

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 14 August 2013

LOCAL CODE OF CORPORATE GOVERNANCE

Issue for Decision

To consider and approve an amended Local Code of Corporate Governance

Decision Made

1. That the Local Code of Corporate Governance, as set out at Appendix A to the report of the Chief Executive, be agreed.
2. That the Local Code of Corporate Governance be amended, at the appropriate time, to reflect any decision with regard to changes to the Locality Board.

Reasons for Decision

The principles and standards of good governance in local government have been considered and debated on various occasions since the early 1990's. Various guides and publications on governance frameworks have been released and in 2003 the Council adopted a local code of corporate governance. This code is regularly reviewed and amendments are reported for approval to the Cabinet along with the views of the Audit Committee as part of its role in governance and risk.

Confidence in public sector governance is of critical importance, given the huge investments by government and council taxpayers in local services and the Council has recognised the importance of the core principles as set out in the CIPFA/SOLACE publication "Delivering Good Governance in Local Government" published in 2007. The core principles are:

1. focus on the purpose of the Authority and on outcomes for the community in creating and implementing the vision for the local area;
2. members and officers will work together to achieve a common purpose with clearly defined functions and roles;
3. promote values for the Authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour;
4. take informed and transparent decisions which are subject to effective scrutiny and manage risk;

5. develop the capacity and capability of members and officers to be effective;
6. engage with local people and other stakeholders to ensure robust public accountability.

Since 2004 an officer working group has reviewed and monitored corporate governance issues at an operational level. This group has existed in various guises and with differing levels of officer representation. The current group includes all members of the Corporate Leadership Team, the Head of Audit Partnership, the Head of Policy and Communications and the Head of Finance and Resources.

During 2012/13 the working group has considered the framework in operation and agreed minor amendments which have been reflected in the Local Code of Corporate Governance attached as Appendix A to the report of the Chief Executive.

The Local Code of Corporate Governance was reported to Audit Committee on 12 August 2013. The Head of Finance and Resources informed the Cabinet that the Audit Committee recommended it for acceptance and that in future, in order to give clarity to the changes within the document, the changes are shown by track changes.

Officers were asked to ensure that the Code is amended once a decision is made regarding possible changes to the Locality Board.

Alternatives considered and why rejected

Consideration of the Local Code of Corporate Governance on an annual basis to ensure it is updated and an effective code is considered best practice. In the past the code has not been reviewed every year and Cabinet could consider not to do so. This approach is not recommended and the officer working group has already agreed to make the review a rolling review in operational terms and to ensure that any changes are reported to Audit Committee and Cabinet on an annual basis.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: 23 August 2013

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET
AUDIT COMMITTEE

Decision Made: 14 August 2013

DRAFT ANNUAL GOVERNANCE STATEMENT 2012/13

Issue for Decision

The annual governance statement outlines the Council's approach to governance and any actions that need to be taken in 2013/14

Decision Made

That the Draft Annual Governance Statement 2012/13, as attached at Appendix A to the report of the Chief Executive, be agreed for sign off by the Leader and Chief Executive.

Reasons for Decision

The Accounts and Audit (England) Regulations 2011 recognise the Annual Governance Statement as a key statement in its own right. To this end it is no longer required to be "included in" the Statement of Accounts. From 31st March 2011 the regulations require that the Annual Governance Statement "accompanies" the Statement of Accounts instead.

Grant Thornton undertook a Local Government Governance Review 2013, "*Improving council governance a slow burner*" which has identified best practice approaches to the Annual Governance Statement. The Draft Annual Governance Statement, attached at Appendix A to the report of the Chief Executive, has been developed to take into account the best practice identified namely that the statement should not repeat the local code of governance. It should have user friendly language and layout with more emphasis on significant governance or control issues that arise in earlier sections of the document. The external auditors have reviewed the Draft Annual Governance Statement and are satisfied that it meets requirements for compliance with the code and is an informative document.

The statement has also been produced in line with the CIPFA delivering good governance in local government: Framework Addendum released in December 2012. The update reflects the emphasis on a strategic approach. As a matter of best practice the annual governance statement should be approved at the same time as the statement of accounts. The Statement fulfils the statutory requirement in England for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control.

The Cabinet considered the draft statement and noted that Audit Committee endorsed the Statement, subject to some typographical amendments, and agreed it for signature by the Chief Executive and Leader.

The Audit Committee within its terms of reference have responsibility for: "The Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice."

