas, Head of Commissioning & Customer Contact
<b>Lead Officer</b>	Len Mayatt, Commissioning & Open Spaces Manager
<b>Key Decision</b>	<b>No</b>
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	Yes

<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To offer Swale Fisherman’s Association a twenty year lease for the nine fisherman’s berths, quayside and fisherman’s store at Queenborough. To include a break clause which can be invoked after ten years if required.</li> <li>2. To delegate authority to the Head of Commissioning &amp; Customer Contact, in conjunction with the Cabinet Members for Finance and Localism, Sport, Culture and Heritage to agree the final terms of the 20 year lease.</li> </ol>
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## 1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to seek approval from Cabinet to agree a twenty year lease with Swale Fisherman’s Association for the nine fishing vessel berths, operational quayside and fisherman’s store at Queenborough.
- 1.2 The Association is a formally constituted body which represents the majority of fishermen who operate from Queenborough. The proposed lease will offer the Association security for their business operations for the next twenty years and provide an opportunity to apply for external grants to improve the quayside and ancillary facilities that would not otherwise be available.
- 1.3 The proposed transfer will realise a small reduction in the Council’s administrative process in issuing mooring agreements and managing the nine berths.

## 2 Background

- 2.1 Swale Fisherman's Association have requested a twenty year lease for the fishermen's quayside, storage building and berths for nine vessels.
- 2.2 The Association were pivotal in securing funds to build the storage area and redevelopment of the quayside in 1995 from DeFRA which brought the area up to a decent operational standard. They have subsequently occupied the fisherman's store and used the quayside at no cost. However, they do currently pay the Council an annual fee for usage of the berths. The current annual fee is £393 per vessel.
- 2.3 The annual fee previously included free use of the then Council operated dinghy storage area and scrubbing-off berth. These areas are now under the control of Queenborough Harbour Trust (QHT). The Association now pay QHT an annual fee to use those facilities.
- 2.4 The Association is an important business within the local community, providing jobs for local people and trade for other local businesses. However, the Council wishes to reduce its ongoing involvement in allocating and managing the nine berths, as well as fulfilling its obligations to achieve best value from its assets and provide value for money services.
- 2.5 By offering the Association a twenty year lease, the Council will be fulfilling its obligation to manage its assets by means of an appropriate agreement. In addition, the Association will be in a better position to attract external investment into the area for any future improvements they may wish to make.
- 2.6 In support of their application for a twenty year lease The Association has produced a summary Business Plan which outlines their ambitions for the next three to ten years.
  - Aim to sub-let the fisherman's store for £900 to £1000 per annum to a local business
  - Continue to accommodate up to fifteen fishing vessels on the berths controlled by the Association. (Nine berths offered as part of the proposed lease with the Council and six other deep-water moorings already controlled by the Association independently of the Council)
  - Build on the Associations current financial reserves of £9,106
  - Improve security to the fisherman's quayside working area by installing gates and fencing. (Estimated at £25,000 to £30,000)
  - Introduce a secure fuel bund on the quayside, 15,000 litre capacity. (Estimated cost of £15,000)
  - Introduce electrically powered landing hoists to aid the movement of equipment and loads. (Estimated cost of £10,000)

2.7 In order to achieve an appropriate fee for the proposed lease DVS were appointed to supply an independent valuation in June 2014. Having considered the local market and tried to find comparable facilities, they have suggested an annual rent of **£5,000** per year could be considered appropriate. Having discussed this proposal with the Association, they have suggested that a lesser rent of **£2000** per annum for the first three years, rising to **£3375** in the fourth year is more reasonable to reflect the outgoings and financial position of the Association.

2.8 The Association have cited the following expenses as being material considerations for them in determining an appropriate rent:

**Table 1**

<b>Increased SFA Outgoings</b>	<b>Value</b>	<b>Issue</b>
Public Liability Insurance	£350 per annum	The association do not currently hold public liability insurance but will be required to under the terms of the lease
Use of the scrubbing off berth	£600 per annum	Annual use of this berth used to be included in the cost of hiring the fisherman's berths from Swale Borough Council before Queenborough Harbour Trust took over the management of the mooring service
Use of the dinghy park	£1350 per annum	Annual use of this facility used to be included in the cost of hiring the fisherman's berths from Swale Borough Council before Queenborough Harbour Trust took over the operation of the facility as part of the mooring service
<b>Increased Annual Spend</b>	<b>£2,300</b>	

2.9 The proposed fee of £3,375 is based on the initial valuation of £5,000 per year, less the full cost of the insurance (£350) the full cost of the scrubbing off berth (£600) and 50% of the cost of the dinghy park (£675)

2.10 In order to allow the Association a period of time to adjust to the new payments; because of the volatility of the fishing industry; and to build up a small financial reserve, they have asked for the proposed fee of £3,375 to be reduced to £2,000 for the first three years.

2.11 The Homes and Communities Agency are developing plans for the south side of the creek (opposite the Fisherman's Quay). If those plans are fully developed, the Council may wish to retain a level of control over the Fisherman's Quay in the future. It is therefore proposed that a break clause is included in the lease. The clause could be invoked after ten years, if there was a suitable business case for the Council to do so. At which point the Council could withdraw from the lease offering the Association six months' notice.

2.12 If approved, the proposed fee structure will result in a minimal reduction in the Council's income as described in the table below. However, there will be a

minimal reduction in administrative duties and the Council will be offering the Association some longer term security.

**Table 2**

<b>Current income</b>	<b>Proposed income</b>	<b>Difference per annum</b>
<b>£3,537</b>	<b>£2,000</b> for the first three years.	<b>(£1,537)</b>
	<b>£3,375</b> in future years.	<b>(£162)</b>

### **3 Proposal**

- 3.1 The proposal is to agree a twenty year lease; at £2000 per year for the first three years, rising to £3375 in the fourth year and reviewed every five years thereafter as described within the Council's Community Asset Transfer Policy updated in November 2014. The annual fee payable will be subject to an annual RPI linked price increase.
- 3.2 To encourage the Association in their desire to achieve the aims of their summary Business Plan, by offering a reduced rent for the first three years. It is anticipated that any future improvements to the building would be the responsibility of the Association.
- 3.3 To assist the Association in delivering the objectives of their Business Plan by offering appropriate Officer support if requested.
- 3.4 The lease will not be completed until any outstanding payments due to the Council have been collected.

### **4 Alternative Options**

- 4.1 The Council could continue to offer the nine berths to individual vessels on an annual basis. This would not provide the Association with the security and control over their own future they are looking for; opportunities to invest in the area could be missed and the Council would not be controlling occupancy of the land it owns in an appropriate manner.

### **5 Consultation Undertaken or Proposed**

- 5.1 Consultation has been undertaken with the Cabinet Member for Localism, Sport, Culture and Heritage who supports the proposal and Cllr Mike Haywood, who is assisting the Swale Fisherman's Association. The Cabinet Member for the Environment and Rural Affairs has also been consulted on the proposal. Swale Fisherman's Association have also been consulted on this proposal.

### **6 Implications**

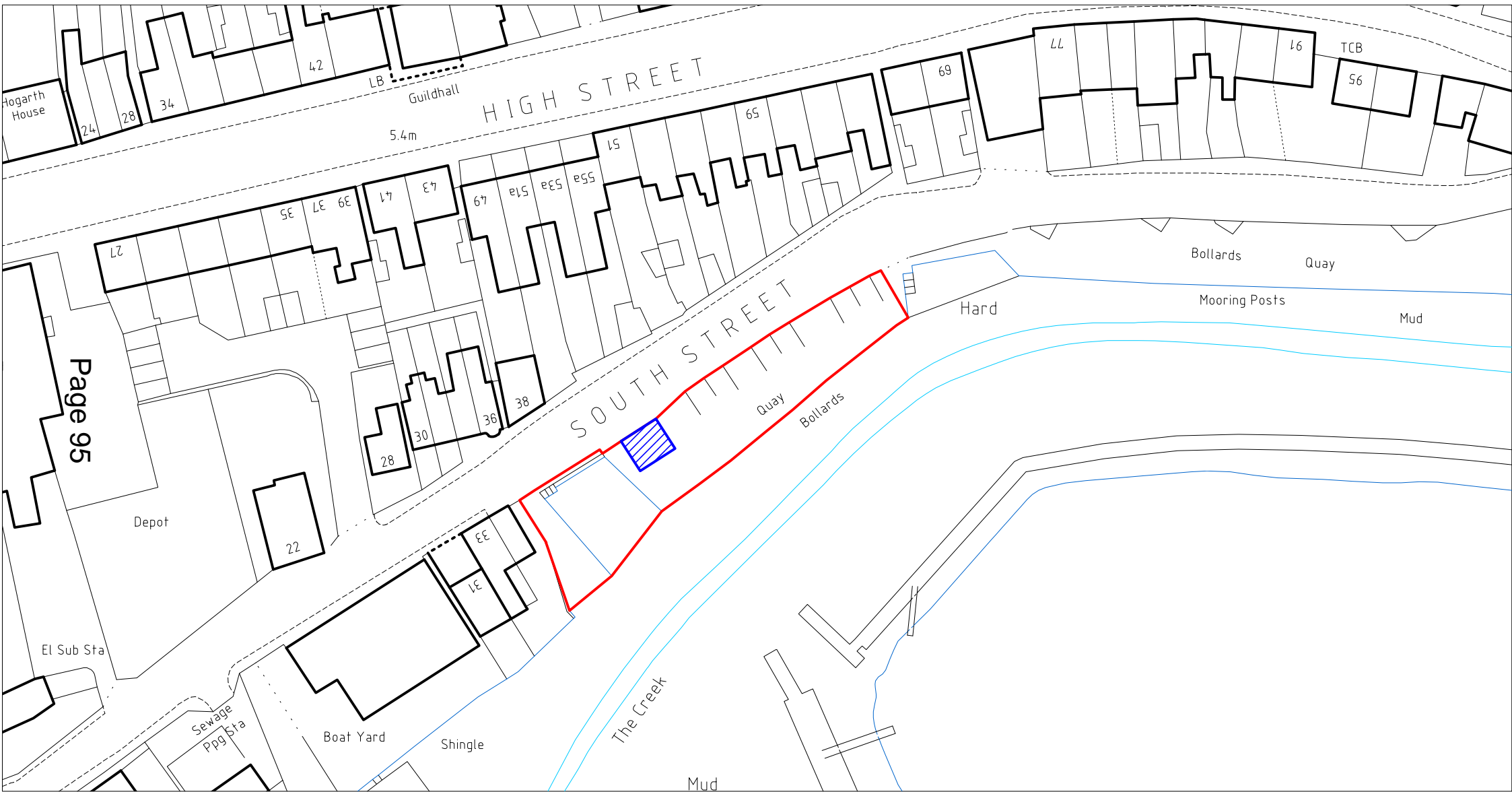
<b>Issue</b>	<b>Implications</b>



Corporate Plan	<p>This proposal supports the corporate priority for Embracing Localism by offering a 20 year full repairing lease to the Association.</p> <p>The proposal is compatible with the corporate priority of being Open for Business by supporting the individual businesses represented by the Association.</p>
Financial, Resource and Property	<p>With a full repairing lease, responsibility for maintaining the building and quayside will be the responsibility of the Association.</p> <p>There will be a minimal reduction in revenue income from the nine vessels (which currently stands at £3500 per annum) to £2000 per annum for the first three years.</p>
Legal and Statutory	None noted at this time.
Crime and Disorder	None noted at this time.
Risk Management and Health and Safety	The new Trust will be responsible for ensuring facilities are maintained in a safe condition and complies with all appropriate health & safety legislation.
Equality and Diversity	None noted at this time
Sustainability	None noted at this time
Health & Wellbeing	None noted at this time

## Annex 1 – Location Plan

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HIGH STREET

SOUTH STREET

The Creek

Page 95

Hogarth House

Guildhall

5.4m

Depot

El Sub Sta

Sewage Ppg Sta

Boat Yard

Shingle

Mud

Hard

Bollards

Quay

Mooring Posts

Mud

TCB

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<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	4 February 2015
<b>Report Title</b>	Draft Tree Policy
<b>Cabinet Member</b>	Cllr David Simmons, Cabinet Member for Environment
<b>SMT Lead</b>	Abdool Kara
<b>Head of Service</b>	Dave Thomas
<b>Lead Officer</b>	Graeme Tuff
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Forward Plan</b>	Yes
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To note the report and agree the proposed consultation.</li> <li>2. To delegate authority to the Head of Commissioning &amp; Customer Contact, in conjunction with the Cabinet Member for Environment to agree the final Tree Policy following consultation.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 This report sets out details of a new draft Tree Policy, and also identifies the next steps for consultation and its route through committee to adoption. The draft Policy, while acknowledging the many benefits of trees, recognises that these come with a level of risk. It therefore seeks to put in place an appropriate and sustainable method of inspection and maintenance that will keep the tree stock in acceptable health and respond to customers' needs, while minimising risk and the Council's exposure to future insurance claims.
- 1.2 The Policy deals with tree inspection and maintenance on Council-owned land throughout the Borough, both in the urban landscape such as in parks, cemeteries and car parks, and also in more rural locations such as Perry Wood and Oare Gunpowder Works Country Park. As land owner, the Council has responsibilities under both civil and criminal law in terms of health and safety and damage resulting from trees, with a duty in general terms "to take reasonable care" and strike a balance between risk and benefit.
- 1.3 The Policy identifies a risk-based approach consistent with a defensible position at the lowest cost, while avoiding the loss of valued trees. The basis of this is to zone and prioritise the location of a tree (high/medium/low), therefore identifying the appropriate inspection regime. Significantly it also prioritises health and

safety works over and above nuisance issues such as shading and loss of TV signal.

## **2 Background**

- 2.1 The Council do not currently undertake a systematic or consistent approach to inspection and maintenance of its trees. Different sections of the Council manage trees on the land for which they are responsible, and generally speaking, work has been of a reactive nature, dealing with a problem as it arises.
- 2.2 While it is important that the Council is responsive to customer requests, significant issues can arise due to lack of inspection and proactive maintenance, not least in strong winds, but also in terms of insurance subsidence claims. With the weather experienced in early in 2014 there were a significant number of trees that fell during high winds, causing damage to fences, with a number of “very near misses” in terms of property.
- 2.2 Commissioning & Open Spaces currently have one Landscape Officer who is responsible for the management of open spaces trees as part of their responsibilities, and a budget of £26,800 allocated within the Grounds Maintenance contract for specific tree maintenance in open spaces. In addition there is an additional allocation of £20,500 within the Parks & Open Spaces revenue budget for forestry/woodland work. The Council employs a Tree Preservation Officer in the Planning Team who is also available to offer specialist advice.

## **3 Proposals**

- 3.1 The Council currently has no adopted policy in relation to the management of its trees and as such, in most cases undertakes only reactive maintenance. Having an established policy and inspection and maintenance regime will not necessarily prevent falling trees, it will satisfy the need for taking all reasonable care.
- 3.2 The draft Policy was developed with reference to other local authority tree policies and using “Common Sense Risk Management of Trees” – Guidance on trees and public safety in the UK for owners, managers and advisers, published by the National Tree Safety Group<sup>1</sup>. It uses a risk based methodology that is responsive to the risks of individual trees.
- 3.3 In addition to guiding the method of inspection and maintenance, the Policy also identifies a standard for expertise of inspections, record keeping, contractors, a prioritisation timescale for subsequent work, a commitment to effective communication, and appropriate replanting.

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<sup>1</sup> Common Sense Risk Management of Trees – Guidance on trees and public safety in the UK for owners, managers and advisers by the National Tree Safety Group (ISBN 978-0885538-840-9)

3.4 As previously stated, to date maintenance has tended to be reactive and there is a risk that this draft Policy and subsequent inspection and works will identify additional costs to bring the Council's tree stock to an acceptable standard. This cost is currently unknown.

## 4 Alternative Options

4.1 Not to put in place the proposed Policy due to the potential resource implications, but this is not recommended due to the health and safety issues, the Council's duty of care in law as land owner, and potential increased costs for the provision of insurance services through increased premiums.

## 5 Consultation Undertaken or Proposed

5.1 The Draft Policy once agreed by SMT will be considered by Policy Development & Review Committee on 14 January 2015, following which a period of 8 weeks consultation with stakeholders and Parish Councils will be undertaken. The Draft Policy will then be considered by Cabinet, with final Policy subject to comments from the consultation, delegated to the Head of Commissioning & Customer Contact, in conjunction with the Cabinet Member for Environment.

## 6 Implications

Issue	Implications
Corporate Plan	Healthy Environment
Financial, Resource and Property	<p>The Council currently has one Officer in the Open Spaces Team undertaking reactive maintenance as part of their duties with a budget of £47,300. In addition, the Tree Preservation Officer is employed for one day per week and can be called upon to provide expert advice.</p> <p>A separate report will be presented in due course, once the costs for undertaking a full survey of the Council's tree stock are known.</p>
Legal and Statutory	<p>Under Civil and Criminal Law there is a requirement to take responsibility for Health &amp; Safety and a duty of care in relation to the Council's trees. The Tree Policy will assist the Council in meeting its duties under The Occupiers' Liability Act 1984, The Health and Safety at Work Act 1974, The Management of Health and Safety at Work Regulations 1999 and The Compensation Act 2006.</p>
Crime and Disorder	None.

Sustainability	Trees reduce and store carbon gases, help to reduce floods, reduce temperatures through shading, provide shelter, and increase biodiversity.
Health and Wellbeing	Trees contribute significantly to the health and wellbeing of residents for many well documented reasons including reducing stress, reducing incidence of asthma, and improving mental health. They also inspire cultural and spiritual values, and aesthetic appreciation.
Risk Management and Health and Safety	The new Draft Policy is based on a risk approach, considering this at the forefront of its methodology for the future management and maintenance of trees.  As such risk and Health & Safety should be greatly improved. Zurich Management Services Report - Corporate Inspection Regimes Review identified the need for a council-wide tree management strategy, and that a risk-based inspection regime should be implemented.
Equality and Diversity	None.

## 7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Draft Tree Policy

## 8 Background Papers

- 8.1 None.



# Draft Tree Policy



*"Three hundred years growing. Three hundred years standing. Three hundred years decaying."*  
Lifecycle of English oak & sweet chestnut - Peter Collinson 1776

**December 2014**

# **Contents**

- 1. Introduction**
- 2. Scope**
- 3. The Value of Trees**
- 4. Legal Obligations and Risk**
- 5. Tree Risk Management**
- 6. Inspection**
- 7. Works**
- 8. Communication**
- 9. Nuisance**
- 10. Replanting**
- 11. Resource**
- 12. Review**

# 1. Introduction

Trees are an important asset throughout Swale playing a vital role in contributing to the visual amenity and ecological value of both rural and urban landscapes.

Kent is often referred to as “The Garden of England” and Swale while having the three main urban towns of Faversham, Sheerness and Sittingbourne, is predominantly a rural borough. The borough is characterised by the North Kent Downs Area of Outstanding Natural Beauty to the south, North Kent Marshes along the north coast with a central mainland plain of orchards and arable land. Significant areas of the borough have nature conservation designations and trees are present along our mosaic of highways, in public open space and within private land. Important areas of woodland can be found to the south and east of the borough including the fringes of The Blean ancient woodland at Dunkirk.

Against these positives and benefits are problems and risk associated with root damage, obstruction of lighting and danger of falling limbs or whole trees. There is a recent background of increased claims for structural damage so the defence of claims in addition to pure health and safety is increasingly an issue.

This policy sets out Swale Borough Council’s responsibility for trees on its land including open space, woodland, country parks, allotments, car parks, closed churchyards and cemeteries. Swale has a role in managing, maintaining and enhancing the environment and aims to sustain a balanced and healthy tree population while recognising the constraints of budget and prioritising safety first.



## **2. Scope**

This policy relates to trees within Swale Borough Council ownership or responsibility, which can predominantly be identified within the boundaries of the following areas:

- Parks and open spaces
- Country parks
- Woodlands
- Amenity land
- Allotments
- Cemeteries
- Closed churchyards (not all)
- Car parks
- Retained development land

As well as the urban area the Council is responsible for approximately 120ha of woodland across 7 sites, including Perry Wood, Oare Gunpowder Works Country Park and Milton Creek Country Park.

## **3. The Value of Trees**

Trees and woodlands bring many benefits to the local environment especially in the urban area. They soften and enhance the landscape by providing form, colour and diversity that change with the seasons. They help improve air quality, provide shade, screening, shelter and cooling, play a part in water management and offer valuable habitats for a wide range of wildlife.

Trees are complex living organisms that are one of the longest lasting assets of the natural environment. However they are subject to pests and disease, climatic and site changes that can seriously affect their health. Incidence of Dutch Elm Disease and Bleeding Canker of Horse Chestnut has had a dramatic effect on the landscape of local parks and Ash Dieback Disease has the potential to be as devastating. In addition some species have characteristics that are undesirable or are difficult to manage as they mature. Development, changes to the location and well intentioned, but ultimately inappropriate planting in the past has also left a legacy of problems.

## **4. Legal Obligations and Risk**

Under both civil law and criminal law, an owner of land on which a tree stands has responsibilities for the health and safety of those on or near the land and has potential liabilities arising from the falling of a tree or branch.

The duty holder who has control over the trees management whether as owner, lessee, licensee or occupier of the land has in general terms a duty to take reasonable care as a reasonable and prudent landowner for the safety of those who may come within the vicinity of a tree and to consider the risks posed by the tree.

Relevant legislation includes:

- The Occupiers Liability Act 1957 & 1984
- Health and Safety at Work Act 1974
- Health and Safety at Work Regulations 1999
- Highways Act 1980
- The Compensation Act 2006

The Health and Safety Executive has in its Sector Information Minute 01/2007.5 *Management of the risk from falling trees*, identified the risk as “broadly acceptable”.

Each year between 5 and 6 people in the UK are killed when trees fall on them. Thus the risk of being struck and killed by a tree falling is extremely low and as almost the entire population of the UK is exposed, the risk per person is about 1 in 10 million. However the low level of overall risks may not be perceived in this way by the public, given attitudes in a risk-averse society.

Exposure to an element of risk is an unavoidable consequence of trees being in the environment, but in considering management policy, it is necessary to strike a balance between risk and benefit.

Trees can also damage property either directly from the action of roots or from the desiccation of susceptible soils (clay). Exposure to a risk of increasing insurance claims needs to be managed through proactive inspection and maintenance; and with adequate and timely intervention when necessary.

## **5. Tree Risk Management**

Defendable management is consistent with a duty of care based on reasonable care, reasonable likelihood and reasonable practicality. Being reasonable involves taking actions proportionate to the risk, both proactive and reactive. It is an approach based on achieving a balance between the benefits trees provide to the environment and people and on the other hand, risks posed to public safety.

A key objective is to maintain a defendable position at the lowest cost while avoiding the loss of valued trees.

Tree management has both reactive and proactive elements that plan and guide management decisions and practice. Three essential elements:

- Zoning: understanding trees in relation to people or property
- Tree inspection: assessing obvious faults
- Managing risk: identifying, prioritising and undertaking safety work

## 6. Inspection Regime

### Which Trees - Zoning

The first step in tree risk management is understanding the location in context of levels of use. It considers all the trees on the property and determines which are in areas of high public access or close to property that could be damaged. As such an assessment of prioritisation is made of three zones, high, medium and low.

- High Risk zones – used by many people every day, busy roads, railways, car parks, private dwellings, buildings and children’s play areas.
- Medium Risk zones – moderate use by people and road users, adjacent to private dwelling gardens, parks and gardens.
- Low Risk zones – deep woodland, rarely used open space.

### Frequency of Inspections

Trees in the High Risk Zone will be inspected every 12 to 18 months. This will facilitate one inspection in the summer months, followed by the next inspection in the winter months and vice-versa.

Trees in the Medium Risk Zones will be inspected every 3 to 4 years.

Trees in the Low Risk Zones will receive no, or only informal inspections.

### Inspections

Following Zoning, tree inspection requirements and level will be identified by reference to their size, condition and level of use within its fall distance.

- Informal Observations – people with good local knowledge of the site and its trees. Typically this will not be a tree specialist but a member of staff or the public who understands the way the site is used and the implications/danger should a tree be found falling apart or uprooting.
- Formal Inspections – require general tree knowledge and the ability to recognise normal and abnormal appearance and growth of trees for the locality. They will be able to recognise obvious visual signs of ill health and significant structural problems. Staff carrying out these inspections will have undertaken a Tree Inspection course and have experience of working with trees.
- Detailed Inspections – Will be carried out by a competent person, experienced in the field of investigation to be carried out, having attained the Certificate of Advanced Tree Inspection and/or qualified to the level of Diploma/Technical Certificate in Arboriculture.

Trees will be assessed by means of scheduled systematic visual assessment from ground level.

- Consideration of the trees location allied to other structures in the landscape/proximity.

- Visual inspection of the tree for symptoms and overall vitality and health.
- If a defect is suspected on the basis of the symptoms, the presence or absence of the defect must be confirmed by thorough examination
- If the defect is confirmed, it must be quantified, remedial action identified and a priority of works recorded.

### **Prioritisation**

Where defects are confirmed as posing unacceptable risk, appropriate remedial action should be identified and timescale specified.

Category 1 – Immediate action

Category 2 – high priority within 6-12 months

Category 3 – medium priority within 12-24 months

Category 4 – no action required until next scheduled inspection

The Council will prioritise actions based on risk and works that are deemed to be necessary for safety reasons will override any other priorities that exist within tree works schedules.

### **Records**

Full and readily accessible records will be made, whether as part of the routine inspection regime, response to a complaint or in connection to maintenance work. The Council currently use Confirm as its asset management system for grounds maintenance. Data recorded will vary depending upon the level of inspection but will be a positive record, i.e. a report even in the event there is no defect. Records will be kept for an adequate length of time given that they can aid in the defence of liability claims.

A specimen inspection record is shown in Appendix 1.

### **Objective 1**

To ensure the safety of the users of the Councils land

#### **Action:**

- SBC will arrange for the inspection of trees on SBC owned land using suitably qualified staff. Safety works will be prioritised and subject to budgetary constraints will be undertaken within the timescale recommend by the inspector. The felling of trees will only be undertaken when other maintenance techniques have failed or are impractical.
- This document and the process of guiding the inspection and maintenance of trees will be reviewed annually to ensure they meet the current legal duty of care standards.

## 7. Works

Trees can be damaged as a result of poor workmanship, resulting in a reduction in the health of the tree, increased risk and increased future maintenance costs.

Arboriculture contractors require specialist knowledge and skill to adequately undertake maintenance operations. Contractors will as a minimum have appropriate trained staff, the correct equipment with maintenance records, a suitably trained person to undertake risk assessments, a staff training programme and a Health and Safety Policy. This is in addition to any normal contractor requirements of working for the Council.

Contractor working and office practices will be subject to regular monitoring and review by the Council.

### **Objective 2**

To maintain and enhance the stock of SBC trees

#### **Action:**

- SBC will use qualified arboricultural contractors when undertaking tree maintenance.
- SBC will monitor preferred contractors on a regular basis and ensure that their workmanship, competency, qualifications, and equipment meets required standards.

## 8. Communication

The Council has a duty to maintain its trees in a safe condition. It also has a responsibility to respond to queries and provide information where its actions impact on the local amenity. Often, concerns can be raised due to a lack understanding or knowledge of proposed or necessary tree works. The Council, where appropriate will keep interested parties such Ward Members, Parish Councils, Tree Wardens and colleagues (Planning) informed of any works.

Where significant programmed works are proposed, a letter drop at least a week in advance to local residents will also be implemented and contractors will display information boards with the Council contact details.



### **Objective 3**

To communicate tree management and maintenance information

#### **Action:**

- SBC will provide information on surveys and tree works to organisations and individuals as requested.
- SBC will carry out letter drops to local residents at least one week in advance of undertaking significant programmed tree works.

## **9. Nuisance**

Nuisance is often difficult to define, screening by trees may be acceptable and welcomed by one person, but cause shading and interference with TV signals for a neighbour.

Trees can be viewed as a nuisance because of leaf fall, seed dropping, shading, branch overhang, TV interference or honeydew deposition. Solutions to these problems are difficult if not impossible short of removal of the tree and maintenance can often worsen the original issue by promoting strong regrowth. There is no legal requirement for an owner of a tree to carry out works to abate this type of nuisance.

Certain types of nuisance fall into the category of legal nuisance and the owner of a tree must take steps to abate the nuisance. Problems associated with root damage fall into this category.

Works over and above the need to maintain a tree in a safe or healthy condition will be considered on an individual tree basis and will only be undertaken in the severest cases. Works will not normally be undertaken on a tree to reduce shading, leaf or fruit fall, or to improve TV signal reception.

### **Objective 4**

To minimise the likelihood of insurance or other claims against SBC

#### **Action:**

- SBC will seek appropriate advice from qualified advisors, legal advisors and insurers in respect of action required to mitigate any claim or future claim that may arise.

## 10. Replanting

With concern at the loss of trees and particularly mature specimens, there is often a desire for replacement planting. However it does not necessarily follow that it is suitable to replant on a site utilised originally some years ago. Factors can change, such as increased utility service provision, increased vehicular or pedestrian access and the presence of diseases.

