



Agenda

Meeting: **Cabinet**
Date: **17 July 2019**
Time: **5.00 pm**
Place: **Council Chamber - Civic Centre Folkestone**

To: **All members of the Cabinet**

All Councillors for information

The cabinet will consider the matters listed below on the date and at the time and place shown above. The meeting will be open to the press and public.

This meeting will be webcast live to the council's website at <https://folkestone-hythe.public-i.tv/core/portal/home>. Although unlikely, no guarantee can be made that Members of the public in attendance will not appear in the webcast footage. It is therefore recommended that anyone with an objection to being filmed does not enter the council chamber.

1. **Apologies for Absence**
2. **Declarations of Interest**

Members of the Council should declare any interests which fall under the following categories. Please see the end of the agenda for definitions*:

- a) disclosable pecuniary interests (DPI);
- b) other significant interests (OSI);
- c) voluntary announcements of other interests.

3. **Minutes (Pages 5 - 10)**

To consider and approve, as a correct record, the minutes of the meeting held on 19 June 2019.

Queries about the agenda? Need a different format?

Contact Jemma West – Tel: 01303 853369
Email: committee@folkestone-hythe.gov.uk or download from our
website
www.folkestone-hythe.gov.uk

4. **Treasury Management Annual Report 2018/19 (Pages 11 - 26)**

This report reviews the council's treasury management activities for 2018/19, including the actual treasury management indicators. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

5. **Annual Performance Report - Making a difference: a snapshot of our year 2018/19 (Pages 27 - 60)**

This report sets out how the Council has continued to deliver for local people in the district in 2018/19 in response to the Corporate Plan (2017-20) vision of *investing for the next generation ~ delivering more of what matters*.

6. **Places and Policies Local Plan (PPLP) - Gypsy and Traveller allocation site (Pages 61 - 112)**

The Planning Inspector considering the Places and Policies Local Plan (PPLP) at the Examination in Public indicated that the District Council should be allocating a site(s) to meet the future needs for the Gypsy and Traveller community. This report sets out the work that has been undertaken to identify a preferred site. The report also seeks Cabinet approval to carry out a six-week period of public consultation on the preferred site allocation.

7. **Dungeness Sustainable Access and Recreational Management Strategy (SARMS) (Pages 113 - 128)**

This report summarises the findings and sets out the main recommendations of the SARMS. It also summarises the results of the consultation on the document and sets out proposed actions to take this strategy forward.

8. **Biggins Wood Delivery (Pages 129 - 138)**

This report recommends the acceptance of two bids to deliver the Biggins Wood development.

*Explanations as to different levels of interest

(a) A member with a disclosable pecuniary interest (DPI) must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares a DPI in relation to any item must leave the meeting for that item (unless a relevant dispensation has been granted).

(b) A member with an other significant interest (OSI) under the local code of conduct relating to items on this agenda must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares an OSI in relation to any item will need to remove him/herself to the public gallery before the debate and not vote on that item (unless a relevant dispensation has been granted). However, prior to leaving, the member may address the meeting in the same way that a member of the public may do so.

(c) Members may make voluntary announcements of other interests which are not required to be disclosed under (a) and (b). These are announcements made for transparency reasons alone, such as:

- membership of outside bodies that have made representations on agenda items, or

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- where a member knows a person involved, but does not have a close association with that person, or
- where an item would affect the well-being of a member, relative, close associate, employer, etc. but not his/her financial position.

Voluntary announcements do not prevent the member from participating or voting on the relevant item

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Minutes

Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 19 June 2019
Present	Councillors John Collier, David Godfrey, Mrs Jennifer Hollingsbee (Vice-Chair), Ian Meyers, David Monk (Chairman), Stuart Peall and Wimble
Officers Present:	Mrs Jess Harman (Community Projects Manager), Amandeep Khroud (Assistant Director), Tim Madden (Corporate Director - Customer, Support and Specialist Services), Mandy Pile (Waste Services Manager), Susan Priest (Head of Paid Service), Sarah Robson (Assistant Director), Charlotte Spendley (Assistant Director) and Jemma West (Senior Committee Services Officer)
Others Present:	Councillors Davison and Dorrell.

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is Friday 28 June 2019 at 5pm. Decisions not called in may be implemented on Monday 1 July 2019.

1. **Declarations of Interest**

There were no declarations of interest at the meeting.

2. **Minutes**

The minutes of the meeting held on 13 March 2019 were submitted, approved and signed by the Chairman.

3. **New Public Spaces Protection Order - Final Order with boundary maps and Working Protocols**

On 13th March 2019, Cabinet agreed to bring into force all seven measures that were subject to public consultation for the new proposed Public Spaces Protection Order (PSPO) for implementation in June 2019. The report provided information on how the PSPO would be implemented through a series of working protocols, attached, and a copy of the final order with boundary maps that require sealing was also attached.

The Cabinet members had been provided with a document setting out the amended wording for each of the Measures. These changes were:

Measures 1 – 4:

Authorised Officers: Text will be changed to “Authorised officers (including Kent Police and FHDC’s Community Safety team) will assess any intervention on a case by case basis (paragraph to continue as per report).

Measures 5 – 7:

Authorised Officers: Text will be changed to “Authorised officers (including Kent Police and FHDC’s Environmental Protection and Enforcement team) will assess any intervention on a case by case basis (paragraph to continue as per report).

The report had also been considered by the Overview and Scrutiny Committee at their meeting on 18 June 2019. Their comments had been circulated to Cabinet Members at the meeting. The Cabinet Members considered the recommendation from the Committee that Measure 7 of the PSPO report include the wording “This measure is not designed to target genuinely homeless, vulnerable people”, and that a review report be taken to the Committee after one year of the new PSPO being operational.

Proposed by Councillor Mrs Hollingsbee,
Seconded by Councillor Peall; and

RESOLVED:

1. **That report C/19/04 be received and noted.**
2. **That the final worded order be agreed, subject to the addition of the words in the working protocol for measure 7 “this measure is not designed to target genuinely homeless, vulnerable people” prior to sealing by the Council, and that a review report be brought to the Overview and Scrutiny Committee after one year of the new PSPO being operational.**
3. **That the working protocols attached to support the implementation of the PSPO, and the desired data collection to accompany activity, be agreed.**

(Voting figures: 7 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations set out below because:

- a) The current PSPO expires in June 2019 and would be replaced by the new PSPO as agreed by Cabinet on 13th March 2019.
- b) The Council has agreed to introduce a new PSPO to address Antisocial Behaviour associated with 7 specific behaviours as set out in report number C/18 /78

- b) The working protocols attached demonstrate how the PSPO will be employed alongside other approaches as part of a broad and balanced method of dealing with antisocial behaviour issues. As part of the PSPO process, non-statutory solutions, delivered in partnership with community, charity or membership organisations will be equally valid in the right circumstances.

4. **Kent Joint Municipal Waste Management Strategy Refresh**

The 13 Kent Councils working together through the Kent Resource Partnership (KRP) adopted the first Kent Joint Municipal Waste Management Strategy (KJMWMS) in 2007. The strategy was refreshed and adopted in 2012 and the KRP has been working over the past year to update the strategy further, the report sought Cabinet agreement to adopt the refreshed KJMWMS objectives and policies. It was a common report being considered by each of the Kent authorities.

The report had been considered by the Overview and Scrutiny Committee at their meeting on 16 April 2019. Their comments had been circulated to the Cabinet Members at the meeting.

Proposed by Councillor Peall,
Seconded by Councillor Collier; and

RESOLVED:

- 1. That report C/18/59 be received and noted.**
- 2. That the refreshed KJMWMS objectives and policies 2018/19 to 2020/21 as at Appendix 2 of the report be adopted as policy for this Council.**

(Voting figures: 7 for, 0 against, 0 abstentions)

REASONS FOR DECISIONS:

The Kent Resource Partnership is a partnership between the 12 District Councils and the Kent County Council. District Councils collect discarded household materials in Kent and the County Council deal with what happens to it afterwards. Through the Kent Resource Partnership we look at how we can improve waste management in Kent, the KJMWMS form the foundations of this work.

5. **General Fund Capital Programme outturn 2018/19**

The report summarised the 2018/19 final outturn position (subject to audit) for the General Fund capital programme compared to the latest approved budget. The report also summarised the outturn position for the approved prudential indicators for capital expenditure in 2018/19.

The report had also been considered by the Overview and Scrutiny Committee at their meeting on 18 June 2019. Their comments had been circulated to Cabinet Members at the meeting.

Proposed by Councillor Monk,
Seconded by Councillor Peall; and

RESOLVED:

- 1. That Report C/19/01 be received and noted.**

(Voting figures: 7 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

- Cabinet was asked to agree the recommendations because it needs to be kept informed of the General Fund capital programme position and take appropriate action to deal with any variance from the approved budget.
- CIPFA's Prudential Code for Capital Finance requires the actual prudential indicators for the financial year to be reported. (check latest requirements)

6. General Fund Revenue 2018/19 Provisional Outturn

The report summarised the 2018/19 final outturn position (subject to audit) for the General Fund revenue expenditure compared to both the latest approved budget and quarter 3 projections.

The report had also been considered by the Overview and Scrutiny Committee at their meeting on 18 June 2019. Their comments had been circulated to Cabinet Members at the meeting.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

- 1. That Report C/19/03 be received and noted.**
- 2. That, £417k of unspent 2018/19 budgets be allocated to the Carry Forward Reserve, as detailed in paragraph 2.3 of the report.**

(Voting figures: 7 for, 0 against, 0 abstentions).

REASON FOR DECISION:

Cabinet was asked to agree the recommendations because Cabinet needs to be informed of the council's General Fund revenue 2018/19 final outturn position.

7. Housing Revenue Account Revenue and Capital Financial Outturn 2018/19

The report summarised the 2018/19 final outturn position (subject to audit) for the HRA revenue expenditure and HRA capital programme compared to both the latest approved budget and quarter 3 projections.

The report had also been considered by the Overview and Scrutiny Committee at their meeting on 18 June 2019. Their comments had been circulated to Cabinet Members at the meeting.

Proposed by Councillor Godfrey,
Seconded by Councillor Collier; and

RESOLVED:

- 1. That Report C/19/02 be received and noted.**

(Voting figures: 7 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations because it is essential they are kept informed of the Housing Revenue Account final 2018/19 position.

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This report will be made public on 9 July 2019

Report Number **C/19/10**

To: Cabinet
Date: 17 July 2019
Status: Non-Key Decision
Head of Service: Charlotte Spendley – Assistant Director Finance, Customer & Support Services
Cabinet Member: Councillor David Monk, Leader

SUBJECT: TREASURY MANAGEMENT ANNUAL REPORT 2018/19

SUMMARY: This report reviews the council's treasury management activities for 2018/19, including the actual treasury management indicators. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

REASONS FOR RECOMMENDATION:

Cabinet is asked to agree the recommendations set out below because:-

- a) Both CIPFA's Code of Practice on Treasury Management in the Public Services and their Prudential Code for Capital Finance in Local Authorities, together with the Council's Financial Procedure Rules, require that an annual report on treasury management is received by the Council after the close of the financial year.

RECOMMENDATION:

1. To receive and note Report C/19/10.

1. INTRODUCTION

- 1.1 The annual treasury report is a requirement of the council's reporting procedures. It covers the treasury activity for 2018/19 compared to the approved strategy for the year. It also summarises the actual treasury management indicators for 2018/19 compared to those approved for the year.
- 1.2 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.
- 1.3 Full Council approved the Treasury Management Strategy for 2018/19 on 28 February 2018 (report A/17/22 refers). On 17 October 2018 Cabinet received an update on the council's treasury management activities and projections against the approved treasury management indicators for 2018/19 (report C/18/34 refers).
- 1.4 The council's formal treasury management reporting arrangements comply with the requirements of the CIPFA's Treasury Management Code and also provide the opportunity for proper scrutiny of its treasury management activities.

2. ECONOMIC COMMENTARY

(Based on commentary supplied by Arlingclose Ltd, the council's Treasury Advisor)

2.1 Economic Background

- 2.1.1 The key issues affecting the UK economy over the past year are summarised below.
 - i) **Growth** - UK Gross Domestic Product (GDP) grew by 1.4% over the year, down from 1.8% for the previous year. This was viewed as being lower than anticipated and due, in part, to the continued uncertainty regarding the country's exit from the European Union.
 - ii) **Inflation** – Consumer Price Inflation (CPI) fell during the year to an annual rate of 1.9% at March 2019. In part this was due to the falling out of sterling's depreciation which began in 2016. Oil prices peaked at \$85 a barrel in October then fell sharply to about \$50 a barrel by late December before rising towards \$70 by the end of March highlighting the volatility it has on the economy.
 - iii) **Wages and Employment** – The labour market continued to show resilience with unemployment falling to a new low of just 3.9% by the end of March 2019 and employment at a record high of 76.1%. Real average earnings, after inflation and excluding bonuses, were up at 1.4% providing some limited pressure on inflation.

- iv) **Bank Base Rate** – In August 2018 the Monetary Policy Committee (MPC) increased the Base Rate by 0.25% to 0.75% broadly due to inflationary concerns, and it remained unchanged for the rest of the financial year.
- v) **Eurozone & US** – The Eurozone started to lose traction with signs of a significant slowdown in Germany and France’s manufacturing sectors affecting growth prospects. Wider economic uncertainty has been caused by the US protectionist trade policy, particularly in its relationship with China, threatening to spill over and affect the EU too. As expected, the Fed continued to tighten its economic policy leading to US interest rates increasing over the past year to a range between 2.25% - 2.5%. However more recent sluggish economic data from the US means there is growing pressure to begin to reduce interest rates again.

2.2 Financial Markets

- 2.2.1 The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month LIBID rates averaged 0.53%, 0.67% and 0.94% and at 31st March 2019 were 0.61%, 0.72% and 0.94% respectively.
- 2.2.2 Gilt yields, which regulate borrowing rates through the Public Works Loan Board (PWLB), displayed significant volatility over the twelve-month period due to the ongoing economic and political uncertainty in the UK and Europe in particular. After rising in October, gilts regained their safe-haven status throughout December and into the new year - the 5-year benchmark gilt yield fell as low as 0.80% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.73% to 1.08% and from 1.90% to 1.55%. In summary, despite the volatility during the year, gilt yields were broadly at similar levels at the end of financial year as they were at the start of it.
- 2.2.3 The equities market as measured by the FTSE 100 also experienced notable volatility during the past year falling from a high of 7,776 in August to a low of 6,584 in December before rallying to 7,279 at the end of March 2019.

2.3 Credit Background

- 2.3.1 The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) saw them transfer their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities. Any unsecured deposits the council make with these banks will be with the investment banking side.
- 2.3.2 In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty. Following this move the same treatment was applied to UK banks and a number of government-related entities.

- 2.3.3 There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.

3. TREASURY POSITION AT 31 MARCH 2019

- 3.1 On 31 March 2019, the council had net borrowing of £14.2m arising from its revenue and capital income and expenditure, a decrease on 2018 of £6.3m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.18 Actual £m	2018/19 Movement £m	31.3.19 Actual £m
General Fund CFR	18.1	2.3	20.4
HRA CFR	47.4	-	47.4
Total CFR	65.5	2.3	67.8
Less: Usable reserves	(41.0)	(10.2)	(51.2)
Less: Working capital	(4.0)	1.6	(2.4)
Net borrowing	20.5	(6.3)	14.2

- 3.2 Net borrowing decreased mainly due to an increase in usable reserves resulting from delays to the HRA capital programme in particular. This increased the balances to for the HRA General Reserve and the Major Repairs Reserve.
- 3.3 The council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31 March 2019 and the year-on-year change in show in table 2 below.

Table 2: Treasury Management Summary

	31.3.18 Balance £m	2018/19 Movement £m	31.3.19 Balance £m
Long-term borrowing	55.9	(1.1)	54.8
Short-term borrowing	1.9	(0.3)	1.6
Total borrowing	57.8	(1.4)	56.4
Long-term investments	(13.9)	(5.1)	(19.0)
Short-term investments	(19.8)	9.8	(10.0)
Cash and cash equivalents	(3.6)	(9.6)	(13.2)
Total investments	(37.3)	(4.9)	(42.2)
Net borrowing	20.5	(6.3)	14.2

Note: the figures in the table are from the balance sheet in the authority's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 3.4 The decrease in net borrowing was mainly due to the reprofiling of the authority's capital expenditure programme between 2018/19 and 2019/20. As the table above shows, there was a net movement in investment funds to long-term investments. In broad terms this reflected the decision to invest £10m in multi-asset pooled funds, partly offset by existing investments being reclassified to short-term as at 31 March 2019. This is covered in more detail in section 5 of this report. There was also a change between short-term investments, held for a period of up to 12 months, to the more liquid asset category of cash and cash equivalents. This was to provide cash to meet planned capital expenditure for the acquisition of the Connect 38 building in the early part of 2019/20.

4. BORROWING ACTIVITY 2018/19

- 4.1 At 31 March 2019, the council held £56.4m of loans, a reduction of £1.4m on the previous year, as part of its strategy for funding previous years' capital programmes. Following the introduction of the Housing Revenue Account (HRA) Self-Financing regime in 2012 the council operates a two pool debt approach allocating its loans between the General Fund and HRA. The year-end borrowing position and the year-on-year change in show in table 3 below.

