

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 11 February 2015

A SUSTAINABLE FUTURE FOR MOTE PARK (ADVENTURE ZONE)

Issue for Decision

To consider approving the establishment of a pay-to-use leisure facility, or 'Adventure Zone' in Mote Park comprising: adults' and children's internally belayed high-course; Segway hire; adventure golf course; and climbing walls. To receive a further report on the provision of a café at Mote Park.

Decision Made

- (1) That the creation of a pay-to-use leisure facility in Mote Park be approved. This will include an internal belayed high course, internal belayed high course for children, climbing wall, adventure gold course and Segway hire facility;
- (2) That a capital budget of £790,000 be approved to deliver the project and that authority to spend the project budget is delegated to the Head of Commercial and Economic Development, in consultation with the Cabinet Members for Community and Leisure Services and Corporate Services, including the purchase and installation of the necessary equipment for the Adventure Zone;
- (3) That delegated authority be given to the Head of Commercial and Economic Development to obtain the necessary approval and consents for the Adventure Zone;
- (4) That delegated authority be given to the Head of Commercial and Economic Development to finalise and implement an operating model for the Adventure Zone in consultation with the Cabinet Member for Community and Leisure Services;
- (5) That Officers report back detailing proposals for the provision of a café and toilets in Mote Park; and
- (6) That Officers report back on detailed proposals for the provision of an ice rink to form part of the Council's Festivals and Events Strategy.

Reasons for Decision

- (1) In June 2013 Cabinet approved the formation of Maidstone Culture and Leisure and delegated authority to the Director of Communities and Regeneration to develop proposals to create an Adventure Zone

in Mote Park. The report of the Head of Commercial and Economic Development set out the proposals relating to the establishment of the Adventure Zone and the work undertaken to date.

(2) In June 2013 Cabinet made the following decision:

3. That the principle of reducing the net cost of cultural and leisure services to the Council be agreed and delegated authority be given to the Director of Regeneration and Communities to progress the projects identified in paragraphs 1.3.7- 1.3.9 of the report of the Director of Regeneration and Communities and, in particular, agree:-

(iv) The principle of a Mote Park adventure zone, subject to the necessary approvals and consents being achieved.

(v) The possible provision of a new café and retail outlet for Mote Park to be considered as part of the Council's capital programme.

(3) In order to ensure the robustness of the Mote Park Adventure Zone proposals a significant amount of work has been undertaken including market research, residents' and user surveys and a detailed financial appraisals.