The Council is committed to the replanting of trees to ensure that the amenity of the area is maintained and enhanced. However this will only be undertaken following consideration of all the constraints that may make a site unsuitable.

Any planting will be undertaken during the correct planting season (November – March) and with an appropriate species for the particular site.

### **Objective 5**

To maintain and enhance the Public Open Spaces tree stock and ensure that tree species are appropriate to the specific site and where possible enhance biodiversity

#### **Action:**

- Where appropriate SBC will undertake the replanting of trees removed for safety reasons.
- SBC will seek appropriate alternative sites and funding opportunities where site constraints and budgets prevent replanting.

## 11. Resource

The Council will regularly review the resource requirement to manage its trees both in terms of inspections and works arising from both proactive and reactive responses. Currently one Officer is responsible for managing the Council's tree stock using an allocated revenue budget of £26,800. The Council also employs a Tree Preservation Officer who is available to offer specialist advice.

## 12. Review

The Council will review this policy every 2 years to ensure its compliance with recognised guidance and best practice, and to ensure that it meets its legal duty of care.

This document was written with reference to “Common Sense Risk Management of Trees – Guidance on trees and public safety in the UK for owners, managers and advisers” by the National Tree Safety Group (ISBN 978-0885538-840-9).

**Appendix 1**

**Tree Inspection Form**

Site.....	Inspectors Name.....	Date.....
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Tree No.	Species	Size	Zone	Comments	Recommendations	Priority	Action Taken

Size S Small Diameter at breast height of under 250mm  
 M Medium Diameter at breast height of between 250-500mm  
 L Large Diameter at breast height of over 500mm

Risk Zone L Low  
 M Medium  
 H High

<b>CABINET Meeting</b>	
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<b>Meeting Date</b>	4 February 2015
<b>Report Title</b>	South Thames Gateway Building Control Partnership – Business Plan 2015 - 18
<b>Cabinet Member</b>	Cllr Gerry Lewin, Cabinet Member for Planning
<b>SMT Lead</b>	Pete Raine
<b>Head of Service</b>	James Freeman
<b>Lead Officer</b>	James Freeman

<b>Recommendations</b>	The Draft South Thames Gateway Building Control Partnership Business Plan for 2015-18 be agreed; and
------------------------	------------------------------------------------------------------------------------------------------

## 1. Purpose of Report and Executive Summary

- 1.1 To consider and make any comments on the draft South Thames Gateway Building Control Partnership Business Plan for 2015-2018 and to refer the comments to the Joint Committee.

## 2. Background

- 2.1 The South Thames Gateway Building Control Partnership (involving Medway, Gravesham and Swale) went live in October 2007, and the Partnership’s business plan outlines how the building control function for the three partnership Councils will be delivered over the next five financial years.
- 2.2 The Joint Committee’s Constitution sets out the process for approval of the business plan each year, and the timing required to ensure that each partner authority is able to incorporate associated budget requirements into the financial planning process for the subsequent year. The stages to this process are as follows:
  - before 1 October each year the Joint Committee is required to approve and send its draft Business Plan for the following year to each partner authority for comments;
  - the Joint Committee is then required to meet to consider any comments received and agree any revisions to the draft business plan;
  - by no later than 5 January the Joint Committee has to send a revised draft to each partner authority for their final approval;
  - each partner authority must advise the Secretary to the Joint Committee whether it approves or rejects the revised draft

business plan by no later than 10 days before the Annual Meeting of the Joint Committee; and

- the Joint Committee will formally adopt the Business Plan at its Annual meeting, which is held in June each year.

2.3 Whilst much of the Building Control Partnership operation is subject to competition from Approved Inspectors, the service retains statutory responsibilities regarding public protection e.g. dangerous structures, demolitions, unauthorised works and maintaining registers etc. The competitive fee earning work helps contribute towards the statutory responsibilities.

2.4 It has been the ambition to expand the Building Control Partnership by the inclusion of other Local Authorities. Whilst the Partnership have been in discussions with Canterbury CC, several key concerns remain which would place the partner authorities in a position of risks in relation to future financial burdens and to the operation of the service as a whole. The Partnership will continue its conversations with Canterbury City Council to resolve these matters but it is highly unlikely this will be progressed over the following financial year.

### **3. Proposal**

3.1 In accordance with the timetable above, a draft Business Plan and associated Delivery Plan has been agreed by the Joint Committee for consultation with the respective partner authorities.

3.2 The next three years of the Business Plan covers the period 2015 to 2018 and will focus on:

- Further improvements to customer service utilising IT development and customer interaction;
- Increased opportunities for income generation protecting and capturing market share;
- The development of consultancy services with dedicated staff to service provision in a separate company.

3.3 In order to meet the requirements of each authority's reducing budgets, it is proposed to reduce contributions by 12.01% over the business plan period (which represents a further 2% saving on contributions required by the partner authorities compared to the previous business plan which identified 18.15% savings up to April 2018. These will mainly arise from:

- 30% reduction in accommodation and premises costs;
- 5% reduction in supplies and services costs on a per annum basis; and
- 4% reduction in salary costs.

Details of the financial plan 2015-18 are included in Appendix I.

- 3.4 For Swale Borough Council the contribution to the shared service will fall from the current £81,925 to £72,050 by 2017/18. This represents a 12% reduction in costs for Swale Borough Council over the next 3 years.
- 3.5 The next phase of the partnership will not only consolidate the successes of the past five years but continue the expansion of services, staff development and improved customer service which the investment of the three partners has allowed for. Whilst it was disappointing not to be successful with the transformation challenge bid, the review of alternative forms of provision will remain on-going and will be included in any review relating to setting up a viable consultancy arm.

#### **4. Alternative Options**

- 4.1 The Cabinet needs to advise the secretary to the Joint Committee whether it approves without amendment or approves with further proposed modifications to the Business Plan to be agreed with partner authorities or rejects the revised draft business plan.

#### **5. Consultation Undertaken or Proposed**

- 5.1 The Business Plan has been considered by the Joint Authorities Committee overseeing the operation of the Building Control partnership. This has involved the Cabinet Member for Planning throughout the process.
- 5.2 Once the initial representations are received from each of the authorities, the Business Plan will be finalised and submitted to each of the Authorities for formal approval by their respective Cabinets.

#### **6. Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The new Partnership has built resilience into the service that supports the Council's aim to be open for business
Financial, Resource and Property	Appendix I sets out the details of the financial plan accompanying the Business Plan. It is proposed to reduce total partner contributions over the three year plan by £9,842 (12.01%). The contributions for swale are as follows:

	Year	Contribution	Reduction for previous year
	2013/14	£88,438	
	2014/15	£81,925	£6,513
	2015/16	£78,381	£3,544
	2016/17	£75,080	£3,301
	2017/18	£72,050	£3,030
	At Swale, the medium term Financial Plan will accommodate the proposed contributions as stated above.		
Legal and Statutory	The partnership and Joint Committee operate under a memorandum of agreement signed by each of the partner authorities.		
Crime and Disorder	Effective control and enforcement of building standards and dealing with dangerous structures is consistent with an increased perception of security and wellbeing.		
Risk Management and Health and Safety	This is detailed in Section Three of the Service Delivery Documentation, focussing on the slow recovery in the economic situation and an inability to sustain growth, as well as a lack of investment in staff development and IT solutions.		
Equality and Diversity	None identified at this stage.		
Sustainability	None identified at this stage.		

## 7. Appendices

- 7.1 The following documents are to be published with this report and form part of the report

Appendix I: South Thames Gateway Building Control Partnership – Business Plan 2015-18.

Appendix II: South Thames Gateway Building Control Partnership – Service Delivery Plan 2015-18.

## 8. Background Papers

- 8.1 None





# Building Control Partnership Business Plan 2015-2018



Director  
Version No.  
Last updated

Tony Van Veghel  
3  
21 November 2014

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## **C O N T E N T S**

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## 1. Executive Summary

- 1.1. The next three-year business plan covers the period 2015 to 2018 and will focus on:
  - Further improvements to customer service utilising IT development and customer interaction.
  - Increased opportunities for income generation protecting and capturing market share.
  - The development of consultancy services with dedicated staff to service provision in a separate company.
- 1.2. These are essential to the continued success of the partnership and to meet the future demands of our customers. They consolidate the current five objectives and have been discussed and agreed with stakeholders.
- 1.3. The improved construction economy has created increased competition for both work and staff across the sector. There has been little investment in development of new staff across the industry, so recruitment and retention of staff is becoming as important a driver for the success of the partnership as it was in 2006.
- 1.4. The development of a new IT system will play an intrinsic part in improving customer service whilst reducing operating costs. There is a need to invigorate the new marketing strategy to ensure work is captured both regionally and nationally. The market place has changed in that some of our major competitors are no longer local to the area but come from the Midlands and the North of England. Delivering services traditionally is no longer economical to local authority building control and a wider audience needs to be captured.
- 1.5. It is no longer viable to deliver the myriad of inspections ranging from simple or complex without matching the appropriate resource. With the advent of agile working it is possible to target resources in a much more effective way, delivering good value to customers on site. The return on investment on the web based product will allow increased inspections to be carried out by surveyors each day without the need to attend the office. Recruiting different levels within the building control range will allow for an appropriate level of skill and experience to be allocated to each site inspection.
- 1.6. It will also free up key account holders to properly manage their customer accounts and deliver a more focused service so as to retain their client base. With increased competition we need to be able to maintain and develop our client base, in the first instance through an improved service which not only delivers value for money but also meets clients' wants as well as their needs. This will require an investment in time by the surveyors as well as tangible improvements to the service delivering, application monitoring, self service research, real time information, text notification of inspections and where appropriate

intermediate reports, 'closeout' meetings and the final reports indicating the value of using our service.

- 1.7. This will require radical change both to the way we deliver the service and the structure which is needed to meet this demand.
- 1.8. New structures will require additional funding and these needs to be self generated through increased market share, improved marketing and further diversification to increase income generation through the consultancy arm.
- 1.9. The consultancy has matured now to the point where officers need to be dedicated to various roles rather than reacting to ad hoc requests. This will require the consultancy to be delivered through a different vehicle so as to be commercially viable and return a profit which can be reinvested into the partnership. A bid for a government grant funding to look at this aspect of development has already been lodged and further opportunities to lever in money into such a venture will be pursued.
- 1.10. The partnership is funded through three income streams which support the chargeable (competitive building regulation market), the non-chargeable (duties and responsibilities of local authorities) and the consultancy (complementary services to the building industry).
- 1.11. Each of these are currently non-profit making and provided a restructure allocates the correct resource to the function, the first two should remain so and be compliant with both charges legislation and the standing orders of each authority. A restructured staffing resource will need careful change management considerations so as to provide sufficient technical and professional support to deliver these services.
- 1.12. The provision of a commercially viable consultancy service offers new opportunities to increase services and revenue through a profit-making local authority company or social enterprise.

## 2. Financial Plan

- 2.1. Members have requested that the format of the Business Plan changes to a 3 year rolling programme. This will take the forecast beyond the end of the current second term which finishes in September 2017. However, Members have endorsed the likely progression of the partnership beyond that period and the new arrangement will allow for the agreed contributions to feed into each authorities medium term financial plan.
- 2.2. The financial plan, in figure 1, is based on the following pressures:
  - An increase in salary costs of 1% per annum
  - A nominal increase in transport costs associated with increased visits by surveyors
  - A required 3% increase in overall income generationand the following savings:
  - A 30% reduction in accommodation and premises costs
  - A 5% reduction in supplies and services costs per annum
  - A 4% reduction in salary savings following first phase restructure
- 2.3. This will generate a further 2% saving on contributions required by the partner authorities compared with the previous business plan.
- 2.4. Should the proposed expansion of the partnership take place as planned in April 2015, the Business Plan will be revised to incorporate four partners and further savings will be generated as shown in figure 2.
- 2.5. Total contributions will have reduced for the current three partners by £61,472 between April 2012 and March 2016 in the current arrangement. Should the partnership be extended the saving to the current three partners would increase to £65,381.
- 2.6. The original Business Plan developed by PML, in 2006, included a paragraph stating that “the advances paid by Gravesham and Swale Councils would be repaid from future surpluses.”
- 2.7. The Constitution includes in Clause 3.14.8.1 “Gravesham and Swale have at commencement contributed to the partnership from their respective building control chargeable accounts their respective surpluses existing at 30 September 2007 and Medway has at commencement contributed to the partnership by means of setup and implementation costs.”
- 2.8. Clause 3.14.8.2 goes on to say “they shall within 6 months of commencement agree the manner in which the budgetary contributions of the councils shall be reduced during the term in order to offset the

surplus paid by Gravesham and Swale and Medway's contributions to setup and implementation referred to in Clause 3.14.8.1."

- 2.9. At Joint Committee on 25 September 2008 Members agreed "that the advances for the setup costs of the partnership be the first call on any future surpluses achieved through the provision of consultancy services".
- 2.10. Up until now the provision of consultancy services has been provided under provisions that require it to be on an 'at cost' basis and therefore not able to generate a surplus.
- 2.11. A bid is currently with the Government called the "Transformation Bid" to obtain grant money to explore the most appropriate delivery model for the consultancy now it has been established with the proviso that the delivery model should be commercially based and able to achieve a surplus.
- 2.12. Within this Business Plan it has been explained that we need to operate the consultancy as a commercial arm of STG with the ability to generate a surplus.
- 2.13. Actions are contained within the Delivery Plan to identify the accumulated reductions referred to within the Constitution and determine as and when surpluses are generated by a new commercial consultancy as to what proportions those surpluses should be reimbursed to the three partner authorities.
- 2.14. At Joint Committee on 2 October 2014 Members agreed the following principles:
  - 2.14.1. The key priority must be to protect STG's financial position and its ability to provide a sustainable service, on the basis of a break even budget or, if possible, making a surplus, particularly within the consultancy arm.
  - 2.14.2. The first priority for spend of any budget surplus would be for any required and necessary investment in the service and/or the provision of an appropriate budget reserve.
  - 2.14.3. Once appropriate and necessary investment in the service has been made and appropriate budget reserves put aside, any budget surplus from the consultancy arm will be ring fenced to repay initial start up costs. On this basis only surpluses generated by the consultancy arm of the partnership will be ring-fenced specifically for the purposes of repaying initial start-up costs as listed above, with repayment of such costs being on a proportionate basis in line with the start up costs provided by each Partner organisation. The exact mechanism for this repayment to be delegated to the Officer Steering Group for their consideration and agreement

in due course. The purpose of such a mechanism will be to ensure that all partners eventually receive back those funds initially invested.

- 2.14.4. At the same time a financial incentivisation scheme will be agreed by the Officer Steering Group, to ensure all three councils are encouraged to use STG's services for construction and other projects.
- 2.14.5. Future reductions in annual deficit contributions by partner organisations will be treated and recorded as being an element of repayment to each partner organisation in relation to initial start-up/administration fees incurred.
- 2.14.6. The creation of a stand-alone consultancy arm be used as the primary means of repaying initial start-up funds/administration overheads (with the necessary financial support being committed by each Partner as a means to facilitating this should the bid for Transformation Grant funding be unsuccessful).



**Three year Budget Build and Contribution Calculation For 2015/2016 - 2017/2018 (including comparative 2014/2015 budget) for Three Authority Partnership**

	<u>2014/15 Budget</u>	<u>2015/16 Budget</u>	<u>2016/17 Budget</u>	<u>2017/18 Budget</u>
Staffing	1,129,538	1,128,751	1,139,751	1,150,861
Premises	102,532	46,300	46,300	46,300
Transport	46,580	42,350	42,350	42,350
Supplies and Services	108,030	108,970	105,970	108,970
Support Services	58,210	52,910	52,910	52,910
<b>Total Cost:</b>	<b>1,444,890</b>	<b>1,379,281</b>	<b>1,387,281</b>	<b>1,401,391</b>
Contributions	(303,427)	(290,300)	(278,076)	(266,853)
Income	(1,141,463)	(1,088,981)	(1,107,822)	(1,123,678)
<b>Total Income</b>	<b>(1,444,890)</b>	<b>(1,379,281)</b>	<b>(1,387,281)</b>	<b>(1,401,391)</b>
Chargeable 79%	(1,141,463)			
Non-Chargeable 21%	(303,427)			
	(1,444,890)	0	0	0
Chargeable 78%		(1,088,981)		
Non-Chargeable 22%		(290,300)		
	0	(1,379,281)	0	0
Chargeable 80%			(1,107,822)	
Non-Chargeable 20%			(278,076)	
	0	0	(1,387,281)	0
Chargeable 81%				(1,123,678)
Non-Chargeable 19%				(266,853)
	0	0	0	(1,401,391)
<b>Authority and Agreed Percentage</b>	<b>2014/15 Budget</b>	<b>2015/16 Budget</b>	<b>2016/17 Budget</b>	<b>2017/18 Budget</b>
Gravesham - 20%	60,685	58,060	55,616	53,371
Swale - 27%	81,925	78,381	75,080	72,050
Medway - 53%	160,817	153,859	147,380	141,432
	<b>303,427</b>	<b>290,300</b>	<b>278,076</b>	<b>266,853</b>

[Figure 1]

### **3. Background**

- 3.1. South Thames Gateway (STG) is a Partnership of three authorities (Gravesham Medway and Swale) that was established on 1<sup>st</sup> October 2007 to build in resilience for the building control service across the Thames Gateway area.
- 3.2. STG Building Control was founded on the extensive knowledge, experience, integrity and professionalism of the building control team to deliver a first class service to a population of over 470,000 people covering some 257 square miles of Kent.
- 3.3. The Partnership in fact delivers three complimentary services that impact on the health and safety of people living, learning, working or visiting the area.
  - The building regulation service which consists mainly of checking building plans, the inspection of building works in progress and appropriate enforcement to ensure all relevant building work complies with the building regulations.
  - A public protection service which includes both inspections and information which councils are required to provide, for example, dangerous structures, demolitions, unauthorised works, competent person schemes and the initial notices register.
  - A consultancy which delivers additional discretionary services including energy, fire risk, access and Code for Sustainable Homes assessments together with SAP and Sbem calculations and the provision of clerks of work to oversee Decent Homes and Condition surveys for local authority housing stock.

## **4. Review**

- 4.1. The construction industry showed signs of a recovery in 2013/14 with applications around 19% higher than the previous year; however, income remained about the same. This was an indication that much of the increased activity was in the lower value domestic market.
- 4.2. Significantly, this sector has also seen a sharp rise in competition for the work, which has been reflected across the south-east. As demand has increased so too has the competition for surveyors to deliver the service and this has put a pressure on all local authorities who are not able to match the remuneration packages available in the private sector.
- 4.3. Improvements to the partnership's working practices began towards the end of the year driven by the adoption of the new computer system. This web based product is able to deliver the service remotely wherever access to the Internet is available. Further development throughout 2014/15 has allowed for implementation of a mobile environment whereby surveyors can access and input to the system recording inspections in real time and improving the service to customers. The development of a change in working practices also allows for an increased number of inspections to be carried out per surveyor.
- 4.4. Negotiations have continued with Canterbury City Council for them to join the partnership, increasing its capacity and its potential to develop further complementary services for the building industry.

## 5. Strategic Vision

### IT

- 5.1. The adoption of the new IT system will enable the development of an improved customer service based on a better interaction between the partnership and its clients. The increased use of email and electronic communication will speed up requests for further information and the delivery of approvals and completion certificates. There will be further developments in self service by customers giving them a wider access to information and records pertinent to their applications. A system will be developed so that applications can be tracked through the process giving the opportunity for customers and agents to comment at various milestones through the approval process allowing for informed discussion at the project planning stage. There will also be the availability for surveyors to record inspections, contraventions, all requests for further information on site and in real time so that clients have a true reflection of the outcome of a site inspection rather than relying on feedback from their builder.
- 5.2. For more complex projects there will be the opportunity to prepare and submit interim and final reports so as to highlight the benefits and cost savings that have been possible through using the partnership.

### Working Differently

- 5.3. The provision of agile working should open up a number of opportunities to use the staff resources in a more effective way. Staff will not need to return to the office and therefore can use their time or effectively in dealing with site inspections with an increased number of inspections possible per surveyor. Reliance on a paper based file and plan will not be an issue, therefore the monitoring of sites can be more proactive as can the pursuit of an authorised works which will not be dependent on records held in the office.
- 5.4. In order to address the issue of a consistent approach a number of quality controls need to be introduced to both the plan vetting and site inspection services and future development of a structure which separates out the two functions and dedicates personnel to, will form part of the delivery plan. Further changes will also be investigated so as to resource the servicing of domestic and non-domestic work with appropriately qualified and experienced staff. As domestic work accounts for approximately 74% of applications but only generates 50% income, resources need to reflect the complexity of work being examined. Similarly with 26% of non-domestic applications generating the other 50% of income it is important to provide the correct calibre of staff to deliver a comprehensive professional service to these clients who are subject to greater competition.

- 5.5. Further examination of these arrangements will be undertaken through the life of the business plan to determine if dedicated resources can be appropriately assigned to relate to the cost of chargeable and non-chargeable works. A further work stream will examine the most appropriate delivery model for the consultancy, with appropriate dedicated staff, services could be extended and with a revised marketing strategy that looks at the wider market opportunities to generate additional income and surplus so as to build in further resilience to the partnership.

#### Cost saving / Income generation

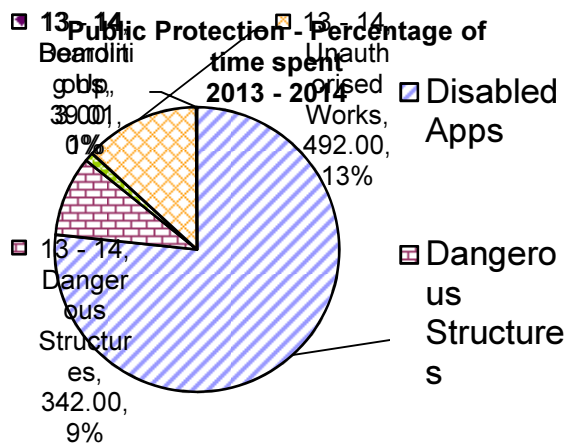
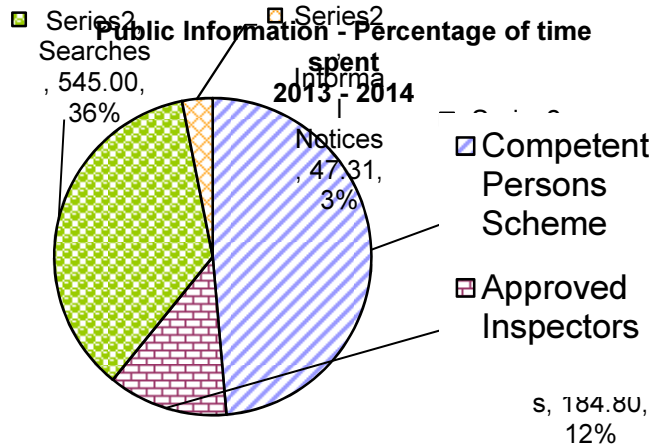
- 5.6. Accommodation costs have been reduced by 48% with the move to Rochester which has been assisted by the introduction of agile and mobile working. The majority of savings have been achieved by reduction in footprint of the new accommodation which greatly reduces the rent and rate expenditure. With the changes in working practices we are able to accommodate a number of hot desks to be used by those surveyors required to return to the office.
- 5.7. The first phase of restructuring will see teams move from a geographical basis to a functional basis. This will allow for an overall reduction in surveying staff from 2013/2014 levels with surveyors able to deliver a greater number of inspections per day. This will achieve a 4% salary saving against the previous financial plan.
- 5.8. This use of electronic mail will reduce postal costs and the delivery of plan checking online will deliver savings on printing as well as providing less reliance on printer plans on site. Overall a 5% reduction per annum in the supplies and services budget will be available.
- 5.9. A 1% reduction in contribution costs is illustrated within the plan based on efficiency savings available through the new IT system. In respect of reduced costs associated with inspections and an improved competent person registration and processing.
- 5.10. As well as cost savings, opportunities exist for increased income generation. Winning and maintaining market share is vital to the continued success of the partnership. The provision of an excellent service to existing customers must retain market share with improved account management. A revised marketing strategy will look to improve market share, widening services available through the consultancy ensuring competitive price.

#### Partner contributions

- 5.11. The partner contributions pay for much of the partnerships works that is designated as public protection and often falls as duty or responsibility on the Local Authority such as: disabled persons applications,

dangerous structures, demolitions, unauthorised work and enforcement and the administration of approved inspector legislation.

5.12. The charts below show comparisons of the time spent on non-fee chargeable work through public protection and public information for 2013/2014.



5.13. The 77% of time spent dealing with disabled person applications has proved a very expensive service for the partnership as whilst the works are seldom of a complex nature they impact heavily on a surveyors' time. Part of the restructure will look to take on less qualified staff who can become specialised in this area and will reduce the costs per application.

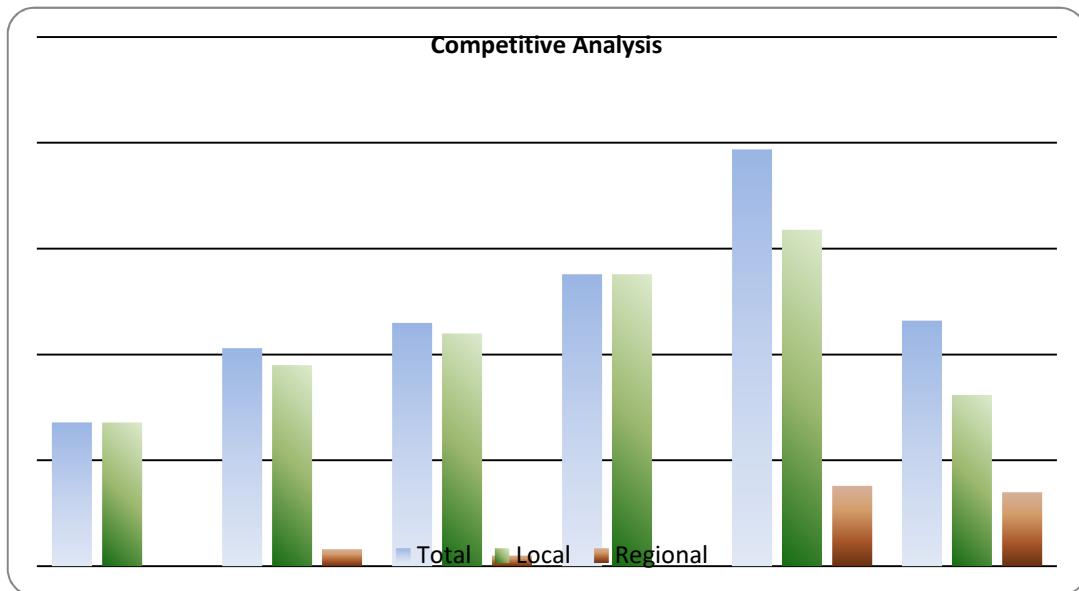
5.14. The time spent on dangerous structures does, however, often require highly qualified or regular visits and again is an expensive burden on contribution funding. Through 2015/2016 we will examine if insured dangerous structures can be pursued to reclaim the local authority costs as this could be used to reimburse the authority for dealing with the issue.

5.15. Some improvements to the way the 25,000 competent person certificates are lodged has already taken place and through 2015/2016 there will be further improvements to the system so as to reduce technical assistant time on this function.

5.16. By these improvements costs will be reduced to the partners throughout the Business Plan until 2018. By that time if no further savings can be made in efficiencies the opportunity will exist to reduce contribution costs by supplementing the charge with the consultancy surplus.

Competition

5.17. The building regulation market is highly competitive. The chart below compares the number of initial notices received each year against the number received from local and regional placed approved inspectors



- 5.18. A significant trend has occurred over the last 2 years where regional, and sometimes national, approved inspectors are competing for work in the area. Initial notices from the Midlands and even Newcastle are not unusual and revised legislation allows for the initial notice to be signed by the approved inspector rather than the client. This has led to confusion with some customers unaware who is dealing with their project.
- 5.19. This trend is not confined to STG or Kent but is a regional issue throughout London and the SouthEast. Further work with Local Authority Building Control (LABC) and their marketing team as part of our marketing strategy will be designed to win back market share. We will continue to work with partner architects under the agreed LABC partnering scheme and will endeavour to increase the number of partners to improve upon market share.
- 5.20. We currently have 70% of market share and will look to improve this to 75% by end of 2016.

#### The way forward

- 5.21. A productive away day was carried out in July 2014 focusing on the direction of the Business Plan. The revised objectives are as a result of the interaction with staff and stakeholders in identifying improvements to the service.
- 5.22. A SWOT analysis has been undertaken to determine where we are now and where we want to be. Amongst the main points raised were:
- The improvements in IT which allow greater flexibility in the way we work.
  - Improvements required to the quality and consistency of plan checking and site inspections.
  - Improvements to the speed of turnaround of applications.
  - Access to reliable and consistent advice.
  - The need to change service delivery to meet customer wants as well as their needs.
  - The need to resource adequately to meet demand across the range of services.
  - The need to develop the consultancy as a commercial arm of STG.
- 5.23. These items will form the focal point in the year ahead and underpin the objectives in the delivery plan. With continued support from the three authorities and the likely expansion of the partnership delivery on these objectives will build on the reputation of delivering a first class service to customers and stakeholders.





