

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

Decision Made: 12 November 2014

**BUDGET MONITORING 2ND QUARTER 2014/15**

**Issue for Decision**

- (a) To consider the capital and revenue budget and expenditure figures for the second quarter of 2014/15; and
- (b) To consider other financial matters with a material effect on the medium term financial strategy or the balance sheet.

**Decision Made**

- (a) That the satisfactory revenue position at the end of the second quarter of 2014/15 be noted;
- (b) That the proposals for slippage and re-profiling in the capital programme to 2015/16, as set out in Appendix 'B' to the Report of the Director of Regeneration and Communities be agreed; and
- (c) That the detail in the report on the collection fund, general fund balances and treasury management activity is 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. This report advised and updated Cabinet on the current position with regards 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 in the report of the Director of the Director of Regeneration and Communities was the agreed estimate for 2014/15 and included the carry forward resources agreed by Cabinet in May 2014. Actual expenditure to September 2014 included all major accruals for goods and services received but not paid for by the end of the quarter.

An analysis that was summarised by portfolio, of the full year budget, the profiled budget to September 2014 and expenditure to September 2014 was attached as Appendix A to the report of the Director of the Director of Regeneration and Communities. The financial analysis was

based on direct expenditure only. This removed the influence of internal recharges and accounting adjustments upon the variance analysis. An indicative projected year end outturn figure was also shown.

Appendix A to the report showed that actual spend was £461,040 less than the budget at the end of the second quarter. A detailed analysis of the figures at cost centre level showed 139 out of a total of 233 cost centres were currently reporting actual spend less than budget. The projected outturn at 31 March 2015 is currently £361,040.

Also shown at Appendix A to the report was a subjective analysis across all services. This identified that within the net underspend £189,248 (Q1 2014/15 £114,618) related to employee costs, due to continuing vacancy levels.

The third table at Appendix A to the report summarised the position specifically with regard to fees and charges income. At the end of the second quarter this income is £18,564 above the target figure. It was noted that within this total there were a number of areas reporting income below budget. Further details of service areas where major variations from budgeted fees and charges were given later in this section of the report.

In accordance with best practice, virements are reported to Cabinet as part of quarterly budget monitoring. A virement represents the transfer of a budget between objectives that occurs subsequent to the formal approval of the budget by Council. Four virements totalling £402,410 were undertaken in the second quarter relating to:

- a) £120,000 temporary funding for development control appeals, as agreed by Cabinet when considering the Q1 budget monitoring report;
- b) £51,410 funding for Information Manager post, as agreed by Cabinet in August 2014; and
- c) £230,000 funding for various schemes, as agreed by Cabinet in August 2014.

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 second quarter. Brief details on these areas are given below:-

- d) There was a positive variance of £52,122 (Q1 2014/15 £32,358) on pay and display car parks which is attributable to a combination of an underspend on running costs and higher than expected income. Two car parks, King Street and Lockmeadow are performing significantly above their income targets. However, income from season tickets has continued to decline and the underspend will be substantially off-set by the overspend in off-street parking enforcement.
- e) On-street parking was showing an underspend of £37,514 (Q1 2015/14 £10,391) which is largely due to lower than expected running costs. Income is £7,000 above target

overall, although it was noted that within this total, income from PCNs is £8,000 below target. However, this income is ringfenced so this does not represent a general underspend.

- f) The benefits section was showing an underspend of £39,067 (Q1 2015/14 £15,681) which was mainly due to vacant posts.
- g) There was a positive variance of £81,207 (Q1 £84,009) which mainly related to lower than expected expenditure on wheeled bins and continued receipts from the bulky domestic refuse collection service and green waste bin hire. No problems are anticipated at year-end, although Weekend Freighter costs may increase substantially. The weekend freighter does not form part of the contract and any increase would be a direct cost to the Council.
- h) Recycling collection was underspent by £96,953 at the end of the second quarter (Q1 2014/15 £46,964) as a result of higher than expected income levels and a small positive variance on controlled running costs.
- i) The environmental enforcement section was showing an underspend of £38,608. This was due to a combination of smaller underspends in the controlled running costs for this service and is a continuation of the position at the end of the first quarter.

A number of areas showed significantly more spend or a shortfall in income compared to the amounts actually budgeted at the end of the second quarter, and these are reported below:-

- j) The Homeless Temporary Accommodation budget has continued to show expenditure greater than budget, with an adverse variance of £289,711 at the end of the second quarter of 2014/15 (Q1 2014/15 £99,166). Cabinet was made aware that a project was underway to target reductions in the cost of temporary accommodation and one of the new properties became operational during the second quarter. It is anticipated that this will result in a reduction in future expenditure on temporary accommodation, although at this stage it is too early to identify any significant impact.
- k) There is an adverse variance of £78,667 (Q1 2014/15 £15,028) against the crematorium budget due to lower than expected income. There has been a recent upturn in bookings which will help to address this variance, and the situation is being monitored closely by the service manager. However, it was noted that the income levels achieved in 2013/14 were exceptional due to the closure of Medway crematorium for refurbishment during the year.
- l) The procurement section is showing an adverse variance of £31,276 (Q1 2014/15 £13,402) which was a result of income targets not being achieved during the first half of the year. This

is a continuation of the trend observed for the past two financial years.