Market research

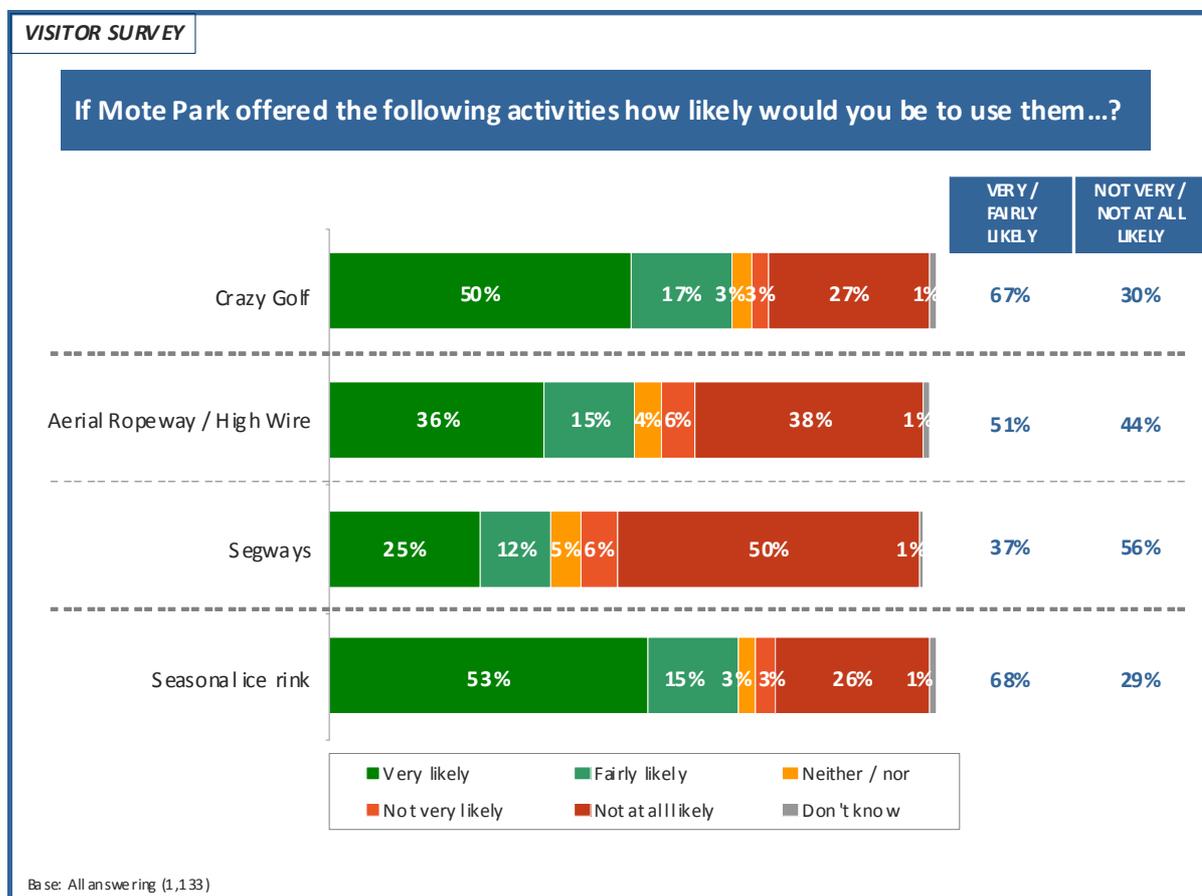
The first piece of research was focused on identifying a configuration of activities that would be suitable for Mote Park; and identifying the costs and revenue potential applicable to that model. This included liaison with other authorities and also Serco, the managing agent of the council's leisure centre who operate several similar facilities. Various options were identified and visited by the Parks and Leisure Manager. The recommended configuration would be based on the Adventure Zone owned by the National Watersports Centre in Nottingham. This was due to:

- The internal belay design has a superior safety record when compared to traditional high ropes courses.
- The footprint is relatively small, which will minimise the ecological; heritage; and spatial impact on Mote Park.
- The configuration allows a greater flow of customers per hour than traditional designs, providing greater revenue potential and lower overhead ratio.

The Adventure Zone at the National Watersports Centre is operated by Serco and they have been helpful in providing operational and commercial data. This information formed the first basis of the financial projections as detailed in the exempt appendix to the report of the Head of Commercial and Economic Development.

The second piece of research focused on understanding the wants and needs of the users of Mote Park, and the borough's residents. In particular they measured the appetite of the public to use the

proposed activities. Lake Market Research was commissioned to undertake a face-to-face survey of users of Mote Park; a postal survey of a representative demographic sample of residents; and to publicly advertise an online survey. A total of 1,133 survey responses were completed and analysed. The full results are available in a consultation report, but the most pertinent data for defining a potential market can be summarised, as follows:



The average of those very or fairly likely to use the various activities (51%) was applied to the known number of visits which took place in Mote Park last year (1.1m). It was estimated that the maximum annual market would be 561,000 customer uses. For financial forecasting it was assumed that the Adventure Zone will service ten percent of that number (56,100) with a phased increase to that figure over 3 years. This was in line with the National Watersports offering which serviced 41,000 customers in its first year of operation. This data formed the second basis for the financial projection in the exempt appendix to this report.

The last piece of research concerned pricing and competition. The location of the nearest potential direct competitors, and their pricing was identified; the results were as follows:

Activity	Location	Price	Comment
Children's high course	Aylesford	£5.95	
Adults high course	Essex	tbc	Operated by Essex County

			Council. It is currently being installed and prices are to be decided. Due to open summer 2015.
Segways	Shorne Woods, Kent Leeds Castle, Kent	£12 £20	
Climbing wall	Maidstone Tunbridge Wells Rochester	£6 £10 £12	
Adventure golf	Sidcup	£8 adults £6 children	

The final pricing schedule would be determined in due course during the selection of the commercial model. This research shows that the prices currently charged at the National Watersports Centre would be the cheapest amongst the likely competitors. When weighed with the fact that the proposed Adventure Zone would already enjoy an existing passing footfall of 561,000 potential customers, it is considered that the National Watersports Centre prices would be achievable. They are:

Activity	Price
Children's high course	£5
Adults high course	£5
Segways	£10
Climbing wall	£4
Adventure golf	£6

This group of data formed the final basis for the financial projections in the exempt appendix to the report.