Table 3: Borrowing Position – Two Pool Debt Approach

	31.3.18 Balance £m	2018/19 Movement £m	31.3.19 Balance £m	31.3.19 Rate %
<u>General Fund</u>				
Public Works Loan Board	7.7	(0.5)	7.2	4.76%
Local authorities (short-term)	0.5	-	0.5	0.95%
Total General Fund borrowing	8.2	(0.5)	7.7	4.52%
<u>Housing Revenue Account</u>				
Public Works Loan Board	49.6	(0.9)	48.7	3.24%
Total HRA borrowing	49.6	(0.9)	48.7	3.24%
Total borrowing	57.8	(1.4)	56.4	3.42%

- 4.2 The weighted average maturity of the overall loans portfolio at 31 March 2019 is 13.2 years.
- 4.3 The council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the authority's long-term plans change being a secondary objective.
- 4.4 In furtherance of these objectives no new long term borrowing was undertaken in 2018/19, while existing loans were allowed to mature without replacement. The council's CFR exceeded its gross borrowing position by £11.4m at 31 March 2019, i.e. it used internal borrowing from its cash surpluses to meet this difference. This strategy enabled the council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 4.5 The "cost of carry" analysis performed by the council's treasury management advisor Arlingclose did not indicate any value in borrowing in advance for future years' planned expenditure and therefore none was taken.
- 4.6 **Debt Rescheduling** – Opportunities to undertake debt rescheduling were monitored throughout the year in conjunction with Arlingclose. However, as expected, PWLB interest rates did not reach a level where it would have been beneficial to undertake debt rescheduling to create a net saving in borrowing costs.
- 4.7 Temporary Borrowing**

4.7.1 The council can borrow temporarily at times to meet cash outflows not covered by receipts and to finance capital expenditure which will ultimately be met from long term loans or grant receipts due. During 2018/19 £500,000 of temporary short-term borrowing was taken up in a series of call notice loans from Folkestone Town Council. These remained in place at 31 March 2019.

5. INVESTMENT ACTIVITY 2018/19

5.1 The council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2018/19, the council's investment balance ranged between £36.0 and £57.5 million due to timing differences between income and expenditure. The council had an average investment balance of £46.8m during 2018/19 generating a return, net of fees, of 1.56% over the year. The year-end investment position and the year-on-year change are shown in table 4 below. A list of the individual investments held at 31 March 2019 is shown in appendix 1 to this report

Table 4: Investment Position

	31.3.18 Balance £m	2018/19 Movement £m	31.3.19 Balance £m
Banks & building societies (unsecured)	-	-	-
Covered bonds (secured)	7.3	(3.8)	3.5
Government (incl. local authorities)	21.0	(11.0)	10.0
Money Market Funds	3.6	9.6	13.2
Property Pooled Funds	5.4	0.1	5.5
Multi-Asset Income Funds	0.0	10.0	10.0
Total investments	37.3	4.9	42.2

5.2 Both the CIPFA Code and government guidance require the council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

5.3 These objectives were been met during the year demonstrated in particular with the council's decision to invest £10m of its forecast long term cash balances in four different multi-asset income funds, covered in more detail in the Treasury Management Monitoring Report considered by Cabinet on 17 October 2018. These are pooled investment funds operated by professional

fund managers who invest in a diversified range of good quality financial instruments and are seen as long term investments with a typical minimum duration of 3 years to obtain the maximum financial benefit from them. One of the key aims of these investments is to help mitigate the risk of capital erosion of the authority's cash reserves and balances.

- 5.4 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house only

	Credit Score	Credit Rating	Bail-in Exposure	WAM (days)	Income Return
FHDC					
31.03.2018	3.25	AA-	12%	189	0.86%
31.03.2019	4.34	AA-	49%	75	0.85%
Similar LAs	4.13	AA-	53%	86	0.86%
All LAs	4.20	AA-	55%	29	0.85%

- 5.5 The investment benchmarking, which is a snapshot at the end of each quarter and only covers in-house managed investments, demonstrates the council had a similar risk and return profile as both its peer group and the wider local authority population in 2018/19 (measured against other Arlingclose clients only).
- 5.6 As shown in table 4 above, £15.5m of the council's investments are held in externally managed pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated a total return of £537k (5.14%), comprising a £462k (4.42%) income return which is used to support services in year, and £75k (0.72%) of unrealised capital growth. Notably, the council's investment in the CCLA Local Authorities' Property Fund has seen its capital value increase by £84k over the past year and by £515k since the original investment was made.
- 5.7 Because the pooled funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the council's investment objectives is regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates.

6. FINANCIAL SUMMARY

- 6.1 The following table summarises the council's net interest cost for its treasury management activities in 2018/19 and shows the outturn is significantly lower than the approved estimate, subject to audit:

Table 6: Net Interest Cost

	<i>2017/18 Actual</i>	2018/19 Estimate	2018/19 Actual	2018/19 Variance Estimate to Actual
	<i>£'000</i>	£'000	£'000	£'000
Interest Paid	2,110	1,961	1,959	(2)
Interest Received(net of fees)	(478)	(502)	(730)	(228)
Net Interest	1,632	1,459	1,229	(230)
<u>Net Impact</u>				
General Fund	44	(63)	(287)	(224)
H.R.A	1,588	1,522	1,516	(6)
	1,632	1,459	1,229	(230)

- 6.2 The main reasons for the reduction in the net interest cost are due to additional interest received from higher than anticipated usable reserves and other cash balances being invested during the year (£50k) and the benefit from improved investment returns (£180k). The improved investment returns include the enhanced yields received from multi-asset income funds. This position has previously been reported to Cabinet as part of the authority's regular budget monitoring process.

7. OTHER NON-TREASURY HOLDINGS AND ACTIVITY

- 7.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the council as well as other non-financial assets which it holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return. The assets are summarised in the table below and the valuations at 31 March 2019 are subject to audit:

Table 7: Non-Treasury Holdings and Returns

Investment Type	Value 31/03/18	Value 31/03/19	Income 2018/19	Rate of Return
	£m	£m	£'000	%
Investment Property				
Agricultural Land	5.5	27.2	66	0.24
Commercial Land	1.1	1.1	-	-
Commercial Units	1.4	1.4	99	6.92
Residential Units	-	1.9	-	-
Assets Under Construction	-	0.2	-	-
Total Investment Property	8.0	31.8	165	0.52
Subsidiary Company				
Oportunitas loan	3.1	3.5	168	4.84
Oportunitas equity	0.5	1.3	0	0
Total Subsidiary	3.6	4.8	168	3.52
Total	11.6	36.6	333	0.91

7.2 Ordinarily the rate of return on non-treasury investment assets would be expected to be higher than that earned on treasury investments reflecting the additional risks to the council of holding such investments. This is demonstrated with the return on the commercial units and Oportunitas. However the return on the investment property portfolio for 2018/19 is significantly distorted because of the land acquisition taking place for the Otterpool Park project in particular. The council anticipates receiving rental streams from some of the property being acquired in the short to medium term.

7.3 Notably, the agricultural land at Otterpool benefitted from a significant increase in value of £21.9m, from £5m to £26.9m to reflect its current market value for housing development. This unrealised gain in value for the site is seen as a highly encouraging indicator for the council's involvement in the proposed development of the Otterpool Park Garden Town.

8. COMPLIANCE WITH INVESTMENT LIMITS AND TREASURY INDICATORS

8.1 The Corporate Director for Customer, Support and Specialist Services is pleased to report that all treasury management activities undertaken during 2018/19 complied fully with the CIPFA Code of Practice and the council's approved Treasury Management Strategy. Compliance with specific investment and Treasury Indicators is demonstrated in appendix 2 to this report.

9. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

9.1 Legal Officer's Comments (NE)

There are no significant legal implications as a result of the recommendations in this report which are not covered in the body of the report. Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services and the CIPFA Prudential Code for Capital Finance in Local Authorities issued under the Local Government Act 2003 provides assurance that the council's investments are, and will continue to be, within its legal powers.

9.2 Finance Officer's Comments (LW)

This report has been prepared by Financial Services and relevant financial implications are included within it.

9.3 Diversities and Equalities Implications

The report does not cover a new service or policy or a revision of either and therefore does not require an Equality Impact Assessment.

10. CONTACT OFFICER AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Lee Walker, Group Accountant (Capital and Treasury Management)
Telephone: 01303 853593 Email: lee.walker@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

Arlingclose Ltd – Model Treasury Management Annual Report Template

Appendices:

Appendix 1 – Investments held at 31 March 2019

Appendix 2 – Compliance with specific investment and borrowing limits and Treasury Indicators

APPENDIX 1 – INVESTMENTS HELD AT 31 MARCH 2019

Counterparty	Amount £	Terms	Yield or Interest Rate %
Covered Bonds (Secured)			
Royal Bank of Scotland	1,001,740	Covered floating rate note to 15/05/2020	1.10
Royal Bank of Scotland	2,505,563	Covered floating rate note to 15/05/2020	1.05
Government			
London Borough of Croydon	5,000,000	2 year fixed deposit to 31/05/2019	0.80
Surrey County Council	5,000,000	6 month fixed deposit to 15/05/2019	0.95
Money Market Funds			
Aberdeen Standard MMF	5,000,000	No notice instant access	0.78
Federated MMF	5,000,000	No notice instant access	0.78
Legal and General MMF	3,172,000	No notice instant access	0.74
Other Pooled Funds			
Property Funds			
CCLA Property Fund	5,517,771		4.36*
Multi-Asset Income Funds			
CCLA Diversified Income Fund	1,972,257		3.02
UBS Multi-Asset Income Fund	984,901		4.29
Kames Diversified Monthly Income Fund	3,515,015		4.35
Investec Diversified Income Fund	3,519,577		3.33
Total Investments	42,188,824		

* Net of Fees

APPENDIX 2 – COMPLIANCE WITH SPECIFIC INVESTMENT AND TREASURY INDICATORS

Compliance with specific investment limits is demonstrated in table 1 below.

Table 1: Specific Investment Limits

	2018/19 Maximum	31.3.19 Actual	2018/19 Limit	Complied
Any single UK organisation, except UK Government	£5m	£5m	£5m	✓
Any single non-UK organisation	-	-	£5m	✓
Individual foreign countries	-	-	£5m	✓
Any group of funds under the same management - UK	£7.5m	£7.5m	£10m	✓
Registered Providers (total)	-	-	£10m	✓
Unsecured investments in Building Societies (total)	-	-	£5m	✓
Loans to unrated Corporates (total)	-	-	£5m	✓
Money Market Funds (total)	£25.0m	£13.2m	£25m	✓
Non-specified investments (total)	£19.0m	£19.0m	£38m	✓

Treasury Management Indicators

The council measures and manages its exposures to treasury management risks using the following indicators.

Security: The council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.19 Actual	2018/19 Target	Complied
Portfolio average credit rating	AA-	A	✓

Liquidity: The council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing

	31.3.19 Actual	2018/19 Target	Complied
Total cash available within 3 months	£23.2m	£5m	✓

Interest Rate Exposures: This indicator is set to control the council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed is shown in table 3 below:

Table 3: Interest Rate Exposures

	31.3.19 Actual	2018/19 Limit	Complied
Upper limit on fixed interest rate exposure	£54.8m	£66m	✓
Upper limit on variable interest rate exposure	(£40.6m)	£0m	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the council's exposure to refinancing risk. Compliance with the upper and lower limits on the maturity structure of fixed rate borrowing is shown in table 4 below:

Table 4: Maturity Structure of Borrowing

	31.3.19 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	2.0%	30%	0%	✓
12 months and within 24 months	2.3%	40%	0%	✓
24 months and within 5 years	18.5%	50%	0%	✓
5 years and within 10 years	35.8%	80%	0%	✓
10 years to 20 years	17.9%	100%	0%	✓
20 years to 30 years	11.0%	100%	0%	✓
30 years to 40 years	12.5%	100%	0%	✓
40 years to 50 Years	0%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the council’s exposure to the risk of incurring losses by seeking early repayment of its investments. Compliance with the limits on the long-term principal sum invested to final maturities beyond the period end is shown in table 5 below:

Table 5: Principal Sums Invested for Periods Longer than 364 days

At 31.3.19	2018/19	2019/20	2020/21
Actual principal invested for longer than 364 days	£3.5m	-	-
Limit on principal invested beyond 364 days	£23m	£18m	£13m
Complied	✓	✓	✓

Although the council’s investments in the pooled funds of £15.5m are accounted for as non-current (long term) assets, based on the intention to continue to hold them for longer than 12 months, they do not have a fixed maturity date and can be redeemed within a short notice period if required so do not feature in this indicator.

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This Report will be made public on 9 July 2019.



Report Number **C/19/14**

To: Cabinet
Date: 17th July 2019
Status: Non Key Decision
Assistant Director: Charlotte Spendley – Assistant Director, Finance, Customer and Support Services
Cabinet Member: Councillor David Monk

SUBJECT: Annual Performance Report
Making a difference: a snapshot of our year 2018/19

SUMMARY: This report sets out how the Council has continued to deliver for local people in the district in 2018/19 in response to the Corporate Plan (2017-20) vision of *investing for the next generation ~ delivering more of what matters*.

REASONS FOR RECOMMENDATIONS:

The Annual Report highlights the activities and achievements of Folkestone & Hythe District Council in 2018/19 against priorities set out in 2017-20 Corporate Plan.

RECOMMENDATIONS:

1. To receive and note report C/19/14.
2. To approve the Annual Performance Report, Making a difference: a snapshot of our year 2018/19.

1. BACKGROUND

1.1 The Council's Corporate Plan (2017-20) for the district, introduced six new strategic objectives:

- More homes
- More jobs
- Health Matters
- Appearance Matters
- Achieving Stability
- Delivery Excellence

1.2 Underpinning each strategic objective is a set of priorities that explain how each objective will be achieved.

1.3 Therefore, this report contains a summary of the performance of Folkestone & Hythe District Council, providing a 'golden thread' to the delivery of the Corporate Plan strategic objectives. It is not designed to be an old fashioned annual report, with an exhaustive list of all our achievements, but more of a snapshot of some of the real highlights from 2018-19.

2. SUMMARY OF PERFORMANCE

2.1 The Council has performed well in 2018/19 with 54 of the 75 indicators performing satisfactorily and meeting/exceeding target or on track by the close of the year.

2.2 Where the performance indicator is not being achieved, explanations have been sought from the relevant Service Manager's and noted in the report (Appendix 1).

3. RISK MANAGEMENT ISSUES

3.1 There are no risk management issues arising from the Annual Report 2018/19.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal (NE) – There are no legal implications or risks arising directly out of this report. The Key Performance Indicators (as amended) must continue to take account of both existing and new statutory duties and responsibilities that are imposed on the Council by the Government. Failure to do so will put the Council at risk of legal challenge by affected residents and/or businesses. Whilst reporting on performance is not a statutory requirement, it is considered best practice to review the Council's progress against the Corporate Plan and Service Plans on a regular basis.

4.2 Finance (CS) – There are no direct financial implications arising from this report. There is a presumption that targets will be delivered within existing resources of relevant departments and that officers will regularly review the level and prioritisation of resources required to achieve the targets agreed by

Cabinet at the start of the year. Adverse performance for some indicators may have financial implications for the Council. In the event that targets cannot be achieved within the agreed envelope of resources officers are expected to raise the issue through the appropriate channels as the needs arise.

- 4.3 Human Resources (RB)** - There are no direct HR implications or risks arising from this report.
- 4.4 Diversities and Equalities (GE)** - Equality Impact Assessments (EIAs) are systematically carried out for any services, projects or other schemes that have the potential to impact on communities and / or staff on the grounds of particular protected characteristics or socio-economic disadvantage. Over the course of the year, performance against some indicators might potentially have equality and social inclusion implications, if performance is not at an acceptable level. These will be highlighted as necessary in the corporate performance reporting, along with details of the steps that will be taken to address these.
- 4.5 Communications (AW)** – Data in the annual performance report will be used to develop the narrative across a range of our communications to show how we perform against objectives. For external communications, performance data can be used in articles in Your District Today, as the basis of press releases and to generate social media campaigns such as infographics. Internally, performance data should be communicated to staff through staff briefings and the intranet, to show continuous improvement and areas of challenge.
- 4.6 Transformation (SR)** - There are no direct implications on transformation arising from this report.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Gavin Edwards

Policy and Improvement Officer

Tel: 01303 85 3436

gavin.edwards@folkestone-hythe.gov.uk

Appendices

Appendix 1: Annual Performance Report - Making a difference: a snapshot of our year 2018/19

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Folkestone and Hythe District Council Making a difference: a snapshot of our year 2018/19



Leader's Statement: This annual report provides an excellent opportunity to pause, reflect and consider the many achievements of Folkestone & Hythe District Council over the past 12 months. As council Leader, I'm always impressed by the scale and diversity of what we have achieved – from delivering more of what matters to you such as keeping our district clean and tidy and ensuring we deliver the right mix of homes in the right places, to investing in the future and continuing to provide excellent services.