# Building Control Partnership Delivery Plan



Director  
Version No.  
Last updated

Tony Van Veghel  
1  
08 September 2014



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## **C O N T E N T S**

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## 1. SERVICE DELIVERY PLAN – 2015-2016

1 Objective		Improve customer service utilising IT development and increased customer interactions			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
1.1 Development of on-screen plan vetting	Acquire larger scale monitors	Increased plan checking within performance targets and reduced costs	Within current budget	May 2015	Phil Harris
	In-house training to all surveyors		Within current training budget	June 2015	Phil Harris
	Monthly and 3 monthly review of use and output		Within current budget	July to September 2015 monthly then 3 monthly	Derek Base / Robert Wiseman
1.2 Implementation of real time inspection records	Information updated at time of inspection on database	Improved customer information	Within current budget	June 2015	Derek Base / Robert Wiseman
1.3 Increase the number of site inspections per surveyor	Number of inspections per surveyor increased by 20%	Achieving new target time per visit	Within current budget	Quarterly review	Phil Harris
1.4 Achieving national performance indicator for plan	85% plan vets within 10 working days, 100%	Improved turnaround time	Within current budget	Quarterly review, monitoring report	Phil Harris

1 Objective		Improve customer service utilising IT development and increased customer interactions				
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer	
vetting	within 15% working days	for plan vetting		and covalent		
1.5	Improve consistency to plan vetting and site inspection with the development of function based teams	Restructuring group to accommodate functional teams	Change in working practices for surveyors	Within current budget	June 2015	Tony Van Veghel
		Appointing dedicated team leaders to oversee consistency and quality checks	Improve consistency	Within current budget	August / September 2015	Tony Van Veghel / Phil Harris
		Monitoring consistency and provide training where required	Improved consistency for both plan vetting and site inspection records	Within current budget	Monthly monitoring until March 2016	Derek Base / Robert Wiseman
1.6	Tracking of applications via website and refine self-serve search facility	Identify funding to develop new website	Web capable of delivering customer tracking	To be investigated	End April 2015	Janine Boughton
		Development of website		To be investigated	October 2015	Janine Boughton
		Testing of enabling customer viewing of	24 hour access for customers to	Within current budget	March 2016	Janine Boughton

1 Objective		Improve customer service utilising IT development and increased customer interactions			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
	current stage of application	view stage of application			
1.7 Improved communication with customers	Automated notification of inspection on booking	Confirmation of site booking to customer	To be investigated	End April 2015	Janine Boughton
	Greater use of email communication to customers	Faster and immediate notification	Within current budget	June 2015	Janine Boughton / Phil Harris
	Notification to customers prior to visit by surveyor	Confirmation of time of visit to customer	Within current telephone budget	August 2015	Derek Base / Robert Wiseman

2 Objective		Increase income generation by increasing market share and further expansion of partnership				
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer	
2.1	Expansion of partnership to incorporate Canterbury Building Control	Increase resource to partnership to retain and improve resilience	Wider opportunities to generate income	Within agreed budget	April 2015	Tony Van Veghel
		Restructure and realignment of boundaries	Change in working practices for surveyors	Within agreed budget	September 2015	Tony Van Veghel
2.2	Develop account management	Greater frequency in engaging with partners	Retention of partners and market share	Within current budget	Quarterly	Derek Base / Robert Wiseman
2.3	Develop marketing strategy for 2016/2017	Strategy incorporating restructured building control and new commercial consultancy	Increase market share and generate additional income	Transformation bid and marketing budget	September 2015 to March 2016	Janine Boughton / Tony Van Veghel
2.4	Provision of additional complimentary services	Identify additional services and resources which can be delivered to the public and private sector	Expand consultancy services and generate additional income	Within current budget / self-financing	June 2015	Tony Van Veghel / Phil Harris
		Market additional services		Within current budget / self-financing	July 2015 to September 2015	Tony Van Veghel / Phil Harris



<b>2 Objective</b>		<b>Increase income generation by increasing market share and further expansion of partnership</b>			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
	Monitor and review consultancy	Determine performance and income	Within current budget	November 2015	Tony Van Veghel / Phil Harris

3 Objective		Development of consultancy services with dedicated staff under separate company			
Action	Output	Impact	Resources	Milestones/P.I.s	Lead Officer
3.1 Investigate setting up separate company	Engage consultants to investigate appropriate delivery model	Report to be taken to Joint Committee	Transformation bid	May 2015	Tony Van Veghel
	Appoint appropriate qualified and dedicated staff	Focus delivery model to customers	Invest to save / self-financial	October 2015	Tony Van Veghel / Consultancy Manager
	Increase services to a wider market (regionally and nationally)	Wider opportunities to generate income	Self-financing / return on investment	March 2016	Consultancy Manager
3.2 Determine the distribution of surpluses	Working group set up to reach agreement on the percentage split of any commercial surplus	Agreed mechanism and time period for repaying original setup costs	Within Partner Authority budget for officer time	June 2015	Joint Committee Members, Steering Group Officers, Financial Officers, Legal Officers

## 2. CONTRIBUTION AND SUPPORT FOR COUNCILS PRIORITIES

2.1. As STG is a Partnership of three authorities, it is important that its values reflect those of the three councils.

Gravesham's priorities are:

- to achieve a safe, clean and green place of choice
- to foster vibrant and cohesive communities with affirmative action to promote meaningful engagement, diversity and social inclusion, health and well-being, leisure and culture
- to seek to provide and work with others to ensure quality and affordable housing
- to secure a sustainable and buoyant economy, particularly in the town centre and Ebbsfleet, with attractive investment opportunities and a developing tourism market and to maximise regeneration opportunities for the benefit of existing and new communities
- to invest in the future of Gravesham through development of its youth
- to transform the council into an economically sound organisation delivering excellent accessible services that provide value for money.

Medway's priorities for the next three years are:

- Safe, Clean and Green Medway
- Children and young people have the best start in Medway
- Adults maintain their independence and live healthy lives
- Everybody travelling easily around Medway
- Everyone benefitting from the area's regeneration

Medway Values

- Putting the customer at the centre of everything we do
- Giving value for money

Swale's priorities are:

- Healthy environment
- Open for business
- Embracing localism

2.2. There are clear links between the three and all revolve around regeneration and sustainability, maximising opportunities for local communities and delivering quality services. These are also encompassed in the values of putting the customer at the heart of everything we do and giving value for money.

## **Regeneration**

### **Linked to Council Priorities:**

- to secure a sustainable and buoyant economy, particularly in the town centre and Ebbsfleet, with attractive investment opportunities and a developing tourism market and to maximise regeneration opportunities for the benefit of existing and new communities - Gravesham priority
- Everyone benefitting from the area's regeneration – Medway priority
- Healthy environment – Swale priority

2.3. Our consultancy is now able to offer a range of services to the major regeneration projects in the area. Early intervention in the design process will eliminate issues that could provide conflicts with legislation at a later date. Our range of services include:

3. Code for sustainable home assessment, SAP calculations, SBEM calculations, Display Energy Certificates, Access Audits and Fire Risk Analysis and reports.

4.

5. We have also teamed up with colleagues LABC Services, the commercial arm of LABC, through whom we are able to offer air pressure testing, acoustic testing and have access to CDM co-ordinators together with other expertise and specialism's which we are now able to facilitate.

5.1. We also work with colleagues in Private Sector Housing and Environmental Health to aid the transformation of areas through social regeneration, providing advice on bringing back into use empty and dilapidated properties, houses in multiple occupation and the refurbishment and repair of commercial premises. We have a number of joint meetings with Registered Social Landlords (RSL's) and have shared technical updates through the seminars we have organised.

5.2. We offer the design and surveying team expertise in the design of many adaptations to Medway's schools, and have partnered with a number of architectural practices that are working through programmes of school extensions and adaptations. We work with Medway Education and Business Partnership to assist in work experience for school leavers.

### **Links to STG Delivery Plan Reference:**

- Objective 3 (see page 9)

## **Sustainability**

### **Linked to Council Priorities:**

- to achieve a safe, clean and green place of choice – Gravesham priority
- A clean and green environment – Medway priority
- Healthy environment – Swale priority

5.3. Building Control has a major part to play in ensuring the innovative designs for the regeneration of the area are still compliant with the Building Regulations. As

sustainability is an important part of the Government's agenda to reduce CO<sub>2</sub> emissions and reduce energy costs for everyone, the adaptation and renovation of buildings within the area, together with control of new buildings will ensure the impact on the environment and energy bills are kept to a minimum.

5.4. The Government have stated:

“The Energy White Paper produced by the Government acknowledged the reality of climate change and stated a commitment to putting the UK on a path to cutting carbon dioxide emission by 60% before 2050 with real progress by 2020 by cutting emissions by 34% of the 1990 levels.

With around half of the CO<sub>2</sub> emissions coming from building energy use, the Building Regulations are a key part of Government efforts to tackle climate change through higher building standards. CLG recognise that Building Control professionals are at the forefront of these efforts.”

- 5.5. A major impact on the repair and maintenance of housing stock will be the effect of Green Deal. The Green Deal is a new Government initiative that is designed to bring together business and home owners to employ more green technologies in their properties. The idea is to install this technology to the property with no upfront costs as the costs will be paid back through energy bills over a period of time. This is unlike a conventional loan because if the owner moves out of the property the bill stays with the property where the savings are occurring and does not move with the bill payer. The golden rule of the Green Deal is that the expected financial savings must be equal to or greater than the costs attached to the energy bill.
- 5.6. The Green Deal was introduced by the Energy Act 2011 which has three principle objectives: tackling barriers to investment in energy efficiency; enhancing energy security; and enabling investment in low carbon energy suppliers. The Green Deal creates a new financial framework to enable the provision of fixed improvements to the energy efficiency of households and non-domestic properties, funded by a charge on energy bills that avoids the need for consumers to pay up front costs. It includes provisions to ensure that from April 2016 private residential landlords will be unable to refuse a tenants reasonable request for consent to energy efficiency improvements where a finance package, such as Green Deal and/or the Energy Company Obligation is available.
- 5.7. The Government are also revitalising the Home Energy Conservation Act requiring all English local authorities to report a proposed energy conservation measure to improve the energy efficiency of their residential accommodation as the Green Deal can enable them to achieve this.
- 5.8. New proposals to simplify and streamline housing standards for house builders are out for consultation. The consultation sets out a number of planned changes to housing standards which include phasing out the code for sustainable homes and introducing minimum space standards for new housing. The DCLG have said that the new proposals would “help free up the industry, support growth and get high quality homes built”. The intention is to move more of the sustainable section of the code to the Building Regulations so that

they can be controlled nationally with space standards included in planning legislation.

5.9. The Government are also consulting on Allowable Solutions, a key measure by which house builders will ensure that all new homes are zero carbon by 2016. Allowable solutions is the overarching term for the carbon offsetting projects or measures which house builders may support to achieve the zero carbon homes standard. These are:

- Undertaking the full 100% of carbon abatement on site through connected measures.(eg, a heat network)
- Meeting carbon reductions through off site actions such as improving other existing buildings (eg, retrofitting), renewable heat or energy schemes, or by building to a higher standard than the current Part L requirements.
- Using a third party allowable solutions provider to deliver carbon abatement measures for them which are sufficient to meet the house builders obligations.
- Paying into a fund which invests in projects which will deliver carbon abatement on their behalf.

These allowable solutions will form an integral part of achieving zero carbon and will need to form the basis of both the building control and consultancy pre-application discussions STG will have with clients.

5.10. This key message from the Government and the demand from the construction industry for pre-application advice and discussion mean it is imperative that STG invest in continually training staff to provide the lead and the service that is required. This necessary training will ensure that sufficient qualified staff are available to provide a design service through the consultancy, and a checking service through the administration of the Building Regulations without compromising the necessary checks and balances which need to be in place to ensure complete scrutiny in both the design and checking processes, similar to that which exists in private sector competition.

**Links to STG Delivery Plan Reference:**

- Objective 3 (see page 9)

**Maximising Opportunities for local communities**

**Linked to Council Priorities:**

- to foster vibrant and cohesive communities with affirmative action to promote meaningful engagement, diversity and social inclusion, health and well-being, leisure and culture – Gravesham priority
- to seek to provide and work with others to ensure quality and affordable housing – Gravesham priority
- to invest in the future of Gravesham through development of its youth – Gravesham priority
- Children and young people having the best start in life – Medway priority

- Older and vulnerable people maintaining their independence – Medway priority
- Embracing localism – Swale priority

Through our work with the housing sections of the partner authorities we help to deliver improvements to council owned properties through the Decent Homes, condition surveys and fire risk assessments. During these surveys we also assess health and safety requirements of the occupants and impacts on the community.

- 5.11. Through joint training, guidance and information sheets, together with builder and architect forums, the Partnership aims to support all of our customers in their building projects. Over the next 3 years mini guides will be developed both locally and nationally to cover general standards of construction on many projects in the domestic market such as garage conversions, small extensions and removal of load-bearing walls. This will assist in ensuring a consistent approach to the many challenges, the multitude of complex and interactive regulations now presents to every development.
- 5.12. Inclusive design is a paramount requirement of both newbuild and refurbishment works. Advising on compliance with The Equalities Act and Part M of the Building Regulations is a major part of public protection inspection services (non-fee earning) work. This not only delivers a more suitable environment for disabled people, but also transfers the benefits to the greater community, i.e. young families, older people and those caring for others.
- 5.13. The majority of the work of the Partnership is concerned with protecting the community through health and safety requirements in the regulations or in other sections of the Building Act.
- 5.14. Important examples of health and safety requirements include fire safety (means of escape, fire spread and access for the fire service) structural safety and satisfactory drainage. In addition, the Partnership deals with dangerous structures, demolitions, dilapidated buildings and contraventions of the Building Regulations. The CLG have programmed a consultation exercise on housing standards to determine if security and some other sections of the code for sustainable homes legislation ought to feature as a separate part of the building regulations.
- 5.15. We assist with a number of local agents and private sector housing sections to ensure adaptations comply with the Regulations to enable older and vulnerable people to stay in their homes and maintain their independence.

**Links to STG Delivery Plan Reference:**

Objective 1 Action 1.5, 1.6, 1.7 (see page 5 & 6)

Objective 2: Action 2.1 & 2.4 (see page 7)

Objective 3 Action 3.1 (see page 9)

**Delivering quality services**

**Linked to Council Priorities:**

- to transform the council into an economically sound organisation delivering excellent accessible services that provide value for money. – Gravesham
- Putting the customer at the centre of everything we do - Medway
- Giving value for money - Medway
- Open for business - Swale

5.16. Our customer survey revealed that the overall service provided by STG is of a very high standard with 97% of respondents rating it good to excellent. A further postal survey was carried which targeted owners of properties where works had been carried out.

5.17. Of the processes involved with delivering the service, communication and speed of delivery were seen as important by all customers in last years survey (81% to 100% rated this as important), it is therefore encouraging to see that 93% to 95% of customers feel they have received a Good to Excellent service in this.

5.18. The development of the new back office system will improve many elements of our customer service. Through 2015/16 we will be able to deliver a better service on site with access to real time information and through further developments of the system the ability to deliver inspection notes, notices and letters on site. Customers will be able to track the progress of applications online and carry out initial surveys on their properties through the web. We will be revisiting and revising guidance documentation for owners and developers to improve consistency on site and ensure communication throughout the life of the project is improved.

5.19. Local Authorities have a duty to ensure that building work complies with the Building Regulations (Section 91 of the Building Act 1984). If our requests to rectify contravention fail then, as a last resort, more formal action is used. There are two courses of action available:

Prosecution of the builder in the Magistrates Court under Section 35 of the Building Act 1984: in most cases, action must be started within six months of the contravention being discovered, the period of discovery being extended in 2008 to two years from the date the works were completed.

**6.** Notice under Section 36 of the Building Act 1984 requiring the owner to remove or rectify the contravening work. This Notice must be served within 12 months from the date of discovery of the contravention.

6.1. Most enforcement work is carried out by negotiation, and in 2009/10 the CLG asked authorities to demonstrate activity in this area. Prosecutions through the courts are an exception, but every day a number of the inspections carried out involve some form of intervention to either prevent or rectify work which was in contravention of the Regulations. We have worked with our software provider to design a way of capturing this information in the form of pre-contravention inspection reports and we will monitor this monthly to reflect the number of



inspections carried out that have protected consumers from building regulation contraventions during the course of their development.

- 6.2. As mentioned previously, consistency remains an important requirement identified by customers. We will be examining this area through the provision of training and shared experiences of staff and designers, the use of guidance notes and the use of comprehensive clauses, conditions and site notes.

**Links to STG Delivery Plan Reference:**

Objective 1 Action 1.2 – 1.5 – (see page 4 & 5)

Objective 2 Action 2.4 – (see page 7)

## 7. SERVICE RISKS

### Risk rating key

#### Likelihood

- A. Very high
- B. High
- C. Significant
- D. Low
- E. Very low
- F. Almost impossible

#### Impact

- 1. Catastrophic (showstopper)
- 2. Critical
- 3. Marginal
- 4. Negligible

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Host Directorate: RCC			Service: STG Building Control		Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee	
Risk Title: Finance and Strategy					Description of Risk: Reduced income			
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.	
10/09/14	01	C3	Increased competition resulting in loss of market share	65% of market share	Insufficient income to cover expenditure on chargeable account resulting in an increase on the followings year's chargeable rate which may make us uncompetitive.	Reduced expenditure to limit income deficiency. Look for alternative income streams through consultancy service.	1.1, 1.2, 1.3, 1.4, 1.5, 1.7, 2.2, 2.3, 2.4	
10/09/14	02	C3	Inability to sustain growth and acquire additional business.	Reduction in market share and consultancy services income	Inability to match income with expenditure resulting in increase in following year's chargeable rate. Surveyors chargeable time transfers to enforcement activity which would not be sustainable	Invest in training and development of staff so as to diversify resources into consultancy work. Increased time allocation monitoring.	1, 1.1-7, 2.1, 2.4, 3.1	

Host Directorate: RCC			Service: STG Building Control		Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee	
Risk Title: Finance and Strategy					Description of Risk: Reduced income			
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.	
					from the contributions. Consultancy losing income and not sustainable.			
10/09/14	03	D3	Current economic situation leading to increased debt arising from unpaid invoices.	Increased number of applicants unable to pay invoices.	Number and value of debtors increased affecting the budgeted income figure. Unpaid invoice provision within budget would need to be increased.	Careful monitoring of debtors list. Vigorous pursuit of large debts. Files clearly marked where invoice remains unpaid so as site surveyor can pursue on inspection. Taking over the functions of invoicing and dept collection from the finance department.	1.5, 1.6	

Host Directorate: RCC			Service: STG Building Control		Manager: Tony Van Veghel		Portfolio Holder: STG Joint Committee	
Risk Title: Inadequate Staff Development					Description of Risk: Insufficient investment in staff			
Date	Risk No	Risk Rating	Vulnerability	Trigger	Consequences if Risk Realised	Mitigation/Action Points for Risk Owners	Service Plan Ref.	
10/09/14	04	D3	Failure to suitably develop staff to meet the needs of the business and match personal self improvement expectations.	The market is regularly changing to offer alternative services to clients which compliment building regulation work. The Partnership requires staff to be trained to deliver a more diverse service and remain competitive.	Insufficient skill base would result in customers being more attracted to the competition with a resultant loss in work.	Ensure staff are well trained and able to compete with the services offered by the private sector.  Develop training matrix to ensure staff development through PDR process.	1.1-1.7, 2.1, 2.4, 3.1	

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	4 February 2015
<b>Report Title</b>	EU Waste framework directive
<b>Cabinet Member</b>	Cllr David Simmons, Cabinet Member for Environment
<b>SMT Lead</b>	Dave Thomas, Head of Commissioning & Customer Contact
<b>Head of Service</b>	Dave Thomas, Head of Commissioning & Customer Contact
<b>Lead Officer</b>	Alan Turner, Contracts & Procurement Manager
<b>Key Decision</b>	No
<b>Classification</b>	Open
<b>Forward Plan</b>	Yes
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To note the report, and</li> <li>2. Adopt the proposed TEEP assessment.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 The EU Waste Framework Directive 2008 requires all governments to manage waste collection and disposal in a manner which encourages and promotes recycling to a high quality standard. These requirements have been adopted into English Law by the Waste (England & Wales) Regulations 2011, which were further amended in 2012, and were the subject of a judicial review.
- 1.2 In summary, this law requires local authorities to collect the four principle types of recyclate separately (i.e. paper/card, metals, glass and plastics) unless it is not technically, environmentally and economically practical (TEEP) to do so.
- 1.3 For those local authorities, like Swale, who have forms of co-mingled collections of recyclate, it is recommended that they prepare a statement in the form of a "TEEP Assessment" which states the rationale for the local authority not collecting these materials separately.
- 1.4 At this stage, the implications of not preparing such a statement are not clear though it is understood that the Environment Agency will be required to monitor their availability and content. A clear statement will therefore reduce the risk of any future successful challenge.

## 2 Background

- 2.1 In order to fully consider all aspects of a rationale for separate collection, a Waste Regulations Route Map has been published by a consortium including representatives of local authority waste networks and WRAP (Waste Resources Action Programme)<sup>1</sup>. The Kent Resource Partnership (KRP) has endorsed the Route Map and has provided financial support for all districts to engage external support to produce a TEEP assessment based on the suggested requirements of the route map.
- 2.2 White Young Green (WYG), who supported and advised the Mid Kent Joint Waste Partnership (MKJWP) during the procurement of the current joint waste collection contract, were commissioned to formulate a TEEP assessment report on behalf of the MKJWC. This is shown at Appendix I to this report.
- 2.3 As a supplement to the TEEP assessment for MKJWP undertaken by WYG, officers are undertaking a detailed analysis of the quality and processing methods adopted with the recyclate collected in Swale. This underpins the TEEP statement and establishes whether or not we can be satisfied that we are doing all that is reasonably practical to ensure the highest possible quality of recycled materials. This is a lengthy process, which analyses all stages of recyclate from collection through to end destinations and uses.
- 2.4 The MKJWP undertook a lengthy and robust procurement of its current contract, on a competitive dialogue basis. Through discussion with the market during this process, it was agreed by the MKJWP to adopt a fully co-mingled alternate week collection service across the three districts, comprising fortnightly residual waste and fortnightly recycling collections, supplemented by a weekly food waste collection. There are also additional collections of Waste Electrical and Electronic Equipment (WEEE), textiles and household battery collections.
- 2.5 The procurement process demonstrated that co-mingled collections are most likely to yield significantly greater volumes of recyclate. This is evidenced by Waste Data Flow (WDF) analysis<sup>2</sup>, which shows that during 2012/13, 29 of the top 30 highest performing LA's in terms of recycling levels collect a form of co-mingled recyclate. Conversely, 25 of the lowest 30 performing LA's provide a kerbside sort based service. The message being that the easier the system is for residents to understand and use, the more likely they are to embrace the service. Co-mingling also requires fewer containers for households and whilst this is not a factor in applying TEEP, again it reflects a simpler, easier to use service.
- 2.6 Following collection, the materials are delivered to KCC at their Church Marshes Transfer Station, where the materials fall into KCC's ownership. Subject to KCC's

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<sup>1</sup> <http://www.wrap.org.uk/content/requirements-waste-regulations>

<sup>2</sup> <https://www.gov.uk/government/statistical-data-sets/env18-local-authority-collected-waste-annual-results-tables>

own processing contracts, the materials are “bulked up” and transported to the processors premises for processing.

- 2.7 From April 2014, Viridor have held the contract with KCC for processing MKJWP recyclate at their Materials Recycling Facility (MRF) at Crayford, where the materials are sorted for dispatch onto various specialist processing plants.
- 2.8 As evidenced by the KRP End Destinations of Materials 2013/14 publication<sup>3</sup>, approximately 78% of the recyclate collected in Swale is processed within Kent whilst a further 9% is processed elsewhere within the UK. The remaining 13% is exported, and this includes textiles which are exported as clothes to areas of need.
- 2.9 Swale’s residual waste is currently processed at Allington, where it is incinerated through Waste to Energy.
- 2.10 One of the biggest challenges is that there is no definitive description of what constitutes “quality recyclate”. Often, it is considered that any recyclate that is exported is not high quality, but this is not necessarily the case; it is the market which influences where materials will be sold by the processors. For example, the Far East may have higher demand for paper and card to manufacture packaging for their export goods, so these materials might be sold to foreign markets.
- 2.11 “Closed Loop” is a recycling system whereby the end products may be used in the production of another similar product. For example recycled milk cartons being used to produce new ones, and waste paper being used to produce newsprint. This is regarded as an optimum method of recyclate processing, though is not necessarily the definitive highest quality output.
- 2.12 Clearly, the over-riding objective of this legislation is to ensure that the quality of recyclate after processing is improved. It is important however to ensure that in order to maintain the highest quality output levels, the volumes collected do not drop significantly as a result. The market in terms of processing recyclate is continuing to develop and improve, largely through technology developments and demand for better quality outputs of recycled materials.
- 2.13 During the MKJWP procurement exercise, feedback from the market was that MRF operators are able to process recyclate just as efficiently (in terms of quality of outputs and cost) whether or not the materials are collected separately. This was another determining factor in the decision of the MKJWP in deciding on a co-mingled collection method.
- 2.14 Whilst the processing methodology and therefore associated quality of outputs are down to the contract that KCC lets, the MKJWP has been supported by KCC in attempting to work with Viridor to ensure the highest possible quality outputs,

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<sup>3</sup> [http://www.kent.gov.uk/\\_\\_data/assets/pdf\\_file/0013/20614/KRP-materials-end-destination-and-annual-report-2013-14.pdf](http://www.kent.gov.uk/__data/assets/pdf_file/0013/20614/KRP-materials-end-destination-and-annual-report-2013-14.pdf)

ensuring “closed loop” recycling. This is confirmed in a letter from KCC which is shown at Annex II.

- 2.15 In summary therefore, the report shows that it is clear that SBC has fully analysed all options available during the procurement process along with our MKJWP colleagues. The route map demonstrates that the quality of the ultimate outputs is high and the volumes of recyclate have continued to increase in Swale since the adoption of the new collection method. Ongoing activity with our communities will ensure that the level of awareness and participation in Swale’s recycling schemes will continue to ensure increased volumes and quality of recyclate.

### **3. Proposals**

- 3.1 It is proposed that this report and the accompanying TEEP report are agreed and noted, and made available in case of any future challenge to SBC.

### **4 Alternative Options**

- 4.1 Whilst there is no legal requirement to produce a statement, it is considered that it would expose the authority to risk of a likely challenge should one not be adopted.
- 4.2 To change the current method of collection to an entirely “source separated” service would have significant cost implications in terms of the current contract (additional containers, new fleet, more operatives, etc.), and with reference to paragraph 2.5, it is anticipated that the volumes of recyclate collected would drop, which would conflict with the overall objectives of the legislation.

### **5 Consultation Undertaken or Proposed**

- 5.1 There has been no specific consultation relating to the objectives of this report. However, the chosen collection methodology deployed by SBC and its MKJWP partners is as a result of consultation before and during the procurement process.
- 5.2 One of the objectives of obtaining an external viewpoint of this matter, through the WYG review, was to ensure that an independent viewpoint was available.

### **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	Healthy Environment – There are no implications on this objective over and above those already identified in approving the current collection methodology at the time of the procurement of the



	contract.
Financial, Resource and Property	There are no financial implications contained in this report. The cost of the independent external review was met by the KRP on behalf of the MKJWP.
Legal and Statutory	There is no legal requirement for this statement to be produced. However, there was very significant Legal advice taken during the procurement exercise when the forthcoming legislation in respect of materials separation was emerging.
Crime and Disorder	None
Sustainability	As identified in the body of the report, the current method of collection is likely to encourage the highest levels of recycling, and enables future improvements with the ability to collection further materials still.
Health and Wellbeing	None
Risk Management and Health and Safety	The adoption of this report will reduce the risk of challenge to SBC, and reduce the risk of losing any challenge should one arise.
Equality and Diversity	None

## 7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: TEEP Assessment report by WYG on behalf of MKJWP.
  - Appendix II: Letter from KCC confirming commitment to working towards closed loop with their contractor Viridor.

## 8 Background Papers

None

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# NOTE FOR MID KENT WASTE PARTNERSHIP (ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP ASSESSMENT



## INTRODUCTION

Mid Kent Waste Partnership (MKWP) comprises the Waste Collection Authorities of Ashford BC (ABC), Maidstone BC (MBC) and Swale BC (SBC).

During 2011 and 2012 MKWP procured a contract for the provision of waste collection and street cleansing services. The contract was procured using the Competitive Dialogue (CD) process and WYG provided technical support to MKWP for the procurement. The procurement process also involved extensive working with the Waste Disposal Authority, Kent CC (KCC).

WYG's involvement with MKWP began after the initial Descriptive Document and other contract documentation for the initial (Outline Solutions) stage had been drafted; and after Pre-Qualification Questionnaires had been received.