Adventure Zone Proposals

The Adventure Zone would consist of adults' and children's internally belayed high courses; climbing walls; Segway hire; and crazy golf. Decisions on the exact layout and final siting will be taken following: a heritage impact analysis; ecological impact analysis; pre-planning advice; and commercial and operational modelling. These pieces of work would form the first phase of the project.

The activities will be co-located to facilitate a more efficient operation and it was intended that the Adventure Zone will be co-located with the proposed café and retail outlet, should it subsequently be approved. Members noted that a report on the proposals for the café will be presented to them in March.

The total area required for the Adventure Zone and café combined

will be no larger than 1.76 acres. This represents 0.38% of the total area of Mote Park.

The planned date for the Adventure Zone to be operational is July 2016.

Establishing an Adventure Zone at Mote Park supports the council's commercialisation strategy and medium term financial strategy by generating income to support the continued delivery of services. It would also enable investment in facilities such as the toilets and the café at the park, which were highlighted in the recent Mote Park user surveys conducted by Lake Market Research.

The Adventure Zone would improve the leisure and recreation offering within the borough and be a boost to the visitor economy and promote Mote Park as a visitor destination. The Adventure Zone would promote physical wellbeing by encouraging physical activity in adults and children.

Alternatives considered and why rejected

The council could chose not to approve the recommendations in this report but that would be contrary to the June 2013 Cabinet decision and would mean that none of the benefits set out in 1.5.5 and 1.5.6 of the report would be realised. This would have particular implications for the Medium Term Financial Strategy and the Commercialisation Strategy as alternative income generation would have to be identified.

Background Papers

Commercialisation Strategy
Maidstone Borough Council Mote Park Consultation Report
Report of the Director of Communities and Regeneration - June 2013

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: 20 February 2015

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 11 February 2015

BUDGET MONITORING 3RD QUARTER 2014/15

Issue for Decision

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

Decision Made

- (1) That the satisfactory revenue position at the end of the third quarter of 2014/15 be noted;
- (2) That the proposals for slippage and re-profiling in the capital programme to 2015/16 be approved;
- (3) That the detail in the report on the collection fund, general fund balances and treasury management activity be noted;
- (4) That approval be given to utilising £106,500 of the projected underspend for the advancement of the review of office accommodation; and
- (5) That approval be given to set aside £400,000 of the projected underspend for 2014/15 to fund specific projects which support the delivery of the Council's strategic priorities.

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 advised and updated Members 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.

The report uses a number of terms that may require definition and a glossary of terms was given in section 1.14.3 of the report of the Director of Regeneration and Communities.

Revenue

The budget used in this report was the agreed estimate for 2014/15 which included the carry forward resources agreed by Cabinet in May 2014. Actual expenditure to December 2014 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 December 2014 and expenditure to December 2014 was attached as Appendix A to the report. The financial analysis is based on direct expenditure only. This removes the influence of internal recharges and accounting adjustments upon the variance analysis. An indicative projected year end outturn figure is also shown.

Appendix A to the report showed that actual spend is £687,682 less than the budget at the end of the third quarter. A detailed analysis of the figures at cost centre level shows 139 out of a total of 232 cost centres are currently reporting actual spend less than budget. The projected outturn at 31 March 2015 is currently an underspend of £587,682. Proposals for utilisation of the underspend are detailed at paragraphs 1.4.7 and 1.4.8 of the report.

Also shown at Appendix A was a subjective analysis across all services. This identifies that within the net under spend £474,989 (Q2 2014/15 £189,248) relates to employee costs, due to continuing vacancy levels

The third table at Appendix A summarised the position specifically with regard to fees and charges income. At the end of the third quarter this income is £96,324 above the target figure. It should be noted that within this total there are a number of areas reporting income below budget. Further details of service areas where major variations from budgeted fees and charges are 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. One reportable virement was undertaken during the third quarter, relating to a rent reduction of £1,530 at the Masters Tower, Old College.