Alternatives considered and why rejected

The Annual Governance Statement is a necessary part of the Statement of Accounts and must, therefore, be considered by the Audit Committee prior to Cabinet approval. It is possible for members to disagree with the detail of the Statement, to ask for further details to be included or evidence to be produced. However, it must be acknowledged that the statement is signed by the Chief Executive and the Leader of the Council and must accompany the Statement of Accounts to be agreed by Audit Committee before the end of September 2013.

Background Papers

None

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MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 14 August 2013

MOTE CRICKET GROUND

Issue for Decision

Agreement to allow Mote Cricket ground trustees to sell part of land for development

Decision Made

1. That formal consent is given to the advancement of the land shown shaded on the attached plan, being part of the Mote Cricket Ground, to Trustees appointed by and representing Mote Cricket Club to enable it to be sold to fund the facilities at the cricket ground.
2. That the Head of Legal Services be authorised to enter into an agreement to put this into effect and to enter into an agreement whereby the Cricket Ground trustees agree to relax the restrictive covenant which the Cricket Ground has the benefit of and which currently prevents Mote Park being used for anything other than open space without the consent of the Trustees (save for that part of Mote Park, excluding the leisure centre and its curtilage, which falls within 100 metres of the cricket ground).

Reasons for Decision

Attached as Appendix 1 to the report of the Chief Executive and Head of Legal Services was a note from the Cricket Ground Trustees setting out their reason for submitting this request. They wish to be able to sell four acres of the Cricket Ground (out of a total area of 24 acres) to a housing developer with the proceeds being used to build a modern pavilion with changing and bar facilities suitable for both cricket and rugby together with a conference suite. They hope that these facilities will attract the return of first class cricket but will also improve facilities for sport in the community.

The Trustees have approached the Council, in its capacity as representative of the residents of Maidstone, to facilitate this transaction. If Mote Cricket Club and Kent County Cricket Club both cease to exist before the 21st anniversary of the death of HM The Queen then the ground must be held for recreational purposes for the inhabitants of Maidstone. For this reason, the current Trustees need the consent of the Council as a contingent beneficiary to the disposal of the land.

It is very unlikely that the 2 conditions would occur that would mean that the ground had to be used for recreational purposes for the inhabitants of Maidstone, and even if it did, they would benefit from the improvements to the facilities funded by the sale. There would still remain 20 acres for such use, including the cricket pitch. It is considered to be reasonable to allow the sale to take place to fund the much needed improvements to the ground including the pavilion. It should be noted that the Council is not at present being asked about the merits of any housing development on the land. This will be dealt with by the Planning Committee in due course. Any decision relating to the current request will not prejudice the Planning Committee's consideration.

The Trustees have agreed that at the same time as any consent is given by the Council to the advancement of the land, they will agree to relax the restrictive covenant of which they have the benefit. Currently if the Council wishes to use any part of Mote Park (other than certain areas where housing is permitted) otherwise than as open space, it must, in addition to the statutory procedures involving advertising such use and considering objections, obtain the consent of the Cricket Ground Trustees. Otherwise than for an area measuring 100 metres from the boundary of the cricket ground, the Trustees are agreeable to this covenant being relaxed, so that the Council's use of Mote Park is no longer restricted by the covenant.

Alternatives considered and why rejected

The Cabinet could decide not to give its consent to the proposed advancement, but this would prevent the opportunity for significant improvements to sporting facilities in the Borough taking place. An opportunity to take control of what happens in Mote Park would also be lost.

Background Papers

None

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MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 14 August 2013

BUDGET MONITORING - FIRST QUARTER 2013/14

Issue for Decision

Budget Monitoring - First Quarter 2013/14

Decision Made

1. That the satisfactory revenue position at the end of the first quarter 2013/14 be noted.
2. That the use of £0.75m of the Housing Grant capital budget as set out in paragraph 1.7.4 of the report of the Head of Finance and Resources be agreed.
3. That the use of the excess budget from the High Street regeneration on another town centre regeneration scheme be agreed in principle and delegated final approval be given to the Cabinet Member for Economic and Commercial Development, subject to the resources being surplus and provision of a suitable economic impact assessment of the proposed replacement scheme.
4. That the slippage of other capital resources, as set out in paragraph 1.7.5 of the report of the Head of Finance and Resources be agreed.
5. That the detail in the report of the Head of Finance and Resources on the collection fund, general fund balances and treasury management activity be noted.

Reasons for Decision

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

Revenue

The budget used is the agreed estimate for 2013/14 including the carry forward resources agreed by the Cabinet in May 2013. Actual expenditure to June 2013 included all major accruals for goods and services received but not paid for by the end of the quarter.