- m) The museum budget is overspent by £35,449 at the end of the second quarter (Q1 2014/15 £22,853). This was a result of lower than expected income and reactive building maintenance during the first half of the year.
- n) Cobtree Manor Park is currently showing an overspend of £31,540 due to extra staff costs from MBS to cover weekend supervision and necessary works due to a substantial increase in visitor numbers. These costs will be recharged to the Trust at year end which will bring expenditure back in line with the budget.
- o) There was an adverse variance of £100,941 (Q1 2014/15 £114,234) arising from the Mid Kent Planning Support Service. This additional cost will be shared across the three authorities involved in the partnership, and the requirement for additional resources is anticipated to continue through to the end of the financial year. Budgetary arrangements for this service are currently being agreed with partner authorities and the council's share of this variance will be addressed once these measures are finalised.

Allowing for the continuation of the issues detailed as budget pressures above, the predicted outturn for 2014/15 is an underspend of £361,040.

The budget strategy for 2014/15 identified savings and efficiencies totalling £1,254,000. These savings are being monitored corporately and it is anticipated that this target will be met by the end of the year.

### Balances

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

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

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

### Collection Fund

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

The collection rates achieved at the end of the second quarter, and the

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

	Target %	Actual %
<b>Council Tax</b>	58.21	58.10
<b>NNDR</b>	59.12	59.23

The target collection rate has been marginally missed for Council Tax and marginally exceeded for NNDR. It was noted that Maidstone's collection rate for the year to date was in line with the other Kent districts.

Whilst the percentage variances are small, the gross values of Council tax and Business Rates collected each year are significant. The Head of the Revenues and Benefits Partnership follows a recovery timetable and action is currently being taken to attempt to bring collection rates for Council Tax back to target.

Prior year arrears collection was on target and officers would continue to pursue payment of any developing arrears along with the arrears from prior years.

**Council Tax Support** – The actual collection rate is 52.8% (44.77%; Q2 2013/14).

The level of local council tax support recorded at mid-year shows a caseload of 10,196 claimants (10,602; Q2 2013/14). For Maidstone Borough Council the support provided is £1.49m (£1.42m; Q2 2013/14) compared to an estimated support of £1.60 used to calculate the budget.

While there are a significant proportion of pensionable age claimants the overall reduction in claimants showed a positive correlation between reductions in those claiming job seekers allowance in the borough and the reduction in caseload. Members should note that as the year progresses, changes in caseload have a proportionately reduced effect on the full year cost.

**Retained business rates** – the current collectable business rates is £53.9m compared to an initial estimate of £53.7m, representing a minor net increase of £0.2m.

The major risk from appeals has been provisioned and this remains adequate when compared to the level of change due to appeals decisions witnessed to date.

### Capital

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

monitoring report for the first quarter of 2014/15.

The table in Appendix B to the report gives the following detail:

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

Capital expenditure to the end of the second quarter of 2014/15 was shown as £0.7m. The budget for the year, adjusted for slippage detailed in the first quarter budget monitoring report was £7.2m. This comprised of a number of planned projects for which significant expenditure is yet to be incurred, including £1.5m for acquisition of commercial assets, £1.0m for continued improvements to play areas and £1.6m housing grants.

Following the second quarter monitoring, officers anticipate that £1.3m will need to be reprofiled into 2015/16. This is detailed in column 8 of Appendix B to the report. These are items where the programmed works have been rescheduled to now take place during 2015/16.

### Capital Financing

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

Resources that can currently be confirmed are:

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

The slippage and re-profiling proposed for approval elsewhere in the report would mean that a net expenditure of £1.3m would be re-profiled into 2015/16 subject to this recommendation being agreed.

### Treasury Management

The Council has adopted and incorporated into its Financial Regulations, the CIPFA Code of Practice on Treasury Management in Local Authorities. This Code covers the principles and guidelines relating to borrowing and investment operations. In March 2014, the Council approved a Treasury Management Strategy for 2014/15 that was based on this code. The

strategy requires that Cabinet should formally be informed of treasury management activities quarterly as part of budget monitoring.

During the quarter ended 30 September 2014:

- Inflation (CPI) has remained at 1.5%. This is the lowest it has been since 2009 and is expected to fall further later in the year.
- GDP has grown by 3.2%.

The Council's Treasury Management advisors, Capita Asset Services, have provided the following forecast:

- The markets are now expecting to see an increase in the Bank Rate during the third quarter of 2015.
- The Governor of the Bank of England has repeatedly stated that these increases will be slow and gradual due to concerns over the impact on consumers with lower than inflation pay increases.
- Economic growth is expected to continue through to 2016.
- The fall in unemployment is expected to continue and average pay is expected to increase.