In August 2014, Cabinet approved funding of £90,000 to progress the review of office accommodation and prepare the Council for 2023 when the current accommodation comes to the end of its lease period. At this time it was agreed that further funding would be identified in accordance with the recommendations of the reviews. Following the completion of the initial reviews, it has been identified that further funding of £106,500 will be required for the advancement of the project through to the end of 2014/15. This amount includes the works required to relocate the Contact Centre to the Gateway, which is additional to the original scope of the project. It is recommended that this is funded from the underspend for the current year. A detailed report on the development of work streams for this project and further funding required will be presented to Cabinet in March 2015.

It is also proposed that £400,000 of the remaining underspend is earmarked for the progression of a small number of specific projects which support the council's strategic priorities. A list of potential projects identified to receive this funding will be presented to Cabinet in March.

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

- (a) There is a positive variance of £73,474 (Q2 2014/15 £52,122) on pay and display car parks which is attributable to a combination of lower than expected running costs and higher than expected income. Two car parks, King Street and Lockmeadow are performing significantly above their income targets. In addition to this, on-street parking is showing an underspend of £79,952 (Q2 2015/14 £37,514) which is largely due to lower than expected running costs and higher than expected income from parking meters and PCNs. This is detailed further in the Quarter 3 Key Performance Indicator report elsewhere on this agenda. However, it should be noted that this income is ring fenced so this does not represent a general underspend.
- (b) There is an underspend of £53,420 (Q2 2014/15 £27,396) relating to residents parking, where income from resident and visitor permits has been higher than anticipated.

- (c) The Park and Ride budget is reporting an underspend of £34,534 (Q2 2014/15 £10,530) which is a continuation of the trend observed in the first two quarters of the year. This is a result of a reduction in income budgets following a reduction in the contract price, and season ticket income, which is currently below target now being reported as a separate income stream. However, it should be noted that this service has marginally missed its target for the number of on-board transactions this quarter, as detailed in the Key Performance Indicator report which was also on the agenda.
- (d) There is a positive variance of £39,859 (Q2 2014/15 £26,684) against corporate management which is largely a result of a reduction in the external audit fee set by the Audit Commission. This represents 6% of the profiled budget at the end of the third quarter.
- (e) There is a variance of £32,886 (Q2 2014/15 £1,533) within grants arising from the 'Make Maidstone Smile' budget which is yet to be utilised.
- (f) There are underspends against Human Resources and Learning and Development of £31,391 (Q2 2015/14 £22,139) and £49,079 (Q2 - £6,583) respectively, which relate to unspent carry forwards.
- (g) The environmental enforcement section is showing an underspend of £47,894 (Q2 2014/14 £38,608). This is 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 second quarter.
- (h) The private sector renewals budget is reporting an underspend of £35,553 (Q2 2014/15 £10,410) which relates to lower than budgeted controlled running costs. The variance represents 1.5% of the total budget for the year.
- (i) The homelessness prevention budget is reporting an underspend of £34,302 (Q2 2014/15 £12,486) which is a combination of unspent carry forwards and lower than budgeted controlled running costs.
- (j) Development control income has continued to exceed the budgeted figure, with a positive variance of £154,935 (Q2 2014/15 £19,767) at the end of quarter three.

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

- (a) The Homeless Temporary Accommodation budget has continued to show expenditure greater than budget, with an adverse variance of £354,664 at the end of the third quarter of 2014/15 (Q2 2014/15 £289,711). Cabinet will be aware that a project is underway to target reductions in the cost of temporary accommodation and one of the new properties became operational during second quarter. It is anticipated that this will result in a reduction in future expenditure on temporary accommodation. During the third quarter the council saved £32,190 after running costs, in comparison to the cost of alternative sources of temporary accommodation. Aylesbury House was fully occupied throughout November and December although it should be noted that the savings are not sufficient to compensate for the overspend.
- (b) There is an adverse variance of £116,621 (Q2 2014/15 £78,667) against the crematorium budget, largely due to lower than expected income, which is currently 10% below the target. Repairs and maintenance costs have also been higher than budgeted. 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 should be noted that the income levels achieved in 2013/14 were exceptional due to the closure of Medway crematorium for refurbishment during the year.
- (c) The procurement section is showing an adverse variance of £41,443 (Q2 2014/15 £31,276) which is 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.
- (d) There is an overspend of £42,955 (Q2 2014/15 £35,449) on the Museum budget which represents 7% of the profiled budget at the end of the third quarter. This is a consequence of income being lower than expected, reactive maintenance work and installation of a fire alarm.
- (e) There is an overspend of £39,766 (Q2 2014/15 £12,344) showing against the non-pooled ICT budget. This is due to a number of commitments for which funding is yet to be confirmed.
- (f) There is an adverse variance of £37,206 (Q2 2014/15 £10,530) appearing within unapportionable central overheads. This represents a 2% variance and relates to pension accruals where