An analysis that is summarised by Portfolio, of the full year budget, the profiled budget to June 2013 and expenditure to June 2013, was attached as Appendix A to the report of the Head of Finance and Resources. The profiled budget shows the total amount expected to be spent by June 2013 after considering the expected pattern of spend throughout the year for each budget head. An indicative projected year end outturn figure is also shown.

Appendix A to the report of the Head of Finance and Resources showed actual spend as £21,972 less than the budget at the end of the first quarter. A detailed analysis of the figures at cost centre level showed 106 out of a total of 218 cost centres are currently reporting actual spend less than budget. The projected variance for the full year to March 2014 is £102,120.

As part of a series of changes to the budget monitoring and reporting process the financial analysis, Appendix A to the report of the Head of Finance and Resources is based on direct expenditure only. This removes the influence of internal recharges and accounting adjustments upon the variance analysis.

Also shown at Appendix A to the report of the Head of Finance and Resources is an analysis by subjective across all services. This identified that within the net under spend £0.13m relates to employee costs, due to continuing vacancy levels.

The third table at Appendix A to the report of the Head of Finance and Resources summarised the position specifically with regard to fees and charges income. At the end of the first quarter income was £31,822 above the target figure. It was noted that within this variance a number of areas were reporting income below budget. It is anticipated that income will be above target by £42,000 by the end of the year.

Following a recent audit report Cabinet were updated on budget virements that have been actioned. A virement represents the transfer of a budget between objectives that occurs subsequent to the formal approval of the budget by Council. Consequently these will now be reported as part of the budget monitoring report. Those undertaken in the first quarter are as follows:

- Mote Park – creation of a separate budget from the current Parks & Open Spaces budget. Virement of £420,000 .
- Pride of Maidstone – creation of a new budget as part of the Localism initiative. Virement of £54,400.

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

- a) There is a positive variance of £32,106 on Whatman's Arena budget. This relates to the Outdoor Shakespeare events, which this year are being organised by an external company. Therefore no expenses are being incurred, although ticket sales are still being dealt with by the Hazlitt Arts Centre. The outturn position on this variance is projected as neutral as all income will eventually pass to the external company.
- b) The Economic Development budget has a positive variance of £36,337, arising from unspent running costs on a number of specific projects. By outturn this budget is expected to be fully spent.
- c) There has been an increase in cremation fees for the first quarter which has created a positive variance of £42,890. This is due to the temporary closure of other crematoria in the area which has led to an increase in cremations in Maidstone. Indications are that this level of usage is now returning to near normal levels, and the intention is to use the additional income generated to fund work that is required on the cremators that is not currently resourced. The outturn position will report this additional income matched to additional maintenance expenditure.
- d) There has been an increased level of Development Control application fees received in the first quarter, creating a positive variance of £31,318. The Performance Monitoring report will show that there has been a 42% rise in commercial planning applications. The outturn position is currently reported as a continued positive variance from application fees.

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

- a) There is a continuing problem with the Homeless Temporary Accommodation budget showing expenditure greater than budget, with the variance now standing at £80,185, which reflects the position reported in previous years. The Performance Monitoring will reflect the fact that a high level of people continue to present themselves as homeless. Action has commenced on a proposal that will reduce the cost of temporary accommodation and the team continue to carry out a full range of homeless prevention measures. However the projected outturn shows a year end variance of £120,000.
- b) The new budget for the IT Shared Services partnership with Swale BC and Tunbridge Wells BC is currently showing an adverse variance. This is a consequence of the set-up of new working practices and is being monitored closely by all three authorities. The outturn is projected to be on target for this authority's share of the service costs.

- c) Parking Services is reporting an adverse variance of £35,883. There are two factors that have contributed to this – firstly the closure of King Street Multi-Storey Car Park means that no further income was generated whilst it was empty pending demolition, and secondly the car parks around the Archbishop’s Palace area have seen a downturn in income which can possibly be linked to the on-going road works that have been taking place on Hayle Road. The Performance Monitoring report also indicates there has also been a decline in on-board Park & Ride transactions.

There are no risks identified that require action by Cabinet at this time. Allowing for the continuation of the issues detailed as budget pressures above, the predicted outturn for 2013/14 is a favourable variance of £0.10m.

Through the budget strategy for 2013/14, savings and efficiencies were identified totalling £1.0m. These savings are being monitored corporately and it is anticipated that the target will be met in year.

Balances

Balances as at 1st April 2013 were £12.6m. The current medium term financial strategy assumes balances of £5.5m by 31st March 2014 of which £3.3m remains unallocated. Following the introduction of local council tax support and the retention of business rates from 1st April 2013, enhanced monitoring of the collection fund has been put in place to provide adequate assurance around developments effecting the assumptions made in the current year’s budget.