The latest interest rates and PWLB rate forecasts are listed below.

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

At 30 September 2014 the council held investments totalling £29.83m (Q1 2014/15 £26.53m). A full list of investments held was included at Appendix C to the report of the Director of Regeneration and Communities. £21.83m (Q1 2014/15 £21.53m) of investments are in accounts which can be called upon immediately or for a short notice period. This is due to the shorter term rates being more appealing than longer term.

Investment income is below target with a balance of £101,000 (Q1 2014/15 £47,000) compared to a budget of £125,000 (Q1 2014/15

£57,000). The average interest rate for this period is 0.69% (Q1 2014/15 0.68%). The low interest rates are a consequence of Government support for lending schemes which have prompted a reduction in need for additional cash by financial institutions.

Treasury management performance is regularly benchmarked against similar councils and this has shown that these results are in line with the benchmark group.

There has been no borrowing during the second quarter of 2014/15.

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

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

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

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: <b>21 November 2014</b>
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## **MAIDSTONE BOROUGH COUNCIL**

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

Decision Made: 12 November 2014

#### **DRAFT ECONOMIC DEVELOPMENT STRATEGY 2014**

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

To consider whether to approve the draft Economic Development Strategy for public consultation.

##### **Decision Made**

That the draft Economic Development Strategy and action plan for public consultation be approved.

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

Maidstone has the largest economy in Kent, i.e. Maidstone businesses generate £3.3bn worth of goods and services each year. Gross Value Added (GVA) measures how productive per worker an area is and at £21,200 per year, Maidstone has the 2nd highest GVA per head in the county, but this is below the national average (£21,900).

There were 68,300 people employed in the Maidstone economy in 2012 with a high proportion in the public sector, reflecting the town's status as Kent's County Town and administrative capital.

There were 6,760 registered businesses in Maidstone in 2012, equivalent to 43 businesses per 1,000 population, compared to 39 for England and an above average rate of self-employment.

Maidstone has a strong labour market with high employment and economic activity rates and relatively low levels of unemployment. In the year ending December 2013 76.8% of residents were estimated to be in employment, above both the national (71.7%) and Kent (72.6%) averages.

However Maidstone's direction of travel in terms of jobs and economic growth is declining and requires action to reverse the decline.

##### **Background**

Since the recession, economic output i.e. the level of productivity has fallen more in Maidstone than in Kent as a whole and nationally.

Employment performance has been poor in recent years, with the number of jobs decreasing since 2009. This was largely due to high job losses in

the public sector and this sector continues to be at risk from cuts in public sector spending.

Business growth has been below the Kent and national averages in recent years. Between 2008 and 2011, business deaths outnumbered business births. 2012 has seen a reversal of this trend. Maidstone has a low share of employment in knowledge economy jobs, such as high tech manufacturing, ICT and creative industries such as media and architecture, which are traditionally higher skilled and higher paid.

The qualifications profile of the adult population is poorer than the county and national average, with less than a third (32.6%) of residents qualified at NVQ Level 4 or above, compared to Kent (33.6%) and the national average for England (35%). While there has been some improvement over recent years, this has been less than for Kent and the nation as a whole.

Median earnings for Maidstone residents have been in decline since 2010 and now stand for the first time in over 10 years below both the GB and South East Averages. Maidstone resident earnings (2013) are the third lowest in Kent, and workplace earnings are the second lowest in Kent.

Commuting patterns show that Maidstone has changed over the last decade from being a net importer to a net exporter of workers and is less important as a place of work for its residents. Commuters are now predominantly those in higher occupational groups whereas commuters into Maidstone are in lower status semi skilled and elementary occupations that are generally less well paid.

The council's previous Economic Development Strategy was produced prior to the recession in 2008. In order to take account of the changes in the economy both nationally and locally the council commissioned Shared Intelligence (Si) to help prepare the new economic development strategy. Their work included:

- reviewing the existing vision to ensure that this still meets current aspirations;
- an assessment of the current state of the Maidstone economy to identify the opportunities and challenges we face - the strengths, opportunities, weaknesses and threats;
- identifying priorities for how we will achieve our ambitions and the interventions to capitalise on Maidstone's economic assets; and
- formulating a programme of actions to take forward the journey to deliver our vision by 2031.

To inform the development of the strategy, an analysis of the broader national and local economic trends was undertaken to provide the evidence base. The findings of this work are set out in a separate State of the Maidstone Economy report, which sits alongside this strategy.

In parallel to the work on the Strategy, work was carried out by GVA regarding the Qualitative Employment Land Supply which states that "for the borough to realise it's economic potential, there is a need to provide new employment land to both accommodate the scale of growth forecast but, equally importantly, to diversify the portfolio to ensure different forms of demand and floorspace can be accommodated."