The contract documentation states that:

'ABC, MBC and SBC have been working in partnership with KCC to identify and implement cost effective waste collection/processing/disposal and street cleansing services within their respective Administrative Areas. Whilst this contract relates to the provision of collection and street cleansing services the purpose of the joint working and therefore this contract is to minimise the combined WCA/WDA cost impact of collection/ street cleansing/ waste processing and disposal and improve recycling performance in so far as it is cost effective to do so.'

Thus, although the objectives of the contract were primarily financially focused, there was a clear desire to improve upon the recycling/composting rates that were currently being achieved by each partner. At the time of WYG's appointment the latest figures available were for 2010/11 and these were:

- Ashford: 13.64% (and in the bottom 10 performers) for dry recycling;
- Maidstone: 19.34% for dry recycling, 32.32% for recycling/composting; and
- Swale: 29.04% for dry recycling, 31.78% for recycling/composting.

In 2011/12, Maidstone's rate had improved to 22.92% for dry recycling and showed an underlying trend of 31%; and for recycling/composting the figure was 45.23%. Swale's performance was around the same

# NOTE FOR MID KENT WASTE PARTNERSHIP (ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP ASSESSMENT



level; but Ashford’s performance of ca. 14% for dry recycling was such that it was the lowest performer in England.

At the commencement of the procurement the methodology for collecting waste was as set out in Table 1 overleaf:

**Table 1**

	<b>Ashford</b>	<b>Maidstone</b>	<b>Swale</b>
<b>Residual waste</b>	Weekly, black bag	Fortnightly, 190-l wheeled-bins	Fortnightly, 240-l wheeled-bins
<b>Garden waste</b>	No system for collection	Fortnightly, chargeable	Fortnightly, chargeable
<b>Dry Recyclables</b>	Fortnightly, kerbside sort from boxes: paper, glass, textiles, cans	Fortnightly, wheeled-bins co-mingled: paper, card, plastics, cans; glass not collected	Fortnightly, wheeled-bins co-mingled: paper, card, plastics, cans, foil; glass from an insert in the bin

As part of the procurement, MKWP considered a number of different methodologies for collecting waste in the future: indeed, this was one of the reasons that the CD procedure was used. Indeed the preferred collection methodology identified at the initial (Outline Solutions) stage was not the one finally chosen.

MKWP was, during the procurement, fully cognisant of the requirements of the EU Waste Framework Directive (WFD) 2008 and the Waste England and Wales Regulations 2011 which flow from it. The Regulations (which were the subject of a judicial review) include Regulation 13 regarding the collection of glass, metal, paper and plastic for recycling.

MKWP was also, during the procurement, aware that the requirement of Regulation 13 is that these materials (i.e. glass, metal, paper and plastic for recycling) should be collected separately: but may be collected on a different basis in certain circumstances which are where it can be shown that it is not technically, economically or environmentally practicable (TEEP).

Accordingly, through the procurement, each of the options for collecting recyclables was considered and tested using TEEP criteria: although no official guidance as to how this was to be done was available during the procurement process.

# NOTE FOR MID KENT WASTE PARTNERSHIP (ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP ASSESSMENT



In late April 2014 (the contract was awarded in the autumn of 2012) WRAP circulated its Waste Regulations Route Map. WYG was asked by MKWP to check the TEEP tests carried out and assess its chosen methodology on the basis of this Route Map.

## THE PROCUREMENT PROCESS

The initial design of the CD process was to use four stages as follows:

- Outline Solutions stage;
- Detailed Solutions stage;
- Refined Solutions stage; and
- Final Tender stage.

Seven private sector organisations (Biffa, Enterprise, Focsa, Kier, Serco, Sita and Veolia) submitted Outline Solutions submissions; and these represent the major suppliers which provide waste and recycling collections to councils in the UK, meaning that there was good engagement in the process by industry.

At Outline Solutions stage bidders were invited to bid for the contract on the basis of alternative methods of collection of dry recyclables, as follows:

- The PCM was for a two-stream collection system, with paper collected as a separate stream;
- Bidders were also invited to submit other proposals i.e. alternative options for collection: and a number of the bidders proposed a fully co-mingled option.

The procurement process did not include for the treatment of the dry recyclables collected: the design of the contract was that all waste collected would be delivered to, and subsequently managed by, KCC as waste disposal authority.

Following receipt and evaluation of tenders and considering the costs (i.e. economic factors), the proposed methodology of the contractors (i.e. technical factors) and the likely outcomes in terms of the headline recycling/composting rate (i.e. environmental factors) the Partnership decided upon the following service configuration:

- Alternate-weekly collection of residual waste from wheeled bins;

# NOTE FOR MID KENT WASTE PARTNERSHIP (ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP ASSESSMENT



- Alternate-weekly collection of dry recyclables from wheeled-bins, fully co-mingled including glass; but with the alternative of keeping the glass separate by using an insert in the top of the wheeled-bin;
- Weekly collection of food waste; and
- Fortnightly collection of garden waste on a chargeable basis.

It should be noted that the collection of kerbside-sorting segregated dry recyclables had been discounted during the procurement process on the grounds of technical, economic and environmental practicability. Once the final tenders were received and evaluated it was clear that there was a further benefit, in terms of environmental and economic performance, in choosing the fully co-mingled option for the collection of dry recyclables: and this is the methodology now adopted within MKWP.

Thus a TEEP test was undertaken, although there were at the times no formal guidelines as to how this was to be undertaken.

As far as the non-separation of glass is concerned, Lord de Mauley's letter of October 2013 was clearly not available at the time.

## USING THE WRAP ROUTE MAP

With the benefit of now having the WRAP Route Map to hand, the following commentary works its way through the various stages.

### Step 1

Here MKWP should consider the waste collections covered; and the current waste collection system.

The waste collections being covered are household waste.

The current waste collection system does collect the four materials (glass, metal, paper and plastic) for recycling: but not as separate waste streams.

Bring sites continue to be used to collect additional materials in Maidstone and Swale: but they are being withdrawn in Ashford from October 2014 as the tonnages collected are small.

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The Route Map also refers to the collection of food and garden waste: the system collects the garden waste streams on a chargeable basis; and food waste as a separate waste stream.

The Route Map also refers to the collection of bulky waste and the system collects this and applies a waste hierarchy promoting reuse and recycling.

The costs and waste composition were known at the time of the procurement.

## **Step 2**

Here MKWP should consider how each waste stream is managed and what waste is recycled.

Residual household waste is not currently recycled: but there is recovery through the Allington EfW facility.

Dry recyclate collected is all recycled, except for fines and contaminants.

Viridor, who provide the MRF for the treatment of co-mingled dry recyclables, have excellent processes for managing quality, dealing with contamination and producing high quality recyclables. Details of this, which were considered as part of the procurement of this part of the arrangement, are included within Appendices A-D.

Garden waste collected separately is treated for composting and food waste collected separately is also treated through appropriate processes. Bulky waste is also recycled where it can be.

Materials from bring sites are (apart from contaminants) also recycled.

## **Step 3**

Step 3 relates to the waste hierarchy: which has been applied throughout the process.

## **Step 4**

At this stage a number of questions are asked in relation to the four dry streams of glass, metal, paper and plastic. Working through these questions:

- Does MKWP collect glass, metal, paper and plastic for recycling? Yes

# NOTE FOR MID KENT WASTE PARTNERSHIP (ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP ASSESSMENT



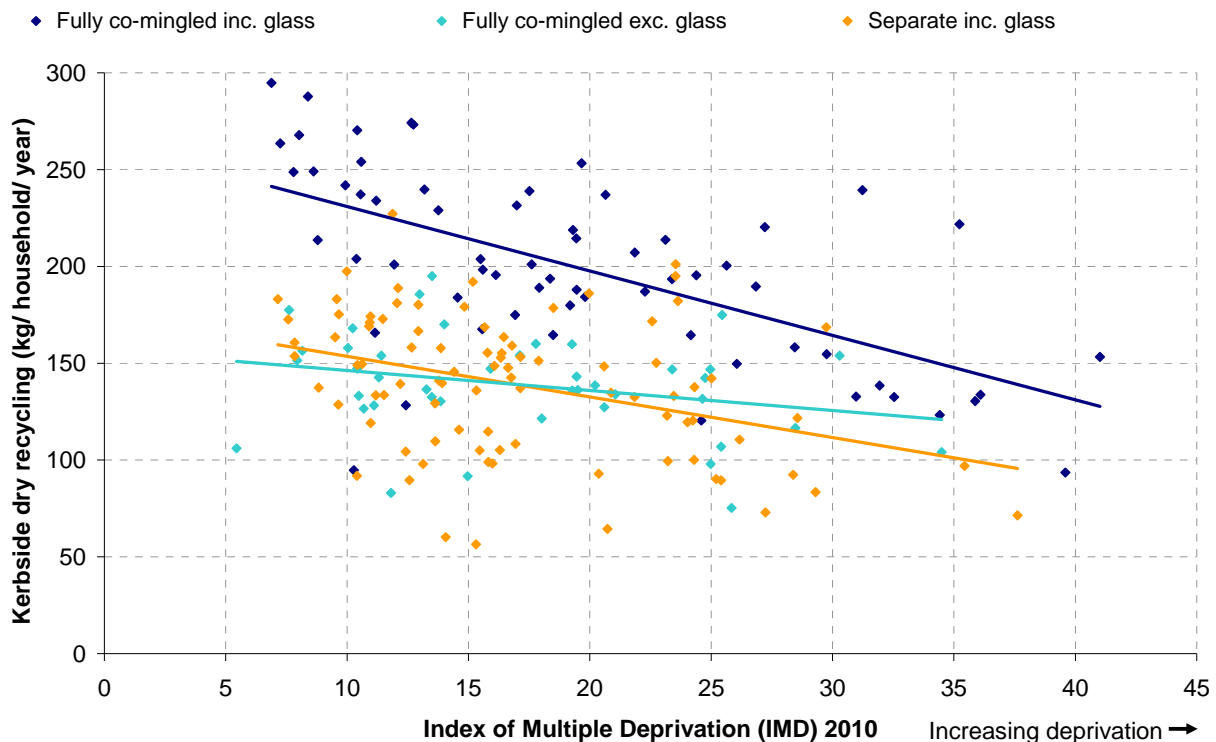
- Are separate collections in place? No (so necessity and practicability questions to be answered)
- Are separate collections necessary to ensure that waste is recycled? No – waste collected for recycling is (apart from contaminants etc.) recycled: and contamination is very low e.g. in the first quarter of 2014/15 the rejection rate was 2.98% in Ashford, 3.43% in Maidstone and 3.48% in Swale.
- Is there an approach to separate collection that is technically, environmentally and economically practicable? Yes – as the following tests show

Necessity test:

Here the quality and quantity of recycling is considered. In terms of quantity, MKWP considered carefully evidence supplied by WYG, which showed that:

- There is a direct relationship between the index of multiple deprivation and recycling rates as shown in Figure 1 below.

**Figure 1**



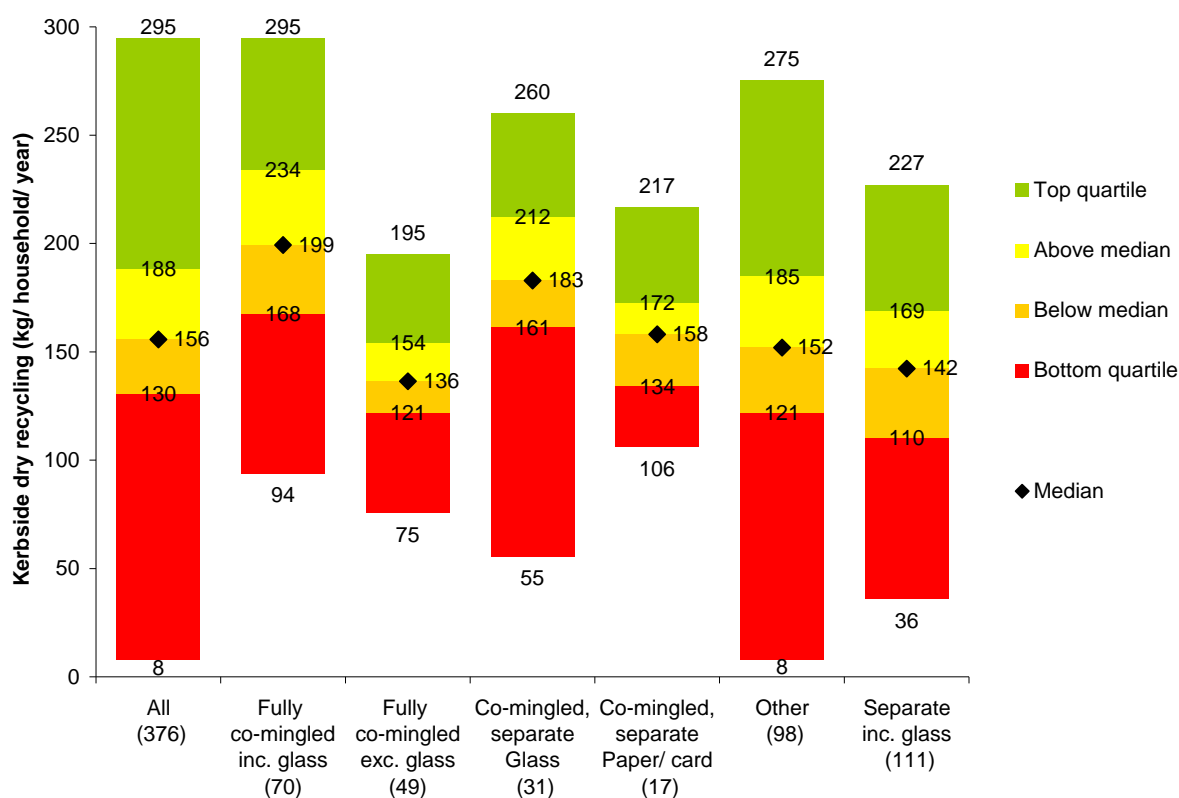


# NOTE FOR MID KENT WASTE PARTNERSHIP (ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP ASSESSMENT



- If one looked at the higher performers nationally for dry recycling, then the highest performer was for a fully co-mingled service (295 kg per household per annum).
- This position did not just hold for the highest performers: it was also true at all quartiles, as shown in Figure 2 below:

**Figure 2**



- MKWP also noted that containing the dry recycling in a wheeled-bin gave benefits in terms of street cleansing standards.

MKWP's ultimate decision did not just relate to quantity: but it was a significant factor in choosing the current system. Officers continued to note performance levels nationally; and the 2011/12 figures tell a similar story which supports the decision. Table 1 overleaf shows that 20 of the top 30 performers collect fully co-mingled dry recyclables, and five collect on a two-stream basis collecting glass separately: whereas only one of this top 30 (North Somerset) collects on a kerbside-sort basis.

# NOTE FOR MID KENT WASTE PARTNERSHIP (ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP ASSESSMENT



**Table 1: Collection Details for the Top 30 Kerbside Dry Recycling Authorities in 2011/12**

Rank	Authority	WYG client	Kerbside Recycling kg/hh/yr	Type	% Co-mingled	Recycling				Refuse			
						Freq.	Wheeled Bins	Sacks/ Other	Kerbside Boxes	Freq.	Wheeled Bins	Sacks/ Other	Communal
1	South Oxfordshire	•	310	C	100%	F	96%	4%		F	90%	4%	5%
2	Surrey Heath	•	291	C	100%	F	98%	1%		F	89%	2%	8%
3	Vale of White Horse	•	282	C	100%	F	97%	3%		F	91%	3%	7%
4	Windsor and Maidenhead		276	O	76%	W	100%			W	85%	5%	10%
5	Lichfield		267	C	100%	F	100%		0%	F	96%	1%	3%
6	Elmbridge	•	263	C	100%	F	96%		4%	F	88%	4%	8%
7	Mole Valley	•	263	C	100%	F	85%	16%		F	85%	10%	6%
8	Rochford		261	C	99%	F	99%			F	100%		0%
9	South Kesteven		258	C	100%	F	100%			F	100%		
10	North Somerset	•	255	S	0%	W			92%	F	83%	8%	8%
11	Castle Point	•	253	C/g	77%	F		100%	100%	F		100%	
12	Epping Forest	•	253	C/g	78%	F	5%	95%	95%	F	91%	3%	5%
13	Tamworth		252	C	100%	F	100%			F	100%		
14	Cannock Chase		250	C	100%	F	100%			F	100%		0%
15	Rutland		249	C	100%	F	99%	1%		F	96%	1%	3%
16	Stratford-on-Avon		249	C	100%	F	96%		4%	F	94%	4%	2%
17	South Cambridgeshire		249	C/p	66%	F	100%		0%	F	95%	0%	4%
18	West Oxfordshire	•	245	O	26%	W	5%		95%	F	94%	1%	5%
19	Basildon	•	244	C/g	78%	F		93%	98%	W		90%	9%
20	Wychavon		241	C	100%	F	90%	10%	7%	F	90%	7%	3%
21	Huntingdonshire	•	240	C	100%	F	88%	12%		F	92%	4%	5%
22	Woking	•	239	C	100%	F	93%	7%		F	86%	4%	10%
23	North Kesteven	•	238	C	100%	F	99%			F	99%		
24	Mid Sussex		237	C	100%	F	99%			F	99%		
25	South Holland		234	C	100%	W		100%		W		100%	
26	Caerphilly		232	C	100%	W	71%	1%	27%	W	98%	2%	
27	Charnwood		231	C/g	88%	F	98%	2%	98%	F	98%	2%	

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28	Guildford	•	231	O	17%	W	8%	9%	83%	F	86%	9%	6%
29	Central Bedfordshire		230	C/g	82%	F	72%	16%	12%	F	91%	5%	4%
30	Spelthorne	•	229	C	100%	F	94%			F	89%	0%	11%

Conversely (as noted in WYG's report available via the WYG website) among the bottom 30 performers the reverse is true – 25 out of 30 practice a form of kerbside-sort. It is worth noting also that:

- Whilst the bottom 30 authorities include examples where collection and capture of dry recyclables might be challenging (Orkney Islands, Eilean Siar); it also includes, in bottom place, Ashford.
- In addition to MKWP moving to the chosen co-mingled system, a number of the other low-performers from the bottom 30 of 2011/12 (e.g. LB Brent, Eastbourne, Isle of Wight, Rother and Wealden) have since abandoned kerbside-sort and report significantly higher capture rates.

In terms of volume, then, the argument runs in favour of moving away from kerbside-sort and toward some degree of co-mingling, either as a two-stream service or a fully co-mingled service: which were the two methodologies included as options in the final tender documentation.

Some further evidence that is more specific may be gained from analysis of the post-implementation results, particularly at Ashford but also in Maidstone and Swale.

Since introducing the new system, the results are as follows:

- In Ashford for the 9 months since the new services were in July 2013, the performance is 32.24% recycling and 21.52% composting giving total performance of 53.76%, an exponential increase from the figures pre contract. A further way of looking at the dry recycling performance is that the capture rate for the first quarter of 2014/15 amounted to 56.28 kg per household collected at the kerbside; and if this was repeated for the rest of the year the annual figure would be 225kg per household. As can be seen from the table above this would move Ashford into upper-quartile performance; and it represents a very significant improvement in performance from the 63kg per household of dry recycling collected at the kerbside in 2011/12.

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- Maidstone has current performance of 26.21% recycling and 19.80% composting (average since August 2013) giving total performance of just over 46%. As with Ashford it is useful to consider the capture rate: and for the first quarter of 2014/15 this was some 52.1kg per household collected at the kerbside; and if this was repeated for the rest of the year the annual figure would be 208kg per household, which is upper quartile performance. If one looks at Maidstone's family group and councils within it that collect dry recycling using kerbside-sort methodology, one can calculate (from 2012/13 data, the latest available for all authorities) that Maidstone's capture rate would be only 178 kg per household if it practiced kerbside-sort; and the increase of 30kg per household means that, through dry recycling alone, an additional 2,010 tonnes was diverted from the residual waste stream, delivering a saving of ca. £180,000 per annum in treatment costs.
- Swale's current average since the introduction of the new services equates to 27.38% recycling and 12.43% composting giving total performance of 39.81%. As with Ashford it is useful to consider the capture rate: and for the first quarter of 2014/15 this was some 56.5kg per household collected at the kerbside; and if this was repeated for the rest of the year the annual figure would be 226kg per household, which is upper quartile performance. If one looks at Swale's family group and councils within it that collect dry recycling using kerbside-sort methodology, one can calculate (from 2012/13 data, the latest available for all authorities) that Swale's capture rate would be only 163 kg per household if it practiced kerbside-sort; and the increase of 63kg per household means that, through dry recycling alone, an additional 3,820 tonnes was diverted from the residual waste stream, delivering a saving of ca. £340,000 per annum in treatment costs.

As far as the quality of dry recyclables is concerned, the MRF provider (Viridor) produces regular statistics showing the degree of contamination within the dry recyclable stream collected by MKWP: to give a typical example, in June 2014 of 3,298.02 tonnes delivered to the MRF on behalf of MKWP, only 122.39 tonnes (3.71%) was not recycled. To enable this, Viridor has good processes within their MRF that is used for this contract: a statement on their position regarding recycle quality together with details of sampling methodologies and a sample report are all attached as Appendices A-D.

It should be clear that MKWP has considered the quality and quantity of recycled material arising most carefully.

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Practicability test:

Here the three areas to be addressed are: is the separate collection of each material stream economically, environmentally or technically impracticable?

Fundamentally, MKWP has engaged with industry and taken advice from its technical adviser in order to collect recyclables in the most economic, environmental and technically practical fashion that it can. Indeed, the whole procurement was carried out with no fixed ideas as to how recyclables were to be collected – save that the Councils wished to:

- In economic terms, use a system which collects waste in a manner which is as economical as possible, while also maintaining high quality.
- Also in economic terms, use a system whereby recycling could be increased in terms of the overall recycling rate and in the range of materials that could be collected at the kerbside and recycled, but at an economic cost.
- In environmental terms, increase the recycling rate and reduce the volume of residual waste (working in conjunction with the WDA).
- In environmental terms, reduce the number of vehicle passes and carbon emissions generally: and to evaluate tenders in that regard.
- In terms of technical practicability, to constantly seek the views of potential service providers and to evaluate these, taking into account cost and performance as described above.
- In terms of technical practicability, to seek the views of Members and Officers, as well as considering data from other authorities, so that the collection system is practical for residents to use and to participate in as much as possible.

The results of this process, importantly including the evaluation of tenders received, have led to the chosen system being chosen because it is seen as more technically practicable, environmental and economic than

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other systems. The tender that was accepted and which included this methodology for collection was the most economically advantageous solution; and additionally gave significant savings to all partners.

Further: the higher performance which results from this arrangement reduces the volumes of residual waste: which increases recycling credits paid to the waste collection authorities of Ashford, Maidstone and Swale by KCC; and, over and above the payments made by KCC to the waste collection authorities, reduces overall costs to KCC.

## **Step 5**

At this stage sign-off is required.

Although the decision made in terms of the final service configuration was approved by each Council as part of the contract award, and had involved the Heads of Service and legal representatives (as recommended in the Route Map) it is felt that this updated assessment should also be formally approved; and retained as a formal record.

LA/WYG/8.14



## **APPENDIX A**

Viridor Position on Recycling Collections and Recyclate Quality

## **Viridor Position on Recycling Collections and Recyclate Quality.**

**This position statement is designed to provide our clients and partners with an update on recent regulatory amendments transposing the requirements of the European Waste Framework Directive, and on recent guidance regarding recycling collections, 'TEEP' and materials recycling quality testing.**

As one of the UK's leading providers of recycling, renewable energy and waste management services, Viridor works with a large number of local authorities and businesses to effectively and responsibly manage society's resources and wastes. Viridor is committed to a relentless pursuit of quality in recycling. We continue to receive, process and market recyclate materials from many types and variations of collection system across the UK.

Viridor provides services for both pre-segregated and commingled collections, and our approach to producing quality recyclates remains second to none. Our MRF sorting operations have in place extensive quality control systems which guarantee high quality outputs, and which fully comply with the 'MRF Code of Practice' (The Environmental Permitting (England & Wales) (Amendment) Regulations 2014). We sell recycled commodities that meet the challenging demands and materials specifications of an established network of client reprocessors in the UK and globally.

Viridor welcomes the clarity provided by the recent regulatory amendments – both those referred to above, and the Waste (England & Wales) (Amendment) Regulations 2012 concerning collection system requirements. Supporting guidance on the latter is provided by WRAP in England and by Welsh Government. The outcome clearly allows for the continued delivery of essential recycling collections for households and businesses in a pragmatic manner through the assessment and application of technical, environmental and economic practicability ('TEEP') principles. The choice of collection systems remains as it should with local authorities and businesses to best suit their needs.

It remains clear that commingled collections of some materials for recycling remain a valid and fully legal option for local authorities and businesses, based on being able to demonstrate that they will achieve high quality recyclates, and where it can be shown that they offer clear technical, environmental, economic and practicable advantage over separate collections.



It is essential to continue the drive towards higher levels of UK recycling using convenient, flexible and cost-effective collection systems for customers, which also encourage high levels of participation. There should of course be a continued focus on the production of high quality recycled commodities to meet demanding market specifications from reprocessors in the UK and beyond, and both commingled and separate collection systems are capable of achieving this.

In order to ensure that collections of household waste are not only efficient to operate, but designed to capture greater quantities and types of materials for recycling, many local authorities are implementing commingled collection systems for mainly paper, plastic, card, ferrous metals, aluminium and glass. Providing that the appropriate necessity and practicability testing is conducted, and that the evidence of these assessments is recorded, then local authorities remain free to choose appropriate collection and recycling systems to suit their local needs.

Viridor will continue to work alongside its clients to ensure that the relentless pursuit of quality in recycling is maintained, helping the UK to recycle more and to continue to divert materials and unwanted goods away from landfill.

**Additional Information:**

Viridor operates 26 Material Recycling Facilities (MRFs) to produce high quality recovered materials that can be remanufactured by production industries. Viridor's Crayford MRF is currently one of the largest and most advanced in Europe handling around 350,000 tonnes of mixed recyclables per year. Additional state-of-the-art facilities produce a total of 1.8 million tonnes of dry recyclates that are traded every year.

Maintaining the highest product quality to meet demanding end-user specifications and export requirements is essential. This is directly related to input quality and therefore to collection systems and effective complementary service communications. All feedstock that enters the MRF must be in a form (dry, loose, un-compacted materials) that can be adequately sorted through the process equipment. Viridor manages the inputs through pre-defined input specifications and a rigorous sampling and analysis routine of the incoming recyclate as it is delivered. Additional sampling during the transit of materials through the MRF further ensures that a high quality output is achieved.

This sampling regime identifies trends and improvements or decreases in individual material stream quality. Feedback to relevant parties is key to continued improvement of recyclate quality, MRF performance and output quality. Viridor therefore places strong emphasises on clear information and education with its local authority and business customers.

Demonstrable quality assessment and control on MRF inputs and outputs allow Viridor to supply high quality products to meet the demands and specifications of manufacturers and reprocessors who wish to use the recyclate. The company has supported the development of the 'MRF Code of Practice' which will further help to demonstrate that modern well-managed MRFs produce high quality products.

It should also be noted that most pre-segregated or 'kerbside-sorted' materials also go through additional sorting or processing prior to being utilised by reprocessors or manufacturers. This is required to ensure quality of product. Viridor will also maintain the same level of quality controls on all materials it handles from these collection methods, as it would for commingled materials.

Viridor has its own well-established specialist marketing, sales and logistics company (Viridor Resource Management Ltd) for the development, implementation and management of a long-term UK, European and international marketing and sales strategy for all processed recyclables generated from Viridor and its client facilities throughout the UK. Viridor is therefore well placed to continue supplying high quality materials and also to maintain and improve its recycling capacity and MRF facilities in relation to market drivers.

**For further information please contact [communications@viridor.co.uk](mailto:communications@viridor.co.uk)**

NOTE FOR MID KENT WASTE PARTNERSHIP  
(ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP  
ASSESSMENT



**APPENDIX B**

Viridor Draft Sampling and Input Material Acceptance - Verification Testing &  
Processing



## Draft Sampling and Input Material Acceptance - Verification Testing & Processing

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Status: DRAFT  
 Approved By: [Manager]  
 Issue Date: [Publish Date]  
 Issue Number:1  
 Start Date: 12/06/2014  
 Review Plan: 12 Months

### Introduction and Purpose

The purpose of this procedure is to ensure the effective analysis and monitoring of input materials against material input specifications and to assist in compliance with MRF Code of Practice requirements.

Refer to Procedure X.X.XX MRF Code of Practice Sampling Procedure for additional information This procedure will be reviewed when necessary by Viridor when legal and operational requirements change.

### Roles and Responsibilities

RACI	Role	Notes
<b>Responsible</b>	<i>Wayne Buchan</i>	
<b>Accountable</b>		
<b>Consulted</b>	Stuart Wood, Veekram Mohabeer, Laura Brown	
<b>Informed</b>		

Unit Managers are responsible to ensure that employees are sufficiently trained and competent to carry out the tasked required in line with the requirement that are set within the Regulations and Viridor procedures.

It is the responsibility of all QAC staff to follow this procedure, wear the correct PPE and report any near miss which may arise as a result of this process.