The major reason for the movement in balances during 2013/14 relates to the use of carry forwards approved by Cabinet in May 2013. In addition the balance at 31st March 2014 includes the use of the 2011/12 under spend of £0.83m.

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

Collection Fund

Following the introduction of local council tax support and the retention of business rates from 1st April 2013, enhanced monitoring of the collection fund has been put in place to provide adequate assurance around developments effecting the assumptions made in the current year’s budget.

The collection rates achieved for the first quarter, and the targets set, are reported below. The rates are given as a percentage of the debt targeted for collection in 2013/14. Both collection rates are slightly below target at this time and this is reflected in the performance monitoring report.

	Target %	Actual %
NNDR	34.3	33.5
Council Tax	30.1	29.9

Council Tax Support - the level of local council tax support recorded in the first quarter shows a caseload of 10,797 claimants compared to the estimated caseload of 11,903 used to calculate the budget. For Maidstone Borough Council the support provided is £1.46m compared to an estimated support of £1.48m. This must however be matched to government funding of £1.38m. It should be noted that while there is a significant reduction in caseload it does not directly compare with the reduction in the value of support. This is because the value of support granted reflects each claimant's circumstances individually. The non-collection rates of the residual 8.5% charge made to claimants of council tax support is at the tolerances set within budget at this time.

Retained business rates – the current collectable business rates is £54.8m compared to an initial estimate of £54.9m a net reduction of £100,000 as a consequence of appeal decisions made by the Valuation Office and normal growth/reductions in current business premises. The major risk from appeals has been provisioned at £2.7m for 2013/14 and remains adequate when compared to the level of change due to appeals decisions witnessed to date. If current projections continue to year end there is expected to be sufficient resources to provide growth of £150,000 for the year. While this is not a significant sum it does mean the budgeted value of business rates retained is within the currently projected outturn.

Capital Expenditure

Attached as Appendix B to the report of the Head of Finance and Resources was a summary of the approved capital programme for 2013/14. This included the initial capital programme for the financial year plus amounts carried forward from 2013/14 and amounts approved from the revenue underspend 2011/12. It also reflected the slippage that was identified in the monitoring reports throughout 2012/13.

The table in Appendix B to the report of the Head of Finance and Resources gives the following detail:

Column	Detail.
1.	Description of scheme, listed in portfolio order.
2.	Approved budget for 2013/14 after the adjustments detailed above.
3.	Actual spend to the end of June 2013.
4.	Balance of budget available for 2013/14.
5 - 7.	Quarterly analysis of expected spend for the remainder of 2013/14.
8.	Balance of budget that will slip into 2014/15.
9.	Budget no longer required.

Capital expenditure to the end of the first quarter of 2013/14 was shown as £0.49m. The budget for the year is £6.2m, although this includes £1.4m for phase 2 of the High Street Regeneration project for which the significant expenditure has yet to be incurred, and £2.0m for Housing Grants. Both schemes are reporting expected slippage which is

considered below.

Following the first quarters monitoring, officers anticipate that £1.45m will need to be re-profiled into 2014/15. This is detailed in column 8 of Appendix B to the report of the Head of Finance and Resources. Two of the schemes that are reporting slippage are expected to report an under spend on completion. In both cases there are available options to utilise the under spend on related schemes that enhance delivery of the relevant service and it was recommended that Cabinet approve the alternative uses as set out below:

Housing Grants – This budget will not be spent in 2013/14 and additional funding is already available for future years.

- i) It was recommended that part of the sum be used to reduce the level of prudential borrowing in relation to the scheme approved by the Property Investment Cabinet Committee on 10th July 2013. Funding of £0.25m could be used to carry out the agreed renovation work following acquisition of the asset which would reduce the annual running costs of the proposal and consequently the homelessness budget pressure.
- ii) It was also recommended that up to £0.5m be used to enhance the work on bringing derelict property into use. The current grant for this work from the Homes and Communities Agency allows only short leasehold acquisition of property. The HCA has confirmed their grant can be used for renovation of property acquired freehold by the Council but cannot be used to acquire the freehold. Freehold purchase creates a sustainable business case as freehold acquisition costs can be recouped from resale whereas leasehold acquisition is not fully recouped from the maximum affordable rent over such a short period.