This work is underpinned by our three-year corporate plan, published in 2017, which set out our vision of *investing for the next generation ~ delivering more of what matters*. Our aim is to transform the district and make Folkestone, Hythe, Romney Marsh and the Kent Downs somewhere that everyone can be proud to call home and a great place to work and do business.

This year we have continued to deliver for local people, with many excellent examples outlined in this Annual Performance Report and brought to life through our magazine, Your District Today. At the heart of this is our commitment to getting the basics right – collecting your rubbish, maintaining your parks and increasing the supply of new homes across the district. This report tells you how we are doing this, despite continuing financial challenges as Government cuts hit all councils hard.

But we are determined not to let limits on our budget restrict our ambition. We have progressed a truly diverse range of capital projects that focus on putting the community and our customer first. Our drive to build more homes and create more jobs in the district was demonstrated in early 2017 when we brought the Biggins Wood site. We plan to deliver more homes there - including affordable homes - and create high quality, modern workspace. Our ambitions continue with another major capital project to redevelop Princes Parade, providing a state-of-the-art leisure centre and pool that will deliver ongoing health benefits to local people. Ultimately, our biggest aspiration is to deliver Otterpool Park – a garden town for the future, and a new growing settlement that responds to its unique setting close to the Kent Downs Area of Outstanding Natural Beauty.

As well as providing much-needed new homes for local people, these projects also help boost our economy, from construction to delivery. More jobs will be created and we will continue to support existing businesses, through schemes such as Folkestone Community Works and our rejuvenation of town centres. We will ensure the district is a place where local enterprise can flourish and people want to work.

I'm proud that we use money wisely, and treat every penny as if it were from our own pockets. It means we can protect the services that matter most while investing for the future. We have achieved a lot together already but we have not finished, and I look forward to building on our work into 2019-20 and reporting back to you.

Cllr David Monk - Leader of the Council

Your Cabinet Members



Cllr David Monk
Leader of the Council



Cllr Jenny Hollingsbee
Deputy Leader
Cabinet Member for Communities



Cllr John Collier
Cabinet Member for
Property Management & Grounds Maintenance



Cllr David Godfrey
Cabinet Member
for Housing, Transport & Special Projects



Cllr Ian Meyers
Cabinet Member for
Digital Transformation & Customer Services



Cllr Stuart Peall
Cabinet Member for Enforcement, Regulatory
Services, Waste & Building Control



Cllr David Wimble
Cabinet Member for the District Economy

Your district – an overview

Our district is situated on Kent's south east coast and covers an area of 140 square miles. It is a place of variety and contrast with a landscape characterised by rolling chalk downland, wooded valleys, wild marshes, and a 26-mile coastline. The district has a population of approximately 111,000 of which 58.2% (32,700) of female residents and 60.1% (33,000) of males are of working age. Folkestone & Hythe has a growing population in line with the growth for the county of Kent, with a projected population increase of 8.3% by 2036 (120,400). The proportion of older people in Folkestone & Hythe is 23.8% (26,500), higher than Kent, South East and England and Wales. The number of people aged 65 and over within the district is set to increase by about 14,000 (52.7%) by 2036. This has implications for a wide range of services provided by the district council including housing and health.

Our principal town, Folkestone, accounts for just under half the district's population. It is also the area's commercial hub, particularly for creative and digital media - one of the UK's fastest-growing sectors. The Creative Quarter in Folkestone's Old Town is home to a thriving collection of artists' studios and creative business and offers artists, retailers and business people the chance to become part of this lively and ever-growing community.

As well as its strong creative focus, the district attracts a variety of small and medium size businesses (SMEs) and is home to great brand names including Saga, Eurotunnel, Holiday Extras, the Aspinall Foundation and Church and Dwight.

The historic town of Hythe is the district's second centre of population and one of two ancient Cinque Ports in the district. Its central feature is the Royal Military Canal, built for defence against invasion in the Napoleonic wars with France. To the west are the wide open spaces of Romney Marsh, home to New Romney, our second Cinque Port; Lydd, a member of the Confederation of Cinque Ports as a 'limb' of New Romney, and a number of smaller coastal communities. Contrasting with the wild expanse of marshes are the North Downs, a ridge of chalk hills that stretch from Dover to Farnham. The Downs are home to pretty villages, including Elham, Lyminge and Postling, hidden valleys and thriving vineyards.

Although the district is rural and coastal in character, it is very well connected. The M20 offers easy access to London and other major motorway networks, London is under an hour away via High Speed 1 (HS1) from Folkestone and we have unrivalled access to mainland Europe via the Channel Tunnel.

We think our district is a great place to live, work and visit. It's where the past has made its mark and where a bright new future is unfolding. As the local authority for the district, we have a key role to play in that future.

Your Council – an overview

There is a three tier local Council system in Kent made up of the county council, 12 district and borough councils, parish and neighbourhood councils, alongside Medway Council operating as a unitary. There are 13 wards in the district currently represented by 30 elected councillors.

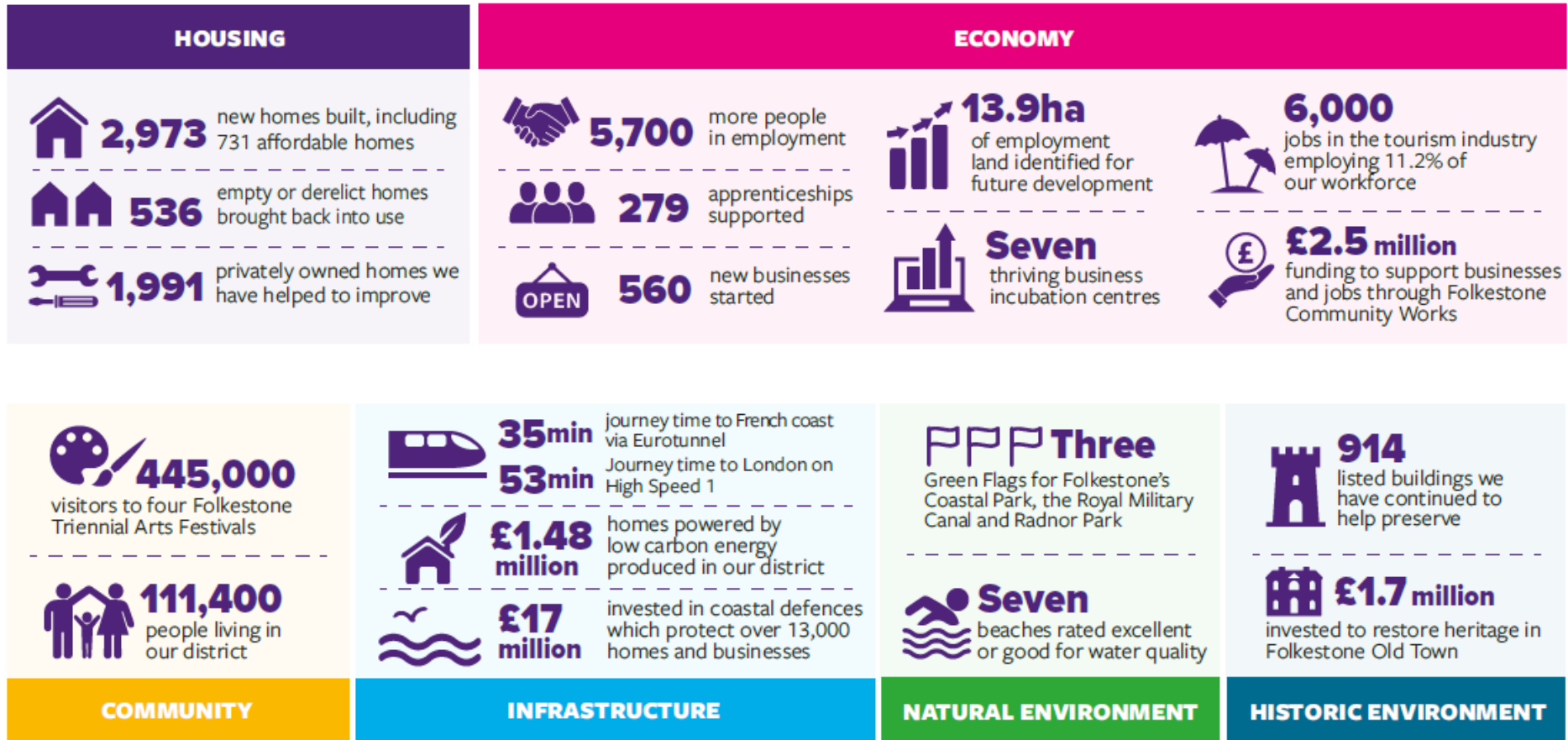
Folkestone & Hythe District Council is responsible for the delivery of many different public services. Some of our key priorities include planning for a successful local economy with high levels of employment, delivering excellent value and high performance, and working together to support the life of living, working communities. Services provided include household waste collection and recycling, street cleaning, car parks and on-street parking, environmental health, housing and homelessness, managing local parks and open spaces and providing local culture and leisure activities and facilities.

The Council and its staff won a number of national awards during 2018/19 for the delivery of its services, including;

- **Customer Service Excellence:** a Government standard developed to offer a practical tool for driving customer-focused change within their organisation. Following the completion of a surveillance visit, the Council retained its CSE accreditation with 7 compliance plusses were awarded, and a further 4 compliance plusses accredited.
- **IESE Silver Award:** Our Area Officer team was rewarded at the iESE Public Sector Transformation Awards, taking home Silver in two categories: Community Focus - Place, and Transformation in Environmental Services.
- **Granicus 'Creative Campaign of the Year award:** Our 'Pick me up before you go-go' campaign was shortlisted, making it into the top three in the UK!
- **Green Flag Award** - The Lower Leas Coastal Park, Royal Military Canal and Radnor Park were awarded the prestigious Green Flag, a national award recognising the district as having some of the best parks and open spaces in the country.
- **IRRV Finalists** – Our Revenue and Benefits Team reached the finals of IRRV awards for the category of 'District Team of the Year'
- **Armed Services Award** – Our Communities team received a service champion award for their work in supporting the Armed Forces community in our district.
- **UKHA Awards 2018** - Winner for No Use Empty scheme, bringing empty homes back into use across the district.



Your Council – the last 10 years



Summary of performance in 2018/19

During 2017/18, the Council introduced its refreshed Corporate Plan, setting out its three year corporate plan vision of investing for the next generation ~ delivering more of what matters and outlining six new strategic objectives:

- **More Homes** - provide and enable the right amount, type and range of housing
- **More Jobs** - work with businesses to provide jobs in a vibrant local economy
- **Appearance Matters** - provide an attractive and clean environment
- **Health Matters** - keep our communities healthy and safe
- **Achieving Stability** - achieve financial stability through a commercial and collaborative approach
- **Delivering Excellence** - deliver excellent customer service through commitment of staff and members

The Council uses the outturns of performance measurements, known as Key Performance Indicators (KPIs) to determine whether it has been successful in achieving its annually set targets. KPIs are monitored by the Council on a quarterly basis. During the past 12 months, all KPIs have been reviewed to ensure they align to the Corporate Plan, allowing the Council to measure progress in delivering its strategic objectives and priorities.

Therefore, this annual report contains a summary of the performance of Folkestone & Hythe District Council. The Council has performed well in 2018/19 with 54 of the 75 indicators performing satisfactorily and meeting/exceeding target or on track by the close of the year.

More Homes- *Provide and enable the right amount, type and range of housing*

We said we would:

- Deliver homes that meet the needs of our changing population
- Accelerate supply of housing
- Prevent homelessness through early intervention
- Create a new Garden Town at Otterpool Park
- Improve private sector housing conditions
- Bring empty homes back into use



New homes at Roman Way, Cheriton

How we performed in 2018/19

- 466* new homes were built across the district, significantly above the Core Strategy requirement of 350 and target of 400, helping support our local requirement of 8,000 new homes for the period 2006-2026.
- A £1.25m government grant was awarded to the Council to help prepare plans for Otterpool Park, the district's new Garden Town.
- The Council submitted its planning application for 8,500 homes at Otterpool Park. The application was successfully validated and a statutory consultation opened to the public to review and comment on the application between March-May 2019.
- Together with partners, we delivered a total of 79 new affordable homes for rent and shared ownership boosting the supply of much needed homes in the district.
- £3 million funding was secured from Homes England Accelerated Development Fund to help bring forward more than 220 new homes, including almost 70 affordable homes, at Biggins Wood in Folkestone and Princes Parade in Hythe.
- Individuals and families from our housing list moved into 28 new council homes in Gurkha Way and Military Road, Folkestone, as part of a housing development built in partnership with local housing developer, Jenner.
- Six new flats were completed at Roman Way, Cheriton, designed by a Council architect and built by Alliance, a local building company. The flats have been specially designed and adapted for wheelchair users and are part of a ten-year, £30m investment into council house building, delivering affordable homes for rent and shared ownership.
- 272 private sector homes were improved for local people as a result of enforcement action and the provision of the Disabled Facilities Grant, Winter Warmth and Home Safe loans.
- 93 long-term empty homes were returned to use across the district, providing more good quality homes for local people. The Council's success in bringing long-term empty properties back in to use was featured on the BBC series 'The Empty Housing Scandal'.

- Two suitable properties providing 8 units were acquired and renovated as part of the Council's drive to provide good quality, affordable temporary accommodation to homeless households.
- Over £70,000 was invested by the Council into funding local street homeless services, including Porchlight, Rainbow Centre, Salvation Army and Sanctuary.
- The Council was recognised by the Ministry of Housing Communities and Local Government (MHCLG) for its ongoing work to alleviate homeless and street homeless within the district, receiving additional funding of £296,321 for 2019/20.
- The Places and Policies Local Plan was submitted to the Secretary of State for independent examination and identifies sites considered suitable for development throughout the district to provide up to 2,500 new homes and land for offices, community uses and other types of development.
- We consulted on the Submission Draft Core Strategy Review, setting out how the development needs of the district will be met up to 2037.

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
New homes built	-	-	-	-	400	612	*466 (Figure being verified)	✓
Council new builds to start on site	0	0	0	8	20	22	8	✗
	<p><i>Start/completion dates can be affected by a range of factors including land acquisition, planning consent and procurement. Work is in progress to start 35 additional homes for affordable rent and shared ownership purchase at Highview in Folkestone within the next few months.</i></p>							
Additional affordable homes delivered in the district by the Council and its partner agencies	50	1	12	16	80	99	79	✗
	<p><i>The annual target was missed by just one home during what has been a very successful year with 79 new affordable homes being delivered in the district. Over the next year, 43 new Council homes for rent and shared ownership will be delivered alongside a further 75 housing association homes for rent and shared ownership purchase in Cheriton, New Romney, Sellindge and Stelling Minnis. The Council is seeking to increase the number of Council homes</i></p>							

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
				<i>for rent and shared ownership provided through its new build and acquisition programme, following Government's announcement to remove the Housing Revenue Account cap.</i>				
Homes provided in the district for low cost home ownership	15	9	5	0	32	51	22	x
				<i>Over the next 6-12 months approximately 70 affordable homes for rent and shared ownership purchase will be delivered by our housing association partners on sites in New Romney, Sellindge, Stelling Minnis and Cheriton. The Council will also be starting at least 7 units on site in Folkestone which will specifically be delivered for shared ownership purchase.</i>				
Long term empty homes brought back into use	24	10	22	37	70	74	93	✓
Private sector homes improved as a result of intervention by the Council and its partner agencies	60	145	42	24	130	254	272	✓
Number of homelessness approaches made to the Council	346	325	302	339	No target	610	1,312	-
				<i>The implementation of the Homelessness Reduction Act (2017) in April 2018 imposed new statutory processes on all local housing authorities. As a result, the Council has seen an expected, but significant rise in the number of clients approaching its homelessness services for assistance – on par with other local authorities based across Kent and Medway.</i>				
Number of homelessness approaches accepting a personal housing plan	38	60	45	73	No target	Not available	216	-
Number of homelessness approaches declining or withdrawing a personal housing plan	34	10	0	9	No target	Not available	53	-

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
Number of homelessness approaches prevented	289	233	192	141	No target	Not available	855	-
Number of homelessness approaches carried forward to the homeless duty relief stage	23	82	56	61	No target	Not available	222	-
Number of homelessness approaches owed Main Housing Duty	4	2	0	0	No target	Not available	6	-
Average number of households in temporary accommodation	35	26	25	17	35	37	20	✓
Number of families in temporary B&B accommodation	2	0	0	3	6	0	1	✓
Number of families in temporary B&B accommodation over 6 weeks	0	0	0	2	0	3	2	✗
				<i>Two suitable properties providing 8 units have been acquired and renovated as part of the Council's drive to provide good quality, affordable temporary accommodation to homeless households, as an alternative to bed and breakfast accommodation.</i>				
Number of 16/17 year olds in temporary B&B accommodation	0	0	0	0	0	0	0	✓
Number of 16/17 year olds in temporary B&B accommodation over 6 weeks	0	0	0	0	0	1	0	✓
Average number of weeks families are staying in temporary B&B accommodation	0	0	0	6.6	6 weeks	4.5	1.6	✓
Average number of weeks single persons are staying in temporary B&B accommodation	2.6	0	5.6	16	8 weeks	12	0	✓
% of major planning applications to be determined within statutory period	100%	80%	100%	100%	50%	86%	95%	✓
% of non-major planning applications to be determined within statutory period	89.3%	89.1%	82.5%	76.6%	70%	81.7%	84.3%	✓
% of other planning applications to be determined within statutory period	88.5%	91.5%	76.85%	64.71%	85%	90.3%	80.3%	✗