### Terms and Definitions

#### Definitions

QAC	Quality Analysis and Control Department
Target Materials	Recyclable materials recoverable through processing
Contamination	Non-recyclable material, Offensive waste, Clinical waste, organics
Non-Recyclable Materials	Waste material that is not capable of being recycled.
Non Target Material	Material that is capable of being recycled but is not a target



	material at the Mrf.
Sampling trend analysis sheet	The on-going record kept of sampling data which provides an overview of the data
Downgrading	A load sampled and found to be outside of the customers input specification but deemed as suitable for processing by Viridor.
Rejection	A load that is deemed unsuitable for processing due to the gross level of contamination or contains substances hazardous to health/ plant/ machinery.
Minimal and safe sorting	Sorting of obvious gross contamination or oversize objects from the load using machinery and/or PPE (gloves and litter pickers).
Commodity	Material type
'Weightron' system	Automated data recording system linked to scales

**Vehicles arriving on site**

- 1.1. The Weighbridge Operator will notify the QAC department of a load arriving on site.
- 1.2. The loading shovel driver will clear enough space for the load to tip and scrape the floor to prevent cross contamination of materials. The loading shovel driver will then signal the delivery driver where to tip.
- 1.3. The relevant person appointed to take the sample will proceed to a safe area of the tipping hall and maintain a safe distance of 5m minimum from moving plant and vehicles.
- 1.4. The QAC operative will take photos of the vehicle with the doors shut showing the registration and of the vehicle ejecting the load.
- 1.5. Delivering drivers should be instructed accordingly by site staff to ensure that all material is tipped in a controlled environment in accordance with the Site permit.
- 1.6. The sample is only to be taken from the relevant load being ejected to ensure that no cross contamination from other customer materials that have been delivered are included in the sample. N.B. contractual agreements may apply to how and where samples are to be taken (i.e. inside building only) refer to specific customer appendix for details.

**Input Sample collection**

- 2.1 Once the vehicle has tipped the QAC operative will take appropriate photos as detailed in contract specific appendix.
- 2.2 Any large items of contamination should be removed from the load by applying a 'minimal and safe sorting' approach and should be photographed. Contaminants segregated from the material pile shall be sent to rejects and not form part of the sampling analysis or process feed stock.



- 2.3 Upon visual inspection if the load looks to be high in contamination or contains materials that pose risk to machinery or human health, the QAC operative will instruct the loading shovel driver to quarantine the load pending sample results and/or inspection. The site Supervisor/Manager will also be notified.
- 2.4 Waste that is not acceptable within the restrictions of the Environmental Permit or Exempt Activity will be deemed as Non-compliant. In this situation you should notify the Site Supervisor or Manager and Refer to Unit Emergency Plan /Abnormal situation/Non-Compliant waste before deciding how to handle the material
- 2.5 Samples must be taken at random or as determined by code of practice. This can be achieved by separating a proportion of the material (approximately four times greater than the required sample size) and lifting it up and dropping it back on the floor at least twice using a loading shovel. The sample must be taken from different parts of the load each time to avoid repeated capture of material from the same household.
- 2.6 The shovel driver will take a suitable quantity of material to meet the sample size requirements and tip directly into the container from an estimated height of 1 meter above the sample container if safe to do so, whilst maintaining a safe 5m distance from the pedestrian QAC operative.
- 2.7 The sample size will be a minimum of 240 litres collected in the appropriate container for the relevant customer(refer to customer appendices)and should weigh approximately 20kg (Unless incorporating a Code of Practice sample then 60kg will be taken).
- 2.8 Once the loading shovel has retreated to a 5M distance and the bucket has been lowered to the floor, the Shovel driver will instruct the QAC operative to collect the sample and take it to the QAC area.

### **Input Sample Analysis**

- 3.1 Prior to any sampling taking place the sampling container should be weighed on the weighing scale to determine weight of the sample prior to any sorting. The combined weight of sorted materials is to be cross checked with the original sample weight.
- 3.2 To meet code of practice requirements, an allowance of up to 5% variation between the starting sample weight and the combined weight of the sorted material deems the sample as an acceptable.
- 3.3 Before emptying the material from the sampling container onto the sorting table, make sure the sorting table is clear of any previously sorted materials. All sampling vessels should also be empty and placed in correct positions. The floor around the QAC area should also be swept clean of any loose material.



- 3.4 The sample container must be mechanically lifted where possible or lifted by a minimum of 2 people and tipped out on to the sample sorting table or tipped in several smaller manageable portions.
- 3.5 The whole sample will be sorted and segregated into the standard Viridor Categories
- 3.6 The full analysis of the sample will be used to provide data for material evaluation in line with the customer material input specification. The data for COP samples will be summarised by the Weightron programme as reported data in line with the code of practice to be presented as Target, Non Target and Non-Recyclable.
- 3.7 The smaller materials will then be tipped onto a sort screen ensuring no loss of material from the sides. It is required that a maximum size steel mesh of 45mm x 45mm should be used. Material on top of the mesh will be further sorted in to the correct categories and the remaining material which has fallen through the screen will go in to a container to be weighed.
- 3.8 Each commodity of material shall be weighed separately and recorded directly on to the 'Weightron' system and a manual record should be kept as a backup for input into a sampling trend analysis spread sheet.
- 3.9 A visual second check should be completed of each material stream before the weight is recorded to ensure the segregation of materials is correct and matches the category being recorded.
- 3.10 The Weighbridge ticket, QAC sample analysis sheet/Weightron analysis printout (where installed) must be kept together when the sampling has finished and given to the relevant person to check the information ready for data input into the sampling trend analysis sheet.
- 3.11 At the end of the sample all material shall be cleared from the sampling area in preparation to the next sample.
- 3.12 If the combined contamination level is above the contractual input specification limit, the QAC supervisor will inform the site administration /supervisor who will in turn notify the customer of any non-conformance.
- 3.13 Any paper that has moisture content above the naturally occurring 10%, will be classed as wet paper (see EN643 standards). A probe can be used to determine moisture content, however a visual inspection is sufficient if the paper has degraded to the point where it is unlikely to be successfully recovered by the sorting system therefore unfit for recycling.
- 3.14 In the event of a load being rejected it must be quarantined and the customer will be contacted by telephone in line with contractual requirements or as soon as is reasonably practicable to arrange an inspection.



- 3.15 In the event of a load being downgraded if tipped before 15:00 the customer will be sent a non-conformance /Downgrading sheet by 17:00. Downgraded loads tipped after 15:00 will be notified to the council no later 12:00 the following working day (unless stated otherwise within the customer contract).
- 3.16 Downgraded or rejected loads accepted over weekends or Bank holidays will be notified to the customer no later than 12:00 on the next normal working day. Rejected loads will still be quarantined and available for inspection (unless stated otherwise within the customer contract).
- 3.17 Any query of QAC results raised by local authorities should be communicated back to Viridor within 3 working days (unless stated otherwise within the customer contract agreement). Remedial action to be communicated within 5 working days (unless stated otherwise within the contract agreement)

#### **Following the sample analysis**

- 4.1 Sample results will be communicated to the MRF Supervisor as soon as possible
- 4.2 The sample materials will be returned to the appropriate location for processing or disposal dependant on material commodity.
- 4.3 While containers are being removed or delivered back to the QAC department, all QAC operatives must maintain a **5m** safe working distance from Mobile Plant.
- 4.4 The sample collection containers must be cleaned on a minimum of a weekly basis. Vessels should be maintained in a good condition and damaged ones replaced.
- 4.5 Data input in to the sampling trend analysis sheet should be completed by 12pm on the day following the sample being taken.
- 4.6 Monthly reports can be issued directly from the Weightron system if agreed and should be generated and sent to local authority(ies) to compare results with the QAC sampling sheets sent from each downgraded load.
- 4.7 Where possible if an analysis printout system is installed to the Weightron sampling system, ensure a printout of the sample analysis accompanies the handwritten QAC sampling sheets.

Document control

**END**



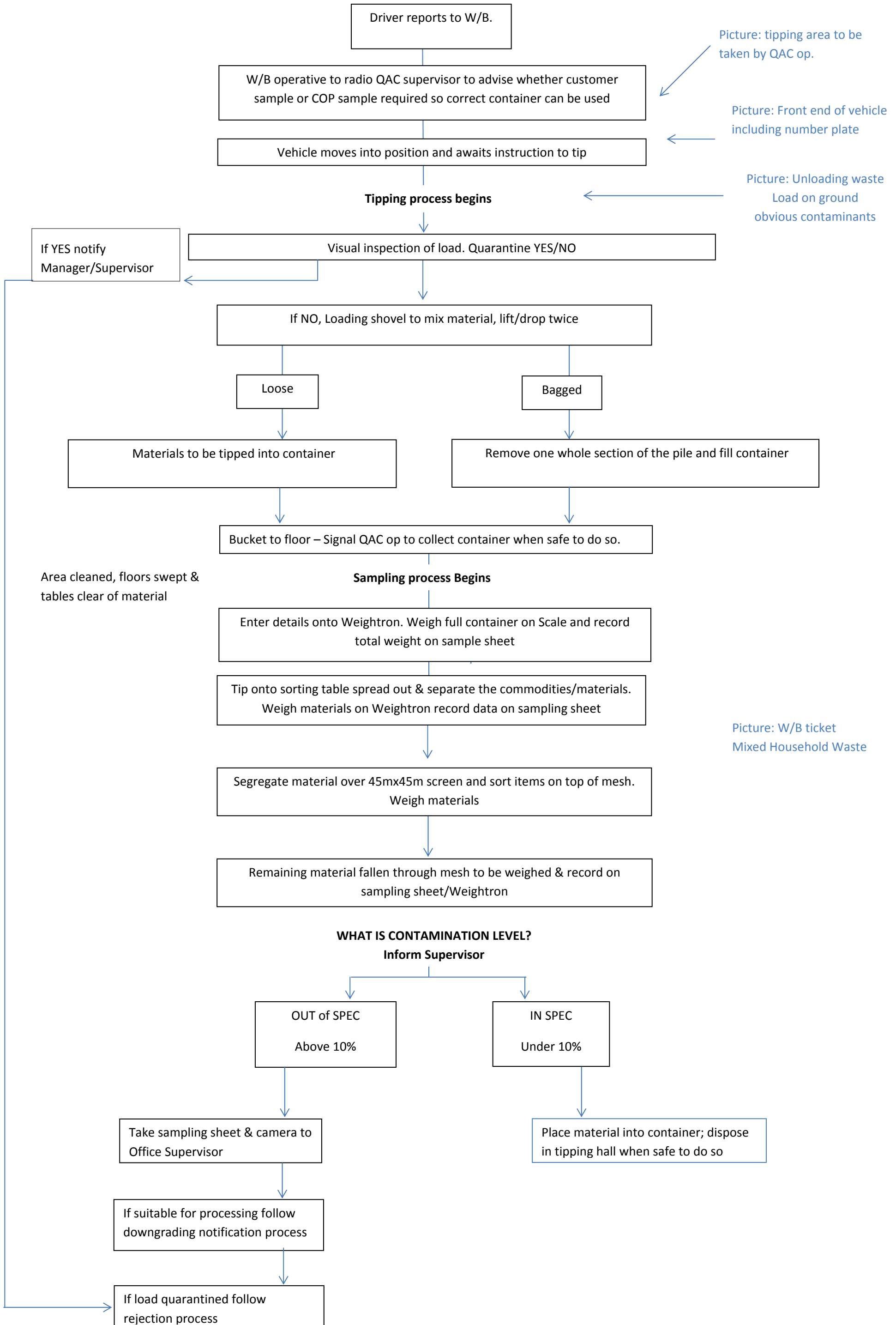
NOTE FOR MID KENT WASTE PARTNERSHIP  
(ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP  
ASSESSMENT



**APPENDIX C**

Customer Sampling Analysis

**Appendix 1 - Customer Sampling analysis**



NOTE FOR MID KENT WASTE PARTNERSHIP  
(ASHFORD BC, MAIDSTONE BC & SWALE BC): TEEP  
ASSESSMENT



**APPENDIX D**

KCC Dry Recyclate Processing - June 2014 Summary

**KCC Dry Recyclate Processing - June 2014 Summary**

		Total (tonnes)	Accepted (tonnes)	Rejected (tonnes)	Recycled (tonnes)	Residual (tonnes)	Recycled (%)	Residual (%)	Destination of Residual	
									EfW	Landfill
<b>LOT 1</b> Dry Recyclate with co-mingled glass	Allington	1,250.18	1,250.18	0.00	1,218.55	31.63	97.47%	2.53%	0%	100%
	Ashford	976.56	976.56	0.00	928.22	48.34	95.05%	4.95%	0%	100%
	Sittingbourne	1,071.28	1,071.28	0.00	1,028.86	42.42	96.04%	3.96%	0%	100%
<b>LOT 2</b> Dry Recyclate (no glass)	Pepperhill	909.30	909.30	0.00	891.66	17.64	98.06%	1.94%	0%	100%
	North Farm	71.90	71.90	0.00	71.69	0.21	99.71%	0.29%	0%	100%
	Dunbrik	503.38	503.38	0.00	497.19	6.19	98.77%	1.23%	0%	100%
<b>Total</b>		<b>4,782.60</b>	<b>4,782.60</b>	<b>0.00</b>	<b>4,636.17</b>	<b>146.43</b>	<b>97.52%</b>	<b>2.48%</b>	<b>0%</b>	<b>100%</b>

KCC Material Received as percentage  
of Total Input

**16.34%**

TICKET DA	PRODUCT DESCRIPTION	CUSTOMER	CONSIGNEE NAME	CONSIGNEE ADDRESS	CONSIGNEE COUNTRY UK	Grand Total
Jun	MIXED COLOUR GLASS RESIDUALS 0 - 50 MMFROM A MATERIALS RECYCLING FACILITY(with some fines)	DAY GROUP LTD T/A DAY AGGREGATES	DAY AGGREGATES LTD (GREENWICH DEPOT)			3,619.22
				MURPHY'S WHARF LOMBARD WALL CHARLTON, LONDON SE7 7SH		3,619.22
	MIXED COLOUR GLASS RESIDUALS 0 - 50 MMFROM A MATERIALS RECYCLING FACILITY(with some fines)	SILICA DEVELOPMENTS LIMITED	SILICA DEVELOPMENTS LTD			491.98
				ALBION ROAD, SHOREHAM PORT, DOCK GATE NO.3, SOUTHWICK, BRIGHTON, EAST SUSSEX BN42 4ED		491.98
	MIXED COLOUR GLASS RESIDUALS 0 - 50 MMFROM A MATERIALS RECYCLING FACILITY(with some fines)	GLASS RECYCLING (UK) LTD	GLASS RECYCLING (UK) LTD			2,516.20
				418 CARLTON ROAD CARLTON BARNSELY S YORKS S71 3HX		2,516.20
	MIXED COLOUR GLASS RESIDUALS 0 - 50 MMFROM A MATERIALS RECYCLING FACILITY(with some fines)	RECRESO LTD.	RECRESO LTD			1,101.76
				MANOR WAY, SWANSCOMBE, KENT DA10 0LL		1,101.76
						7,729.16
	UNPROCESSED MIXED GLASS CONTAINERS	SHEFFIELD GLASS PLANT 85TS	SHEFFIELD GLASS PLANT 85TS			14.32
				SALMON PASTURES ATTERCLIFFE ROAD SHEFFIELD, SOUTH YORKSHIRE S4 7WT		14.32
						14.32
	HDPE CLEAR BOTTLES BALED	VIRIDOR POLYMER RECYCLING LTD	VIRIDOR POLYMER RECYCLING			313.58
	HDPE CLEAR BOTTLES BALED	CLOSED LOOP RECYCLING LIMITED	CLOSED LOOP RECYCLING LIMITED			313.58
				GERRARD PLACE EAST GILLIBRANDS SKELMERSDALE LANCASHIRE, WN8 9SF		73.42
				16 CHOATS ROAD DAGENHAM ESSEX RM9 6LF		73.42
						387.00
	MIXED PLASTIC BOTTLES BALED B GRADE50% POLYSORT	ROYDON POLYTHENE (EXPORTS) LTD.	ROYDON GROUP PLC			20.72
	MIXED PLASTIC BOTTLES BALED B GRADE50% POLYSORT	ECO PLASTICS LIMITED	ECO PLASTICS LTD			20.72
				UNIT 1 & 3, JUNCTION BUSINESS PARK RAKE LANE, SWINTON MANCHESTER M27 8LR		43.10
	MIXED PLASTIC BOTTLES BALED B GRADE50% POLYSORT	HANBURY PLASTICS RECYCLING LTD	HANBURY PLASTICS RECYCLING LTD			43.10
				HEMSWELL BUSINESS PARK HEMSWELL LINCOLNSHIRE DN21 5TU		162.78
				STOKE WORKS, REDHILLS ROAD, MILTON, STOKE ON TRENT ST2 7PS		162.78
						226.60
	ALUMINIUM CANS BALED	ALERIS RECYCLING (SWANSEA) LTD.	ALERIS RECYCLING (SWANSEA) LTD.			199.54
	ALUMINIUM CANS BALED	NOVELIS UK LIMITED	MASON METALS			199.54
				PO BOX 38 WAUNARLWYDD WORKS WAUNARLWYDD SWANSEA SA5 4YG		17.46
				TWOWOODS LANE BRILEY HILL DYS 1TA		17.46
						217.00
	PET BOTTLES CLEAR BALED	VIRIDOR POLYMER RECYCLING LTD	VIRIDOR POLYMER RECYCLING			556.54
				GERRARD PLACE EAST GILLIBRANDS SKELMERSDALE LANCASHIRE, WN8 9SF		556.54
						556.54
	RECOVERED PLASTIC BAGS - BALED - ETHYLENE POLYMER GRADESGATE FEE £25	MONOWORLD LTD. EAWML 75205	MONOWORLD LIMITED			92.12
				MONOWORLD BUSINESS PARK RUSHDEN ROAD SHARNBROOK BEDFORDSHIRE, MK44 1NB		92.12
						92.12
	GLASS AGGREGATE - PROCESSEDECONTAMINATED CRUSHED AND GRADEDGLASS SAND 0 - 4 MM PRODUCED UNDER A	SILICA DEVELOPMENTS LIMITED	SILICA DEVELOPMENTS LTD			383.20
	GLASS AGGREGATE - PROCESSEDECONTAMINATED CRUSHED AND GRADEDGLASS SAND 0 - 4 MM PRODUCED UNDER A	LONDON ROCK SOUTHERN LIMITED	LONDON ROCK SOUTHERN LIMITED			383.20
				C/O R COLLARD, ALDERSHOT RECYCLING FACILITY, GOVERNMENT ROAD, ALDERSHOT, HAMPSHIRE GU11 2DX		44.22
	GLASS AGGREGATE - PROCESSEDECONTAMINATED CRUSHED AND GRADEDGLASS SAND 0 - 4 MM PRODUCED UNDER A	PROSPECT MATERIALS LTD	PROSPECT MATERIALS LTD			44.22
				UNIT 5, DELTA COURT MANOR WAY BOREHAMWOOD HERTS. WD6 1FJ		16.48
				PROSPECT HOUSE 5 HIGH ROAD BYFLEET SURREY, KT14 7QH		16.48
						443.90
	STEEL/TIN COATED CANS - BALED	AMG RESOURCES LIMITED	AMG RESOURCES LTD (LLANELLI)			53.62
	STEEL/TIN COATED CANS - BALED	MORRIS & CO. (HANDLERS) LTD.	MORRIS & CO. (HANDLERS) LTD.			53.62
				NEVILLS DOCK LLANELLI SA15 2HD		51.70
	STEEL/TIN COATED CANS - BALED	JEREMY FREETH T/AS THAMESDOWN RECYCLING				51.70
				BANKWOOD LANE ROSSINGTON DONCASTER S. YORKS., DN11 0PS		51.70
						24.47

STEEL/TIN COATED CANS - BALED	EPS MATERIALS RECOVERY LTD.	THAMESDOWN RECYCLING	KINGSHILL RECYCLING CENTRE CRICKLADE SWINDON WILTS, SN6 6JR	24.47	
		EPS MATERIALS RECOVERY LTD.	GRAIGOLA WHARF KINGS DOCK SWANSEA SA1 8QT	107.04	236.83
RECOVERED PLASTIC BAGS - BALED - ETHYLENE POLYMER GRADESFOC DELIVERED	PLASRECYCLE LIMITED	PLASRECYCLE LTD.,		40.72	
			NATHAN WAY THAMESMEAD LONDON SE28 0AE	40.72	40.72
RECOVERED PLASTIC BAGS - BALED - ETHYLENE POLYMER GRADESFOC	PLASRECYCLE LIMITED	PLASRECYCLE LTD.,		70.34	
			NATHAN WAY THAMESMEAD LONDON SE28 0AE	70.34	70.34
				10,014.53	10,014.53

TICKET DATE	PRODUCT CODE	CONSIGNEE COUNTRY									Grand Total
		CN	DE	FR	HK	ID	KR	NL	IN	ES	
<b>Jun</b>	PAPNO.7	5,361.80								197.76	5,559.56
	PAPOCCBL	504.42									504.42
	PLSHDPLS				30.42						30.42
	PLSMXPLBBLB50SRT				440.28						440.28
<b>Jun Total</b>		<b>5,866.22</b>			<b>470.70</b>					<b>197.76</b>	<b>6,534.68</b>

KEY:	
CN	CHINA
DE	GERMANY
FR	FRANCE
HK	HONG KONG
KR	KOREA
NL	NETHERLANDS
IN	INDIA
ES	SPAIN

PAPNO.7	MIXED PAPER
PAPNO.8	NEWS AND PAMS
PAPOCCBL	OCC (CARDBOARD)
PLSHDPLS	HDPE
METSTCANS	STEEL CANS
PLSHDPECL	HDPE CLEAR
PLSMXPLBBLB50SRT	MIXED PLASTIC BOTTLES
PLSPETCL	PET CLEAR

**Crayford Health & Safety and Environment Agency Assesment Record**

Month	Minor	RIDDOR	Total
Jun-14	1	0	1
Jul-14			
Aug-14			
Sep-14			
Oct-14			
Nov-14			
Dec-14			
Jan-15			
Feb-15			
Mar-15			
Apr-15			
May-15			

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	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
Environmental Agency (EA) Compliance Assesment Reports (CARs) received	n/a											
Health and Safety Executive (HSE) Improvement and Prohibition Noticed under RIDDOR for the Provider's Sorting Facility(ies)*	n/a											

\* Where appropriate, Action Plan to rectify non-conformance will be attached



Dave Thomas  
Head of Commissioning and Customer Contact  
Swale House  
East Street  
Sittingbourne  
ME103HT



Waste Management  
1<sup>st</sup> Floor, Invicta House  
County Hall  
Maidstone, ME14 1XX

Direct Dial: 03000 413479  
Ask for: Roger Wilkin  
Date: 9 December 2014  
Email: roger.wilkin@kent.gov.uk

Dear Dave Thomas

### **Waste Regulations Route Map - Quality of Recycling**

I refer to the recent assessment of the Kent County Council's provider of Material Recycling Facility (MRF) services, and in particular the performance of the provider in relation to facilitating high quality recycling of co-mingled dry recyclable material collected from households in Kent.

We have had a number of discussions with our provider, Viridor Ltd, and they have provided details relating to the quality of the recycling that is enabled through their MRF at Crayford. Having evaluated the information provided by Viridor, I am satisfied that the significant majority of the material throughput is subject to a high quality recycling process.

In particular we are advised that paper and card (including mixed paper), which represents a high proportion of this material by weight, is substantially utilised to create material of equal type and quality to that of the input material.

In addition, we are assured by Viridor that they are making further significant strides towards maximising closed loop recycling, and expect yet further progress in quality recycling during the course of 2015.

As you know, we share an aspiration with our Collection Authorities and industry partners to create a truly circular economy, as far as the recycling of waste material is concerned. Please be assured that we are well on the way to achieving this aspiration, and we shall continue our efforts as the Waste Disposal Authority to ensure that we fully achieve this goal.

I trust this information is of use, but please do not hesitate to contact me or a member of my team should you require any further information.

Yours sincerely

**Roger Wilkin**  
Head of Waste Management

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<b>Cabinet</b>	
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<b>Meeting Date</b>	4 February 2015
<b>Report Title</b>	Local Engagement Forums December 2014
<b>Portfolio Holder</b>	Cllr Mike Whiting, Cabinet Member for Localism
<b>SMT Lead</b>	Pete Raine
<b>Head of Service</b>	Emma Wiggins
<b>Lead Officer</b>	Brooke Buttfield
<b>Key Decision</b>	No
<b>Classification</b>	Open
<b>Forward Plan</b>	Yes

<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To note and consider the discussion and outcomes of the three Local Engagement Forums held during December 2014.</li> <li>2. To suggest topics as agenda items for future Local Engagement Forums.</li> </ol>
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## **Purpose of Report and Executive Summary**

- 1.1 The report draws together notes of the discussion, outcomes and recommendations for Cabinet to consider following the recent Swale Local Engagement Forums (LEFs) of Faversham (2 December 2014), Sheppey (9 December 2014), and Sittingbourne (16 December 2014).
- 1.2 The purpose of this report is to formalise the reporting relationship and encourage greater connectivity between the LEFs and Swale Borough Council's (SBC) Cabinet.
- 1.3 The report demonstrates to residents the potential of their forums to advise and influence local public services.
- 1.4 The next Swale Local Engagement Forums are being held during February/March 2015; Faversham (24 February 2015), Sheppey (10 March 2015), and Sittingbourne (17 March 2015). Cabinet is also asked to consider and suggest agenda items for future LEFs.

## **2 Background**

- 2.1 The LEFs are one of the key consultation methods for the Council, providing a route for residents as a group to advise on the shape and future of public services in the borough. This report summarises the You Said We Did reports that are compiled after each LEF, including discussion and outcomes from the LEF for

noting and discussion by the SBC Cabinet. It is hoped that this report will foster a two way dialogue. This report summaries the You Said We Did reports which are available online: <http://www.swale.gov.uk/LEF/>.

### 3 Proposal

- 3.1 To note the outcomes from each meeting (shown in Table 1) and feedback to the LEF chairmen as appropriate.
- 3.2 To suggest topics as agenda items for future Local Engagement Forums.

Table 1

<b>Faversham LEF 2 December 2014 – Chairman Cllr Anita Walker</b>
<p>Issues:</p> <ul style="list-style-type: none"> <li>• Kent Police led a discussion about their crime recording rate and the recent change in the way these figures are collated.</li> <li>• Residents raised the issue to Kent Police around the increase of anti-social behaviour, particularly involving youths, in Faversham.</li> <li>• Bill Ronan provided an update on behalf of Cllr Tom Gates around the growing issue of heavy good vehicles travelling through Faversham.</li> <li>• Bill Ronan updated residents on school parking and traffic management in Faversham as well as the solutions being developed to solve the problem.</li> </ul>
<p>Outcomes:</p> <ul style="list-style-type: none"> <li>• Following the discussion led by Kent Police, the public were made aware of the way crime figures are collected and were provided with statistics over the last 2 years.</li> <li>• Further to the issue raised by residents regarding anti-social behaviour, Kent Police explained that the service does not have the capacity to work solely on anti-social behaviour and have to prioritise incidents in terms of risk and harm to others.</li> <li>• Residents raised their concerns with the amount of heavy good vehicles travelling through unsuitable roads, and Bill Ronan agreed to organise a meeting with Highways, Engineers and any other representatives to arrange for proposed signage and confer other solutions.</li> <li>• The community were made aware of the proposal to begin consulting the issue around school parking with representatives from five schools in Swale. All suggestions made from residents will be taken to the meeting on 9 December, as well as keeping the item on the agenda for future Local Engagement Forums.</li> </ul>
<b>Sheppey LEF 9 December 2014 – Chairman Cllr Patricia Sandle</b>
<p>Issues:</p> <ul style="list-style-type: none"> <li>• Kent Police led a discussion around anti-social behaviour on Sheppey, particularly in Sheerness.</li> <li>• Representatives from Peel Ports provided information to residents on the 20 year Masterplan for the Port, as well as discussing the public consultation events.</li> <li>• Cllr Pat Sandle discussed with the public the safety measures desired to be put in place on the Sheppey Crossing and Bill Ronan provided an update on behalf of KCC.</li> </ul>

- Residents raised concern around the lack of parking available for commuters travelling from the Island.

Outcomes:

- Residents were made aware of new legislations in place to prevent anti-social behaviour in the area, as well as recently developed initiatives to target crimes, in particular burglary.
- Residents raised various questions regarding the plan and the affect it will have on the Isle of Sheppey. Local residents were made aware of the opportunities available to voice their opinions at the public consultation stage of the process.
- Residents discussed the need for safety measures on Sheppey Crossing including speed cameras, speed limits and matrix signs. Bill Ronan agreed to take the suggestions made to KCC which will be discussed at JTB meetings.
- The proposal for a car park at Queenborough Train Station was discussed and liaison will begin between Network Rail/South Eastern.