The views of the business community, key employers and stakeholders have also been considered in developing this strategy. Engagement has come via a number of different channels, including:

1. two workshops with the Maidstone Economic Business Partnership (MEBP) facilitated by Shared Intelligence held on 23<sup>rd</sup> May and 5<sup>th</sup> June 2014;
2. two workshops with Maidstone Borough Councillors - the Cabinet on 23<sup>rd</sup> July and the Overview and Scrutiny Committee on 29<sup>th</sup> July;
3. a programme of interviews conducted by Shared intelligence in May/June 2014 with 15 key businesses;
4. face to face and telephone interviews with 14 key stakeholders; and
5. the results of a business survey undertaken by Maidstone Borough Council in June 2014 with responses from 59 employers.

The draft Economic Development Strategy was presented to the Maidstone Economic Business Partnership at its meeting on 21<sup>st</sup> October 2014. The MEBP fully supported the draft to go out to consultation and will be considering consultation events for businesses across the borough.

At the joint Planning and Transport and Commercial and Economic Development Overview and Scrutiny Committee on the 21<sup>st</sup> October 2014 both committees recommended the draft strategy go out to public consultation. The Strategy was attached as Appendix A to the report of the Director of Regeneration and Communities.

This is a key strategy for the Council and will impact on the economic, social and environmental wellbeing for the whole of the borough, businesses and residents and on the agendas of other public sector services such as Job centre Plus and Kent County Council. As such it is appropriate that it is published for broader public consultation. It is intended to consult for a period of 6 weeks during November and December 2014. The Strategy will be published on the Council's website and Locate in Maidstone, and sent to business networks and support organizations as well as all councillors and parish councils.

Any representations received will be considered and a final draft strategy will be reported back to Cabinet in January for consideration and adoption as the Council's Economic Development Strategy.

What has to happen?

Forecasts indicate that total jobs growth in Maidstone could be between 7,800 and 14,400 jobs to 2031. The sectors forecast to see the greatest jobs growth are professional services, administrative & support services, education, health, and residential care & social work. It should be noted that Maidstone is one of a few authority areas in Kent which has seen employment growth in the manufacturing sector.

The draft strategy identifies a series of priority actions to capitalise on our assets and the opportunities to strengthen the economy and create the right conditions for economic growth. These five priorities are:

1. Retaining and attracting investment - We will support existing businesses to grow and also work to attract new employers to the borough, creating job opportunities for all residents across a range of sectors.
2. Stimulating entrepreneurship - We will create a more entrepreneurial and innovative economy, supporting new business start-ups and those with high growth potential to move up the value chain.
3. Enhancing the town centre - We will promote the regeneration of Maidstone town centre as a high quality retail and leisure destination, and as a place to live and work.
4. Meeting the skills needs - We will ensure that residents are equipped with skills for work and that the skills' needs of businesses are being met. We will support the expansion of the Higher Education sector to increase the number of graduates in the workforce, supporting initiatives such as KIMS and Maidstone Medical Campus, as well as the UCA expansion at Maidstone Studios.
5. Improving the infrastructure - We will invest in infrastructure to drive economic growth – including the transport network and digital infrastructure.

There are many partners involved in taking forward the opportunities identified and there is a clear leadership and enabling role for Maidstone Borough Council to play in coordinating, promoting and actively working with the business community to achieve the economic vision.

Critically achieving the higher rate of jobs growth largely depends on:

1. Delivering the vision for the Town Centre,
2. Maximising the opportunities presented by Maidstone Medical Campus.
3. Filling the gap in our portfolio of employment sites to meet modern business needs.
4. Delivering a new masterplan for Eclipse Business Plan.

A more detailed draft action plan covering short, medium and longer term actions was included at the end of the Strategy.

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

An alternative action could be not to produce an Economic Development Strategy. However the current Economic Development Strategy was published in 2008 and is in need of updating to ensure the work of the Council correctly reflects the needs of the Borough.

### **Background Papers**

Qualitative Employment Site Assessment, August 2014, GVA  
State of the Maidstone Economy report, August 2014, Shared Intelligence

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: <b>21 November 2014</b>
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## **MAIDSTONE BOROUGH COUNCIL**

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

Decision Made: 12 November 2014

#### **CORPORATE IMPROVEMENT PLAN: MID YEAR 2014/15**

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

To note the progress made April to September 2014 on the projects and areas of work in the Corporate Improvement Plan 2014-17.

##### **Decision Made**

- (a) That the progress made on the Corporate Improvement Plan 2014-17 shown at Appendix A to the report of the Head of Finance and Resources be noted; and
- (b) That costings relating to Officer time in achieving Investors in People Gold be provided.

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

The Council has set the priorities and outcomes for the borough of Maidstone in its Strategic Plan. The Medium Term Financial Strategy (MTFS) sets out what will be spent and where savings will be made. In order to deliver the priority outcomes and the savings required, a number of key pieces of work and projects will be carried out. These are detailed in the Corporate Improvement Plan 2014-17, which ensures the improvement work is aligned with the Strategic Plan and the MTFS and looks at the work required to 2017.