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
				<p><i>Whilst Quarters 1 and 2 outperformed the annual target, the remaining quarters have been impacted by staff leavers and internal promotions. Permanent and temporary agency resource is now in place, but performance may remain lower than target for a period while the backlog of applications is cleared.</i></p>				

More Jobs - *Work with businesses to provide jobs in a vibrant local economy*

We said we would:

- Support local employers to flourish
- Identify key sites for future employment opportunities
- Encourage appropriate development and promotion of commercial premises
- Support partners to deliver dynamic and diverse high streets
- Explore opportunities to support the nuclear industry
- Enable appropriate infrastructure to enhance connectivity



Launch of Folkestone Community Works

How we performed in 2018/19

- We successfully engaged 20 businesses across the district through our engagement programme to key employers, including Saga, EDF, West Design, Cowling & Wilcox, and MOTIS. The meetings identify areas where the Council can support the growth of these important companies, including meeting their future expansion (or consolidation) needs in order to retain jobs in the district. Opportunities are also identified to link with other organisations such as Folkestone College regarding training and skills development. These companies are encouraged to use the Folkestone Works website (www.folkestone.works) to promote their success stories, thereby also providing third party validation of Folkestone & Hythe District as an attractive business location.
- A new Folkestone & Hythe District business guide was published to promote the District as an attractive place for inward investment.
- An independent retail study of Folkestone Town Centre was commissioned to assess the changing needs of the local economy.
- The Folkestone Community Works (FCW) programme; a European funded programme to support community initiatives was launched. A total of £380,000 has been allocated so far to four projects aimed at helping local residents into employment, voluntary work or training in the areas of highest deprivation in Folkestone.
- Planning consent was successfully secured for new business workspace at Mountfield Road Industrial Estate, New Romney and will provide 13 units each ranging from 23-60 square metres for office-type uses.
- Planning consent was provided releasing a further five hectares of land at the Mountfield Road Industrial Estate for employment purposes.
- We successfully submitted an Expression of Interest to the government's Future High Streets Fund in March 2019 to enhance Folkestone town centre's retail, leisure and commercial offering to make it a destination where people will want to work, live, visit and invest.
- Working with BT Openreach to extend superfast broadband into New Romney to help support and encourage small and medium sized businesses to locate to the area have been successfully realised. The Openreach exchange in New Romney is

now superfast broadband enabled and this service is available to businesses at the Mountfield Road Industrial Estate and surrounding areas.

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
Applications for external funding	0	1	1	2	2	4	4	✓
Investment in the FHDC area scheme	0	0	0	1	1	1	1	✓
Delivery of the business accommodation scheme	0	0	0	0	1	2	0	✗
				<p><i>The Economic Development team continues to progress a business accommodation scheme in the district. Work to date includes; helping to bring forward the business space component of the Biggins Wood and Otterpool Park schemes by working with local employers with business accommodation needs; supporting an employment hub and infrastructure to unlock remaining undeveloped land plots for business units at Mountfield Road Industrial Estate in New Romney; and, the successful use of the Folkestone Community Works project to provide European Regional Development Funding to lever in match funding investment in business space accommodation.</i></p>				
Delivery of the engagement programme to key employers	4	5	5	6	6	16	20	✓

Appearance Matters - *Provide an attractive and clean environment*

We said we would:

- Keep the district clean and tackle environmental issues
- Maintain and improve natural and historic assets
- Maintain a high quality environment through active enforcement
- Work with partners to boost the appearance of the district
- Prepare a new recycling, waste and street cleansing contract for the district
- Provide clean and well maintained public spaces
- Protect and manage the coastal sites in an environmentally sustainable way



The district's Area Officers at work

How we performed in 2018/19

- Our Environmental Enforcement team dealt with 71 unauthorised encampments. The majority of the encampments related to a single family moving around the district, whilst other instances occurred on private, Ministry of Defence, NHS, Church and KCC Highways land. All encampments that were situated on Council land were successfully removed or granted possession orders for removal in a Magistrates court a total of 13 times.
- As part of a clampdown on fly posting in the district, 102 formal notices and 112 Fixed Penalty Notices were issued.
- We had two successful prosecutions resulting in substantial fines and costs being awarded for fly-tipping, one of which was for three counts of fly-tipping.
- Early morning enforcement patrols at problematic hotspots for areas including flyposting, dogs off leads and littering, contributed to a total of 198 Fixed Penalty Notices being issued during the year.
- The Lower Leas Coastal Park, Royal Military Canal and Radnor Park were awarded the prestigious Green Flag, a national award, recognising the district as having some the best parks and open spaces in the country.
- Six of the district's beaches were rated by the Environment Agency as 'good' or 'excellent' at popular locations including Sunny Sands in Folkestone, Sandgate, Hythe, Dymchurch, St Mary's Bay and Littlestone.
- 12 high-tech solar powered bins known as 'Big Belly' bins were provided in the Lower Leas Coastal Park as part of a major drive to tackle problems with litter. The new bins hold up to eight times more litter compared with a standard bin and built-in sensor technology constantly monitors how full it is, notifying the Council before it needs emptying.

- We introduced our new Area Officer service, completing 4,836 ‘See ‘See it, Own it, Do it’ jobs including litter picks and graffiti removal to ensure the district remains a welcoming and attractive place to live, work and visit.
- A total of 44 community and business events were organised supporting environmental activities including litter picks and beach clean ups.
- Government recognition of the incredible work our Area Officers undertake, realised £19,000 funding towards new equipment to help staff and community groups scrub, sweep and smarten up all areas of the district.
- Folkestone & Hythe’s residents are helping to make a difference, increasing the amount of household waste recycled to more than 47.5% in 2018/19 compared to 44% in the previous year.
- Vital coast defence work was completed with over 50,000 tonnes of shingle moved onto local beaches to provide vital protection and help dissipate the effect of the weather.

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
Percentage of household waste recycled	50%	48%	46%	46%	47%	44%	47.5%	✓
Number of missed collections per 100,000 population	6.42	7.44	5.44	7.8	50	2.8	6.7	✓
Percentage of streets surveyed clear of litter within the district	95%	97%	98%	95%	95%	99%	96.2%	✓
Percentage of streets surveyed clear of detritus within the district	77%	85%	90%	92%	90%	96%	86%	✗
				<i>Performance has steadily been improving throughout the year on the streets surveyed clear of detritus within the district. Overall more streets have failed on inspection than last year but work continues with our contractor to ensure that this standard continues to improve.</i>				
Number of days to remove fly tipped waste on public land once reported	1	2	2	1	3 days	0.8 days	1.5 days	✓
Percentage of returns to empty a missed bin by the end of the next working day if it is reported within 24 hours	92%	91%	90%	88%	100%	93.9%	90.2%	✗
	<i>This figure still does not represent the exact figure due to miss reporting on the system rather than service failure. We continue to</i>							

	<i>work with our contractors on ensuring that data they provide is correct.</i>							
Average number of hours to remove offensive graffiti in public places	1.36	2.1	5.05	1.02	4 hours	2.4 hours	2.3 hours	✓
Number of enforcement notices served	30	50	24	47	60	165	151	✓
Compliant Air Quality Monitoring Sites	14	14	14	14	14 sites	14	14	✓
Enforcement - Fixed Penalty Notices issued	29	75	42	34	50	165	180	✓
Enforcement – Number of Hours spent on environmental crime patrol	418	506	573	321	2,800	1,391	1,818	✗
	<i>Patrol hours across district have exceeded last year's annual comparison However, overall, the annual target has been impacted as a result of staffing resources being diverted to action and enforce a significant increase in the number of unauthorised encampments within the district during the year.</i>							
Enforcement – Number of warning letters issued (Environmental Protection)	2	2	14	37	No target	76	55	-
Stray dogs found	38	31	28	26	No target	140	123	-
Stray dogs successfully returned to owner	20	19	8	11	No target	66	58	-
Parking: Number of PCNs issued	5,294	5,314	5,286	5,598	No target	19,281	21,492	-
Parking: British Vehicle PCN recovery rate	55.9%	61.6%	62.9%	64.8%	70%	58.5%	61.3%	✗
	<i>Under the Council's appeals process for a PCN for traffic offences, the driver does not have to make payment whilst their objection is being dealt with and is put on hold pending a decision. Following a review of resource requirements, additional staffing was approved in September 2018 to help address the additional workload demand and support improvements to customer service. As a result, performance has shown a continued improvement at the end of the year, however the PCN appeals process is lengthy with so many of the cases still being progressed, which has consequently impacted on the target not being reached this year. Drivers who</i>							

				<i>have refused to pay their PCNs are being actively pursued by our enforcement agents. The PCN recovery process can take up to 9 months in some cases to recover payment.</i>				
Parking: Foreign Vehicle PCN recovery rate	36.9%	48.4%	48.3%	44.2%	50%	38.5%	44.4%	X
				<i>Foreign registered vehicles (FRVs) are more likely to contravene traffic and parking regulations than drivers of UK registered vehicles – and are less likely to pay the penalty charges which they incur. It is often impossible to trace the owners of FRVs and, even when they can be traced, there is no legal process by which they can be made to pay civil penalties. However, the Council has and will continue to actively progress FRV PCN cases with partner enforcement agencies.</i>				

Health Matters - *Keeping our communities healthy and safe*

We said we would:

- Promote healthy lifestyles within our communities
- Reduce the impact of anti-social behaviour
- Support the South Kent Coast Health & Wellbeing Board and Local Children's Partnership Group
- Ensure access to high quality open space
- Provide a new district leisure facility
- Ensure the best use of our community assets to support community and voluntary sector organisations
- Help reduce health inequalities through our services and partnership working



Operation Ariel partners out and about in Hythe

How we performed in 2018/19

- Our Community Safety Partnership undertook ten multi agency operations across the district with partners including, Kent Police, Children's services, Probation and the Forward Trust as part of 'Operation Ariel' to help support and signpost vulnerable people to local services and enforce against anti-social behaviour, by providing warnings and serving enforcement notices.
- A public consultation was undertaken on a proposal to introduce a new Public Spaces Protection Order (PSPO), a legislative tool helping to tackle anti-social behaviour within the district. More than 400 responses were received, providing public support for seven measures, including the control of alcohol consumption. The new PSPO has now been successfully introduced following its adoption by Cabinet in June 2019.
- Our Community Safety Partnership awarded over £31,000 of funding towards local projects and services to help tackle anti-social behaviour and crime.
- Over 500 children from across the district attended Safety in Action Day, an interactive event for Year 6, to learn about some of the risks and dangers they may face including drug and alcohol awareness, road safety and sexual exploitation as they become more independent and prepare for transition to secondary school.
- Our Community Safety Partnership hosted a Mental Health Conference, attended by over 350 professional organisations from across the County. The event explored the way mental health affects individuals through all stages of life, from birth to older persons.

- The Local Children’s Partnership Group distributed over £55,000 towards local community projects empowering young people to make safe and positive decisions, promoting healthy weight and positive self-image.
- A total of £46,000 of Council funding was allocated to 17 local projects marking the centenary of the end of World War One.
- A new online directory ‘Spotlight’ was launched helping to connect people across the district with the hundreds of clubs, classes, activities and support services that are available locally.
- 176 Member Ward Grants totalling £90,000 benefitted local charities and community groups.
- Annual grant funding was renewed with Citizens Advice, Folkestone Sports Centre, Shepway Sports Trust, Academy FM and Quarterhouse to help support improved health and wellbeing within local communities.
- We promoted healthier communities and place making as part of a forward plan for health in new developments such as Otterpool Park and Princes Parade leisure centre.
- More than 130 food businesses were inspected across the district, helping to grow the district’s vibrant offer of cafes, restaurants and eateries.
- Local businesses have continued to support local areas, with over 500 volunteering hours undertaken in the year to support community litter picks. Participating organisations include ASDA, Wilko, Abbeywell Vets, Holiday Extras, Balfour Beatty, Sleeping Giant Media, Coty, Environment Agency and The Radnor Arms.

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
ASB Complaints that have been investigated and resolved	50	109	95	120	100	103	374	✓
Number of supported community litter picks	19	15	11	21	24	47	66	✓
Number of community volunteer hours	250	596	264	670	1,200 hours	1,521	1,780	✓
Number of corporate social responsibility business volunteer hours	120	240	395	241	240 hours	671	996	✓
% of premises rated 3 or above	95%	95%	94.4%	95%	95%	95%	95%	✓
Number of licensed premises inspected	54	37	13	28	>120	134	132	✓
Number of complaints about food premises investigated	21	10	19	7	<100 complaints	113	57	✓

Number of caravan sites inspected	2	0	2	0	10	13	4	X
				<p><i>The number of inspections to caravan sites this year did not meet annual target due to a reduction in staffing resources, which has led to the team prioritising high risk areas of licensing, including taxi inspections. Discussions are taking place with the Local Area Officer team to look at a solution to resolve resilience and performance issues associated with the inspection of caravan sites in the 2019/20 year.</i></p>				
Number of licensing complaints requiring investigation	28	23	28	28	<100 complaints	79	107	X
				<p><i>The increase in the number of licensing complaints during the year was associated to taxi drivers and their vehicles. An online reporting system was introduced on the Council's website this year has raised awareness and encouraged people to report any concerns about taxi drivers and their vehicles to licensing team for further investigation.</i></p>				

Achieving Stability - *Achieve financial stability through a commercial and collaborative approach*

We said we would:

- Ensure strong financial discipline
- Explore alternative income streams including commercial opportunities
- Develop an investment strategy for the longer term benefits of the district
- Explore opportunities including working collaboratively to achieve efficiencies, reduce costs and improve resilience
- Optimise the financial benefit from major developments in the shorter and medium term
- Identify 'Invest to Save' opportunities



Council purchase of Connect 38

How we performed in 2018/19

- The Council purchased Connect 38, an office block offering 80,000 sq. ft. of premium retail and office space with close proximity to Ashford International Railway Station supports the Council's ambitions to pursue a commercialisation agenda to generate an alternative income that will support us in continuing to deliver excellent services for the District against a backdrop of reduced funding from Central Government.
- The Council has identified key areas in Folkestone town centre providing the opportunity for distinctive developments and is liaising with the landowners and preparing planning guidance to demonstrate the Council's ambition for the sites and help unlock funding for development.
- Planning application fees generated income of £561,881 and planning pre-application advice a further £107,000 exceeding budget targets for the year.
- Oportunitas Ltd, the Council's Housing and Regeneration Company successfully generated over £238,000 in rental income in 2018/19. Since 2014, the company has built an extensive portfolio of property (37 homes and 1 commercial unit).
- Our Organisational Development team signed 2 year contracts with Dover District, Thanet District and Canterbury City Councils to deliver apprenticeships in leadership and management and other learning and development courses. These contracts will bring in £260,000 over 2 years.

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
Business Rates collection	34.2% (Cumulative)	58% (Cumulative)	83.2% (Cumulative)	98.7% (Cumulative)	97.5% (Cumulative)	99.4%	98.7%	✓
Council Tax collection	29.7% (Cumulative)	56.9% (Cumulative)	84.1% (Cumulative)	97.3% (Cumulative)	97.3% (Cumulative)	97.5%	97.3%	✓
Council Tax reduction collection rate	25.9% (Cumulative)	47.8% (Cumulative)	69.5% (Cumulative)	84.2% (Cumulative)	82.5% (Cumulative)	84.4%	84.2%	✓
% Invoices paid within agreed timescales (30 days)	83.9%	90.53%	94.4%	85.7%	100%	94.1%	88.6%	✗
				<p><i>The percentage of invoices paid within the agreed timescale of 30 days did not meet target this year due to delays in East Kent Housing processing and approving numerous quarterly utility company invoices for payment relating to the council's landlord responsibilities for its housing stock. East Kent Housing are currently taking action to resolve the delay in the payment of these invoices. Over the year of the 2,327 trade invoices processed by East Kent Housing 1,641 were paid on time (70.5%).</i></p>				
Oportunitas – value of works invoiced (Grounds Maintenance)	£17,475	£9,851	£29,579	£13,222	£40,000	£66,988	£70,126	✓

Delivering Excellence - *Deliver excellent customer service through commitment of staff and members*

We said we would:

- Focus on the customer in delivering excellence
- Create a 'Digital by default' approach to services
- Keep all councillors, staff and customers informed
- Retain and recruit staff to deliver the new ways of working and challenges ahead
- Motivate and enable staff to maintain and enhance performance
- Sustain and develop a flexible and responsive workforce
- Recognise and reward the value of staff



Your District Today

How we performed in 2018/19

- We successfully retained our Customer Service Excellence Accreditation, with 7 compliance plusses awarded, and a further 4 compliance plusses accredited. The additional compliance plusses were awarded for improving customer journeys by collecting and analysing data to continuously improve the quality our services, improving information we provide to our customers by using plain English, consulting with our residents on local plans and changes to our services as well as engagement with the wider community.
- With over 30 years' experience in keeping our clients safe, more than 5,000 vulnerable individuals benefitted from our Lifeline telecare service.
- We've worked with 47 people from across the partner authorities plus our own staff to invest in their career development through enrolling them on two year apprenticeships. The Organisational Development team is also delivering a range of courses for our partners, some will be for staff across East Kent authorities, including FHDC (providing our staff with a great opportunity to meet colleagues to share best practice). We have expanded the team to take on this work, giving us greater resilience and new skills to drive high performance at FHDC.
- A survey of public sector websites judged our website as being three out of four stars. The score means our site is ranked 'good' following an evaluation as part of the 'Better Connected' survey by the Society of IT Management. There was particular praise for the planning and parking sections, echoing feedback from judges who granted the council a gold award for how it uses technology to transform services.
- 91% of customers using the new web chat service positively rated it good/excellent.
- Our customers successfully completed more than 25,000 online customer transactions.