**Sittingbourne LEF 16 December 2014 – Chairman Cllr Mike Whiting**

Issues:

- A representative from Kent Fire and Rescue led a discussion around the statistics within Sittingbourne, Swale and Kent with regards to incidences over the last year.
- Kent Police led a discussion about their crime recording rate and the recent change in the way these figures are collated.
- Ann Barnes, Kent Police and Crime Commissioner, attended the meeting to discuss with the public the recently reported rise in some categories of crime in the Swale area.
- Pete Raine discussed the consultation period for the Bearing Fruits 2031 Swale Borough Local Plan which starts on 19 December 2014 and closes at 5.00pm on 30 January 2015

Outcomes:

- Residents were made aware of the scheme which is run by KFRS in relation to smoke alarm tests and free smoke alarm/carbon monoxide detectors that are available to residents in need.
- Following the discussion led by Kent Police, the public were made aware of the way crime figures are collected and were provided with statistics over the last 2 years.
- The public raised concerns in relation to the rise in crime and received answers from both Ann Barnes and Kent Police.
- The public were made aware of the consultation period for the Bearing Fruits 2031 Swale Borough Local Plan and were informed of how to submit their comments.

## **4 Alternative Options**

- 4.1 Not applicable as this is an update report for noting and consideration.

## 5 Consultation Undertaken or Proposed

- 5.1 The public were given the opportunity at each LEF to question and challenge public sector representatives about the issues discussed at the meeting.

## 6 Implications

Issue	Implications
Corporate Plan	The LEFs contribute towards the SBC corporate priority of Embracing Localism as they are one of the key projects for empowering local residents. In particular they contribute to the aims of enabling members to champion communities and improving local consultation and engagement.
Financial, Resource and Property	<i>None identified at this stage.</i>
Legal and Statutory	<i>None identified at this stage.</i>
Crime and Disorder	Residents can engage directly with senior police officers at the meetings.
Sustainability	<i>None identified at this stage.</i>
Health and Wellbeing	<i>None identified at this stage.</i>
Risk Management and Health and Safety	<i>None identified at this stage.</i>
Equality and Diversity	One of the aims of the You Said We Did is to report the issues raised and questions asked at the meeting as accurately as possible, so as not to discriminate against anyone who raises an issue at the meeting. The reports remain live and residents can challenge it they are incorrect. If the amendment is approved, they are then updated on the online version of the report.

## 7 Appendices

- 7.1 There are no additional documents to be published with this report.

## 8 Background Papers

- 8.1 LEF Terms of Reference

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	4 February 2015
<b>Report Title</b>	Scrutiny Committee recommendations on Discretionary Housing Payment Policy
<b>Cabinet Member</b>	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance
<b>SMT Lead</b>	Abdool Kara – Chief Executive
<b>Head of Service</b>	Brian Planner – Head of Service Delivery
<b>Lead Officer</b>	Zoe Kent – Assistant Revenue and Benefits Manager
<b>Key Decision</b>	No
<b>Classification</b>	Open
<b>Forward Plan</b>	Yes
<b>Recommendations</b>	1. Cabinet is asked to agree the response to the Scrutiny Committee’s recommendations as attached in Appendix I.

## 1 Purpose of Report and Executive Summary

- 1.1 The Scrutiny Committee reviewed the Discretionary Housing Payment Policy at their meeting on 27 November 2014. The Scrutiny Committee recommendations and the Cabinet’s responses to those recommendations are attached as Appendix I.

## 2 Background

- 2.1 The Minutes of the Scrutiny Committee’s Review are set out below for completeness (Minute No. 373/11/14 refers):

The Chairman welcomed the Assistant Revenue and Benefits Manager to the meeting.

The Assistant Revenue and Benefits Manager introduced the report and explained that, following changes brought in by Central Government for Welfare Reform, SBC’s Discretionary Housing Payment (DHP) budget had increased in 2014/15 to £346,325 and as such it was considered necessary to review the Discretionary Housing Payment Policy.

The Assistant Revenue and Benefits Manager explained that all claimants were to be consulted in 2015 on the Discretionary Housing Payment Policy. The consultation would consider things such as: how claimants were meeting their shortfall; which vulnerable groups require more help than others; and how the DHP budget should be spent.

A Member requested that the period over which someone would receive support be included within the policy and also that the appeals system should conclude with an assessment by an independent reviewer. The Assistant Revenue and Benefits Manager agreed to add the information requested and also explore whether an independent appeals reviewer could be provided.

#### Assistant Revenue and Benefits Manager

Following a discussion about questioning a claimant about how they managed their money the Assistant Revenue and Benefits Manager suggested a general box be included on the claim form asking claimants 'Was there any type of expenditure you are having to cut back on?', this was welcomed by Members.

#### Assistant Revenue and Benefits Manager

A Member suggested that the order of the objectives be amended to read:

- Prevent homelessness
- Help alleviate poverty
- Support Vulnerable households
- Provide support at a time of crisis
- Encourage Employment

The Chairman thanked the Assistant Revenue and Benefits Manager for attending the meeting.

#### ***Resolved:***

***That Scrutiny recommend to Cabinet:***

***Recommended: (1) That the current Discretionary Housing Payment Policy be reviewed subject to the inclusion of the comments made by the Scrutiny Committee as minuted.***

***Recommended (2): That a full consultation be carried out to obtain feedback on how the budget should be spent.***

### **3 Proposals**

- 3.1 To approve the Cabinet's response to the recommendations.

### **4 Alternative Options**

None.

### **5 Consultation Undertaken or Proposed**

N/A

### **6 Implications**

- 6.1 None identified at this stage. All implications will be considered as part of the consultation process.



## **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Scrutiny Committee Recommendations

## **8 Background Papers**

None.

## SCRUTINY COMMITTEE

### Scrutiny Committee Recommendations on Discretionary Housing Payment Policy

Policy Overview Committee Recommendations	Cabinet Response	Portfolio Holders	Lead Officer
<b>R1:</b> That the current Discretionary Housing Payment Policy be reviewed subject to the inclusion of the comments made by the Scrutiny Committee as minuted.	The comments made by scrutiny will be considered as part of the review of the policy when the full consultation as set out in recommendation 2 is completed.	Councillor Duncan Dewar-Whalley, Cabinet Member for Finance	Zoe Kent, Assistant Revenue and Benefits Manager
<b>R2:</b> That a full consultation be carried out to obtain feedback on how the budget should be spent.	A full consultation will be carried out to obtain the necessary feedback.	Councillor Duncan Dewar-Whalley, Cabinet Member for Finance	Zoe Kent, Assistant Revenue and Benefits Manager

## Mid Kent Improvement Partnership

### Joint Scrutiny Task and Finish Group report on governance and communication

**[revised at Special Meeting of Overview and Scrutiny Committee meeting held on 12 January 2015]**

Report date:	22 December 2014 [revised 12 January 2015]
Task and Finish Group Chairman:	Councillor Andy Booth (Swale BC)
Task and Finish Group Members:	Councillors Fay Gooch and Paulina Stockell (Maidstone BC) Councillor Mike Henderson (Swale BC) Councillors Bill Hills and Chris Woodward (Tunbridge Wells BC)
O&S support officers:	Poppy Brewer, Democratic Services Officer (Maidstone BC) Bob Pullen, Policy and Performance Officer (Swale BC) Holly Goring, Policy and Performance Manager (Tunbridge Wells BC)
Service liaison officers:	Paul Taylor, Director (Mid Kent Services) Jane Clarke, Programme Manager (Mid Kent Improvement Partnership)

#### **1 Report summary**

- 1.1 This report outlines the findings of the Joint Task and Finish Group (JTFG) which was established to review the governance and communication arrangements of the Mid Kent Improvement Partnership.

## **2 List of recommendations**

### **2.1 The Task and Finish Group recommends:**

**That the Overview and Scrutiny Committees for Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council each request that their individual Cabinets should jointly consider and respond to the following recommendations that have arisen from the joint scrutiny of governance and communications:**

#### **MKIP Governance**

- a) that opportunities for pre-scrutiny should be provided within existing governance arrangements at each authority prior to any new shared service proposals being considered at a tri-Cabinet meeting (i.e. after MKIP Board consideration, if not before);**
- b) that joint Overview & Scrutiny task and finish groups should be convened by the Overview and Scrutiny Committee(s) of the individual authorities, as necessary, to jointly review any major issues that arise in regard to shared service delivery and also any new options, such as the possibility of contracting to deliver a shared service for an authority outside the partnership;**
- c) that the MKIP Board will notify the Overview and Scrutiny functions of each authority when there are potential items of interest that a joint task and finish group could review on their behalf;**
- d) that the creation of the Mid Kent Services Director post should be favourably considered in light of the value already placed on this role by members of the Shared Services Boards and others, as it provides a single point of contact for the MKIP Board and Mid Kent Service Managers;**
- e) that the role of the MKIP Programme Manager should be re-examined and aligned with the reporting arrangements arising from the appointment of a Mid Kent Services Director (if the post is confirmed);**
- f) that early consideration should be given to transferring the management of the Planning Support and Environmental Health shared services under the Mid Kent Services umbrella as soon as possible;**
- g) that a toolkit is created to assist managers in their role as internal clients of shared services;**
- h) that (where appropriate) shared services create a service catalogue for their service that will help internal clients to better understand the extent of the service they provide;**

#### **Communication**

- i) that a joint communications plan is developed to improve staff and member awareness and understanding of MKIP (shared service development) and MKS (shared service delivery);**

- j) that the MKIP Board has responsibility for the effective implementation of an agreed communications plan and ensures its delivery is resourced appropriately;**
- k) that communication should be improved between the newly created Shared Service Boards and the MKIP Board to ensure the latter is fully aware of any major service issues and any suggested options for change;**
- l) that client representatives on the Shared Service Boards should ensure the outcomes of their meetings, including any related direction coming from the MKIP Board, are effectively cascaded to relevant staff within each authority;**
- m) that future MKIP Board meetings should be held and papers published in accordance with the appropriate local authority access to information regulations;**

#### **Corporate governance**

- n) that given the change in Maidstone Borough Council's governance arrangements in May 2015, that consequential amendments will be made to reflect the absorption of the Overview and Scrutiny function within the Policy and Resources and the three other service Committees.**

### **3 The review**

3.1 The Joint Task and Finish Group (JTFFG) was established to:

- consider how the Mid Kent Improvement Partnership's (MKIP) governance arrangements should be taken forward and how an MKIP communications plan should be developed.

3.2 The review was instigated by a joint meeting of the Maidstone, Swale and Tunbridge Wells Scrutiny Committees on 7 July 2014.

3.3 One of the JTFFG's first tasks was to scope how to conduct the review. The final version of the Scoping Report is at Appendix i.

3.4 The review was conducted principally through a number of question and answer sessions with a range of Cabinet members and senior officers from the three authorities and/or external partners. The JTFFG also reviewed a number of reports, agendas and minutes of meetings and other papers. A schedule of who gave evidence to the Group and the literature reviewed is at Appendix ii.

3.5 The planning support review is outside the remit of the JTFFG, however a preview summary report was included as part of our evidence base.

3.6 The JTFFG would like to thank all those who agreed to meet with us to answer questions and for providing information. The JTFFG would also like to thank the O&S support officers and service liaison officers who are listed above as well as Roger Adley (Maidstone BC) and Adam Chalmers (Tunbridge Wells BC) for their advice on communications and Clare Wood (Maidstone BC) for her assistance in designing the survey and for analysing the results. A lot has been achieved in a very short space of time.

## 4 Background

4.1 The Mid Kent Improvement Partnership was formed in 2008 between Ashford, Maidstone, Swale and Tunbridge Wells Borough Councils. Ashford subsequently withdrew from the partnership (although they are still part of the Audit shared service) and it now comprises Maidstone, Swale and Tunbridge Wells Borough Councils. The first MKIP shared service was Mid Kent Audit which went live as a four-way shared service in 2009. There are now seven shared services within the MKIP family. They are as follows, with the host authorities highlighted in bold:

- Audit (Ashford, **Maidstone**, Swale and Tunbridge Wells);
- Environmental Health (**Maidstone, Swale and Tunbridge Wells – no host**);
- Human Resources (**Maidstone** and Swale);
- ICT (**Maidstone**, Swale and Tunbridge Wells);
- Legal (Maidstone, **Swale** and Tunbridge Wells);
- Planning Support (**Maidstone**, Swale and Tunbridge Wells); and
- Revenue and Benefits (**Maidstone and Tunbridge Wells – no host**).

4.2 The main objectives that MKIP seeks to deliver are:

- to improve the quality of service to customers;
- to improve the resilience of service delivery;
- to deliver efficiency savings in the procurement, management and delivery of services;
- to explore opportunities for trading in the medium to long-term;
- to share best practice; and
- to stabilise or reduce the environmental impact of service provision.

4.3 Nationally, a great many councils are involved in sharing services. In 2012, 219 councils were involved in shared services. By 2013, that number had risen to 337 councils. The Government is strongly encouraging local councils to share services and staff. The MKIP constituent authorities are clearly early adopters of the shared service agenda.

## **5 Findings**

### **MKIP governance**

#### **Key findings**

- 5.1 The MKIP governance arrangements have evolved gradually since the partnership was first established in 2008. The MKIP governance arrangements are at Appendix iii and were last updated in May 2012.
- 5.2 The JTFG heard that all major decisions regarding MKIP, including the creation of new shared services, or significant changes to existing ones, were taken by each constituent authority according to their respective constitutions. In practice, decisions had been taken at co-located but separate meetings of the three constituent Cabinets, with agendas, reports and minutes of meetings published separately on their own website.

#### **MKIP Board**

- 5.3 The MKIP Board consists of the Leader and Chief Executive of each of the three MKIP councils and meets quarterly. Its role is:
- To approve and own the MKIP Programme and provide direction to the MKIP Programme Manager;
  - To initiate shared service projects and appoint project and shared service boards;
  - To set MKIP objectives and direction;
  - To join together strategic plans and form a MKIP strategic plan;
  - To take decisions on specific project/service issues outside of the remit of the project and shared service boards;
  - To receive Audit reports with limited assurance on follow-up;
  - To monitor MKIP performance and finance and agree actions to resolve performance and finance issues; and
  - To review these arrangements from time to time and make recommendations to the Parties for improvement.
- 5.4 The JTFG was provided with a sample agenda, reports and minutes of a Board meeting and it was clear to see from these that the role of the Board is to maintain a strategic oversight on the constituent elements of the shared service partnership and of MKIP as a whole.

#### **Shared Service Boards**

- 5.5 Below the MKIP Board, seven Shared Service Boards have been established. The Shared Service Boards are comprised of client-side representatives from



each of the partnership authorities, generally at Director level, the MKS Director, the MKIP Programme Manager and the Shared Service Manager.

5.6 The Terms of Reference of the Shared Service Boards are:

- Shared Service Boards will provide the following governance actions:
  - agree the Service Plan for each Financial Year;
  - advise on the management of and agree variations to the budgets for the shared service including approving items of savings and growth to go forward to each partner authority to form part of their annual budgeting process and consideration in setting their budgets for the service;
  - advise the relevant Head of Paid Service (or nominee) on the appraisals of the Joint Head of Service;
  - receive reports on and consider the finance and performance of the shared service;
  - provide strategic direction as required;
  - provide reports to the MKIP Board when requested, when the Shared Service Board wish to raise a general MKIP issue or when the service underperforms (i.e. fails to meet the majority of targets over 3 quarters) or the Shared Service Board wish to make significant changes to the agreed service plan.

5.7 The JTFG heard that matters such as service planning and performance management were being addressed and the creation of reporting forms enabled key information to be reported to the Shared Service Boards on these matters. Further clarity may need to be added to the terms of reference to strengthen the Shared Service Board's responsibility in reviewing performance and finance, as their role evolves.

### **Mid Kent Services (MKS)**

5.8 A new directorate called Mid Kent Services (MKS) has been established within the MKIP partnership which is governed slightly differently. Five services fall within the MKS Directorate and two (Environmental Health and Planning Support) fall outside of MKS. The key differences are explained in paras 5.18 to 5.27 below and the diagrams at Appendix iv set out the respective reporting lines, with the main one being that the MKS Director is the 'line manager' for all MKS Services.

### **Effectiveness**

5.9 The JTFG heard from virtually all members of the MKIP Board as well as the Monitoring Officers and Section 151 (i.e. Chief Finance) Officers of the three authorities at various points during the review.

5.10 The evidence the JTFG heard from all quarters was that the governance arrangements were working well.

5.11 The governance arrangements had evolved over the years and were deliberately designed to be flexible, enabling the nature of the partnership and the services within it to expand and develop in an organic way.

5.12 The JTFG were also advised that the collaboration agreements for each of the shared services were currently being reviewed, which would further

strengthen the governance under which these services worked. Each collaboration agreement would need to reflect the size of the service and its complexity and cover areas such as financing, staffing, roles and responsibilities and exit arrangements.

## **Accountability**

- 5.13 Two elements of governance which did concern the JTFG were accountability and transparency. The latter is dealt with in the Communications section below at paras 5.45 to 5.49.
- 5.14 As mentioned in para 5.2, major decisions regarding MKIP would be taken by the respective Cabinets of each partner authority. However, it is only when Cabinet papers are published that overview and scrutiny members have any opportunity to scrutinise planned actions, unless Cabinets have proactively sought the views of overview and scrutiny in advance.
- 5.15 This is in stark contrast to some shared service partnerships elsewhere in the country which are governed by, for example joint committees. Proposals for significant change are likely to have been considered in advance and agendas, reports and minutes of these committees published. The MKIP Board, where any proposals for significant change in respect of MKIP will be considered initially, is not a joint committee in the formal sense. Therefore, there does not appear to be any ready mechanism under which overview and scrutiny committees, whether individually from within each authority, or jointly, can be alerted to significant proposals for change and to be able to consider any proposals. The JTFG questions whether this is good governance.
- 5.16 There have been instances where decisions on shared services taken by tri-Cabinet meetings (co-located meetings of the three individual Cabinets) have resulted in formal call-in procedures being instigated on at least three occasions.
- 5.17 The JTFG considers that overview and scrutiny, both individually at a partner authority level and jointly, is an important element of good governance and therefore recommends:

### ***Recommendation:***

- a): that opportunities for pre-scrutiny should be provided within existing governance arrangements at each authority prior to any new shared service proposals being considered at a tri-Cabinet meeting (i.e. after MKIP Board consideration, if not before);
- b): that joint Overview & Scrutiny task and finish groups should be convened by the Overview and Scrutiny Committee(s) of the individual authorities, as necessary, to jointly review any major issues that arise in regard to shared services delivery and also any new options, such as the possibility of contracting to deliver a shared service for an authority outside the partnership;
- c): that the MKIP Board will notify the Overview and Scrutiny functions of each authority when there are potential items of interest that a joint task and

## **Mid Kent Services**

5.18 Mid Kent Services (MKS) is a shared service directorate that brings together the majority of shared services under an organisational structure that includes a Mid Kent Services Director, who was appointed on a one year trial in 2014. The shared services that currently fall under MKS are:

- Audit;
- Human Resources;
- ICT;
- Legal; and
- Revenue and Benefits.

5.19 MKS's current tasks are:

- to lay the ground to make HR/Payroll a three-way partnership rather than the current two-way arrangements between Maidstone and Swale;
- develop an MKIP communications plan;
- ensure services have up to date collaboration agreements, service level agreements and risk registers;
- create a vision and culture for MKS staff; and
- to resolve a long list of 'snagging issues' that are impeding productivity for shared service staff.

5.20 The work of the JTFG reinforced the importance of a cohesive vision for Mid Kent Services and the positive work that the MKS Director was doing to address this.

5.21 The JTFG observed that other shared service partnerships elsewhere in the country of similar size to MKIP had appointed an officer at Director level to oversee their services. An example included the Anglia Revenue Partnership, the Director of which had met with the Group, and comprised of seven local authorities sharing a common Revenue and Benefits service.

5.22 The Heads of MKS Shared Services told the Group how much they valued the role of the MKS Director since it had been established. For example, it provided shared service managers with a conduit to convey information between themselves and the MKIP Board and to gain, in return a more complete perspective of the views of the MKIP Board via the MKS Director; helping to overcome some long-standing snagging issues that had served to frustrate the objectives of establishing the partnership in the first place.

5.23 The JTFG is therefore recommending that the creation of the MKS Director post is looked upon favourably and, whilst this is being considered, that the MKIP Programme Manager post, which was established in advance of the Director post, is reviewed, even more importantly in the event that the MKS Director role is confirmed.

5.24 The JTFG recommends:

**Recommendation:**

**d): that the creation of the Mid Kent Services Director post should be favourably considered in light of the value already placed on this role by members of the Shared Services Boards and others, as it provides a single point of contact for the MKIP Board and Mid Kent Service Managers;**

**e): that the role of the MKIP Programme Manager should be re-examined and aligned with the reporting arrangements arising from the appointment of a Mid Kent Services Director (if the post is confirmed);**

5.25 The MKS was formed largely around the needs of the five 'back office' or 'transactional' shared services – i.e. Audit, HR, ICT, Legal, Revenues and Benefits. At the time of the establishment of MKS, the Environmental Health and Planning Support shared services had only just been created and a decision was taken not to include them in MKS at that stage.

5.26 From the evidence the JTFG had seen, it would be advantageous from a consistency and good governance perspective to bring the Environmental Health and Planning Support shared services under the MKS umbrella as soon as possible. It would also assist with communication when explaining the organisational structure of the Mid Kent Improvement Partnership.

5.27 The JTFG recommends:

**Recommendation:**

**f): that early consideration should be given to transferring the management of the Planning Support and Environmental Health shared services under the Mid Kent Services umbrella as soon as possible;**

**Facilitating access to shared services**

5.28 The JTFG heard on two separate occasions from Heads of Service who were clients of MKIP services during the review.

5.29 On both occasions, the client Heads of Service were complimentary about the improvements they had witnessed as a result of the creation of shared services including the ability to provide a broader range of specialisms and greater expertise, increased capacity and better resilience of services.

5.30 However, client Heads of Service also referred to their need to gain a greater understanding of their role as shared service clients, such as what it is they need to know and what to ask for from service providers in order to deliver their own services effectively. Some spoke of a lack of clear signposting and the fact that some shared services had the appearance of delivering a 'one size fits all' approach. It was felt that this could affect the prioritisation of projects that were important corporate objectives to each of the individual authorities.

5.31 The JTFG considered and discussed this feedback and thought that some sort of toolkit or catalogue could be produced for each of the shared services (especially so for the back-office ones) which could address this.

5.32 The JTFG recommends:

***Recommendation:***

**g): that a toolkit is created to assist managers in their role as internal clients of shared services;**

**h): that (where appropriate) shared services create a service catalogue for their service that will help internal clients to better understand the extent of the service they provide;**

## **Communication**

### **Key findings**

5.33 It was evident that the MKIP Board was already aware that more needs to be done to improve knowledge and awareness of MKIP/MKS issues amongst councillors, staff and residents. The development of a Communications Plan was a key objective for the Mid Kent Services Director. In addition, the survey [summary provided at Appendix v] the JTFG commissioned of councillors confirmed that awareness of the MKIP/MKS arrangements was low.

5.34 It was noted that the key stakeholders regarding communications were staff and councillors. The general public were not thought to be particularly interested in how shared services were delivered – particularly 'back office' services – only whether they received a good service which was delivered cost effectively.

5.35 With three separate councils involved in MKIP, with their different cultures and ways of doing things, it was important for both staff and members that messages about MKIP were consistent, recognising that each council had its own systems for communicating corporate messages to staff and councillors. It was noted that MKIP/MKS did not have a specific presence on each council's website or intranet.

### **Communications plan**

5.37 One of the JTFG's terms of reference was to review how a MKIP communications plan should be developed.

5.38 The JTFG heard from communications experts at the councils, that the essence of a good plan was to decide: who the message was intended for and how the

message would be conveyed; what the overall aim and objectives were; and how the effectiveness of the plan could be reviewed and evaluated, with the overarching aim of keeping things simple.

5.39 Communications officers at Maidstone and Tunbridge Wells Borough Councils, in consultation with officers at Swale BC, have produced a draft outline communications plan at [Appendix vi] which the JTFG commends to the MKIP Board to develop further and implement.

5.40 The JTFG recommends:

**Recommendation**

**i): that a joint communications plan is developed to improve staff and member awareness and understanding of MKIP (shared service development) and MKS (shared service delivery);**

**j): that the MKIP Board has responsibility for the effective implementation of an agreed communications plan and ensures its delivery is resourced appropriately ;**

**Disseminating information**

5.41 The JTFG heard that the implementation of the new Shared Service Boards had gone smoothly and that the respective roles of the new Boards and the MKIP Board were clearly defined. The Shared Service Boards had assisted in reviewing the detail of shared services (in terms of performance, finance or operation) and enabled matters of concern to be referred up to the MKIP Board for further discussion. A reporting form had been created since the establishment of the Shared Service Boards which had enabled each Shared Service Manager to advise the Mid Kent Services Director and client representatives of the above. These reporting forms had been found to be particularly useful and provided a detailed audit trail of the development and operation of their shared service. This feedback was welcomed by the JTFG and it was considered useful to continue this work to further strengthen the role of the Shared Service Board.

5.42 The JTFG looked at the role of the client representatives on the Shared Service Boards. This role has to fully understand the balance of business in terms of the authority requirements of individual services where issues were arising and be able to report back on operational matters affecting the shared services. At present the 'client representative' tended to be a Director from each of the individual authorities. Despite these individuals having great oversight of matters affecting their individual authorities both operationally and financially, the JTFG felt it would be more beneficial to have officer(s) attend the Shared Service Board meetings who had specific expertise and knowledge of each of the MKS Services. For example if an issue were to occur in respect of ICT, would the client representatives be best placed to communicate these issues, a specialist from the individual authority or a direct user of the service?

5.43 The JTFG recognised that to invite further 'client representatives' to the Shared Service Board meetings could place added pressure on limited staff resources so were prepared to accept that the current 'client representatives' were best placed to sit on the Shared Service Boards provided that communication with specialists

or internal clients of those services was strengthened, and to ensure the requirements of each authority were adequately reflected in the Shared Service Board meetings.

5.44 The JTFG recommends:

**Recommendation**

**k): that communication should be improved between the newly created Shared Service Boards and the MKIP Board to ensure the latter is fully aware of any major service issues and any suggested options for change;**

**l): that client representatives on the Shared Service Boards should ensure the outcomes of their meetings, including any related direction coming from the MKIP Board, are effectively cascaded to relevant staff within each authority;**

**Transparency**

5.45 One of the JTFG's key findings was that members and staff felt they were kept in the dark about the operation of the MKIP Board. Whilst the JTFG recognised that the MKIP Board had not been deliberately clandestine in its work, and it was recognised that services operating and undertaking normal business within the individual authorities were not always subject to this level of attention, the fact that MKIP Board agendas, reports and minutes of meetings were not published is in sharp contrast to some other shared services partnerships, including the Anglia Revenue Partnership and the South Thames Gateway Building Control Partnership.

5.46 Both of these partnerships have governance arrangements which are overseen by Joint Committees comprised of the constituent authorities. As Joint Committees established under the Local Government Act 1972, these Committees are required to abide by the normal Access to Information rules which apply to all local authority committees with requirements to publish agendas, reports and minutes of meetings unless these contain confidential or exempt information.

5.47 It should be noted that paragraph 8.2 of the MKIP governance arrangements (see Appendix iii) states that:

*“notice of the management board meetings and access to agendas and reports will be applied as if the meeting was covered by the Local Authorities (Executive Arrangements) (Access to Information) (England) Amendment Regulations 2000 and 2002 or Section 100 A-K and Schedule 12A to the Local Government Act 1972, as appropriate.”*

But it is not clear why papers are not published.

5.48 The JTFG is not advocating that the MKIP Board is necessarily reconstituted as a Joint Committee, but steps should be taken to increase the transparency of its operations.

5.49 The JTFG recommends:

***Recommendation***

**m) that future MKIP Board meetings should be held and papers published in accordance with the appropriate local authority access to information regulations.**

## **Corporate governance**

5.50 The JTFG recommends:

***Recommendation***

**n) that given the change in Maidstone Borough Council's governance arrangements in May 2015, that consequential amendments will be made to reflect the absorption of the Overview and Scrutiny function within the Policy and Resources and the three other service Committees.**

## **Appendices**

- Appendix i Scoping report
- Appendix ii Witness sessions and papers reviewed
- Appendix iii MKIP governance arrangements
- Appendix iv Diagram of governance arrangements for MKIP and MKS
- Appendix v Councillors knowledge of MKIP – summary of survey results
- Appendix vi Draft communications plan
- Appendix vii Glossary



**Mid Kent Improvement Partnership Joint Task and Finish Group – 10 September  
2014**

**Scoping Report**

**1. Aim of the Review**

To consider how Mid Kent Improvement Partnership's (MKIP) governance arrangements should be taken forward and how a MKIP communications plan should be developed.

**2. Why has this review been selected?**

Over the last 12 months scrutiny members have taken a keen interest in shared services and the development of MKIP. Committee members, across the three authorities, have raised a number of important issues relating to:

- Governance arrangements;
- Seeking clarity on the role of O&S to be able to scrutinise the decisions of the MKIP Management Board, if it so wished;
- The objectives of the Mid Kent Services Director and how these would be measured; and
- Communication.