contributions have been higher than the figures anticipated at the time the budget was set.

- (g) There is an adverse variance of £31,130 arising from lower than expected investment income due to low interest rates. This was detailed in the report of the Director of Regeneration and Communities at paragraph 1.9.5.
- (h) Budgets have now been established for the Mid Kent Planning Support service, which is currently reporting an underspend of £49,204k across the three authorities in the partnership. However, it should be noted that this will be off-set by implementation costs which are currently £96,060k.
- (i) The report identified a number of areas which required action by Cabinet at this time and these were set out in the recommendations at section 1.2 of the report. In each case the proposed actions are set out in the recommendations at paragraph 1.2.1 of the report. Allowing for the continuation of the issues detailed as budget pressures above, the predicted outturn for 2014/15 is an underspend of £587,682.
- (j) 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 £4.5m by 31st March 2015.

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

The position set out above allows for the 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 %
Council Tax	86.79	86.50
NNDR	85.82	85.57

The target collection rate has been marginally missed for both Council Tax and NNDR. It should be noted that however that Maidstone's collection rate for the year to date is above average compared with 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 back to target.

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

Council Tax Support – The actual collection rate is 66.72% against a target of 59.11%.

The level of local council tax support recorded at the end of quarter 3 shows a caseload of 10,054 claimants (10,471; Q3 2013/14). For Maidstone Borough Council the support provided is £1.52m (£1.62m; Q3 2013/14) compared to an estimated support of £1.60m used to calculate the budget.

While there are a significant proportion of pensionable age claimants the overall reduction in claimants shows 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 showing a minor net increase of £0.4m against the original estimate.

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 was a summary of the current capital programme for 2014/15, as agreed by Council. This includes the initial capital programme for the financial year plus amounts carried forward from 2013/14. It also reflects the slippage that was identified in the monitoring report for the

first two quarters of 2014/15.

The table in Appendix B gave 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 December 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 third quarter of 2014/15 is shown as £1.39m. The budget for the year, adjusted for slippage detailed in the first and second quarter budget monitoring reports is £5.97m. This comprises a number of planned projects for which expenditure is expected to be incurred in the final quarter of the year, including £0.88m for acquisition of commercial assets, £0.28m for continued improvements to play areas and £1.17m housing grants.

Following the third quarter monitoring, officers anticipate that £1.89m will need to be reprofiled into 2015/16. This was detailed in column 8 of Appendix B. These are items where the programmed works have been rescheduled to now take place during 2015/16.

Capital Financing

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

Resources that can currently be confirmed are:

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

The slippage and re-profiling proposed for approval elsewhere in this report will mean that net expenditure of £1.89m will 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 31 December 2014:

- Inflation (CPI) fell to 1.0% in November. This is the lowest it has been since 2002 and is expected to remain at this level for the remainder of 2015.
- GDP has grown by 2.6%.

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 towards the end 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 has slowed in the third quarter but 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.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2015	0.50	2.20	3.40	3.40
Jun 2015	0.50	2.20	3.50	3.50
Sep 2015	0.50	2.30	3.70	3.70

Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
Jun 2016	1.00	2.80	4.20	4.20
Sep 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
Jun 2017	1.50	3.30	4.60	4.60
Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80

At 30 September 2014 the council held investments totalling £30.06m (Q2 2014/15 £29.83m). A full list of investments held was included at Appendix C to the report. £19.06m (Q2 2014/15 £21.83m) 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 £156,000 (Q2 2014/15 £101,000) compared to a budget of £187,500 (Q2 2014/15 £125,000). The average interest rate for this period is 0.69% (Q2 2014/15 0.69%). 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 third quarter of 2014/15.