The three objectives of the Corporate Improvement Plan are:

1. A reduction in net cost, through making savings or increased income
2. Improving or maintaining quality: ensuring we deliver excellent services, which means delivering what is promised to agreed standards
3. Identifying and responding to opportunities aligned with the Strategic Plan

The Corporate Improvement Plan involves a number of different workstreams, which are owned by different officers in the organisation. Those workstreams identified as most important are:

- 1. Efficiency and effectiveness (Head of Finance and Resources)** – looking at our services to make sure we are doing the right things to deliver our organisational priorities and working with our customers to make sure that the way we do them is as customer friendly and efficient as possible.
- 2. Income generation (Head of Commercial and Economic Development)** – maximising the value from the income streams we already have in place, exploring other options for income generation and launching any viable initiatives that will bring in sustainable income to the Council.
- 3. Asset management (Head of Finance and Resources)** – making the best use of the building and land we already own or lease, exploring opportunities to add to our property portfolio to support delivery of organisational priorities and bring in income, as well as transferring assets to the community or selling assets that are no longer viable for us to keep.
- 4. Empowerment and self-sufficiency (Head of Housing and Communities)** – empowering borough residents to do more for themselves through building financial and digital access and skills and supporting communities to deliver services where they could do this better or take on assets of community value that we can no longer properly support.

The plan is underpinned by the following enablers of change and improvement. These things need to work well for improvement to happen:

- Organisational culture (Head of HR)
- Councillor assurance
- Commissioning and procurement (Head of Finance and Resources)
- Effective use of technology (Head of ICT)

The progress update (as set out in Appendix A to the report of the Head of Finance and Resources) contained updates on work carried out April – September 2014 on improvement projects and priority services for each of the 4 workstreams and on organisational development. More information on the focus of work for each of the priority services and projects is given as part of the progress update at Appendix A to the report. This is how the priority services and projects for improvement fit in with the 4 improvement workstreams:

<b>Efficiency and effectiveness</b>	<b>Income generation</b>	<b>Asset management</b>	<b>Empowerment and self-sufficiency</b>
Planning Economic Development Revenues and Benefits Housing Finance Building Control Environmental Services Customer Services MKIP shared services and operational model Information and knowledge management	Maidstone Culture and Leisure Waste and Recycling Corporate Support Bereavement Services Other work – commercialisation*	Integrated Transport Strategy Major assets review Commercial property investment	Right to bid and community asset transfer Digital Inclusion Financial inclusion Local flood plans

\*The projects that would form the Commercialisation Programme were not fully known when the Corporate Improvement Plan was agreed in February 2014, but as this is a large and priority programme of work this has been added to the progress update reporting.

Each of the workstreams/enablers and the projects and areas of work that sit beneath them have been given a RAG rating (Red, Amber or Green) to show how the work is progressing against plan. The table below shows the overall ratings for each workstream and the number and percentage of the different ratings for the projects and priority services under each workstream:

<b>Workstream/enabler</b>	<b>Overall rating</b>	<b>Rating for projects and services</b>			
		<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>Total</b>
Efficiency and effectiveness	Amber	5 (50%)	5 (50%)	0	10
Income generation	Amber	2 (40%)	2 (40%)	1 (20%)	5
Asset management	Amber		3 (100%)		3
Empowerment and self-sufficiency	Green	3 (75%)	1 (25%)		4
Organisational culture	Green	N/A (100%)	N/A	N/A	N/A
<b>Total</b>		10 (45%)	11 (50%)	1 (5%)	22

Just under half (45%) of the projects/priority services are progressing to plan (Green) and exactly half require a watching brief as they are not quite on track or some other risks or issues have been identified (Amber). The Amber rated projects and services are:

- Planning – whilst the focus of this priority service was on the Development Management Service, the issues with the Planning Support Service and need to embed the service properly before moving onto other things has meant there has not been much progress on sharing/jointly procuring specialist advice and maximising the use of pre-application advice.
- Housing – good progress in a number of areas including Aylesbury House and Magnolia House, but the number of people, length of time spent in and cost of temporary accommodation currently remains a concern.
- Building Control – progress on progressing proposals for sharing the service with partners has been slower than expected.
- Customer Services - whilst face to face visits are reducing year on year, telephone calls are not reducing as hoped and emails continue to rise. The RedQuadrant review findings should help the organisation progress more effectively going forward.
- MKIP shared services and operational model – there has been good progress with the Mid Kent Services Director trial and the shared Transformation Challenge Award bid. However, the most recent shared services, Environmental Health and Planning Support, are both working through some significant post-implementation issues.
- Maidstone Culture and Leisure – some Member decisions on proposals in the plan will not be taken until December.
- Commercialisation – the commercialisation programme has progressed steadily but slowly. Decisions on some of the key proposals in the programme are due to be taken in December.
- Integrated Transport Strategy - there has been further delay to the transport modelling process although this is now underway again. Further bespoke modelling of specific 'hotspots' and transport corridors is required and quotations are being sought.
- Major assets review – proposals to redevelop Medway Street and King Street may lead to the loss of revenue income and redevelopment at Brunswick Street could lead to loss of local

parking. The risks of redevelopment at Brunswick Street will be considered as part of the feasibility study.