High Street Regeneration Phase 2 – The contract sum for this phase is under the budgeted sum by approximately £0.3m. Other parts of the town centre may benefit from similar regeneration work and Kent County Council has indicated their willingness to consider financial support. Assessments of a number of areas are being prepared to enable the best schemes to be identified. As work is not yet complete on the High Street regeneration, this is a provisional sum and cannot be guaranteed. It is recommended that Cabinet agreed the use of the resource in principle and delegate a final decision to the Cabinet Member for Economic and Commercial Development subject to the resources actually being surplus to requirements.

Having approved the proposals set out above, the balance of slippage into 2014/15 as given in Appendix B to the report of the Head of Finance and Resources will be amended to £0.36m and it was recommended that Cabinet approve the slippage of this sum for Housing Grants and Support for Social Housing to 2014/15.

Capital Financing

The agreed capital programme 2013/14 to 2017/18, as approved by Council in March 2013, identifies sufficient resources to finance the 2013/14 programme.

Resources that can currently be confirmed are sufficient to fund the programme for the current year and are:

<u>Funding Source:</u>	<u>£.m</u>
Grants & Contributions	0.7
Capital Receipts	1.0
Revenue Support	<u>6.5</u>
	8.2

Treasury Management

The Council has adopted and incorporated into its Financial Regulations, the CIPFA Code of Practice on Treasury Management 2009 (Revised) in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In February 2012 the Council approved a Treasury Management Strategy for 2012/13 that was based on this code. The strategy requires that Cabinet should be informed of Treasury Management activities quarterly as part of budget monitoring.

During the quarter ended 30th June 2013:

- Indicators suggest the return of economic growth
- Stronger household spending both on and off the High Street
- Inflation has remained above the MPC's 2% target.
- Growth has been confirmed for the first quarter at +0.3%.

The Council's Treasury Management Advisors, Sector Treasury Management, provide the following forecast:

- Estimated growth in the next quarter looks likely to be higher than previous quarter at around +0.5%.
- Consumer confidence, consumer borrowing and house prices are increasing
- Mark Carney starts as new Governor of the Bank of England on 1st July 2013. This may lead to changes in MPC announcements and decision making in the future.

The Council held investments totalling £25.4m at 30th June 2013. A full list of the investments is shown at Appendix C to the report of the Head of Finance and Resources. £16.4m of investments are in accounts which can be called upon immediately or following a short notice period.

Investment income is slightly above budget with a balance of £59,340 compared to a budget of £57,000. This is with a background of investment rates falling due to the financial institutions not needing any additional funding due to funding for lending cash from Government.

The Council has opened two enhanced cash funds as agreed within the 2013/14 Strategy. These were recommended by the council's treasury

advisors, Sector, as being AAA credit rated and offering a slightly higher yield than the Money Market Funds that the Council has been using. Balances on these collectively are totalling £7.9m.

There has been no need for any short term borrowing within the first quarter of 2013/14.

Alternatives considered and why rejected

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

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

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: 23 August 2013

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 14 August 2013

CORPORATE PLANNING TIMETABLE

Issue for Decision

Report to determine the timetable for refreshing the Strategic Plan for 2013/14

Decision Made

1. That the Strategic Plan be updated for 2014/15 to include:-
 - § A review of all the outcomes and associated actions;
 - § A refresh of our priorities aligned to budget strategy;
 - § An update of performance against the Key Performance indicators;
 - § An update of what was achieved in the year (in 2013/14 we...);
 - § Commentary on the results of the residents survey and any actions to be undertaken;
 - § An update to any local or national context where relevant; and
 - § An update to the foreword.

2. That the corporate planning timetable, as set out below, be agreed:-

Date	Action
August – November 2013	<ul style="list-style-type: none">• Review of the Strategic Plan and Medium Term Financial Strategy (MTFS) at Cabinet Away Days.• Assessment of progress against priorities and outcomes• Prioritisation exercise with Cabinet• Informal discussions with Cabinet• Meetings with Heads of Service and officers• Identification of savings and growth items• Scrutiny Budget Working group to look at proposals• Review of strategic risk management• Revised Communication and Engagement Strategy
September to October 2013	<ul style="list-style-type: none">• Budget Consultation• Resident Survey• Corporate Peer Challenge
December 2013	<ul style="list-style-type: none">• Updated Strategic Plan and MTFS agreed for consultation by Cabinet• Service Managers draft service plans
January 2014	<ul style="list-style-type: none">• Strategic Leadership and Corporate Services Overview and Scrutiny Committee consider updated Strategic Plan and Medium Term Financial Strategy and make recommendations to Cabinet
February 2014	<ul style="list-style-type: none">• Cabinet consider Strategic Plan and Medium Term Financial Strategy and recommend to Council
February 2014	<ul style="list-style-type: none">• Council agree and adopt the Strategic Plan and Medium Term Financial Strategy• Service Managers to finalise service plans
April 2014	<ul style="list-style-type: none">• Implementation of the Updated Strategic Plan and Medium Term Financial Strategy• All staff appraisals