- Our ever popular ‘Your District Today’ publication reached more than 52,000 households across the district.
- A new digital service to help residents pay outstanding Council Tax, Business Rates or rent arrears was trialled, making it easier for people to pay for Council services online, quickly and easily through a secure payment facility.
- Our Electoral Services team scored the highest score in the last decade for the annual canvass. 96.5% of properties in the district were canvassed, nearly 7% over the 90% target. This achievement has allowed the electoral services team to provide an accurate and up to date register for the coming 2019/20 year.
- Our officers helped ease the transition to Universal Credit, providing customers with additional support and guidance based from the local JobCentre.
- We pledged our commitment to deliver the Government’s Local Digital Declaration, ensuring online services are designed to meet people’s needs and deliver value for money.
- Our latest gender pay gap data showed a reduction in the average pay gap between male and female employees. The 2018/19 data shows a mean average of 4.97 per cent, meaning that the average hourly pay for male staff is less than five per cent more than for female staff. Last year, the mean average was almost eight per cent, with a 12 per cent difference reported nationally. But the figures also show that when the median average is used, women at the Council earn, on average, 7.24 per cent more per hour than men.
- A Staff Recognition scheme was adopted, celebrating staff at all levels in the Council who ‘go the extra mile’ to provide excellent customer service, support our core values and deliver our corporate priorities.

Description	Q1	Q2	Q3	Q4	Annual Target	2017/18 Comparison	2018/19	Target Met
Customer Services - Calls served (versus number of calls received)	72%	77.5%	84.7%	80.1%	80%	82.1%	78.6%	X
				<i>Customer Services has been impacted by considerable staff turnover in 2018/19, due to internal promotions and secondments. New staff have been recruited and are completing their customer contact training. Recruitment will extend into 2019/20. Performance will continue to be monitored</i>				
Customer Services - Average wait for calls (except peak times)	4 mins 51 secs	4mins 20 secs	2mins 39 secs	3mins 54 secs	3 mins	3 mins	4mins 6 secs	X
				<i>Customer Services has been impacted by considerable staff turnover in 2018/19, due to internal promotions and secondments. New staff have been recruited and are completing their customer</i>				

				<i>contact training. Recruitment will extend into 2019/20. Performance will continue to be monitored</i>				
Customer Services - Customers seen within 10 minutes of an appointment	100%	99.7%	100%	94.3%	90%	99%	98.5%	✓
Average number of days taken to process new claims for Housing Benefit	21	19.1	20.7	22.6	21 days	24.6	20.9	✓
Average number of days to process new claims for Housing Benefit from the date the complete evidence is received	6.2	4.4	6.1	8.7	10 days	7.6	6.3	✓
Average number of days to process change of circumstances for Housing Benefit from the date complete evidence is received	5.7	4.1	4.8	2.8	7 days	4.6	3.9	✓
Average number of days taken to process new claims for Council Tax Reduction	18.1	17.6	20.9	20.6	21 days	22.5	19.3	✓
Average number of days taken to process change of circumstances for Council Tax Reduction	10	9.1	11.2	8.2	10 days	10.5	9.6	✓
All complaints will be acknowledged within 5 days	100%	100%	88.8%	99.3%	100%	100%	97%	✗
				<i>As a result of staffing resilience issues, the complaints workload transferred to the Business Support unit in Quarter 3 in order to resolve both resilience and performance issues moving forward.</i>				
All standard FOI and EIR requests will be satisfactorily replied to within the statutory timeframe of 20 working days after receipt (including number of requests received)	92%	91.5%	95.4%	94.8%	100%	94.1%	93.5%	✗

				<i>The environment surrounding EIR and FOI continues to be challenging, with the Council receiving high volumes of requests that are frequently technically complex. The push to proactively publish materials has continued to make good ground and this is reflected in the steadily improving response rate. Ongoing challenges include delays in information being provided for consideration, complex cases requiring extended consideration of exemptions, and in a minority of cases, administrative oversights. Continued efforts are being made to address all of these factors in an effort to continue to improve departmental performance.</i>				
FOI - All subject access requests will be satisfactorily replied to within the statutory timeframe of 40 days (including number of requests received)	100%	83.3%	100%	50%	100%	70.8%	66.6%	✘
				<i>Although the Subject Access Request caseload is relatively small, staffing resource has been impacted and diverted by the increase in the number and complexity of FOI/EIR requests received, which has impacted the overall annual performance.</i>				
Planning - Respond to all Local Land Charge searches within 10 working days	100%	100%	100%	100%	100%	100%	100%	✓
Parking - Respond to all Fixed Penalty Notice challenges within 20 working days	77.6%	81.3%	88.3%	95%	100%	92.1%	85.5%	✘
				<i>The continued implementation of Controlled Parking Zones in the district has significantly increased the Parking team's workload. Performance has continued to be monitored throughout the year, with additional staffing resources approved in quarter 3 enabling a healthy improvement in performance going into quarter 4.</i>				
Lifeline - Number of calls answered in 60 seconds.	98%	98.3%	98.5%	98.7%	97.5%	97.9%	98.4%	✓
Lifeline - Number of calls answered in 180 seconds	100%	100%	100%	100%	100%	99.9%	100%	✓

EKH - Average time taken to re-let council dwellings excluding major works	15.2 days	17.9 days	21.9 days	27.4 days	19 days	14.6	20.6	x
								<i>During the second half of 2018/19, a number of hard to let properties became available for re-letting. East Kent Housing and the Council experienced considerable difficulties in letting the properties. In addition to this, a number of properties were subject to multiple applicant refusal. The Council's Housing Options Team are currently working with EKH to review all aspects of the lettings process to ensure that re-let times are minimised as much as possible going forward. Nationally, local authority homes were vacant for a median of 28 days before re-letting in 2017/18.</i>
EKH - % of emergency repairs completed on time	99.3%	100%	99.7%	99.4%	98%	99%	99.6%	✓
EKH - % of routine repairs completed on time	98.5%	96%	96.6%	90%	90%	99.7%	95.3%	✓

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This Report will be made public on 9 July 2019



Report Number **C/19/13**

To: Cabinet
Date: 17th July 2019
Status: Key Decision
Responsible Officer: Charlotte Spendley, Assistant Director – Finance, Customer & Support Services
Cabinet Member: David Wimble - Cabinet Member for the District Economy

SUBJECT: Places and Policies Local Plan – Gypsy and Traveller allocation site

SUMMARY:

The Planning Inspector considering the Places and Policies Local Plan (PPLP) at the Examination in Public indicated that the District Council should be allocating a site(s) to meet the future needs for the Gypsy and Traveller community. This report sets out the work that has been undertaken to identify a preferred site. The report also seeks Cabinet approval to carry out a six-week period of public consultation on the preferred site allocation.

REASONS FOR RECOMMENDATIONS

To enable the Places and Policies Local Plan to continue to the final stages of examination and adoption.

RECOMMENDATIONS:

1. To receive and note report C/19/13.
2. To agree to the publication of the preferred Gypsy and Traveller site allocation, draft Policy RM15 wording; and supporting documents for public consultation
3. To give delegated authority to the Assistant Director of Finance, Customer & Support Service to make any minor modifications to the consultation materials resulting from the findings of the Sustainability Appraisal/Habitats Regulations Assessment
4. To agree that the consultation comments and consultation materials be submitted to the planning Inspector to progress with the final stages of the public examination of the Places and Policies Local Plan.

1.0 BACKGROUND

- 1.1 The Places and Policies Local Plan (PPLP) is now in the final stages of the plan-making process, the Examination in Public. A series of public hearing sessions took place between the 15th and 17th of May 2019; the initial indication from the hearing sessions is that the Inspector will only recommend a limited number of Main Modifications to the plan. Nevertheless, the Inspector has expressed concern that the draft Places and Policies Local Plan does not adequately address the future housing needs of the Gypsy and Traveller community. In order for the PPLP to be found 'sound' the Inspector has instructed the District Council to identify and put forward a site(s) allocation to meet the permanent pitch requirements set out in the Folkestone & Hythe District Gypsy and Traveller Accommodation Assessment (2018).
- 1.2 The Planning Policy Team has therefore had to undertake work quickly to identify and assess potential sites for Gypsy and Traveller development to ensure that progress can continue with the Places and Policies Local Plan. The work that has been undertaken to date has considered a wide selection of sites drawn from a number of sources before concluding on the preferred allocation. It is now necessary to publish this work for consultation so that members of the public can have their say on the proposed allocation. The draft policy and representations will be sent to the Planning Inspector for consideration and to conclude and issue his final report on the Plan.

2.0 PLANNING POLICY

- 2.1 The requirement to provide sites for Gypsy and Travellers is set out in the National Planning Policy Framework (NPPF 2019).
- 2.2 Paragraph 59 of the Framework states:

“To support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.”

- 2.3 Furthermore, Paragraph 61 states in relation to delivering a sufficient supply of homes:

“The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).”

- 2.4 The Government has also produced a specific planning policy document, Planning Policy for Traveller Sites (PPTS, 2015), which should be read in conjunction with the NPPF. The aim is to ensure fair and equal treatment for travellers, in a way that facilitates their traditional and nomadic way of life while respecting the interests of the settled community.

- 2.5 PPTS (2015) sets out the definition of Gypsies and Travellers as:

“Persons of nomadic habitat of life whatever their race or origin, including such persons who on grounds only of their own or their family’s or

dependants' educational or health needs or old age have ceased to travel temporarily, but excluding members of an organised group of travelling showpeople or circus people travelling together as such."

- 2.6 PPTS requires that local planning authorities assess the need for Gypsy and Travellers and develop fair and effective strategies to meet the likely need for permanent and transit pitches through the identification of sites.
- 2.7 Paragraph 13 sets out the following general considerations for site selection:
- a) Promote peaceful and integrated co-existence between the site and the local community;
 - b) Promote, in collaboration with commissioners of health services, access to health services;
 - c) Ensure children attend school on a regular basis;
 - d) Provide a settled base that reduces both the need for long-distance travelling and possible environmental damage caused by unauthorised encampment.
 - e) Consideration of the effect of local environmental quality (such as noise and air quality) on the health and well-being of any travellers;
 - f) Avoid undue pressure on local infrastructure and services;
 - g) Do not locate sites in areas at high risk of flooding; and
 - h) Reflect the extent to which traditional lifestyles can contribute to sustainability (some travellers live and work from the same location).
- 2.8 More detailed guidance was published as in *Designing Gypsy and Traveller Sites: Good Practice Guide* (CLG, 2008); although officially withdrawn, it is still available to view among the Government's archived document and provides general design advice and some site design examples.

3.0 ASSESSMENT OF GYSPY AND TRAVELLER NEED

- 3.1 The Government's aim in respect of Gypsy and Traveller sites is that Local Planning Authorities should undertake their own assessment of need for the purposes of planning.
- 3.2 The East Kent Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (GTAA) (2014) identified a need for 7 residential pitches between 2013 and 2027. A site allocation was not sought as part of the preparation of the Place and Policies Local Plan due to the Government's decision in 2015 to change to the planning definition of both Gypsy and Travellers and Travelling Showpeople.
- 3.3 The change in definition meant that the EK GTAA (2014) was effectively out-of-date and there was an uncertainty over the reliability of the information. A consortium of Kent Authorities commissioned consultants Arc⁴ to undertake a comprehensive update of this piece of work, looking at each local authority area separately before collating findings into a Kent-wide report. FHDC was part of the first tranche of work with its GTAA completed in August 2018.
- 3.4 The FHDC GTAA (2018) evidences an overall requirement for the Core Strategy Review plan-period to 2036/37 of:
- Five additional Gypsy and Traveller residential pitches;
 - Two additional Travelling Showpersons pitches;
 - Three to Five additional Transit pitches.

- 3.5 The Planning Inspector has indicated that FHDC only needs to address the outstanding five Gypsy and Traveller residential pitches as part of the Places and Policies Local Plan. The GTAA (2018) found evidence for three residential pitches over the next five years (2017/18 to 2021/22) and a further two across the remainder of the Local Plan Period (2022/23 to 2036/37).
- 3.6 Since the GTAA (2018) was prepared, planning permission (Y18/0303/SH) has been granted for an additional permanent Gypsy and Traveller pitch on an existing site at Fishers Paddock, Ashford Road, Benzett.
- 3.7 As a consequence, this has the effect of reducing the permanent Gypsy and Traveller residential pitch requirements to a total of four, comprising two pitches over the next five-year period to 2021/22 and a further two pitches to 2036/7.

4.0 SITE IDENTIFICATION AND SELECTION OF THE PREFERRED SITE

- 4.1 The Places and Policies Local Plan is required to allocate a site(s) to meet an identified need of four Gypsy and Traveller residential pitches. Planning Policy officers have undergone a thorough process of identifying suitable, available and deliverable site(s) where this need could be accommodated.
- 4.2 To ensure that all reasonable alternatives for potential Gypsy and Traveller sites were considered, a ‘long list’ of sites was compiled through a comprehensive review of the following sources:

• A ‘call for sites’	(0)
• Existing Gypsy and Traveller sites	(0)
• Other sites owned by Gypsy and Traveller Community	(0)
• Privately-owned caravan sites	(13)
• Public sector land ownership	(12)
• SHLAA database	(15)
• Church Commissioners for England	(0)
• Housing Associations	(0)
 Total	 (40)

- 4.3 This exercise resulted in a total of forty potential sites, in locations across the district, being identified for further assessment. Further information about each of the sources and the sites generated from them is outlined in Appendix 1.
- 4.4 In February 2019 the General Synod of the Church of England agreed that Church bodies should “*play their part in lobbying for and enabling land to be made available for traveller sites.*” The Council has pressed the Church Commissioners for their assistance in identifying any potential sites for travellers on Church-owned land within the district. To date the response has been limited, given that the decision of the Synod is relatively recent, but officers are continuing to press the Church for its help and this may yield results in the future.

5.0 SITE ASSESSMENT PROCESS

- 5.1 The site being sought is for permanent residential pitches for members of the Gypsy and Traveller community. Therefore, it was considered that the appropriate approach to potential site assessment should follow the same principles that applied for the Strategic Housing Land Availability Assessment (SHLAA) methodology to ensure that the process is rigorous and can be defended at examination.

- 5.2 The SHLAA assessment form that was used to assess the suitability of potential housing sites was amended slightly so that the initial three screening criteria that enabled sites to progress to a more detail assessment reflected site-specific requirements and policy guidance to ensure a successful Gypsy and Traveller site. The screening criteria included setting a site area requirement of at least 0.1 ha to accommodate a minimum of two pitches; a 500m threshold from the nearest settlement boundary to promote integration and co-existence; and specific site constraints such as avoiding areas of extreme and significant flood risk and other policy designations. Permanent caravan sites are classed as a “highly vulnerable” form of development in national planning policy and such developments should be avoided in areas at significant risk of flooding; flood risk is therefore a key consideration.
- 5.3 Twenty of the initial forty sites failed to pass all three of the screening criteria.
- Four of the sites exceeded the maximum 500m threshold of a settlement boundary.
 - Eleven had policy constraints relating to matters such as flood risk, ecology and landscape; and
 - Five exceeded both the maximum 500m threshold of a settlement boundary and had policy constraints relating to matters of flood risk, ecology and landscape
- 5.4 The remaining twenty sites that passed the initial screening criteria underwent a more detailed assessment of suitability looking at matters such as access and highway capacity, connection to services, proximity to local facilities, landscape and townscape impact, wildlife and nature conservation, listed buildings and archaeology; and residential amenity.
- 5.5 Seven of the twenty sites were considered to be relatively free of constraints and therefore progressed to the next stage of the study. A matrix illustrating how the potential sites performed against each of the detailed assessment criteria is set out in Appendix 1. The seven sites that formed part of a ‘short list’ included:
- Station Approach, New Romney
 - Running Waters Corner, New Romney,
 - Brickyard Poultry Farm, Cockreed Lane, New Romney
 - Land west of Cockreed Lane, New Romney
 - Craythorn Farm, New Romney
 - Kitewell Lane (North), Lydd
 - Kitewell Lane (South), Lydd
- 5.6 The ‘short-list’ of potential sites was then passed to consultants Arc⁴ for their view as to which (if any) would be attractive to the Gypsy and Traveller community. Arc⁴ visited each of the sites and concluded that four would be suitable for either permanent sites, transit sites or a mix of both. In no particular order these were: Station Approach, Running Waters Corner and both the Kitewell Lane sites.
- 5.7 Officers considered that a site in public-sector ownership is more likely to be made available for traveller use, where there are no alternative plans for its development or disposal, than a site in private-ownership being promoted for housing development.