- Commercial property investment - the rising property market could lead to the yield from investment reducing to a level that barely covers borrowing costs, with asset appreciation being the main return.
- Local flood plans – the large number of applications for support from residents affected by flooding mean that additional staff resources are required to process the applications. The Housing Emergency Plan remains outstanding but should be completed by December 2014.

Only Corporate Support under the Income generation workstream is rated as Red, meaning that major issues or risks with the current or future progress of the work have been identified. In this case, whilst the Corporate Support team have made good progress in identifying and carrying out work that used to be carried out by external printers, there is unlikely to be the capacity available this financial year to take this work further and investigate further wider commercialisation of the service.

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

Cabinet could decide not to receive six monthly updates on the progress made on the Corporate Improvement Plan. This is not recommended as progress reports on the Corporate Improvement Plan are essential for allowing oversight of a number of different pieces of work across the organisation.

### **Background Papers**

Corporate Improvement Plan 2014-17

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: <b>21 November 2014</b>
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## **MAIDSTONE BOROUGH COUNCIL**

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

Decision Made: 12 November 2014

#### **MID YEAR STRATEGIC PLAN PERFORMANCE UPDATE 2014/15**

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

To consider progress made to date for the 2011-15 Strategic Plan Actions and progress made in the second quarter for the Key Performance Indicators (KPIs).

##### **Decision Made**

That:

- (a) The progress made against the Strategic Actions be noted;
- (b) That the out-turns of the KPIs (attached as Appendix A to the report of the Head of Policy and Communications), definitions are included for reference at Appendix B to the report of the Head of Policy and Communications be noted;
- (c) That the following indicators that are unlikely to achieve the annual performance target be noted:
  - Processing of minor planning applications within statutory timescales
  - WCN 004 Total waste arisings per household
- (d) That an update on the Planning Shared Service be provided at future Cabinet Meetings.

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

The Council has 29 Strategic Actions that were agreed as part of the Strategic Plan 2011-15. The Mid-year performance report includes progress updates against all Strategic Plan actions to assess if the Council is going to achieve its outcomes and priorities.

The Council has also set 61 Key Performance Indicators (KPIs) in the Strategic Plan 2011-15, 2013-14 update; there are 34 indicators that can be reported at the mid-year point to check if the authority is on track to meet its 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 report for the second quarter shows an under spend of £461,040 with 139 out of 233 cost centres under spending. A significant proportion of the underspend can be attributed to employee costs. More information on financial monitoring is found within the Quarter 2 Budget Monitoring Report on the agenda.

### 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 2014 with new targets and indicators agreed by Cabinet in July 2014. These will continue to be reviewed annually to ensure that they are aligned with the Council's priorities.

### Performance Summary

Appendix A to the report of the Head of Policy and Communications showed progress updates against the Strategic Plan Actions and out-turn data for all indicators that can be collected. Some indicators are collected bi-annually or annually, these indicators have not been included in this report.

Where an indicator is new and there is no quarterly data, no direction can be given. Where direction is available compared the quarter 2 out-turn for 2013/14 with the quarter 2 out-turn for 2014/15.

The following tables show the status of the Key Performance Indicators in relation to targets and direction of travel:

Priority	Green	Amber	Red	N/A	Total
A growing economy	3 (75%)	1 (25%)	0	2	6
A decent place to live	8 (62%)	3 (23%)	2 (15%)	2	15
Corporate & customer excellence	5 (38%)	7 (54%)	1 (8%)	0	13
Total	16 (53%)	11 (37%)	3 (10%)	4	34

Priority	Up	Down	N/A	Total
A growing economy	5 (83%)	1 (17%)	0	6
A decent place to live	5 (45%)	6 (55%)	4	15
Corporate & customer excellence	8 (62%)	5 (38%)	0	13
Total	18 (60%)	12 (40%)	4	34

Overall, 53% (16) of performance indicators have been rated green (currently on target), compared to 47% (18) at the same point in 2013/14. Of the 30 KPIs where direction can be assessed, 60% (18) have improved when comparing 2013/14 quarter 2 with that of 2014/15. The table below shows a comparison of the indicator ratings and direction of travel assessment for quarter 2 2013/14 and 2014/15.

Status	Green	Amber	Red	N/A	Total
2013/14	18 (47%)	9 (23%)	12 (31%)	3	41
2014/15	16 (53%)	11 (37%)	3 (10%)	4	34

Direction	Up	Across	Down	N/A	Total
2013/14	8 (27%)	2 (7%)	19 (66%)	9	38
2014/15	18 (60%)	0	12 (40%)	4	34

It was noted that at this point in 2013/14, 47% (18) of all KPIs achieved their quarterly targets and 27% (8) 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.