Reasons for Decision

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

On 12 August 2009 Cabinet agreed to decide annually whether to update the existing Strategic Plan or to create a new one. Following extensive change in the national arena it was agreed to write a new Strategic Plan 2011/12 to take the Council through to 2015 alongside the MTFS. It was recommended that following work on prioritisation with Cabinet in August and September aligned to the budget, the plan be updated for 2014-15 rather than creating a new plan. The update will include the work of the Cabinet on refreshing the prioritisation of services and a review of shared services as well as medium term planning and prioritisation of the actions required to achieve the outcomes outlined in the Strategic Plan. The Council will be undergoing an LGA corporate peer challenge in October; this will review how we are meeting the economic challenges, delivering our priorities and how we could improve our approach to strategic planning. The information gathered as a result of the peer review will inform this refresh and our approach for the new Strategic Plan from 2015 onwards.

An update would include:

- § A review of all the outcomes and associated actions;
- § A refresh of our priorities aligned to budget strategy;
- § An update of performance against the Key Performance indicators;
- § An update of what was achieved in the year (in 2013/14 we...);
- § Commentary on the results of the residents survey and any actions to be undertaken;
- § An update to any local or national context where relevant; and
- § An update to the foreword.

Corporate Planning Timetable for 2014/15 refresh:

Date	Action
13 August 2013	<ul style="list-style-type: none"> • Cabinet consider the corporate planning timetable
August – November 2013	<ul style="list-style-type: none"> • Review of the Strategic Plan and Medium Term Financial Strategy (MTFS) at Cabinet Away Days. • Assessment of progress against priorities and outcomes • Prioritisation exercise with Cabinet • Informal discussions with Cabinet • Meetings with Heads of Service and officers • Identification of savings and growth items • Scrutiny Budget Working group to look at proposals • Review of strategic risk management • Revised Communication and Engagement Strategy
September to October 2013	<ul style="list-style-type: none"> • Budget Consultation • Resident Survey • Corporate Peer Challenge

December 2013	<ul style="list-style-type: none"> • Updated Strategic Plan and MTFS agreed for consultation by Cabinet • Service Managers draft service plans
January 2014	<ul style="list-style-type: none"> • Strategic Leadership and Corporate Services Overview and Scrutiny Committee consider updated Strategic Plan and Medium Term Financial Strategy and make recommendations to Cabinet
February 2014	<ul style="list-style-type: none"> • Cabinet consider Strategic Plan and Medium Term Financial Strategy and recommend to Council
February 2014	<ul style="list-style-type: none"> • Council agree and adopt the Strategic Plan and Medium Term Financial Strategy • Service Managers to finalise service plans
April 2014	<ul style="list-style-type: none"> • Implementation of the Updated Strategic Plan and Medium Term Financial Strategy • All staff appraisals

Alternatives considered and why rejected

Cabinet could decide to produce a full new Strategic Plan for 2014-18. A new plan will be written and produced with Cabinet involving Members and the public in 2014 for 2015 onwards. In recognition of the fact that the prioritisation of services in the plan was carried out in 2010 and the MTFS stretches beyond 2015, the Cabinet will be carrying out a service prioritisation which will inform the MTFS.

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

Background Papers

Strategic Plan 2011-15
Sustainable Community Strategy

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MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 14 August 2013

QUARTER 1 PERFORMANCE REPORT 2013/14

Issue for Decision

Quarterly performance monitoring

Decision Made

1. That the progress and out-turns of the KPIs, as set out at Appendix A to the report of the Head of Policy and Communications, and that definitions are included for reference at Appendix B to the report of the Head of Policy and Communications be noted.
2. That the areas where performance is strong and on track to achieve annual targets be noted.
3. That the areas where performance has declined and performance requires further monitoring be noted.
4. That the Action Plan, attached at Appendix C to the report of the Head of Policy and Communications, to address the decline in the overall employment rate which is key to the achievement of the priority 'For Maidstone to have a growing economy (reported in the Strategic Plan Annual Performance Report, June 2013) be agreed.

Reasons for Decision

The Council has set 72 Key Performance Indicators (KPIs), as part of the Strategic Plan 2011-15; there are 40 indicators that can be monitored on a quarterly basis to ensure the Council is on track to meet its annual performance targets.