- 5.8 Therefore, officers proceeded to conduct inquiries as to the availability of the sites at Kitewell Lane which are in the ownership of FHDC; and Running Waters Corner which was assumed to be in the control of Kent County Council.
- 5.9 FHDC has indicated that at this stage the two sites at Kitewell Lane are not currently available with both already allocated for housing in the Places and Policies Local Plan. In addition, KCC have also informed the Council that whilst their road surfacing team uses the land at Running Waters Corner on an ad-hoc basis, it is actually Highways England that holds the titles to the site. It is therefore not within KCC's gift to release the land for alternative uses. While it may be possible to work with KCC and Highways England to secure ownership of the Running Waters Corner site in the future, it would need the provision of alternative facilities in the vicinity to compensate KCC for the release of the depot land. It is therefore considered that the site is not deliverable within the timeframe needed for the completion of this work and, with this uncertainty, the planning Inspector would not find it a deliverable allocation.
- 5.10 Sites at Station Approach, Cockreed Lane and Craythorn Farm in New Romney are in private ownership and have been actively pursued for housing through the SHLAA. From officers' knowledge of these sites, it is considered unlikely that they will be made available for Gypsy and Traveller residential pitches.
- 5.11 Having gone through a thorough process of identifying and assessing potential sites, officers were left to conclude that there were no suitable AND available sites in Folkestone & Hythe District that could accommodate the required number of gypsy and traveller pitches that has been identified in the GTAA (2018).

6.0 THE PREFERRED SITE

- 6.1 Following the conclusion of this site identification study, officers' attention has been drawn to an established Romany Gypsy family living and working in the Romney Marsh area who have acquired a parcel of land with the aspiration of developing it as a Gypsy and Traveller site. Officers contacted the family and identified the 1.5ha site as 'land adjacent to The Retreat, Lydd Road, Old Romney'. A site location map is provided in Appendix 2.
- 6.2 Officers have subsequently considered the site using the assessment methodology outlined in Appendix 1.
- 6.3 The site does not strictly meet the Stage 1 screening criteria that would automatically take it forward for a more detailed assessment. However, it is considered that in this case a reasonable level of planning judgment can be exercised given the outstanding Gypsy and Traveller need to be addressed; the absence of reasonable alternatives; and the availability of the site, to allow it to progress to Stage 2 of the site assessment process.
- 6.4 In regards to the initial screening criteria, the site is further than the 500m threshold from the nearest settlement boundary. It is though within 500m of Old Romney with direct access onto the A259 and New Romney; as such it is considered that the site would not exclude Gypsy and traveller families and that opportunities would still exist for them to be able to integrate with both of the neighbouring local communities. Settlement boundaries are not defined for the smaller villages in the district in an effort to steer new development towards the more sustainable towns and villages in the settlement hierarchy. Additionally, a small proportion of the site along the southern extent of the site is identified as being of significant flood risk. The remainder of the site is classified as being of Nil to Moderate in terms of the risk of flooding with safe access and egress from the

site during a significant flooding event. As such, it is officers' opinion that there is a large enough 'developable area' at Nil risk of flooding to accommodate a small number of Gypsy and Traveller pitches.

- 6.5 A Stage 2 detailed assessment of the site suggests that it is largely free of constraints. There are some limitations, principally these relate to the potential ecological value of the site due to its location in the countryside; as well as future residents' ability to access services in New Romney without use of a private vehicle. However, matters such as drainage, ecology, landscape and archaeological are all considered to be manageable with appropriate mitigation.
- 6.6 The site assessment process identifies at Stage 3 that the site is available for development by virtue of being in the ownership of a Gypsy and Traveller family who have purchased the site with the intention of creating two to four residential pitches in order to meet the housing requirements of their immediate family.
- 6.7 A summary of the detailed site assessment can be found in the site assessment Matrix for Gypsy and Traveller Pitches in Appendix 1.
- 6.8 On balance of material considerations, officers' consider that 'land adjacent to 'The Retreat', Old Romney, where supported by an appropriate policy, is both a suitable and available site that is capable of delivering a small-scale Gypsy and Traveller site of two to four pitches. Draft Policy RM15 can be found in Appendix 3.
- 6.9 It should also be noted that should a suitable and available site allocation not be identified there is a high chance that the Places and Policies Local Plan would be found unsound by the Planning Inspector. In this event, as is the case with housing, applications for gypsy and traveller pitches could potentially be brought forward on other sites with an outstanding and unmet need being a material consideration that would need to be taken into account in any planning decision.

7.0 SUSTAINABILITY APPRAISAL/HABITATS REGULATIONS ASSESSMENT

- 7.1 Sustainability Appraisal (SA) and Habitats Regulations Assessment are systematic processes that must be carried out during the preparation of a Local Plan. Their role is to promote sustainable development by assessing the extent to which the emerging plan, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives.
- 7.2 The site options discussed in this report are being assessed by the Council's SA/HRA consultants and the results of this process may necessitate some minor amendments to the wording of the draft policy. Recommendation 3 of this report therefore recommends that delegated authority be given to the Assistant Director to make these amendments prior to the start of the consultation.

8.0 NEXT STEPS

- 8.1 If approved by Cabinet, the proposed site allocation, draft policy wording and supporting documents will be put out for public consultation for a six-week period.
- 8.2 Consultation comments will be passed directly to the planning Inspector for his consideration. The Inspector has indicated that it may be necessary to hold an additional hearing session into the proposed site allocation, but this is likely to be a brief session of a few hours only.

8.3 The Inspector will then advise on the timetable going forward to the close of the Examination in Public and the issue of his final report. The modified Places and Policies Local Plan will then be taken to Cabinet and full Council for adoption. If Council adopts the plan, there is then a six-week period during which a legal challenge can be lodged. At the end of this process, the plan can then be used to determine planning applications.

9.0 CONCLUSION

9.1 To conclude, the Folkestone & Hythe District has an established identified need for four residential Gypsy and Traveller Pitches. The Council has been instructed by the Inspector appointed to oversee the Examination in Public of the Council's Places and Policies Local Plan to allocate a site(s) within the plan in order to be found 'sound'.

9.2 Following a thorough review of potential forty sites within the Folkestone & Hythe District, officers concluded that there were no suitable and available sites for development as Gypsy and Traveller pitches within the Plan period.

9.3 Subsequently, a new site has since emerged on land in between New Romney and Old Romney. It is available for development for gypsy and traveller pitches and an initial assessment by officers finds that the site would be suitable for development subject to an appropriate layout and mitigation in respect of landscaping, drainage and flood risk. This report seeks permission from Cabinet to commence a consultation for a six-week period on 'land adjacent to 'The Retreat', Lydd Road, Old Romney' as its preferred site to accommodate up-to four residential pitches for the Gypsy and Traveller Community.

10.0 OPTIONS

10.1 Council has three options in considering this report:

1. Proceed with consultation on the preferred Gypsy and Traveller site allocation and draft Policy RM15 wording.
2. Do not proceed with consultation. This is not advised; failure to allocate a Gypsy and Traveller site would likely result in the Places and Policies Local Plan being found 'unsound'.
3. Proceed with consultation on an alternative site. This is not advised; officers consider that site identification and assessment has gone through an appropriate and thorough process.

11.0 RISK MANAGEMENT ISSUES

11.1 The risk management issues are outlined below.

Perceived risk	Seriousness	Likelihood	Preventative action
Inspector rejects site allocation	High	Low	Council undertakes thorough review of reasonable and available sites which can be defended at public hearings
Site is not	High	Low	The Council has

deliverable			consulted landowners, including public sector landowners, as part of the process to ensure that deliverability is properly considered.
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12.0. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

12.1 Legal Officer's Comments

The legal implications arising from this report are significant. In order for the PLPP to be considered capable for adoption the Appointed Inspector must determine that the plan is 'sound' (Section 20(5)(c) Planning and Compulsory Purchase Act 2004). The Inspector has directed that for the plan to be determined sound it must adequately address the future housing needs of the Gypsy and Traveller community by identifying and putting forward a site(s) allocation to meet the permanent pitch requirements set out in the Gypsy and Traveller Accommodation Assessment (2018).

Should the Council fail to comply with this direction resulting in the Inspector's determination that the PLPP is unsound then the recommendation must be the PLPP is not adopted. It follows that in these circumstances the Council should withdraw the PLPP in accordance with regulation 27 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

12.2 Finance Officer's Comments

There are no direct financial implications of the recommendations proposed.

12.3 Diversities and Equalities Implications

Gypsy and Travellers can be classified as an ethnic group: '*a group who share the same history and cultural traditions*', which falls under the protected characteristic of 'Race' as defined in the Equality Act 2010. The Planning inspectorate has identified the need for the Council to address housing provision for the gypsy and traveller communities as part of the Places and Policies Local Plan. The Council has duty to provide adequate provision for housing and should ensure all future housing provision does not discriminate against individuals or groups within a community on the grounds of protected characteristics defined within the act.

13.0 CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Officer: Adrian Tofts: Planning Policy Manager
 Telephone: 01303 853438
 Email: Adrian.tofts@folkestone-hythe.gov.uk

Officer: Timothy Bailey: Senior Planning Policy Officer
 Telephone: 01303 853333
 E: timothy.bailey@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

(Note: only documents that have not been published are to be listed here)

14.0 Appendices:

Appendix 1: Gypsy, Traveller & Travelling Showpersons: Site Identification Study (FHDC, 2019)

Appendix 2: Land adjacent to The Retreat, Lydd Road, Old Romney: Site Map

Appendix 3: Draft Policy RM15

Folkestone & Hythe District Council

Gypsy, Traveller and Travelling Showpeople: Site Identification Study

Contents

1.0 Introduction

2.0 Policy Framework

3.0 Gypsy, Traveller and Travelling Showperson Accommodation Assessment (2018)

4.0 Site Identification and Assessment of Options

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6.0 Additional Site Consideration and Potential Site Allocation

Appendix 1: Site Assessment Matrix for Gypsy and Traveller Pitches

Appendix 2: Site Map: Land adjacent to 'The Retreat', Lydd Road, Old Romney

Appendix 3: Case Study: Carrswood View, Bath

1.0 Introduction

- 1.1 This study has been prepared by Folkestone & Hythe District Council (FHDC) to evidence the identification of land to meet the accommodation needs highlighted by the Gypsy and Traveller and Travelling Showperson Accommodation Assessment (2018) undertaken by Arc⁴.
- 1.2 The Study seeks to identify and assess potential sites and determine whether they are suitable, available and deliverable to meet the identified Gypsy and Traveller needs of the District. The conclusions of this study will inform the development of relevant policies and allocations through the Folkestone & Hythe District Council's Places and Policies Local Plan to guide the consideration of future planning applications for Gypsy, Traveller and Travelling Showperson sites.

Notes

- 1.3 For ease of reference sites within this study are grouped under the three character areas of the district set out in the 2013 Core Strategy, Places and Policies Local Plan and Core Strategy Review. These are:
- Urban Area – including Folkestone and Hythe;
 - Romney Marsh Area; and
 - North Downs Area.
- 1.4 As set out later in this study, there is a relatively small pitch requirement for gypsy and traveller needs for the district as a whole to 2036/37; given this, it is not possible to divide this requirement into separate sub-totals for each of the character areas. Sites have therefore been assessed on a district-wide basis to serve the whole district, using common criteria, with no specific focus on any particular sub-area(s).
- 1.5 It should be noted that the local planning authority changed its name on 1 April 2018 from Shepway District Council to Folkestone & Hythe District Council. References to "Shepway" are kept in this study where they appear in titles or quoted text from documents produced before 1 April 2018.

2.0 Policy Framework

National Planning Policy Framework

- 2.1 In July 2018, the Government published an update of the National Planning Policy Framework (NPPF). The NPPF was further revised in February 2019 and references to the 2019 version are provided below.
- 2.2 NPPF (Paragraph 59) sets out the “Government’s objective of significantly boosting the supply of homes” including “meeting the needs of groups with specific housing requirements.”
- 2.3 Furthermore, NPPF (Paragraph 61) states in relation to delivering a sufficient supply of homes:

“the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).”

Planning Policy for Traveller Sites

- 2.4 In 2012, the government published the Planning Policy for Traveller Sites (PPTS). This was subsequently updated in August 2015. The document sets out the government’s planning policies and requirements for gypsy and traveller sites and must be taken into consideration in preparing local plans and taking planning decisions.
- 2.5 The 2012 document defined “gypsies and travellers” as:

“Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family’s or dependents’ educational or health needs or old age have ceased to travel temporarily or permanently, but excluding members of an organised group of Travelling Showpeople or circus people travelling together as such.”

- 2.6 This was subsequently updated by the 2015 PPTS, which removed those who have ceased to travel permanently from the definition. The revised definition is:

“Persons of nomadic habitat of life whatever their race or origin, including such persons who on grounds only of their own or their family’s or dependants’ educational or health needs or old age have ceased to travel temporarily, but excluding members of an organised group of travelling showpeople or circus people travelling together as such.”

- 2.7 In addition, the PPTS (2015) states:

“For the purposes of this planning policy, “pitch” means a pitch on a “gypsy and traveller” site and “plot” means a pitch on a “travelling showpeople” site (often

called a “yard”). This terminology differentiates between residential pitches for “gypsies and travellers” and mixed-use plots for “travelling showpeople”, which may/will need to incorporate space or to be split to allow for the storage of equipment.”¹

- 2.8 Paragraph 4 requires that local planning authorities assess the need for gypsy and traveller sites and to develop fair and effective strategies to meet the likely need for permanent and transit pitches through the identification of sites. Planning authorities should plan over a reasonable timescale, promoting private sites but recognising that not all travellers can afford to provide their own sites. Plan-making and decision-taking should protect local amenity and the environment and aim to reduce the number of unauthorised developments and encampments and make enforcement more effective.
- 2.9 At Paragraph 13 some general considerations for site selection are set out to ensure that *“planning policies:*
- a) promote peaceful and integrated co-existence between the site and the local community*
 - b) promote, in collaboration with commissioners of health services, access to appropriate health services*
 - c) ensure that children can attend school on a regular basis*
 - d) provide a settled base that reduces both the need for long-distance travelling and possible environmental damage caused by unauthorised encampment*
 - e) provide for proper consideration of the effect of local environmental quality (such as noise and air quality) on the health and well-being of any travellers that may locate there or on others as a result of new development*
 - f) avoid placing undue pressure on local infrastructure and services*
 - g) do not locate sites in areas at high risk of flooding, including functional floodplains, given the particular vulnerability of caravans*
 - h) reflect the extent to which traditional lifestyles (whereby some travellers live and work from the same location thereby omitting many travel to work journeys) can contribute to sustainability.”*
- 2.10 Paragraph 25 also places strong emphasis against development in open countryside, stating *“local planning authorities should very strictly limit new traveller site development in open countryside that is away from existing settlements or outside areas allocated in the development plan.”* However, there is no outright exclusion on the development of sites in Areas of Outstanding Natural Beauty (AONB), such as the Kent Downs AONB within Folkestone & Hythe district, but the impact of a site on the landscape is one of the criteria that would have to be considered, as would the aims of the Kent Downs AONB Management Plan.²
- 2.11 More detailed guidance was published as ‘Designing Gypsy and Traveller Sites: Good Practice Guide’ (CLG, 2008); although officially withdrawn, it is still available to view among the government’s archived documents and provides general design advice and some site design examples.³

¹ DCLG *Planning policy for traveller sites* August 2015 Annex 1, para 5

² Available to view at: <https://s3-eu-west-1.amazonaws.com/explore-kent-bucket/uploads/sites/7/2018/04/18113849/KDAONB-Management-Plan.pdf>

³ Available to view at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/11439/designinggypsiesites.pdf

Shepway Core Strategy Local Plan (2013)

2.12 The Shepway Core Strategy Local Plan (CSLP) does not make specific provision for meeting the needs of Gypsy and Travellers in Folkestone & Hythe District.

2.13 Policy CSD2 of the CSLP considers the district's residential needs and states that:

“Residential development and new accommodation should be designed and located in line with the Spatial Strategy’s approach to managing demographic and labour market changes in Shepway and meeting the specific requirements of vulnerable or excluded groups existing with the district.”

2.14 Furthermore, it provides a commitment that:

“The accommodation needs of specific groups will be addressed based on evidence of local need, including appropriate provision for Gypsies, Travellers and Travelling Showpeople. Policies will be included in Local Plans [Places and Policies Local Plan] to provide criteria and make allocations for Traveller sites in line with national policy.”

Places and Policies Local Plan (Submission Draft)

2.15 Should the outcome of the Gypsy and Traveller Site Identification Study result in the identification of a specific site(s) for gypsy and traveller pitches these will form part of the housing site allocations included within the Places and Policies Local Plan (PPLP).

2.16 At present, in the absence of site-specific allocations or where proposals are bought forward on non-allocated land, emerging Policy HB14 of the PPLP provides a criteria-based policy for development of traveller sites. This policy focuses on the practical aspects of accessibility and public services, landscape quality and residential amenity. As such it forms a straightforward set of criteria to assess applications and makes explicit the consideration of individual merits.