Eleven KPIs have been rated amber, however nine of the year to date out-turns for these indicators are within 5% of the mid-year target and five are within 1% of the mid-year target.

Of the 29 Strategic Plan Actions, 14 (48%) have been completed and resulted in improvement or efficiencies to services. The majority of the remaining actions are expected to be completed by March 2015, however there have been some delays in certain areas namely in relation to the Local Plan, Integrated Transport Strategy and Infrastructure Development Plan, these areas will be assessed as part of the development of the new Strategic Plan and carried forward depending on progress made to date.

Highlights to date from the Strategic Actions include:

- Completed phases one and two of the High Street regeneration project, this has created focus point for the town centre.
- Improved links and communication between Planning, Housing and Economic Development teams.
- A new Homelessness Strategy and a Housing Assistance Policy have been produced and adopted.
- We have carried out improvements in Mote Park. Since these improvements footfall in Mote Park has risen, the park has been awarded a green flag and was awarded second place in the Green Flag People's Choice Awards.
- A more efficient approach has been adopted in relation to street cleaning with area based cleaning implemented.

- A new Waste Contract with an enhanced recycling service has been rolled out and is having a positive impact on our recycling rate.
- Neighbourhood Action Planning has taken place in Park Wood and Shepway.
- Early on in our Strategic Plan we reviewed how we interact with customers and produced a Customer Improvement Strategy that details our model for customer service delivery going forward. We have now reviewed our customer service operation and improvements are scheduled for 2015 to further the work on digital services.
- Since 2011 we have delivered 797 affordable homes and brought 314 private sector homes back into use.

### Performance by Priority

#### **For Maidstone to have a growing economy**

Green	Amber	Red	N/A	Total
3 (75%)	1 (25%)	0	2	6

Up	Down	N/A	Total
5 (83%)	1 (17%)	0	6

There are four indicators relating to this priority that can be rated, three have been rated green and one has been rated amber. Direction can be given to all six indicators that can be reported at quarter 2: Five show improvement compared to the same period in 2012/13.

The amount of income from pay and display car parks has increased by £13 per space, compared to the same period last year, it was noted that the number of pay and display car park spaces has decreased during the same period.

While there has been a 0.7% decrease in Park and Ride transactions, this is a much smaller decline than was reported at the same period last year, where performance was showing a 7.7% decline in Park and Ride transactions between quarter 2 2012/13 and quarter 2 2013/14. Improvements have been made to the service during quarter 2 and it was noted that quarter 3 is generally the best performing quarter for the year due to the run up to Christmas.

The Local Plan, Infrastructure Delivery Plan and the Integrated Transport Strategy are all following the same programme. The next round of consultation will take place in July 2015. Submission of the Local Plan to the Secretary of State is expected to take place in November 2015, with the likelihood that adoption of the plan will be Summer 2016.

A draft Economic Development Strategy has been produced and was also on the agenda for approval by Cabinet, public consultation will then take place to inform the final Strategy. Following the completion of phases one and two of the High Street regeneration project, proposals for phase three (north end of Week street, Gabriel's Hill and Earl Street) have been

drafted. The next stage is for these proposals to be assessed in relation to their economic impact.

**For Maidstone to be a decent place to live**

Green	Amber	Red	N/A	Total
8 (62%)	3 (23%)	2 (15%)	2	15

Up	Down	N/A	Total
5 (45%)	6 (55%)	4	15

There are 13 Key Performance indicators relating to this priority that can be rated. Eight have been rated green, three have been rated amber and two red. Eleven indicators relating to this priority can be given a direction, five are showing and improvement compared to quarter 2 in 2013/14.

Out of the three processing indicators for planning (majors, minors and others), only the majors have achieved the quarterly target and improved performance compared to the same period last year. Performance in relation to processing minor and other planning applications have not achieved their quarterly targets and are showing a decline compared to quarter 2 in 2013/14. It was noted that there was a drop of 23% (-25) in minor planning applications and a 34% drop (-114) in other applications determined in this quarter compared to the same period last year. Based on historic data the Performance Officer does not believe that the annual target will be achieved. An interim Head of Service has been introduced to oversee the planning support shared service to add capacity to the service.

Both the number of affordable homes delivered and number of private sector homes improved have achieved their quarterly targets. While the number of private sector home improved has dropped compared to the same period last year it is worth noting that both of these indicators have profiled targets. Therefore we currently consider them on track to achieve the annual targets. Actions on homelessness are progressing with a new triage service being implemented in the Gateway and the purchase of Aylesbury House, both of which are expected to have a positive impact on the use and cost of temporary accommodation.