With that in mind, a joint meeting was arranged on 7 July 2014 to enable further consideration of these issues. It was at this meeting that the Tunbridge Wells Borough Council's Overview and Scrutiny Committee, Maidstone Borough Council's Strategic Leadership and Corporate Services Overview and Scrutiny Committee formally agreed (with Swale Borough Council's Scrutiny Committee at their meeting on 23 July 2014) to establish a joint Task and Finish Group to consider how MKIP's governance arrangements should be taken forward and how a MKIP communications plan should be developed.

It was further agreed that the Task and Finish Group report back to a joint meeting of these three Committees in December 2014.

**3. Who will carry out the review?**

The review will be carried out by a Task and Finish Group including:

- Maidstone - Councillors Fay Gooch and Paulina Stockell
- Swale – Councillors Andy Booth and Mike Henderson with substitutes Councillors Lloyd Bowen and/or Peter Marchington
- Tunbridge Wells – Councillors Bill Hills and Chris Woodward

**4. Officer Support**

The main officer support will be the Scrutiny Lead Officer from the same authority as the Chair of the Task and Finish Group. However, the Scrutiny officers from the other two authorities will provide assistance when and where required.

## **5. How the review will be carried out**

It is suggested that the Task and Finish Group takes a number of steps to work through the evidence and reach some conclusions. It is recommended that the Group should undertake the following activities:

### **1. Session 1 - 10 September 2014**

- A. To receive evidence from the Mid Kent Services Director and the MKIP Programme Manager on the current and future proposals for the governance arrangements for the partnership and development of a communications plan. This will include an opportunity to learn about lessons learnt from good practice elsewhere.

The aim of this session is to get all members of the group to the same level of background knowledge so that the group can plan its programme of work.

- B. To consider this scoping report and amend it accordingly following the evidence at 1A above.

### **2. Session 2 - Mid/Late September 2014**

- A. To receive evidence from a mix of Heads of Service from across the three authorities that covers a range of services with different expectations and delivery options i.e. from internal and external facing departments.

The aim of this session is to get an understanding from the Heads of Service as clients using MKIP services, and as providers of shared services themselves, on how MKIP affects their work, whether it is clear who does what and where and whether changes to services are clearly communicated, internally and externally.

- B. Governance Part

To receive evidence from at least one of the Council's Monitoring Officers and one of the Council's Section 151 Officers.

The aim of this session is to get an understanding from the Monitoring Officer(s) on what they consider good governance for the partnership, what constitutes openness, transparency and accountability, what legal powers fall to which body and how to ensure appropriate oversight.

- C. Communications Part

To receive evidence from the Head of Communications from each of the three authorities.

The aim of this session is to get an understanding of what constitutes a good communications plan, the differences between internal and external communications, how to engage stakeholders and the public and how to deal with feedback.

### **3. Start a Members Survey – October 2014**

To survey the non Executive members of the three authorities on how much they know about MKIP, what decisions it takes and what would be the best method of influencing decision-making and whether they know who to contact if a member of the public has a query about an MKIP service.

### **4. Session 3 - October 2014**

A. To invite representatives of the MKIP board to give evidence with a request that minimum representation be provided of one Leader and one Chief Executive.

The aim of this session is to get an understanding from the MKIP board on what their role is, how they make decisions, where the limits of their decision making are and how their decisions are communicated.

B. To receive evidence from a local authority good practice example(s).

This will enable the group to hear first hand from a local authority on how they dealt with the governance and communication issues and what has worked, what the pitfalls are and how to overcome them.

### **5. Session 4 - Early November 2014**

A. Feedback from Members Survey

To consider the implications from the Members Survey for the governance and communications aspects of the partnership.

B. To receive evidence from a national perspective with input from, for example, the Department for Communities and Local Government, Local Government Association or Local Government Information Unit.

The aim of this session is to get an understanding from national bodies on what is considered best practice for the governance and communications of a shared service and to understand any future national plans.

### **6. Session 5 - Mid/Late November 2014**

To receive the draft report that details the evidence received and proposes some recommendations.

To consider the contents of the draft report, agree the Group's final report and recommendations for submission to the joint meeting of the Scrutiny Committees.

### **7. Joint Committee Meeting - December 2014**

Report back to joint Committee meeting of the three authorities with final report/recommendations.

## **6. Cost/Community Implications**

The financial implications will be staff time in:

- supporting the review,
- presenting evidence to the Task and Finish Group,
- undertaking a members survey exercise.

Non Executive members and the community need effective governance arrangements to provide appropriate assurance about the performance and delivery of shared services. The need for openness, transparency and accountability is important for these services and the work of Overview and Scrutiny can help to further these areas.

Similarly, key messages properly communicated are essential to ensure members of the public are well informed by changes to services on which they rely.

## **7. What are the expected outputs?**

It is expected that the Task and Finish Group will produce a report, summarising the evidence they have gathered and containing specific recommendations for a Joint Committee meeting of the three authorities to consider. The Scrutiny Committees would then submit recommendations to their respective decision makers.

## **8. Timescale**

It is anticipated that the group will conclude the outcomes of the review in time for a joint meeting of the three authorities in December 2014.

## Witness sessions and papers reviewed

### Witness sessions

#### **10 September 2014: Overview of Mid Kent Improvement Partnership and Mid Kent Services**

- Paul Taylor, Mid Kent Services Director
- Jane Clarke, Mid Kent Improvement Partnership (MKIP) Programme Manager

#### **3 October 2014: Monitoring and Section 151 Officers**

- John Scarborough, Head of Legal Partnership and Monitoring Officer for Maidstone and Tunbridge Wells Borough Councils
- Nick Vickers, Head of Finance and Section 151 Officer for Swale Borough Council

#### **3 October 2014: Heads of Mid Kent Services**

- Rich Clarke, Head of Audit Partnership, Mid Kent Audit Services
- Andy Cole, Head of Mid Kent ICT Services
- John Scarborough, Head of Legal Partnership, Mid Kent Legal Services

#### **3 October 2014: Head of Service (clients)**

- Dawn Hudd, Head of Commercial and Economic Development, Maidstone Borough Council

#### **20 October 2014: Mid Kent Improvement Partnership Board members**

- Councillor Annabelle Blackmore, Leader of Maidstone Borough Council
- Councillor David Jukes, Leader of Tunbridge Wells Borough Council
- William Benson, Chief Executive, Tunbridge Wells Borough Council

#### **20 October 2014: Heads of Communication**

- Roger Adley, Communications Manager, Maidstone Borough Council
- Adam Chalmers, Democratic and Community Engagement Manager, Tunbridge Wells Borough Council

#### **4 November 2014: External focus**

- Ed Hammond, Head of Programmes, Local Accountability, Centre for Public Scrutiny
- Paul Corney, Head of Anglia Revenue Partnership
- Dr Wim van Vuuren, Canterbury Christ Church University

#### **20 November 2014: Revenues and benefits**

- Steve McGinnes, Head of Mid Kent Revenues and Benefits Partnership

#### **20 November 2014: Mid Kent Improvement Partnership Board Members and Monitoring Officers**

- Councillor Andrew Bowles, Leader of Swale Borough Council
- Mark Radford, Director of Corporate Services, Swale Borough Council
- John Scarborough, Head of Legal Partnership and Monitoring Officer Maidstone and Tunbridge Wells Borough Councils

#### **20 November 2014: Heads of Service (clients)**

- Amber Christou, Head of Housing Services, Swale Borough Council
- Val Green, Head of Organisational Development, Tunbridge Wells Borough Council
- Dave Thomas, Head of Commissioning and Customer Contact, Swale Borough Council

#### **8 December 2014: Programme and project governance**

- Rich Clarke, Head of Audit Partnership, Mid Kent Audit Services

<b>Papers reviewed</b>
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- Governance Arrangements – MKIP Shared Services: updated May 2012
- MKIP ICT Collaboration Agreement
- Tri-Borough Review – Critical Friends Board Report to the London Borough of Hammersmith and Fulham
- South Thames Building Control Partnership – Screen grab from website and sample agenda and minutes of Joint Committee meeting

- Investigation reports on Political Proportionality and Members Allowances and Options for Strengthening Future Governance Arrangements at the London Borough of Barnet
- MKIP Board - Sample agendas, reports and minutes
- MKIP Shared Service Boards - Sample agendas, reports and minutes

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## **GOVERNANCE ARRANGEMENTS – MID KENT IMPROVEMENT PARTNERSHIP (MKIP) AND MKIP SHARED SERVICES**

**UPDATED MAY 2012**

### **MID KENT IMPROVEMENT PARTNERSHIP (MKIP) - GOVERNANCE**

These arrangements relate to Maidstone Borough Council, Swale Borough Council, Tunbridge Wells Borough Council and are made pursuant to the Local Government Act 1972, Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

#### 1. Key Principles

- 1.1 Each of the Parties has determined by resolution to establish a collaborative partnership to become effective from September 2008 for the purposes of developing joint and shared services across their administrative areas.
- 1.2 The partnership was established as the Mid Kent Improvement Partnership (MKIP) and operated for an initial period of four years. It has now been agreed to extend the partnership for a further four years. A minimum of six months notice is required for any Party to leave the MKIP (see clause 16).
- 1.3 The Parties are committed to establishing an MKIP Board and which will consider the co-ordination of selected services and partnership activities across the combined administrative area through mutual co-operation.
- 1.4 The Parties are committed to open and transparent working and proper scrutiny through the arrangements in each authority and this will challenge and support the work of the MKIP.
- 1.5 Any new parties to these arrangements after they become effective will have all the same rights and responsibilities under these arrangements.

#### 2. Definitions

- 2.1 'Administrative Area' means the local government areas of the Parties.
- 2.2 'Decisions' means those decisions taken by each authority under their individual governance arrangements.
- 2.3 'Host Authority' means the local authority appointed by the Parties under these arrangements to service MKIP or to lead on a specific matter as set out in Clause 12.

- 2.4 'Joint Service' is one where each of the Parties will retain their own dedicated team but the teams will work alongside each other, unless other arrangements are agreed.
- 2.5 'MKIP Board' means the Leaders and Chief Executives of each of the Parties.
- 2.6 'Parties' means Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council.
- 2.7 'Proposal' means a business case to be developed for initial consideration by each of the Parties.
- 2.8 'Recommendation' means a Proposal agreed by the MKIP Board and put forward for decision by each of the Parties individually or collectively.
- 2.9 'Shared Service' means a service delivering functions as agreed by two or more of the Parties where all or part of the service is managed by a single Party.

### 3. Objectives

- 3.1 The objectives of the Mid Kent Improvement Partnership are to work together in partnership-
- (a) To improve the quality of service to communities;
  - (b) To improve the resilience of service delivery;
  - (c) To deliver efficiency savings in the procurement, management and delivery of services;
  - (d) To explore opportunities for trading in the medium to long-term;
  - (e) To share best practice; and
  - (f) To stabilise or reduce the environmental impact of service provision.

### 4. Functions

- 4.1 An MKIP Work Programme covering 4 years shall be established and owned by the MKIP Board who may appoint a Programme Manager who shall have the role set out in Annex E to manage and deliver the programme. The programme will be developed and delivered using the Gateway Decision Making Process set out in Annex A.

### 5. Terms of Reference

- 5.1 The terms of reference for the MKIP Board are set out in Annex B.
- 5.2 The terms of reference for the Project Boards are set out in Annex C.
- 5.3 These terms of reference will be reviewed annually by the Parties.

## 6. Membership and Meeting Procedures

- 6.1 The MKIP Board shall comprise the leaders and chief executives of each of the Parties. Named substitutes will be identified for the Leader (Cabinet Member) and for the Chief Executive (Director) to attend when necessary.
- 6.2 Kent County Council may send a non-voting representative (or substitute) to the MKIP Board meetings

## 7. Frequency of Meetings

- 7.1 The MKIP Board will meet quarterly at a time and place agreed by its members, who may change the frequency of meetings and call additional meetings as required.

## 8. Agenda Setting and Access to Meetings and Information

- 8.1 The agenda of the MKIP Board shall be agreed by the Chairman following a briefing by officers of the Parties. Any member of the Management Board may require that an item be placed on the agenda of the next available meeting for consideration, and may call for a meeting to be held.
- 8.2 Notice of the Management Board meetings and access to agendas and reports will be applied as if the meeting was covered by the Local Authorities (Executive Arrangements) (Access to Information) (England) Amendment Regulations 2000 and 2002 or section 100 A-K and Schedule 12A to the Local Government Act 1972, as appropriate.

## 9. Project Boards

- 9.1 Project Boards will be established, on a project basis, by unanimous agreement of the MKIP Board. The Project Board must put a Project Team in place with adequate Project Management support put in place.
- 9.2 When establishing additional projects the MKIP Board will agree:-
  - (a) The terms of reference for the project, including outline scope and timescales;
  - (b) Size and membership of the board including any external advisors;
  - (c) Period of operation;
  - (d) Budget for the project\*;
  - (e) Tolerances for cost, quality and timescales\*
  - (f) Success criteria for the project\*
  - (g) Mechanisms for hosting the project and sharing the cost amongst the various Parties, as appropriate.\*

9.3 The process for the production and consideration of business cases will follow the Gateway Decision Making process (Annex A). In the first instance a Project Board including Lead Director (or other senior officer) will be appointed with the MKIP Board receiving a Business Case at a later date on which to make a decision to commit to the project and establish (d), (e), (f) and (g) marked \* above

9.4 Projects will be carried out in accordance with any agreed project framework that the MKIP Board has adopted. Whether in line with any adopted framework or not the MKIP Board may request an update and/or take decisions relating to a project if it determines that changes need to be made or it is not satisfied with project performance.

## 10. Meetings and Chairing of Meetings

10.1 The Chairman and Vice Chairman of the MKIP Board will be the Leaders of the Parties appointed on the basis of the position being rotated annually, as follows:

<u>Chairman</u>	<u>Vice Chairman</u>
Tunbridge Wells	Maidstone
Maidstone	Swale
Swale	Tunbridge Wells

10.2 In the absence of the Chairman and the Vice Chairman at a meeting the meeting will elect a chairman for that meeting who shall be a Leader.

10.3 The quorum for the MKIP Board will be five with at least one person present from each of the Parties.

10.4 The MKIP Board may approve rules for meetings and procedures from time to time. The Chairman will also act as the 'Host' authority for the MKIP (see clause 12).

## 11. Decision Making

11.1 Recommendations from MKIP Board will normally be made by consensus. Alternatively a vote shall be taken when requested by the Chairman. The vote will normally be by way of a show of hands. A simple majority will be required.

11.2 The MKIP Board may make Proposals and Recommendations for partnership working between two or more of the Parties. When this is the case, consensus will only be required by the Parties involved.

- 11.3 The MKIP Board may make proposals and recommendations for the establishment of Shared or part Shared Services between two or more of the Parties. Where this is the case consensus will only be required by the Parties involved.
- 11.4 The Parties that did not take part in an initial Shared Service or partnership arrangement may do so at a later date subject to a Recommendation from the MKIP Board and agreement by all the Parties involved in the service. Any costs associated with joining later would be agreed between the Parties involved.

## 12. Host Authorities and Allocation of Roles

- 12.1 In order to achieve the objectives of the MKIP, the Parties will appoint a Host Authority which is, for the time being, the Authority providing the Chairman pursuant to clause 10.1.
- 12.2 Staff from the Host Authority who provide services to the MKIP Board as part of the administration of the MKIP will, at all times, be deemed to be employees of the Host Authority with the exception that in the case of a secondment of a member of staff from one partner to MKIP their pay and terms and conditions shall remain as those of the employer of their substantive role.
- 12.3 Any external support to develop business cases may be funded from the MKIP budget with a Lead Director for each business case appointed from amongst the Parties. The Business Case will need to be approved by the MKIP Board.

## 13. Budgetary Arrangements

- 13.1 A dedicated budget will be established to take forward the work of MKIP and will be overseen by the MKIP Board who may appoint a Programme Manager or other officer as appropriate for the day to day management of the budget.
- 13.2 Each Party will make a per-head-of-population contribution to MKIP. This funding will be used to establish a budget to enable external advice to be sought (when required) to ensure initiatives are progressed in a timely manner and to explore external funding. The payment will be made on (1 April) of each year.

The initial contribution will be 30p per head of population per annum using the most up to date population estimates (current population estimates of Maidstone 142,800, Swale 128,500 and Tunbridge Wells 104,600). Any funds that are not spent or committed at the year end will be returned based on the proportions outlined above or carried over, as agreed by MKIP Board.

- 13.3 Maidstone Borough Council will be the accountable body for MKIP and will manage the financial arrangements and will hold the budget. This administration will not be funded from the MKIP budget at this stage as the annual cost is expected to be minimal, but will be subject to review on an annual basis.
- 13.4 The cost of implementing any recommendation will be dealt with separately between the Parties who are taking the initiative forward.
- 13.5 The development of a shared or joint service will offer many advantages and these include:-
- (a) To improve the quality of service to communities;
  - (b) To improve the resilience of service delivery;
  - (c) To deliver efficiency saving in the procurement, management and delivery of services;
  - (d) To explore opportunities for trading in the medium to long-term;
  - (e) To share best practice;
  - (f) To stabilise or reduce the environmental impact of service provision;
  - (g) To assist with recruitment and retention;
  - (h) To improve value for money;
  - (i) To improve public satisfaction ratings; and
  - (j) To impact and improve on external assessments and measures.

How these elements will be accounted for in apportioning the costs of any Joint or Shared Services will be considered as part of the final recommendations to each of the Parties involved in delivering the new service.

- 13.6 MKIP will actively seek external funding to progress joint and shared services. This funding would be sought at both the business case development phase and also the implementation phase.
14. Scrutiny Arrangements
- 14.1 Overview and Scrutiny arrangements will be undertaken individually by each of the Parties when the Parties consider the Proposals and Recommendations from the MKIP as part of their decision making processes. However, it is envisaged that joint scrutiny meetings may be considered when appropriate as the Partnership develops. The Lead Director/Project Manager for a particular project would attend meetings as required.
15. Amendments to these Governance Arrangements
- 15.1 These arrangements will be reviewed on an annual basis and may be amended by a unanimous recommendation of the MKIP Board and subsequent agreement by all of the Parties.

## 16. New Membership and Cessation of Membership

- 16.1 Other councils, or public bodies, may join the Mid-Kent Improvement Partnership provided that the Executive/Council of the joining Council and that of all of the Parties are unanimously in agreement.
- 16.2 Any of the Parties may cease to be a party to these arrangements following a notice of cessation made subsequent to a decision of that authority. A minimum of six months notice is required for any Party to leave the MKIP.
- 16.3 On any of the Parties ceasing to be a party to these arrangements, these arrangements shall continue unless the remaining Parties unanimously determine that those arrangements shall terminate. The benefits and burdens of such termination shall be agreed between the Parties and in default of such agreement shall be determined in accordance with 17.1
- 16.4 Termination of these arrangements may occur by agreement of all of the Parties.

## 17. Dispute Resolution

- 17.1 In the event of one or more of the authorities being dissatisfied with any aspect of a shared service or element of joint working to the extent that they wish to take or would wish to have another authority take remedial action this will first be discussed by the Heads of Paid Service involved in the relevant Shared Service having consulted with the Chair of the relevant Shared Service Board. Leaders of the Council shall be kept informed of the discussions and any authority may request that the issue be brought to the next MKIP Board meeting for resolution.

If agreement on the matter cannot be reached between those parties or at the MKIP Board meeting then if there is one authority who is not involved in the dispute or an agreement can be reached on an external (to MKIP) party they will act as an independent mediator to resolve the issue. In the event that agreement cannot be reached having followed those procedures then the arbitration clause below will be followed (see flowchart in Annex F)

### 17.2 Arbitration

Any dispute between the Parties arising out of these arrangements which has not been resolved in accordance with the MKIP dispute resolution procedure where appropriate may on written notice from any party to the dispute to the other party be referred to a single arbitrator to be agreed between the Parties or where no agreement can be reached and having regard to the nature of the dispute by an arbitrator nominated by the chairman of the Local Government Association and will be carried out in accordance with the

provisions of the Arbitration Act 1996 as amended modified and in force for the time being.

18. Claims and Liabilities

18.1 The purpose of these arrangements and any actions taken under them is to assist all of the Parties (or those of the Parties as are engaged in any particular Joint or Shared Service). The Parties therefore have agreed that:-

- (a) all of the costs attributable to the provision of any Shared or Joint Service shall be apportioned between those of the Parties that are engaged in the service and in such proportions as they shall agree (and if not otherwise then in equal shares).
- (b) where one of the Parties takes responsibility for leading on a particular business case and undertakes actions or incurs liabilities in that respect then it shall be entitled to be indemnified by the other Parties for the appropriate proportion of all of its costs and liabilities incurred in good faith.

18.2 Each of the Parties shall at all times take all reasonable steps within its power to minimise and mitigate for any loss for which it is seeking reimbursement from any of the other Parties.

19. Data Protection, Freedom of Information, Information sharing and Confidentiality

19.1 Subject to the specific requirements of this clause, each of the Parties shall comply with its legal requirements under data protection legislation, freedom of information and associated legislation, and the law relating to confidentiality.

19.2 Each Party involved with the development of a business case or delivery of a Shared or Joint Service will ensure compliance with any legislative or legal requirements.

19.3 Each of the Parties shall:-

- (a) treat as confidential all information relating to:
  - (i) the business and operations of the other Parties and/or
  - (ii) the business or affairs of any legal or natural person in relation to which or to whom confidential information was held by that Party ('Confidential Information')
- (b) not to disclose the Confidential Information of any other of the Parties without the owner's prior written consent

19.4 Clause 19.3 shall not apply to the extent that:



- (a) such information was in the possession of the Party making the disclosure, without obligation of confidentiality, prior to its disclosure; or
  - (b) such information was obtained from a third party without obligation of confidentiality; or
  - (c) such information was already in the public domain at the time of disclosure otherwise than through a breach of these arrangements; or
  - (d) disclosure is required by law (including under Data Protection Legislation, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004).
- 19.5 Subject to Clause 19.4, The Parties may only disclose confidential information of another of the Parties to staff who need to know by reason of their work. Each of the Parties shall ensure that such staff are aware of, and comply with, these confidentiality obligations and that such information is not used other than for the purposes of MKIP.
- 19.6 If any of the Parties receives a request for information relating to the partnership activity under the Freedom of Information Act 2000 and/or the Environmental Information Regulations 2004 then the other Parties shall (at their own expense) assist and co-operate to enable the request to be dealt with.
- 19.7 If a request for information is received then the Party receiving it shall copy it to the other Parties and consider when making its decisions any views of the other Parties and ensure that the request is dealt with within the statutory period.
- 19.8 Notwithstanding the provisions of 19.6 and 19.7 it shall be the Party receiving the request that is responsible for determining at its absolute discretion how to reply to the request.

20. Press and Public Relations

20.1 Publicity in relation to the work of MKIP will be published jointly and agreed with the Chairman of the MKIP Board following discussions with the Parties. Press and public relations will be considered as part of each management board agenda. Any press enquiries will be circulated initially to the Chief Executives in consultation with Leaders for consideration.

21. Exercise of Statutory Authority

21.1 Without prejudice to these arrangements, nothing in these arrangements shall be construed as a fetter or restriction on the exercise by any of the Parties of their statutory functions. The Parties may continue to provide the whole or any part of a service at their own cost notwithstanding that this service is also a Shared Service or a Joint Service.

22. Conduct and Expenses

22.1 Members of each of the Parties will be required to follow their own Member and Officer Code of Conduct at all times and in particular if any individual is speaking on behalf or representing the views of the MKIP.

22.2 Any expenses in relation to the MKIP Board will be met by the individual Parties.

23. Audit

23.1 Internal audit of MKIP will be carried out by the Mid-Kent Audit Service and MKIP audit reports will be presented to the MKIP Board for consideration. Shared service audit arrangements are set out separately below and in shared service collaboration agreements.

24. Complaints

24.1 The Parties will co-operate in relation to complaints made about the Joint or Shared Services and respond to them expeditiously.

25. Business Continuity

25.1 The Parties will ensure that business continuity arrangements are in place, as part of the service plan for any Joint or Shared Service.

## **SHARED SERVICE GOVERNANCE ARRANGEMENTS**

### **1. Collaboration Agreements**

Each shared service shall have an adopted collaboration agreement between the partners in the shared service which will set out the specifics for that service. In order to provide a statement of MKIP's governance intentions and to provide a framework while collaboration agreements are not in place or where they do not set out an aspect of governance the following arrangements shall apply as set out from clause 2. onwards. Where there is a conflict between these arrangements and those set out in the specific collaboration agreements, the collaboration agreement takes precedence.

### **2. Shared Service Boards**

2.1 For each shared service a board shall be appointed to govern the service. The board will have the terms of reference set out in Annex D and the following membership unless otherwise specified:

- One director from each partner (or approved representatives)
- Assurance provided by a lead accountant for shared service as well as other officers for specific assurance needs (legal, performance, audit etc.)

### **3. Audit**

3.1 Each shared service will form part of the Mid-Kent Audit's 3 year audit plan and will be the subject of audit arrangements in each of its partner authorities. Mid-Kent Audit will carry out 1 audit for a shared service that will cover, and be reported to, all partners and to the Shared Service Board for consideration and action as appropriate. Copies of agreed audit responses to limited audit reports will be circulated to the MKIP Board. If a follow-up audit remains limited then this audit report will be presented to the MKIP Board.

### **4. Performance monitoring**

4.1 MKIP will undertake 2 levels of performance monitoring. Shared service level performance and overall level MKIP Performance including finance performance. Shared service performance reports will produced quarterly to the shared service Board whilst an overall performance report will be presented to the MKIP Board. Should the MKIP Board wish to request further information on the performance of a particular service it can do so. Continuous poor performance (over 3 quarters with majority of performance indicators being missed) will be reported to the MKIP Board by the shared service board as a matter of course.

## **5. Finances**

- 5.1 Finance monitoring will take place in 2 forms. MKIP finance performance will be measured with actual savings delivered versus predicted savings as well as with individual finance performance indicators relating to a shared service as agreed in the service plan. Additionally the MKIP budget will be monitored and reported to the Board on a quarterly basis.
- 5.2 Finances will also be considered in all projects including an investment profile, including an investment score for an investment over 5 years. This will be used for existing services and for potential future services and will produce an overall investment score for MKIP to show the value and return partners receive from the MKIP partnership.

## **6. Overview and Scrutiny**

- 6.1 Each shared service will be subject to the Overview and Scrutiny procedures at its partner authorities and officers will be subject to the Overview and Scrutiny procedure rules of the authorities. Where more than one authority wishes to scrutinise a shared service or aspect of a shared service, every effort will be made to avoid duplication, for example through holding a joint Overview and Scrutiny meeting or sharing Overview and Scrutiny reports.

## **7. MKIP Work Programme**

- 7.1 Once operational each shared service shall remain part of the MKIP Work Programme which will be updated with ongoing shared service improvements and projects.

## **8. Other**

- 8.1 Unless otherwise specified here or in its collaboration agreement a shared service will remain subject to the governance arrangements of any employing authorities in the partnership. This includes external audit or other inspections. The collaboration agreements for each shared service set out the agreements on access to information between partners for a given service, but in the absence of specific terms, a Head of a Shared Service shall make information relating to the running of a shared service available to partners in that shared service on request as though the service were part of the requesting partner's organisation, whether or not this remains the case (for example where the service is wholly being provided by one authority to another) subject to clause 19 in the Mid Kent Improvement Partnership section of the governance arrangements.

TERMS OF REFERENCE OF THE MID KENT IMPROVEMENT PARTNERSHIP  
BOARD

1. To approve and own the MKIP Programme and provide direction to the MKIP Programme Manager
2. To initiates Shared Service projects and appoint project and shared service boards
3. To sets MKIP objectives and direction
4. To join together strategic plans and form an MKIP strategic plan
5. To take decisions on overarching MKIP issues and policies
6. To take decisions on specific project/service issues outside of the remit of the project and shared service boards
7. To receive Audit reports with limited assurance on follow-up
8. To monitors MKIP Performance and Finance and agree actions to resolve performance and finance issues
9. To review these arrangements from time to time and make recommendations to the Parties for improvement.