Alternatives considered and why rejected

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

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

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: **20 February 2015**

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 11 February 2015

2014/15 QUARTER 3 KEY PERFORMANCE INDICATOR REPORT

Issue for Decision

To consider progress made to date for the 2014/15 Key Performance Indicators.

Decision Made

- (1) That the out-turns of the KPIs as set out in Appendix A to the report of the Head of Policy and Communications and the definitions set out in Appendix B be noted;

That the following indicators that are unlikely to achieve the annual performance target be noted:

- DCV 005 Processing of minor planning applications within statutory timescales (reported at Q3).
- DCV 006 Processing of other planning applications within statutory timescales.
- WCN 006 Missed bins.
- HSG 005 Number of households prevented from becoming homeless through the intervention of housing advice.
- PIT Satisfaction with complaint handling
- BIM 004 Change in the number of outgoing post items.
- HRO 001 Working days lost to sickness absence (rolling years).

- (2) That the new monitoring KPI for Development Enforcement: DCE 004 Percentage of enforcement cases investigated within 21 days be agreed; and
- (3) That it was agreed that there were no other areas where further action was required.

Reasons for Decision

The Council set 59 Key Performance Indicators (KPIs) in the Strategic Plan 2011-15, 2014-15 update; there are 35 indicators that can be reported at the quarter 3 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

third quarter showed an under spend of £687,682 with 139 out of 232 cost centres under spending. A significant proportion (£474,989) of the underspend can be attributed to employee costs. More information on financial monitoring is available in the Quarter 3 Budget Monitoring Report that was also taken to this meeting.

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 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 this has been given comparing the quarter 3 out-turn for 2013/14 with the quarter 3 out-turn for 2014/15.

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

RAG Ratings	Green	Amber	Red	N/A	Total
A growing economy	2 (66%)	1 (33%)		2	5
A decent place to live	9 (56%)	2 (13%)	5 (31%)		16
Corporate & customer excellence	8 (57%)	2 (14%)	4 (29%)		14
Total	19 (58%)	5 (15%)	9 (27%)	2	35

Direction	Up	Down	N/A	Total
A growing economy	3 (60%)	2 (40%)		5
A decent place to live	5 (36%)	9 (64%)	2	16
Corporate & customer excellence	9 (69%)	4 (31%)	1	14
Total	17 (53%)	15 (47%)	3	35

Overall, 58% (19) of all KPIs that can be measured quarterly have achieved their quarterly targets and 53% (17) KPIs are showing improved performance compared to the third quarter in 2013/14.

At this point last year 40% (14) of KPIs had achieved the quarter 3 target for the year to date and 39% (10) KPIs were showing an improvement in performance compared to the previous year. The tables below show a comparison of the indicator ratings and direction of travel for quarter 3 2013/14 and quarter 3 2014/15.

Quarter 3	Green	Amber	Red	N/A	Total
2013/14	14 (40%)	11 (31%)	10 (29%)	4	39
2014/15	19 (58%)	5 (15%)	9 (27%)	2	35

Quarter 3	Up	Across	Down	N/A	Total
2013/14	10 (39%)	1 (4%)	15 (57%)	13	39
2014/15	17 (53%)	0	15 (47%)	3	35

Members noted that at the end of 2013/14, 51% of KPIs achieved the annual target set and 55% of out-turns were showing improved performance compared to the previous year.

Of the five KPIs that have been rated amber for quarter 3 it should be noted that four are within 2.5% of the target.

Performance by Priority

For Maidstone to have a growing economy

Income from pay and display car parks has increased by 10% compared to the same period last year, this equates to an additional £28.66 income per parking space.

As in previous quarters for 2014/15 the number of park and ride onboard transactions has marginally missed the quarterly target and has been rated amber. The decline in performance has lessened this year, with the quarterly targets for the current financial year missing target by less 1,000 transactions whereas in 2013/14 the quarterly targets were missed by at least 5,000 each quarter. Overall, the year to date figure is 0.6% under the year to date target. It is expected that the annual out-turn will be rated amber.