Policy HB14: Accommodation of Gypsies and Travellers

Planning permission will be granted for gypsy and traveller accommodation which will contribute to meeting the needs of those households conforming to the definition set out in 'Planning policy for traveller sites', subject to the following:

1. The development safeguards the health of occupiers and provides a satisfactory level of amenity for them, by reference to factors including but not limited to: the space available for each family; noise; odour; land contamination; other pollution or nuisance; flood risk; and the disposal of refuse and foul water;
2. The site is in a sustainable location, well related to a settlement with a range of services and facilities and is, or can be made, safely accessible on foot, by cycle or public transport;
3. Adequate vehicular access, sight lines and space for turning and manoeuvring can be provided;
4. The development will not give rise to an unacceptable impact on amenity for residents in the vicinity of the development, or, in the case of nearby commercial users, result in the imposition of new constraints on the way in which such users can operate their businesses;
5. If the proposal involves the development of land originally identified in this Local Plan for another purpose, the loss of such land is justified by the desirability of providing additional gypsy and traveller accommodation; and
6. There is no adverse effect on the landscape, environmental or other essential qualities of countryside, including the Kent Downs Area of Outstanding Natural Beauty or Natura 2000 sites, Sites of Special Scientific Interest, national or local nature reserves or heritage assets.

The exception to the above criteria relate to applications for the expansion of existing permitted gypsy and traveller sites, in which case only criteria 1 and 4 will apply. However, it must be demonstrated that those households still conform to the gypsy and traveller definition, and that expansion will result in additional gypsy and traveller pitches.

3.0 Gypsy, Traveller and Travelling Showperson Accommodation Assessment (2018)

Arc⁴

- 3.1 The Government's aim in respect of gypsy and traveller sites is that local planning authorities should make their own assessment of need for the purposes of planning.
- 3.2 Folkestone & Hythe District Council has been working with a consortium of Kent local planning authorities, as part of the duty-to-cooperate, to produce a new Gypsy and Traveller Accommodation Assessment (GTAA) for the county. The Kent authorities have commissioned consultancy Arc⁴ to undertake this work to a standard methodology, reflecting the updated definition of travellers in national planning policy.⁴
- 3.3 Arc⁴ is producing separate reports for each authority, taking account of movements between each local authority area, and is undertaking the work in several phases. On completion, the new GTAA will supersede the previous East Kent Gypsy, Traveller and Travelling Showperson Accommodation Assessment (University of Salford, April 2014).
- 3.4 Folkestone & Hythe is one of the authorities in the first phase of this work. The report for the district has been finalised and is published alongside this study.
- 3.5 The research provides information about the current and future accommodation needs of Gypsy and Travellers and Travelling Showpersons, as well as providing information about their additional support needs.

Identified Gypsy and Travelling Showperson Need

- 3.6 The GTAA (2018) evidences an overall requirement for the Folkestone & Hythe Core Strategy Review period to 2036/37 of:
 - Five additional Gypsy and Traveller pitches;
 - Two additional Travelling Showpersons pitches; and necessarily
 - Three to Five additional Transit pitches.

Meeting the Permanent Gypsy and Traveller Pitch Requirement

- 3.7 There are currently two authorised permanent pitches on two separate private sites within the Folkestone & Hythe District. The GTAA (2018) has evidenced a need for three additional pitches within the district over the five-year period to 2021/22 and a further two pitches over the remainder of the plan period to 2036/37.
- 3.8 Since the GTAA was prepared, planning permission (Y18/0303/SH) has been granted for an additional permanent gypsy and traveller pitch on an existing site at Fishers Paddock, Ashford Road, Benzett.

⁴ Arc⁴ is a consultancy specialising in housing market analysis, including gypsy and traveller needs, and has completed more than 50 gypsy and traveller accommodation assessments across the country.

- 3.9 As a consequence, this has the effect of reducing the permanent Gypsy and Traveller pitch requirements to a total of four, comprising an additional two pitches over the five-year period to 2021/22 and a further two pitches to 2036/7.

Meeting the Travelling Showpersons' Plot Requirement

- 3.10 There is currently one Travelling Showperson household living on an authorised plot in the District. The GTAA (2018) has not evidenced a need for additional plots during the next five years but it has identified a need for two additional plots over the remainder of the plan period to 2036/37.

- 3.11 It is anticipated that this need could potentially be met through an intensification of the existing yard at The Sandpit, Swan Lane, Sellindge.

Meeting the Transit Site Pitch Requirements

- 3.12 The GTAA (2018) recommends that the Council considers the development of a transit site of between three and five pitches over the plan period to 2037, to address the short-term accommodation needs of households travelling through the District.

- 3.13 It is suggested that once Arc⁴ have completed their GTAA for each of the Kent local planning authorities and has completed an over-arching GTAA, which draws the finding into a single document, this could lead to a Kent-wide response of creating a sustainable and relevant network of transit sites across the County.

4.0 Site Identification and Assessment of Options

4.1 Selecting the right site for Gypsy and Traveller accommodation is a key factor in supporting good community relations and maximising the success of the site. The methodology for site selection is set out in the sections that follow. This has involved gathering together a wide range of sources of potential sites and assessing these against selection criteria through a number of stages. This is set out diagrammatically in Figure 1 below.

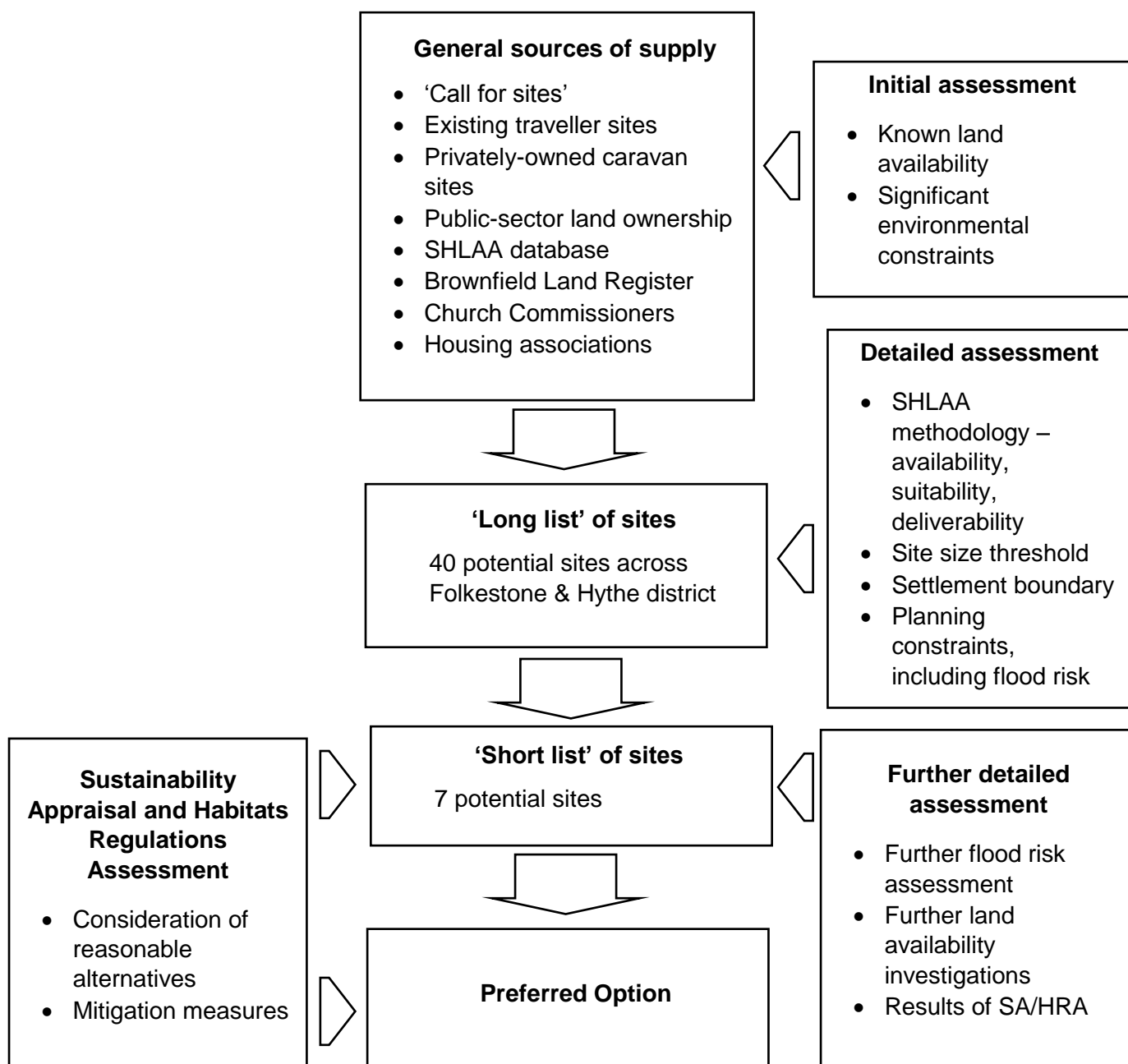


Figure 1: Site Selection Methodology

District Wide Assessment

- 4.2 For the purpose of this assessment the Folkestone & Hythe District boundary is the limit of the assessment (as outlined in paragraph 1.4 above this has not been divided further into sub-areas). The main focus for traveller site development will be on sites which are reasonably located to the settlement hierarchy as defined in the CSLP. The settlement hierarchy aims to direct development to existing settlements, not only to protect the district's open countryside but also to shape distinctive and coherent places.

Identifying Potential Sites – The Long List

- 4.3 To ensure that all reasonable alternatives for potential gypsy and traveller sites had been considered, a long list of sites was compiled through a comprehensive review of the following sources:
- A 'call for sites'
 - Existing Gypsy and Traveller sites
 - Privately owned caravan sites
 - Public sector land ownership
 - SHLAA database
 - Church Commissioners for England

Call for Sites

- 4.4 A 'call for sites' was undertaken from 29th March to 18th May 2018, as part of the Regulation 18 consultation on the Core Strategy Review. The 'call for sites' included an invitation for landowners to submit land for a range of development options including for Gypsy and Traveller pitches.
- 4.5 In total, nine sites were submitted for uses including housing and employment; however, none were put forward for Gypsy and Traveller development.

Existing Gypsy and Traveller Sites and Privately Owned Caravan Parks

Existing Gypsy and Traveller Sites

- 4.6 The Council has investigated the potential to intensify and expand existing Gypsy and Traveller sites across the District.
- 4.7 Table 1 shows that there are currently two authorised Gypsy and Traveller sites and one Travelling Showperson's Yard within the District. In addition, one Gypsy and Traveller household was identified on a residential caravan park in Lydd.

Site	Type	Pitches / Plots
Fishers Paddock, Ashford Road, Brenzett, Romney Marsh	Gypsy and Traveller Site	1
Paddock View, Land adjoining Poplar Farm, Brenzett Green, Romney Marsh	Gypsy and Traveller Site	1

The Sandpit, Swan Lane, Sellindge, Ashford	Travelling Showperson Yard	1
Lydd Caravan Park, Jurys Gap Road, Lydd, Romney Marsh	Residential Caravan Park	1

Table 1: Existing Gypsy and Traveller sites & number of pitches

3.1 As part of the preparation of the GTAA, members of the gypsy and traveller community were asked to complete a household survey. This asked respondents if there was opportunity to expand (extended to cover a larger area) or intensify (to accommodate additional pitches) existing sites. Respondents did not consider that this was possible on the existing sites within the District. However, since the household surveys were undertaken planning permission has been granted for an additional permanent Gypsy and Traveller pitch on the existing site at Fishers Paddock, Ashford Road, Benzett (Ref: Y18/0303/SH).

4.8 In this respect, Arc⁴ were commissioned to undertake further work with the established traveller communities in the District to discuss their precise needs for accommodating any expansion of their community over the next five years. Their work centred around answering the following additional householder survey questions:

- *Whether they would be willing to create additional pitches on their site*
- *If so, would you be willing to share their site with other members of the travelling community if they weren't part of their family?*
- *Do they own any land which they would be willing to place more traveller pitches*

4.9 Discussion with residents did not glean any more meaningful data over and above the responses received from the survey fieldwork carried out as part of the GTAA 2018. For those residents who were willing to speak directly about their own individual needs, it was suggested that additional sites were needed to accommodate the needs of families who were increasing in size.

4.10 Experience suggests that discussing housing needs and demand directly with local residents is far more productive if a specific site or local area can be identified as the source of the potential provision.

Privately Owned Caravan Parks

4.11 A full schedule of privately-owned caravan parks within the District was collated through the Council's licensing department.

4.12 It was decided that given the Council was searching for permanent residential pitches that only those sites which operated under an 'all year' rather than seasonal licenses and subject to planning restrictions to prevent residential uses would be looked at in further detail.

4.13 Table 2 shows all the privately-owned caravan parks identified by the Council's licensing department that operate an 'all year' licence.

Site	Type	Season	Pitches S / T
Folkestone and Hythe			

Prince of Wales Residential Park, Hythe	Residential	All Year	31 / 0
Willow Tree Farm Mobile Home Park, Hythe	Residential	All Year	63 / 0
Romney Marsh			
Herons Park	Residential	All Year	36 / 30
Lydd Caravan Park	Residential	All Year	30 / 0
Bridge Home Park, Lydd	Residential	All Year	10 / 0
Orchard Caravan Park, Burmarsh	Residential / Touring	All Year	52 / 24
Harvey land Farm	Touring	All Year	0 / 5
North Downs			
Highview Residential Park	Residential	All Year	14 / 0
Black Horse Farm Caravan Club Site	Touring	All Year	0 / 70
The Chequers Caravan Site	Touring	All Year	2 / 24
Little North Leigh Farm	Touring	All Year	0 / 5
Paddlesworth Court Farm	Touring	All Year	0 / 5
Page Farm	Touring	All Year	0 / 5
Additional site			
Bellfield Farm	Touring	All Year	0 / 5

Table 2: Privately owned caravan parks that operate an 'all year' licence

- 4.14 A quick desk-based review of the private caravan parks showed that Bridge Home Park, Lydd had no spare capacity within their site to accommodate additional pitches; as such it was decided that this site would not be taken forward for further assessment.
- 4.15 Bellfield Farm was identified as a historic licensed site on the border with Folkestone & Hythe District, within Ashford Borough.

Public Sector Landowners

- 4.16 The council has reviewed its own corporate assets in order to help meet the identified gypsy and traveller pitch requirements.
- 4.17 A comprehensive list of the Council's corporate assets was obtained from e-PIMS – a software management tool that requires public sector organisations to record all their land and property assets. Officers reviewed the corporate assets register for both Folkestone & Hythe District Council as well as Kent County Council. Land was discounted from further consideration that fell within one of the following categories.
- Public buildings (including schools, leisure facilities, community services)
 - Employment sites
 - Public open space and children's play areas
 - Public realm
 - Nature reserves
 - Landscaping
 - Highways (including footpaths, car parks, grass verges)
 - Churchyards and cemeteries (including land safeguarded for their expansion)
 - Coastal infrastructure
 - Utilities
 - Private buildings (leased)
 - Land with planning consent

- An Irregular shape (such that an additional pitch could not be accommodated within the site boundary)

4.18 Table 3 identifies land in the ownership of FHDC and KCC that has been considered as part of this study for its potential for Gypsy and Traveller pitches.

Site	Ownership	Size (ha)
Folkestone and Hythe		
Land off Lower Sandgate Road, Folkestone	FHDC	0.1
Land at North Street, Folkestone	FHDC	0.1
Land north of East Street, Folkestone	FHDC	
Land at Botolphs Bridge, West Hythe	FHDC	0.5
Romney Marsh		
Land North of Langport Road (1), New Romney	FHDC	6.2
Land North of Langport Road (2), New Romney	FHDC	4.2
Land North of Kitewell Lane, Lydd	FHDC	0.2
Land South of Kitewell Lane, Lydd	FHDC	0.3
East Ripe (1), Lydd	FHDC	3.5
East Ripe (2), Lydd	FHDC	0.6
East Ripe (3), Lydd	FHDC	7.5
Highways Depot, Running Waters Corner, New Romney	Unknown (historic use by KCC)	0.2
North Downs		
Land at Otterpool*	FHDC	120

Table 3: Developable land in F&HDC and KCC ownership

4.19 Land at Otterpool forms part of a proposed new garden settlement near Hythe. It is promoted by joint landowners Folkestone & Hythe District Council and Cozumel Estates and supported by the Government's 'Garden Towns' programme. The proposed garden settlement is an allocation in the Council's Core Strategy Review, which has recently been through its Regulation 19 consultation and is expected to be submitted to the Planning Inspectorate for examination shortly. An outline planning application for up to 8,500 homes has been submitted (Y19/0257/FH) and is currently being considered by the Council.