TERMS OF REFERENCE OF THE MID KENT IMPROVEMENT  
PARTNERSHIP PROJECT BOARDS

To be responsible for the delivery of a shared service project as set out by the MKIP Board and in accordance with any project framework adopted by the MKIP Board, including:

1. To identify and appoint appropriate project team members, ensuring that all parties' interests and areas of expertise are adequately covered;
2. To be responsible for any budget provided to the project by the MKIP Board and to report any variance from the budget to the MKIP Board;
3. To report any variations from the tolerances set by the MKIP Board, specifically those that relate to quality, cost and timescales;
4. To provide updates to the MKIP Board at quarterly MKIP Board meetings as a minimum;
5. To ensure that all projects have appropriate levels of project assurance at all times;
6. To raise any project issues with the MKIP Programme Manager in good time
7. To ensure a robust communications plan is in place and to ensure regular liaison with partners and that partners and all stakeholders are informed on project progress at all times; and
8. To ensure the project follows and meets all legal and statutory requirements for example relating to Human Resources processes or changes

TERMS OF REFERENCE OF THE MID KENT IMPROVEMENT  
PARTNERSHIP SHARED SERVICE BOARDS

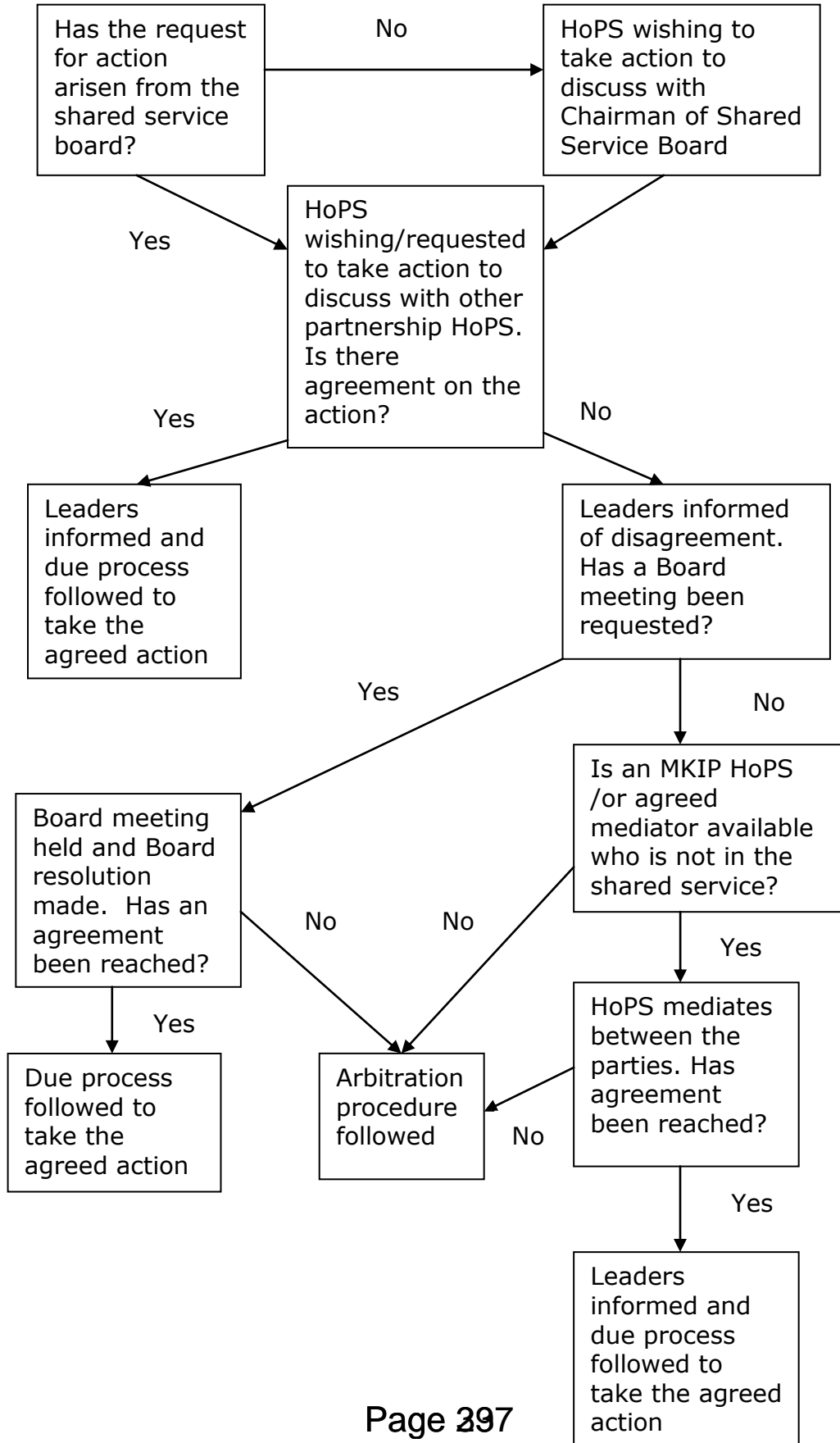
Shared Service Boards will provide the following governance actions:

- a Agree the Service Plan for each Financial Year
- b Advise on the management of and agree variations to the budgets for the shared service including approving items of savings and growth to go forward to each partner authority to form part of their annual budgeting process and consideration in setting their budgets for the service
- c Advise the relevant Head of Paid Service (or nominee) on the appraisals of the Joint Head of Service
- d Receive reports on and consider the finance and performance of the shared service
- e Provide strategic direction as required
- f Provide reports to the MKIP Board when requested, when the Shared Service Board wish to raise a general MKIP issue or when the service underperforms (i.e. fails to meet the majority of targets over 3 quarters) or the Shared Service Board wish to make significant changes to the agreed service plan

Role of the MKIP Programme Manager

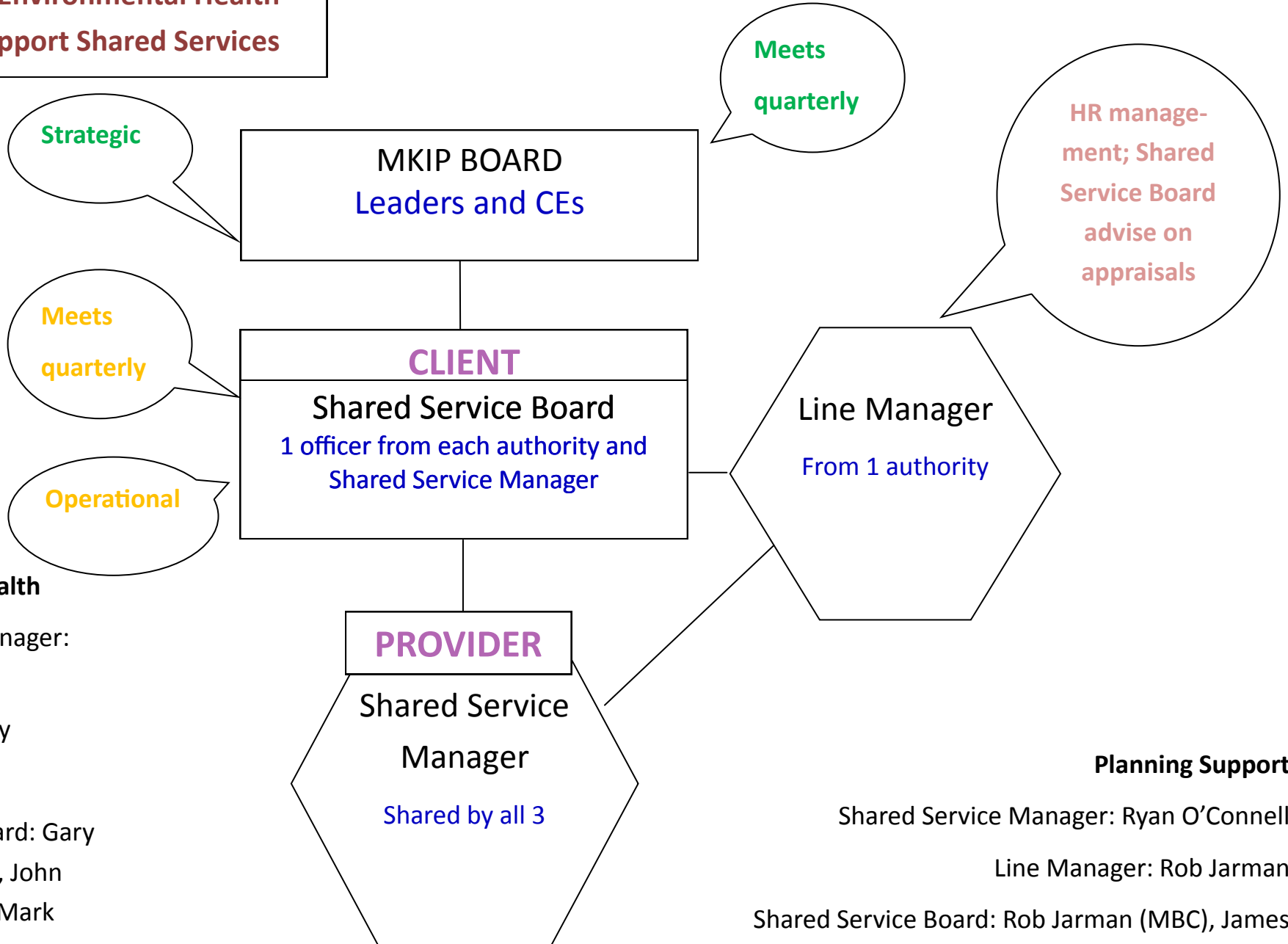
1. To create and hold the MKIP programme on behalf of the MKIP Board and as directed by them
2. To manage and deliver the MKIP Programme
3. To liaise with senior officers (including s151 officers, monitoring officers, and Directors) to provide assurance for the MKIP programme
4. To commission internal and external teams to deliver the MKIP work programme
5. To be responsible for MKIP Communications and deliver the MKIP Communications Strategy
6. To manage any MKIP budgets and the receipt of partner contributions
7. To advise and raise any issues with the MKIP Chief Executives and MKIP Board as required
8. To liaise with Shared Service Boards and managers to identify issues and problems impacting on shared services
9. To follow any MKIP Project Management framework adopted by the MKIP Board and to ensure that all MKIP Projects are delivered in accordance with that framework
10. To provide project management assurance as required by MKIP Project Boards
11. To represent the interests of all MKIP Partners equally and to ensure that partnership working is considered in decision making at all three authorities
12. To promote MKIP and increase awareness of the objectives and activities of MKIP at all times





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**Governance for Environmental Health  
and Planning Support Shared Services**



**Environmental Health**

Shared Service Manager:

Tracey Beattie

Line Manager: Gary

Stevenson

Shared Service Board: Gary

Stevenson (TWBC), John

Littlemore (MBC), Mark

Radford (SBC)

**Planning Support**

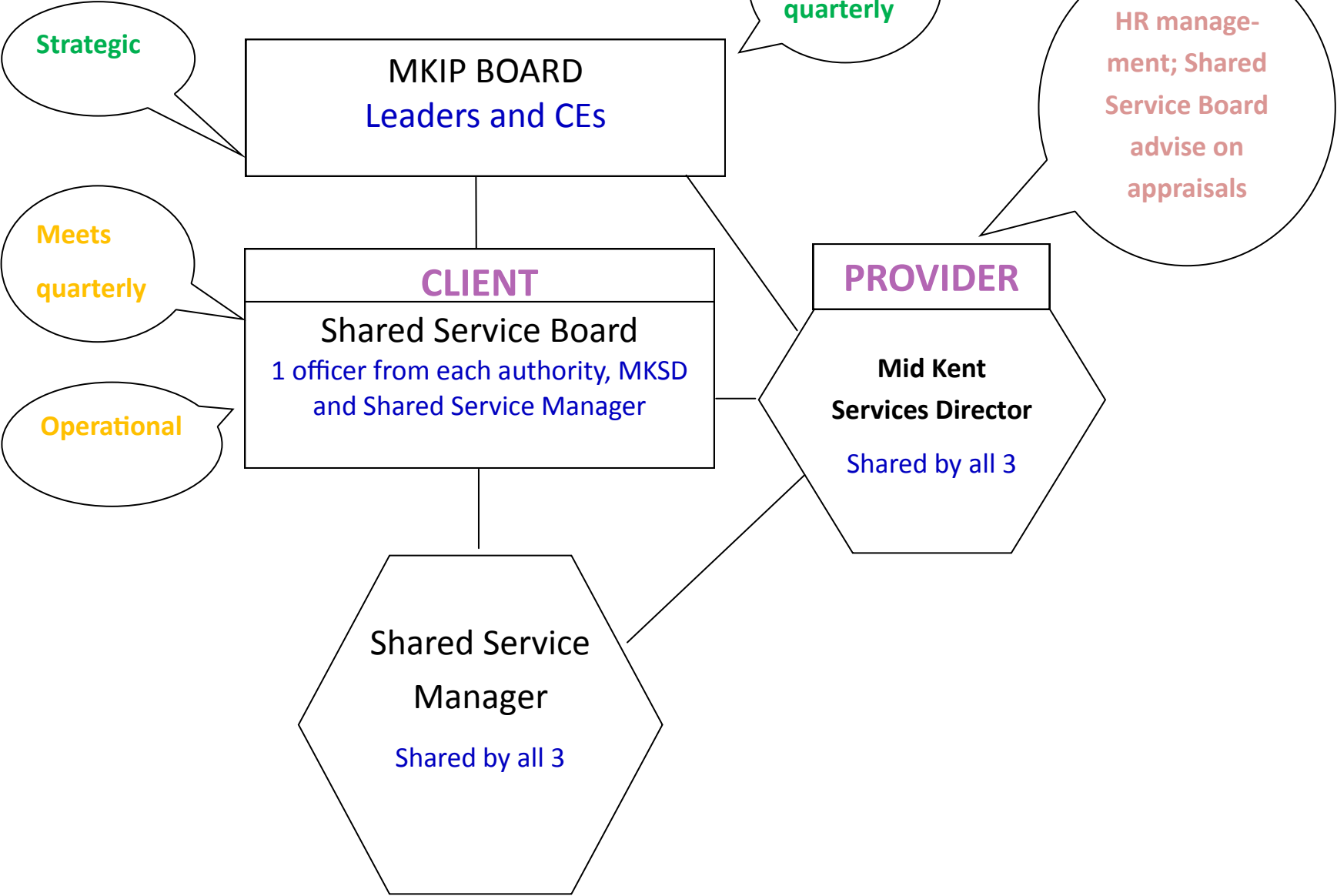
Shared Service Manager: Ryan O’Connell

Line Manager: Rob Jarman

Shared Service Board: Rob Jarman (MBC), James

Freeman (SBC), Jane Lynch (TWBC)

**Governance for MKS:**  
**Audit, HR, ICT, Legal, Revs and Bens**



**Internal Audit (4-way also shared with Ashford)**

Shared Service Manager: Rich Clarke

Line Manager: Paul Taylor

Shared Service Board: David Edwards (MBC), Mark Radford (SBC), Lee Colyer (TWBC), Paul Naylor (ABC)

**Governance for MKS:  
Shared Service Board Arrangements**

**HR and Payroll (2-way MBC and SBC)**

Shared Service Manager: Dena Smart

Line Manager: Paul Taylor

Shared Service Board: David Edwards, Mark Radford

**ICT (3-way)**

Shared Service Manager: Andy Cole

Line Manager: Paul Taylor

Shared Service Board: David Edwards, Mark Radford, Lee Colyer

**Legal (3-way)**

Shared Service Manager: John Scarborough

Line Manager: Paul Taylor

Shared Service Board: David Edwards, Mark Radford, Lee Colyer

**Revenues and Benefits (2-way MBC and TWBC)**

Shared Service Manager: Steve McGinnes

Line Manager: Paul Taylor

Shared Service Board: David Edwards, Mark Radford, Lee Colyer

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## Summary of findings from the Member survey

### Purpose

As part of the scoping report, the Joint Overview & Scrutiny Task & Finish Group agreed that it would be helpful to survey the non Executive members of the three authorities on how much they know about MKIP, what decisions it takes, what would be the best method of influencing decision-making and whether they know who to contact if a member of the public has a query about a shared service.

### Methodology

The survey was produced on online survey software, Survey Monkey. Elected members in each of the three authorities of Maidstone, Swale and Tunbridge Wells were informed that the survey was taking place and provided with a link to access the online questionnaire. Provision was also made for those without computer/internet access with hard copies being circulated to members where necessary prior to or after meetings.

### Response rate

The survey was open for a period of two weeks and received a total of 35 responses. With a total of 150 elected ward members across the three authorities (this equates to a 23.3% response rate). Of the 35 responses, 13 responses were received from Maidstone, 5 from Swale and 17 from Tunbridge Wells.

Members of the Task & Finish Group acknowledged that there had been a low response rate but agreed that the information received had provided some insight into members' understanding and would be considered as one source within a wealth of information gathered during the witness sessions of the Task & Finish Group's work.

### Findings – awareness of the Mid Kent Shared Services

There are seven shared services provided under the umbrella of the Mid Kent Improvement Partnership, with five reporting to the Mid Kent Services Director.

- 69% of respondents thought there were five shared services
- 14% of respondents thought there were six shared services
- The remaining respondents recorded responses of 4, 8 or 9 shared services

When asked to name the five Mid Kent Shared Services that report to the Mid Kent Services Director, only four respondents managed to name all five correctly, two from Maidstone and two from Tunbridge Wells.

Of the responses provided, those which were not Mid Kent Services were sharing or partnership arrangements for service delivery such as licensing and planning support.

Four of the Mid Kent Shared Services featured in the top five responses. Overall, 80% of respondents thought that Legal was an Mid Kent Services shared service and 69% said that ICT was an MKS shared service. Just over half of respondents identified Audit (54%) and the Revenues & Benefits shared services as being part of the Mid Kent Services group (51%).

### Findings – confidence in understanding the difference between a Mid Kent Services shared service and other shared services provided by MKIP

- 36% of respondents were confident in their understanding of the shared services provided under the umbrella of the Mid Kent Improvement Partnership
- 21% of respondents provided a neutral response
- 42% of respondents did not feel confident

## **Findings – confidence in knowing where to get information about what is being discussed by the MKIP Board**

- 33% of respondents felt confident in obtaining this information
- 18% of respondents provided a neutral response
- 48% of respondents did not feel confident

## **Findings – understanding of the MKIP governance arrangements**

- 30% of respondents felt confident and understood these arrangements
- 18% of respondents provided a neutral response
- 51% of respondents did not feel confident in understanding these arrangements

## **Findings – which authority is the current lead for MKIP**

This question could have been confused to members as the question asked who was the lead for 2014/15. The lead authority changes on an annual basis and changed to Tunbridge Wells BC in September 2014.

- 21% of respondents correctly named Tunbridge Wells
- 21% of respondents thought it was Maidstone
- 9% of respondents thought it was Swale
- 45% of respondents reported that they did not know

## **Findings – who is the Mid Kent Services Director**

Paul Taylor is the Interim Mid Kent Services Director.

- 45% of respondents correctly named Paul Taylor
- 48% of respondents reported that they did not know

## **Findings – obtaining information on MKIP**

The most popular option for gaining information about what was happening with MKIP was member email bulletins (39%), the second most popular answer was to speak to officers with 33% of respondents selecting this option.

## **Findings – confidence in explaining shared services to the public**

- 39% of respondents felt confident in their ability to explain shared services
- 30% of respondents provided a neutral response
- 27% of respondents did not feel confident

## **Findings – how would members influence a cabinet decision about MKIP before it was made**

Overall, 30% of respondents said that if they wanted to influence a decision about MKIP before it was made they would raise it with their group leader. 25% would speak to the relevant officer. A further 18% of respondents would raise the matter with the relevant portfolio holder and 15% said they would raise it with their Overview & Scrutiny Committee.

Most importantly, 77% of respondents said that they were aware that all key decisions in relation to MKIP remained with the individual cabinets of the three authorities. 23% of respondents were not aware of this.



## Mid Kent Improvement Partnership (MKIP) and Mid Kent Services (MKS) Communications Plan 2015/16

**Aim:** for members and staff to understand and trust MKIP and MKS.

### Our objectives are:

- Members to understand the aims of MKIP/MKS
- Members to understand the governance arrangements of MKIP/MKS
- Members to feel that they are involved in the MKIP/MKS decision making process
  
- Staff to understand the aims of MKIP/MKS
- Staff to understand the difference between MKIP/MKS
- Staff to feel informed of the MKIP/MKS decision making process

### Who do we need to talk to?

1. Members
2. Staff

**Key messages:** 2015/16 is focussed on raising awareness of MKIP and MKS so that members and staff understand what they are, how they work and how they can get involved should they wish to do so. Depending on how this progresses, it may be appropriate to start using some key messages to emphasise the benefits of working in partnership these are:

### Working in partnership:

- Makes the best use of residents' Council Tax
- Saves money in the long term
- Makes services more resilient
- Increases job variety and security

### How will we know our plan is a success?

The following measures will be used:

Members	Staff
66 per cent understand MKIP/MKS	70 per cent understand MKIP/MKS
66 per cent understand MKIP's/MKS' governance	70 per cent understand MKIP's/MKS' governance
66 per cent feel that they are involved in the decision making process	70 per cent feel that they are informed of the decision making process

### How will we review success and what will we do with it?

The actions outlined in the table below will be implemented in 2015/16 and will be reviewed using the following methods:

- Member survey
- Staff surveys (using the MKIP/MKS survey and the internal surveys of the parent authorities)

The results will be fed back to Members, the MKIP board and communications and HR teams in the three authorities. This will then form part of an annual action plan.

Action	Audience	Date (when it is to be delivered)	Method / Media for delivery (e.g. presentation, informal meeting, e-mail and so on)	Who (who will deliver)	Progress
<b>Members</b>					
MKIP board paperwork	All members	Agenda - prior to each MKIP board meeting Minutes - following each MKIP meeting	Emailed to all Members Hard copies placed in Members' Rooms	Jane Clarke	
MKS annual report	All members	Tbc	Emailed to all Members Hard copies placed in Members' Rooms	Jane Clarke	
MKIP Who's who	All members	May 2015 – as part of induction	Emailed to all Members Hard copies placed in Members' Rooms	Jane Clarke	
Member Briefing	All members	Tbc	Presentation from MKIP Boards	Relevant Chief Executive Relevant Lead Members and or MKS Director	
Member Briefing	All members	May 2015 – as part of induction	Presentation from Heads of Service	Jane Clarke to coordinate with relevant democratic services teams	
Member survey	All members	March 2016	Hard copy, email and possibly other electronic means	Paul Taylor/Jane Clarke	

Action/Message	Audience	Date (when it is to be delivered)	Method / Media for delivery (e.g. presentation, informal meeting, e-mail and so on)	Who (who will deliver)	Progress
<b>Staff</b>					
MKS Newsletter	All staff	Quarterly	Email from communications team and/or distributed in monthly staff newsletters	Paul Taylor/Jane Clarke to prepare. Communications	First edition issued in December 2014.

Action/Message	Audience	Date (when it is to be delivered)	Method / Media for delivery (e.g. presentation, informal meeting, e-mail and so on)	Who (who will deliver)	Progress
				Teams to distribute	
MKIP Who's who	All staff	Annually	Email from communications team and/or distributed in monthly staff newsletters	Paul Taylor/Jane Clarke to prepare. Communications Teams to distribute	
Intranet updates	All staff	May 2015	Intranets	Paul Taylor/Jane Clarke to prepare. Communications Teams to distribute	
Explore capacity for dedicated partnership webpage	All staff	March 2016	Intranet	Jane Clarke	
Staff survey	All staff	March 2016	Hard copy, email and possibly other electronic means	Paul Taylor/Jane Clarke to prepare and to discuss distribution with communications teams	

<b>Term</b>	<b>Description</b>
<b>Client representative (Lead Client)</b>	The officer at each authority who sits on the Shared Service Boards and has responsibility for ensuring the Shared Service is performing well and meeting the requirements of the Service Level Agreement.
<b>Gateway</b>	'Gateway' has two different meanings in the context of MKIP: (i) 'Gateway' is a common term used within project management systems such as PRINCE 2 and refers to different stages of a project which must be completed before moving onto the next stage; (ii) 'Gateway' in regards to MKIP relates to a slimmed down methodology to ensure the efficient development of a business case.
<b>Internal client</b>	Any member of staff from across the individual authorities who is accessing/in receipt of services provided by the shared service.
<b>MKIP</b>	Mid Kent Improvement Partnership: the arrangement where Maidstone, Swale and Tunbridge Wells Borough Councils have shared service delivery for certain functions and services.
<b>MKIP Board</b>	Comprised of the Leaders and Chief Executives of Maidstone, Swale and Tunbridge Wells Borough Councils, plus the Mid Kent Service Director and MKIP Programme Manager. The MKIP Board meets quarterly to oversee the operation of shared services at a strategic level.
<b>MKS</b>	Mid Kent Services: a group of shared services established under the umbrella of the Mid Kent Improvement Partnership including Audit; Human Resources; ICT; Legal; and Revenue and Benefits.
<b>MKS Director</b>	An interim Director has been appointed to oversee Mid Kent Services for a trial period of a year.
<b>Monitoring Officer</b>	Each council is required by statute to have a Monitoring Officer who: <ul style="list-style-type: none"> <li>▪ reports on matters he/she believes are, or are likely to be, illegal or amount to maladministration;</li> <li>▪ is responsible for matters relating to the conduct of councillors and officers; and</li> <li>▪ is responsible for the operation of a council's constitution.</li> </ul>
<b>Provider</b>	The officer directly responsible for the provision of services back to the individual authorities.
<b>Section 151 officer</b>	Section 151 of the Local Government Act 1972 requires every council in England and Wales to "... <i>make arrangements for the proper administration of their Finance affairs and shall secure that one of their Officers has responsibility for the administration of those affairs</i> ".
<b>Shared Service Boards</b>	Shared Service Boards have been established for each of the seven shared services. They approve and review the annual service plans, monitor performance and finances and provide operational direction. Reporting forms are presented to the Shared Service Boards which capture the above information. Any key issues arising from the Shared Service Boards are reported up to the MKIP Board.
<b>Shared Service Managers</b>	The direct line manager of a Shared Service who is sometimes a Head of Service and sometimes a Service Manager.
<b>Tri-Cabinet</b>	Specially convened joint meetings of the individual Cabinets from each of the authorities ( <i>e.g. Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council</i> ). If an arrangement were to take place with another authority outside of MKIP, a special meeting would be convened of the individual Cabinets to review the proposal.

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# SCRUTINY COMMITTEE



## Scrutiny Committee Recommendations on MKIP Governance and Communications

That the Overview and Scrutiny Committees for Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council each request that their individual Cabinets should jointly consider and respond to the following recommendations that have arisen from the joint scrutiny of governance and communications.

Scrutiny Recommendations	Cabinet Response	Cabinet Member	Lead Officer
<b>MKIP Governance</b>			
a) that opportunities for pre-scrutiny should be provided within existing governance arrangements at each authority prior to any new shared service proposals being considered at a tri-Cabinet meeting (i.e. after MKIP Board consideration, if not before);		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
b) that joint Overview & Scrutiny task and finish groups should be convened by the Overview and Scrutiny Committee(s) of the individual authorities, as necessary, to jointly review any major issues that arise in regard to shared service delivery and also any new options, such as the possibility of contracting to deliver a shared service for an authority outside the partnership;		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
c) that the MKIP Board will notify the Overview and Scrutiny functions of		Councillor Andrew Bowles, Leader	Abdool Kara, Chief

<b>each authority when there are potential items of interest that a joint task and finish group could review on their behalf;</b>			Executive
<b>d) that the creation of the Mid Kent Services Director post should be favourably considered in light of the value already placed on this role by members of the Shared Services Boards and others, as it provides a single point of contact for the MKIP Board and Mid Kent Service Managers;</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
<b>e) that the role of the MKIP Programme Manager should be re-examined and aligned with the reporting arrangements arising from the appointment of a Mid Kent Services Director (if the post is confirmed);</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
<b>f) that early consideration should be given to transferring the management of the Planning Support and Environmental Health shared services under the Mid Kent Services umbrella as soon as possible;</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
<b>g) that a toolkit is created to assist managers in their role as internal clients of shared services;</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
<b>h) that (where appropriate) shared services create a service catalogue for their service that will help internal</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive



<b>clients to better understand the extent of the service they provide;</b>			
Communication			
<b>i) that a joint communications plan is developed to improve staff and member awareness and understanding of MKIP (shared service development) and MKS (shared service delivery);</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
<b>j) that the MKIP Board has responsibility for the effective implementation of an agreed communications plan and ensures its delivery is resourced appropriately;</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
<b>k) that communication should be improved between the newly created Shared Service Boards and the MKIP Board to ensure the latter is fully aware of any major service issues and any suggested options for change;</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
<b>l) that client representatives on the Shared Service Boards should ensure the outcomes of their meetings, including any related direction coming from the MKIP Board, are effectively cascaded to relevant staff within each authority;</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive
<b>m) that future MKIP Board meetings should be held and papers published in accordance with the appropriate local authority access to information</b>		Councillor Andrew Bowles, Leader	Abdool Kara, Chief Executive

regulations.			
<b>Corporate governance</b>			
n) That given the change in Maidstone Borough Council's governance arrangements in May 2015, that consequential amendments will be made to reflect the absorption of the Overview and Scrutiny function within the Policy and Resources and the three other service Committees.	-	-	-

## **Recommendations for approval –**

### **Swale Joint Transportation Board – 8 December 2014**

#### ***Minute No. 391 – Various Waiting Restrictions***

- (1) That the proposed amendments to waiting restrictions in South Road and Preston Street (restrictions 8.30am to 6.00pm), Faversham be progressed.
- (2) That proposed amendments to waiting restrictions in Bank Street and Newton Road, Faversham be abandoned.

#### ***Minute No. 392 – Formal Objections to Traffic Regulation Order***

- (1) That the proposed amendments to waiting restrictions on Borden Lane, Sittingbourne be deferred to allow a School Travel Plan to be produced.
- (2) That the extension of double yellow lines on Harold Road/Thomas Road, Sittingbourne be progressed.
- (3) That the proposed amendments to waiting restrictions on Belvedere Road, Faversham be deferred for further consultation so that a better solution could be reached.
- (4) That the proposed double yellow lines and residents' parking on Preston Street, Faversham be progressed.

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