Recycling rated dipped slightly in quarter 2 compared with quarter 1, when the 50% rated was reached for the first time. However, performance is still currently on track to achieve the annual target. Total waste arisings has been rated amber for the second consecutive quarter. This is the first year that this indicator has been reported and no direction is available however, based on performance to date the Policy and Performance Officer believes that the annual target is likely to be marginally missed.

The majority of actions that related to the objective: Continue to be a clean and attract environment for people who live in and visit the borough, have been completed. However work to maximize our leisure and culture offer continues through our commercialisation strategy, with one of the work streams relating to Mote Park, which has seen an increase in visitors.

The Maidstone Families Matter programme is progressing well, over 200 families have now been accepted onto the programme and the annual target has been achieved. The next step is to engage with these families and to date over 80% have been engaged with.

The Community Development and Partnerships team are currently in the process of refreshing the Community Development Plan and the engaging with parishes and cabinet to review and refresh the Parish Charter. In January they will be hosting an Engagement and Participatory Appraisal workshop for local community groups and members.

### **Corporate & Customer excellence**

Green	Amber	Red	N/A	Total
5 (38%)	7 (54%)	1 (8%)	0	13

Up	Down	N/A	Total
8 (62%)	5 (38%)	0	13

There are 13 key performance indicators that relate to the priority Corporate and Customer Excellence. Five of these have been rated green, seven have been rated amber and one rated red. For eight performance has improved compared to the same period last year.

Both KPIs that relate to complaints have been rated amber. There were 40 additional complaints made in quarter 2 this year than in the same period in 2013/14. For the year to date 465 complaints have been received compared to 269 at the same point last year, this equates to an increase of 73%. Due to staff sickness fewer satisfaction surveys were sent during quarter 2 than usual, this impacted on the response rate, with only fourteen surveys returned and none of them satisfied. At present it is still possible that both indicators will achieve the annual targets.

Working days lost to sickness absence have improved compared to the same period last year. At present performance is marginally over the target level and therefore it has been rated amber. Long-term sickness increased during quarter 2, rather than short-term sickness. It was noted that the out-turn is based on a rolling year. It is possible that the annual target could be achieved.

The waste collection team experienced issues with the collection vehicles during quarter 2. Collection rounds were covered by other crews however, this has led to an increase in missed bins. The vehicle issue has since been resolved and it is still possible that the annual target will be achieved.

Despite two of the three channel shift indicators being rated amber, all are moving in the right direction with fewer visits to the gateway and calls to the contact centre and an increase in people contacting us through the website.

The strategic plan is being developed along with our budget strategy. Roadshows are currently being held in various places around the borough

to gather resident's feedback and opinions on the budget and inform the priorities for the new strategic plan.

The Business Improvement team have completed a review in Parking which has identified over £6000 in potential cashable savings. They have also reviewed the processes around the booking and delivery of events and have identified several improvements that are expected to deliver efficiencies in staff time. The review of the Revenues and Benefits service has just begun and the Business Improvement team is also working with the Business Delivery Unit in Tunbridge Wells and the Kent Channel Migration to look at how to reduce avoidable contact.

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

The Strategic Actions and Key Performance Indicators reflect local priorities and measure progress towards the Council's Strategic Outcomes. They are the Council's top level actions and indicators and are linked to the Council's Strategic Plan.

Not monitoring progress against the Strategic Plan 2011-15 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**

Strategic Plan 2011-15 (2014/15 Refresh)

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: <b>21 November 2014</b>
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## **MAIDSTONE BOROUGH COUNCIL**

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

Decision Made: 12 November 2014

#### **PLANNING, TRANSPORT AND DEVELOPMENT OVERVIEW AND SCRUTINY COMMITTEE SCRAIP REGARDING - AMENDMENT TO DECISION MAKING ARRANGEMENTS FOR NEIGHBOURHOOD PLANS**

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

To consider the SCRAIP (reference number PTD.141103.93.1) issued by the Planning, Transport and Development Overview and Scrutiny Committee at their Special Meeting on 3 November 2014 attached as Appendix A to the report of the Head of Policy and Communications.

##### **Decision Made**

That approval is given to the insertion of an additional paragraph in the decision making arrangements for neighbourhood plans as follows:

3a	MBC consulted on submission version of the neighbourhood plan (Ref 16)	Internal consultation with ward members/adjoining ward members/Cabinet Member	Cabinet Member Report to consider MBC comments on submission of draft plan.
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##### **Reasons for Decision**

The existing agreed framework does not provide for a formal council response to the submitted version of the plan (Regulation 16). On reflection, it is considered important that the council makes a response at this formal stage and that this response has the weight of a Cabinet Member decision. The Examiner will want to know whether the council, as the local planning authority, is in agreement or not with the plan as it has been submitted and this can best be done through a response during this formal consultation stage.

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

The Cabinet could decide not to agree to this additional paragraph but this could result in the council's comments on neighbourhood plans not being formally recorded as part of the Neighbourhood Planning process.

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: <b>21 November 2014</b>
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