The percentage of people claiming Job Seekers Allowance (JSA) has continued to drop throughout the year, and currently stands at 1.2% which equates to 1,161 people. Out of this group 225 people (19%) have been claiming this benefit for over 12 months. Tunbridge Wells has the lowest proportion of JSA claimants out of the twelve Kent districts at 0.7% (477 people) and Thanet has the greatest with 3.6% (2,868 claimants). It is thought that some of the people coming off JSA are doing so as they are starting their own business and are now classed as self-employed.

Although no work experience placements were delivered during quarter three, work continues on the employability and skills programme with officers engaging with local businesses to raise awareness and sell the benefits of the work experience scheme. In addition funding has been allocated for a Saturday job scheme, this will offer 24 placements in Maidstone in the first year. A council focused work experience event in partnership with the Job Centre is planned for quarter 4.

For Maidstone to be a decent place to live

Two of the three indicators that monitor the determination of planning applications are not expected to achieve the annual target. Both DCV 005 Processing of minor planning applications and DCV 006 Processing of other planning applications have failed to achieve the quarterly target to date for 2014/15. However, major applications are showing an improvement in performance compared to the same period last year and is on track to achieve the annual target. The down turn in performance for minor and other planning applications is due to implementation issues with the whole system change in planning which has led to a backlog. In order to assist six additional staff members have been engaged to aid with the clearing of the backlog. In November Cabinet requested an update on the planning shared service at each meeting from the Head of Planning, Transport and Development.

The data for DCE 001 percentage of planning enforcement cases signed off within 21 days has not been provided for quarters one and two. Due to the changes in the planning service systems this indicator is now very time consuming and involves a lot of manual processing. As part of the new planning support service new indicators for the partnerships have been devised and it is proposed that this indicator is replaced with Percentage of enforcement case where inspection is undertaken within 21 days.

In relation to housing, the affordable homes delivery programme (HSG 001) is on track to achieve the annual target, despite marginally missing the quarter 3 target. The number of private sector homes improved (HSG PS 003) and average length of stay in temporary accommodation (HSG 009) are also on track to achieve the annual targets. During quarter 2 a triage system was introduced to handle homelessness cases, this has meant the figures have increased during quarter 3. However, based on previous year's data and performance to date it is expected that the annual target will be missed.

In terms of waste and cleanliness, DEP 001 which measures that percentage of land where litter falls below an acceptable level has not achieved the quarterly target. The areas concerned have been visited and rectified and there is a wider review of street cleansing arrangements currently underway. The recycling rate (WCN 001) is on track to achieve the annual target and the total waste arisings (kgs) (WCN 004) has achieved the quarterly target for the first time this year. At quarter 2 we reported that the annual target for this indicator was unlikely to be achieved, the current quarters performance means that the year to date figure has now been rated amber and the annual out-turn is expected to be rated amber (within 10%).

Corporate & customer excellence

All of the indicators that measure the council's contact with its residents and customers have achieved their targets for the year to date. Call waiting times in the contact centre (CTC 001) are less than two minutes and over 80% of visitors to the Gateway have been seen within 20

minutes (CTC 002). In addition contracts in the gateway and by phone have reduced and contacts through the website have increased (BIM abc). Unfortunately the number of outgoing post items is currently showing a 16% increase for the year to date. This is due to the changes to voter registration with more letters and poll cards sent than initially expected and the new planning support service which handles all applications for MKIP.

Satisfaction with complaint handling will not achieve the annual target. The response rate improved in quarter 3 to just over 40% however the reason for low satisfaction are unclear with respondents are dissatisfied with the handling of their complaints for nearly all services with no discernable patterns or trends. We will be looking at the ways satisfaction data with complaints handling is obtained to try improve the out-turns for this indicator.

Working days lost to sickness absence has not achieved the target. This is due to long-term rather than short-term sickness, although the majority of people on long-term sick returned to work during the third quarter it is expected that the annual target will not be achieved. Those that remain off work are being managed through occupational health.

Alternatives considered and why rejected

The Key Performance Indicators reflect local priorities and measure progress towards the Council's Strategic Outcomes. They are the Council's top level 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

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: 20 February 2015