The Council's quarterly performance reporting cycle is aligned with financial reporting to enable it to effectively oversee financial performance against corporate priorities and assess whether value for money is being achieved in the delivery of services. The financial monitoring reports for the first quarter shows an under spend of £21,972, with 106 out of 218 cost centres under spending. Within the net under spend £0.13m relates to employee costs, due to continuing vacancy levels.

Context

The Council uses a range of information to manage performance, including performance indicators. The Council's top-level indicators are referred to as Key Performance Indicators (KPIs). The Key Performance Indicators are set out in the Strategic Plan. These were reviewed in April 2013 with

new targets and indicators agreed by Cabinet in June 2013. These will continue to be reviewed annually to ensure that they are aligned with the Council's priorities.

Maidstone Borough is Kent's County Town, it has a population of 155,200 and benefits from a high overall employment rate with relatively high wage levels, although some will commute out of the borough to achieve these. There are small areas of deprivation in the urban area, however Maidstone has a lower than average number of people claiming out of work benefits compared to other Kent authorities.

Performance Summary

Appendix A to the report of the Head of Policy and Communications shows out-turn data for all indicators that can be collected quarterly. Some indicators are collected bi-annually or annually, these indicators were not been included in the report of the Head of Policy and Communications.

Where an indicator is new and there is no quarterly 2012/13 data, no direction can be given. The direction where available, compares the out-turn for quarter 1 with the 2012/13 quarter 1 out-turn.

The following tables show the status of the key performance indicators in relation to target and direction of travel.

	Green	Amber	Red	N/A	Total
A Growing Economy	2 (33%)	3 (50%)	1 (17%)	0	6
A Decent Place to Live	7 (47%)	5 (33%)	3 (20%)	2	17
Corporate & Customer Excellence	6 (35%)	5 (30%)	6 (35%)	0	17
Overall	15 (40%)	13 (34%)	10 (26%)	2	40

	Up	Down	N/A	Total
A Growing Economy	2 (50%)	2 (50%)	2	6
A Decent Place to Live	3 (30%)	7 (70%)	7	10
Corporate & Customer Excellence	7 (54%)	6 (46%)	4	17
Overall	12 (44%)	15 (55%)	13	40

Overall, 40% (15 of performance indicators have been rated green (currently on target), compared to 48% (13) at the same point in 2012/13. Of the 27 KPIs where direction can be assessed, 44% (12) have improved when comparing 2012/13 quarter 1 with that of 2013/14. The table below shows a comparison of the indicator rating and direction for quarter 1 2013/14 and 2012/13.

Quarter 1	Green	Amber	Red	N/A	Total
2012/13	13	10	4	0	27
2013/14	15	13	10	2	40

Quarter 1	Up	Across	Down	N/A	Total
2012/13	13	2	11	1	27
2013/14	12	0	15	13	40

It was noted that at the end of 2012/13, 60.5% of all KPIs achieved their annual targets and 43% of out-turns had improved since the previous year. Each year all targets are reviewed and where possible a continuous improvement approach is used to ensure that targets are challenging. At the mid-year report Managers will be asked to assess their indicators to identify if any are likely to underperform.

Of the 13 indicators that have been rated amber, five indicators were within 2% of target and eight were within 5% of the target.

For Maidstone to have a growing economy

Green	Amber	Red	N/A	Total
2 (33%)	3 (50%)	1 (17%)	0	6
Up	Down	Across	N/A	Total
2 (50%)	2 (50%)	0	2	6

There are six indicators that can be rated, of which two are rated green, three amber and one red. Of these, performance for two has improved, for two has declined and two cannot be rated as they are new indicators.

The number of people claiming job seekers allowance (LVE 002) has fallen to just 2.2%, with a drop of 198 claimants compared to the same period in 2012/13, achieving the quarterly target. The Council is also contributing directly to lowering the figures around worklessness by providing work experience placements (E&S 001), for the current financial year there have already been 21 placements within the council, nine have been tracked into jobs.

There has been a 42% increase in the number of commercial planning applications for the quarter when compared to last year. Considering an increase in workload the planning department has maintained performance in completing these within the statutory timeframe (DCV 001) when compared to the same period last year. It was noted that quarter one is generally the weakest in terms of performance and that last year the annual out-turn was over 90%.

Both indicators relating to the objective on transport have been rated amber. The income from pay and display car parks (PKG 002) is less than £5.00 from achieving target however it is expected at this stage that the annual target will be achieved.

Park & Ride on-board transactions have continued to decline (PKG 007). Recently the tariff for long stay parking has been increased and it is hoped that this will have a positive impact on the Park and Ride service. In the meantime the Parking Manager is investigating ways to limit the impact on the income target including looking at the overall parking offer in Maidstone and how it links to the transport network through work on the Integrated Transport Strategy.

For Maidstone to be a decent place to live

Green	Amber	Red	N/A	Total
7 (47%)	5 (33%)	3 (20%)	2	17
Up	Down	Across	N/A	Total
3 (30%)	7 (70%)	0	7	10

There are 17 indicators that relate to the priority for Maidstone to be a decent place to live that can be reported at quarter 1, 15 of these can be given a rating. There are seven KPIs that have been rated green, five that have been rated amber and 3 that have been rated red. There are two indicators in this priority that are new for 2013/14, here baselines will be set this year to inform targets for future years.

The percentage of residential planning applications processed within statutory timescales (DCV 003) has not achieved the quarterly target and performance has declined compared to the same period last year. Historically the first quarter's out-turn is the lowest and it is expected that performance will improve during quarters two and three. There were 37 residential applications processed in quarter 1, including six major applications. Fourteen were processed out of the statutory timescales, reasons cited for the delay in these applications were section 106 agreement negotiations (three of the six major applications were out of time), clearance of two cases dating back to 2010 and prioritisation of the the Local Plan.

Housing has made good progress in the delivery of affordable homes with 70 being delivered during the first quarter. In addition private sector housing has made 65 improvements to homes that have positively impacted on the residents' health, welfare or wellbeing.

Both of the waste (WCN 005) and recycling (WCN 001) indicators have been rated amber. The new contract in partnership with Swale and Ashford, to be launched in Maidstone from August 2013, is expected to increase the amount of waste recycled and it is predicted that the annual targets will be achieved.

There are two indicators that relate to the outcome 'Residents in Maidstone are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced' that have been rated red, both of which come under housing. The introduction of the new Allocations Policy has impacted on average time to process and notify applications on the housing register (HSG 004). This is because the service effectively closed the register during March, and no new applications were processed during this time, so that they could be assessed under the new policy which came into effect in April. The Housing team is also continuing to face high volumes of people presenting as homeless, past the time that intervention could have taken place. Actions are being devised to improve performance in this area with more self-help solutions and further guidance being investigated.

The Maidstone Families Matter project has started positively and 76 families have been accepted onto the programme (MFM 001a). However

engagement is proving an issue. At present 17 families have been engaged with (MFM 001b) but it should be noted that this element of the programme involves a lot of information gathering to ensure that the right person engages with the family. This is currently being addressed at county level.

Corporate & Customer Excellence

Green	Amber	Red	N/A	Total
6 (35%)	5 (30%)	6 (35%)	0	17
Up	Down	Across	N/A	Total
7 (54%)	6 (46%)	0	4	17

There are 17 KPIs relating to the priority Corporate & Customer excellence that can be reported quarterly. Six have been rated green, five amber and six red.

Four of the indicators rated red relate to customer contact (BIM 003a, BIM 004, CTC 001 and CTC 004). Avoidable contact (CTC 004) was impacted on by the failure to process a benefits file on time which led to customer calling in about their benefit payments. This combined with the calls about the new housing allocations policy has extended the average wait time for calls into the contact centre (CTC 001) to 221 seconds for quarter 1. This is also considered to have been the reason that there were more customer contacts in the Gateway (BIM 003a).

There was a reduction of 4.26% in outgoing post items (BIM 004) against the target of an 11% reduction. This is because the majority of work relating to this area is in the early stages. A print/post solution is due to be introduced later this year which is expected to have the greatest impact on this indicator.

There were more customer transactions in the Gateway than expected and it is therefore positive that the percentage of visitors to the Gateway responded to by a customer services advisor within 20 minutes (CTC 002) not only achieved the quarterly target but also improved when compared to last year.

Both the percentage of council tax collection and percentage of non-domestic rates collected have marginally missed the quarterly target. Recovery programmes are in place however a similar profile of performance is being reported by other districts.

The rate of Missed bins per 100,000 collections (WCN 006) has achieved the quarterly target. However with the changes to residents' collection days happening in August it is expected to go up during quarter 2.

Performance has improved compared to last year for the percentage of planning decisions taken under delegation, coupled with a 7% rise in decisions taken under delegation. This is positive as the quarter 1 out-turn is usually the lowest for the year.

Alternatives considered and why rejected

KPIs reflect local priorities and measure progress towards the Council's key objectives. They are the Council's top level indicators and are linked to the Council's Strategic Plan.

Not monitoring progress against the KPIs could mean that the Council fails to deliver its priorities and would also mean that action could not be taken effectively to address performance during the year.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: 23 August 2013