4.20 Much of the preparation of the Core Strategy Review and Otterpool Park Masterplan preceded the findings of the GTAA (2018) study, which identified a need for a small number of deliverable Gypsy and Traveller pitches within the next five years. Given that proposals for the garden settlement have advanced significantly, it is considered that the Council's land ownership at Otterpool, as well as other private landownerships that fall within the Masterplan boundaries (and that were previously assessed as part of the SHLAA), are not currently available for reassessment or further consideration; nor are they deliverable in the short-term given the strategic nature of the proposed development.

Review of SHLAA

- 4.21 Officers carried out a review of the Strategic Housing Land Availability Assessment (SHLAA) database. Sites that have not been allocated as part of the Places and Policies Local Plan (and not subject to a planning application) and were assessed as being either 'green' or 'amber' were considered for their suitability to accommodate a small number of Gypsy and Traveller pitches.
- 4.22 Table 4 identifies SHLAA sites that had been assessed as either green or amber as part of their initial assessment for suitability for housing.

SHLAA	Size (Ha)	Original SHLAA Category
Folkestone and Hythe		
SHLAA/602: Land between Valebrook Close & Valestone Close, Folkestone	2.98	Green
SHLAA/405: Land at Coolinge Lane, Sandgate	4.54	Green
SHLAA/158: Vale Farm (The Piggeries), Horn Street, Hythe	4.6	Green
SHLAA/155: Rectory Field, Eversley Way, Seabrook, Hythe	1.75	Green
SHLAA/615: Land north-west of Blackhouse Hill, Hythe	17.6	Amber
SHLAA/640: Land adjacent 43 Horn Street, Hythe	1.2	Amber
Romney Marsh		
SHLAA/373: Land west of Cockreed Lane, New Romney	4.7	Amber
SHLAA/1014: Craythorne Farm, New Romney	0.17	Amber
SHLAA/1015: Brickyard Poultry Farm, New Romney	1.4	Amber
SHLAA PO21: Dymchurch Parish Council Car Park	0.4	
SHLAA PO26: Station Approach, New Romney	1	
SHLAA PO27: Land at Dymchurch, Recreation Field	1.5	
SHLAA PO28: St Andrews Road, New Romney	3.4	
North Downs		
SHLAA/388: Land west of Canterbury Road, Hawkinge	1	Green
SHLAA/686: Land at Duck Street, Elham	0.3	Green
SHLAA/627: Land rear of Brook Lane Cottages, Brook Lane, Sellindge	0.45	Amber
SHLAA/613: Land rear of Barnstormers, Stone Street, Stanford	1	Amber
SHLAA/423b: Land east of former railway, Teddars Leas Road, Etchinghill	1.9	Amber
SHLAA PO5: Red House Lane, Lyminge	0.8	

Table 4: SHLAA sites assessed as either 'green' or 'amber' but not allocated

- 4.23 A small number of sites identified in Table 4 were allocated for housing in the Places and Policies Local Plan - Preferred Options document. However, during consultation on the document in October 2016, a number of objections were raised against the following sites that led to the Council deleting them as site allocations from later drafts of the plan. These sites included: SHLAA/405 (loss of playing field); SHLAA/686 (localised flooding

and access); SHLAA/686 (access and flooding); and SHLAA/613 (access). SHLAA/155 was also excluded as it was known that the site is no longer available.

- 4.24 Each of the remaining sites have been reassessed for their potential to deliver the small number of Gypsy and Traveller pitches required.

Church of England

- 4.25 In February 2019, the General Synod voted that, regarding sites for Gypsies and Travellers, the Church of England should “encourage the local and national Church to make land available for new sites managed by Housing Associations.”⁵ In March, officers contacting the Church Commissioners for England regarding the availability of land owned by the Church of England in the Folkestone & Hythe District. Following an initial acknowledgement, a further follow-up e-mail was sent in May. An additional letter was sent by the Council Leader in June. At present, no formal response has been received although officers continue to press the Church Commissioners for their cooperation. This avenue of search would appear premature for this particular assessment of sites but officers will monitor the situation and consider as part of a future review of the Places and Policies Local Plan.

Assessment of Site Options

- 4.26 This site identification exercise resulted in forty potential sites being identified for assessment.
- 4.27 Officers considered that as a site was being sought for permanent pitches for members of the Gypsy and Traveller community that any future allocation would essentially adopt a residential use class. Therefore, it was decided that the approach to site assessment should follow the same principles applied for the Strategic Housing Land Availability Assessment (SHLAA).
- 4.28 The approach to identifying an appropriate set of site selection criteria was to build upon the guidance set out in NPPF (Paragraph 67) that account should be taken of a site’s suitability, availability and deliverability.
- 4.29 Stage 1 of the SHLAA form that was used to screen the suitability of sites for housing for the Places and Policies Local Plan was amended to reflect some of the site specific requirements and considerations assumed necessary to achieve a successful Gypsy and Traveller site. The alterations related to the setting of a minimum site threshold; a maximum distance from the nearest settlement boundary; and specific site constraints such as flood risk. A further minor amendment was made to Stage 2 of the SHLAA form which took account of the potential relationship and impact on both future occupants of the site and the settled community.
- 4.30 Further detail is provided on the changes to the assessment criteria in the following paragraphs.

Site Size Threshold

⁵ See paper GS2123, ‘Centuries of Marginalisation: Visions of Hope, Mission and Ministry among Gypsy, Roma and Traveller Communities’: <https://www.churchofengland.org/sites/default/files/2019-01/GS%202123.pdf>

4.31 There are no definitive parameters for a Gypsy and Traveller site or the individual pitches. For practical reasons, such as the maneuverability of caravans, often a greater amount of land is required per household compared to that for smaller houses.

4.32 Despite now being withdrawn, Paragraph 4.4 of the DCLG's Good Practice Guidance on Designing Gypsy and Traveller Sites (2008) suggests that

"Gypsy and Traveller sites are designed to provide land per household which is suitable for a mobile home, touring caravan and a utility building, together with space for parking."

4.33 To inform a site threshold, officers undertook a review of best practice where Gypsy and Traveller pitches have been developed elsewhere which found that it could be reasonably expected that a permanent site of one pitch with the necessary amenity block, parking and infrastructure to be around 500sqm; whilst an appraisal looking at the District's two existing permanent gypsy and traveller sites ascertained that each site allowed approximately 1,500m per pitch. Sites were sought where a minimum of two pitches could be accommodated to enable the children of a Gypsy and Traveller family to move into their own caravan in the transition to adulthood. As such a minimum land requirement of 0.1ha was applied to all sites.

Settlement Boundary

4.34 The Government is keen to promote a peaceful and integrated co-existence between a Gypsy and Traveller site and the local settled community. Paragraph 3.7 of the Good Practice Guidance on Designing Gypsy and Traveller Sites states that:

"where possible, sites should be developed near to housing for the settled community as part of mainstream residential developments".

In response, officers included an additional site screening criterion which only allowed the consideration of sites in locations of no more than 500m from the nearest settlement boundary with a focus on the most sustainable towns and villages. This generally reflects the requirement that traveller sites should be located in locations accessible to education, health, shops, and community and service facilities. Moreover, a little relative distance (where possible) between the prospective Gypsy and Traveller community and the existing settled community is considered to help address and respect the privacy of both sets of residents, enable opportunities for a live/work set up on site; and limit opportunities for tensions to arise with the settled community.

Planning Policy Designations

4.35 National guidance is clear that potential Gypsy and Traveller sites should not be located in areas at high risk of flooding. Paragraph 13 of Planning Policy for Traveller Sites states that local planning authorities should not:

"locate sites in areas at high risk of flooding, including functional floodplains, given the particular vulnerability of caravans"

4.36 Permanent caravan sites are classed as "highly vulnerable development" in the national Planning Practice Guidance. The initial screening criteria were amended to ensure that areas of 'significant' in addition to areas of 'extreme' flood hazard (as shown on the Strategic Flood Risk Assessment Mapping 2115) would not proceed to the more detailed

assessment of suitability. Furthermore, sites were screened out owing to their proximity to various planning designations such as International and European wildlife sites.

4.37 An example of the SHLAA form can be found in Appendix 1

Stage 1: Initial Screening Assessment

4.38 Stage 1 of the site assessment process involved an initial screening of sites. This was a preliminary sieving process to eliminate any sites that had any overriding constraints that would rule the site out as a Gypsy and Traveller site using the three key criteria discussed above: 1) Site size threshold: 2) Settlement Boundary: 3) Planning policy designations.

5.1 Twenty of the initial forty sites failed to pass all three of the initial screening criteria.

- Four of the sites exceeded the maximum 500m threshold of a settlement boundary.
- Eleven had policy constraints relating to matters such as flood risk, ecology and landscape; and
- Five exceeded both the maximum 500m threshold of a settlement boundary and had policy constraints relating to matters of flood risk, ecology and landscape

4.39 A summary of the sites that were screened out during Stage 1 can be found in the site assessment matrix in Section 6.0 of this document.

Stage 2: Detail Assessment

4.40 The remaining twenty sites that passed the initial screening criteria progressed to Stage 2 of the site assessment process and underwent a more detailed assessment of suitability looking at matters such as access and highways capacity, connection to services and infrastructure, proximity to local facilities, landscape and townscape impact, wildlife and nature conservation, listed buildings and archaeology; and residential amenity. This stage identified any constraints to development and whether there were any opportunities for mitigation.

4.41 Seven of the twenty sites were considered to be relatively free of constraints and therefore progressed to the next stage of the study. The seven sites that formed part of a 'short list' included:

- Station Approach, New Romney
- Running Waters Corner, New Romney,
- Brickyard Poultry Farm, Cockreed Lane, New Romney
- Land west of Cockreed Lane, New Romney
- Craythorn Farm, New Romney
- Kitewell Lane (North), Lydd
- Kitewell Lane (South), Lydd

4.42 Two caravan sites, Highview Residential Park near Capel-le-Ferne and Black Horse Farm Caravan Club site were also considered to be relatively free of constraints. Since neither of these sites had previously been submitted to the Council as being available

for development officers wrote to the site owners and/or manager to ascertain their stance on making part of their site available to the Gypsy and Traveller community. No positive responses were received. Therefore, it was assumed that these sites were not available and did not form part of the short-list of sites.

- 4.43 Given the highly vulnerable nature of caravan development, informal comments on the risk of flooding affecting the short-listed sites were also sought from the Environment Agency.

A summary of the performance of each site during Stage 2 of the site assessment process can also be found in the site assessment matrix in Appendix 1.

Sustainability Appraisal/Strategic Environmental Assessment and Habitats Regulations Assessment

- 4.44 Under the Planning and Compulsory Purchase Act 2004, Sustainability Appraisal is a mandatory part of the process for preparing land use plans, including the Places and Policies Local Plan. For these documents, it is also necessary to conduct an environmental assessment following the requirements of the Strategic Environmental Assessment (SEA) Directive.
- 4.45 Under the Directive on the Conservation of Natural Habitats and of Wild Fauna and Flora (the Habitats Directive) plans such as the Places and Policies Local Plan are also subject to Habitats Regulations Assessment (HRA). The purpose of HRA is to assess the impacts of the plan against the conservation objectives of European sites protected for their habitat value and to assess whether the impacts would adversely affect the integrity of any site.
- 4.46 These assessments have been undertaken throughout the process of preparing the Places and Policies Local Plan by the Council's consultants LUC. Following on from their earlier work, LUC were also instructed to assess the short-listed gypsy and traveller sites and their report will be published when completed.
- 4.47 As shown in Figure 1 above, SA/SEA and HRA form a parallel process alongside the Council's site identification work, and also provide an independent check on this work. They also serve to highlight any mitigation measures that may need to be introduced into the proposed site allocation policy.

Appropriateness of Sites for Gypsy and Traveller Accommodation

- 4.48 Having established the 'short-list' of sites identified from a variety of sources and assessed on a number of detail criteria, consultants Arc⁴ were commissioned to review the appropriateness of these sites for the Gypsy and Traveller community and the potential impact on the wider community.
- 4.49 It was concluded that the appropriateness of these sites for Gypsy and Travellers has been assessed in the context of recommended practice of Government. A number of the sites are considered to be rural in nature and primarily unwanted farming land. These sites are remote from established communities, quite large areas themselves and a distance from any shops or local schools, doctors etc. The essence of traveller sites is not to exclude them from existing conurbations by placing them in remote areas but to

ensure that they are able to integrate into local communities with sensitive design and locations. In this regards there are three sites of the ones identified that have the potential for establishing a small-scale traveller community with opportunities to expand.

- 4.50 In no particular order these were: Kitewell Lane (North) and Kitewell Lane (South), Lydd; and Station Approach, New Romney. A further site, land at Running Waters Corner was considered to be potentially suitable for short-stay accommodation.

Stage 3: Availability of Sites

- 4.51 The four sites identified by Arc⁴ as having the potential for establishing a small-scale traveller community progressed to Stage 3 of the site assessment process and a review of their availability for Gypsy and Traveller development.
- 4.52 Officers considered that a site in public-sector ownership is more likely to be made available for traveller use, where there are no alternative plans for its development or disposal, than a site in private-ownership being promoted for housing development.
- 4.53 Therefore, officers proceeded to conduct inquiries as to the availability of the sites at Kitewell Lane which are in the ownership of FHDC; and Running Waters Corner which was assumed to be in the control of Kent County Council.
- 4.54 FHDC has indicated that at this stage the two sites at Kitewell Lane are not currently available with both already allocated for housing in the Places and Policies Local Plan. In addition, KCC have also informed the Council that whilst their road surfacing team uses the land at Running Waters Corner on an ad-hoc basis, it is actually Highways England that holds the titles to the site. It is therefore not within KCC's gift to release the land for alternative uses. While it may be possible to work with KCC and Highways England to secure ownership of the Running Waters Corner site in the future, it would need the provision of alternative facilities in the vicinity to compensate KCC for the release of the depot land. It is therefore considered that the site is not deliverable within the timeframe needed for the completion of this work.
- 4.55 The site at Station Approach, New Romney is in private ownership and has been actively pursued for housing through the SHLAA. From officers' knowledge of these sites, it is considered unlikely that they will be made available for Gypsy and Traveller residential pitches.

5.0 Conclusion

- 5.1 The GTAA (2018) established a need for five additional Gypsy and Traveller sites in the District.
- 5.2 Since the GTAA was prepared, planning permission has been granted for an additional permanent gypsy and traveller pitch on an existing site. This has had the effect of reducing the permanent Gypsy and Traveller pitch requirements to a total of four for the plan period to 2037.
- 5.3 Drawing from a variety of different sources officers identified forty potential sites for assessment. An initial screening followed by a detailed assessment of sites revealed a 'short-list' of seven sites as having potential to accommodate a small scale Gypsy and Traveller site.
- 5.4 These seven sites were passed to Arc⁴ for review as to their appropriateness for Gypsy and Travellers site, considered against the context of recommended practice of Government. Four were considered to have potential for establishing a small scale traveller community with opportunities to expand.
- 5.5 Officers proceeded to conduct inquiries as to the availability of the sites; it was concluded that none were currently available for development as a Gypsy and Traveller site.
- 5.6 Therefore, having gone through a thorough process of identifying and assessing potential sites, officers have been left to conclude that there are no suitable and available sites in Folkestone & Hythe District that could accommodate the required number of four residential Gypsy and Traveller pitches that has been identified in the GTAA (2018).

6.0 Additional Site Consideration and Preferred Site Allocation

- 6.1 Following the conclusion of this site identification study, officers' attention has been drawn to an established Romany Gypsy family living and working in the Romney Marsh area who have acquired a parcel of land with the aspiration of developing it as a Gypsy and Traveller site. Officers contacted the family and identified the 1.5ha site as 'land adjacent to The Retreat, Lydd Road, Old Romney'. A site location map is provided in Appendix 2.
- 6.2 Officers have subsequently considered the site using the assessment methodology outlined earlier in Section 4.0 of this document.
- 6.3 The site does not strictly meet the Stage 1 screening criteria that would automatically take it forward for a more detailed assessment. However, it is considered that in this case a reasonable level of planning judgment can be exercised given the outstanding Gypsy and Traveller need to be addressed; the absence of reasonable alternatives; and the availability of the site, to allow it to progress to Stage 2 of the site assessment process.
- 6.4 In regards to the initial screening criteria, the site is further than the 500m threshold from the nearest settlement boundary. It is though within 500m of Old Romney with direct access onto the A259 and New Romney; as such it is considered that the site would not exclude Gypsy and traveller families and that opportunities would still exist for them to be able to integrate with both of the neighbouring local communities. Settlement boundaries are not defined for the smaller villages in the district in an effort to steer new development towards the more sustainable towns and villages in the settlement hierarchy. Additionally, a small proportion of the site along the southern extent of the site is identified as being of significant flood risk. The remainder of the site is classified as being of Nil to Moderate in terms of the risk of flooding with safe access and egress from the site during a significant flooding event. As such, it is officers' opinion that there is a large enough 'developable area' at Nil risk of flooding to accommodate a small number of Gypsy and Traveller pitches.
- 6.5 A Stage 2 detailed assessment of the site suggests that it is largely free of constraints. There are some limitations, principally these relate to the potential ecological value of the site due to its location in the countryside; as well as future residents' ability to access services in New Romney without use of a private vehicle. However, matters such as drainage, ecology, landscape and archaeological are all considered to be manageable with appropriate mitigation.
- 6.6 The site assessment process identifies at Stage 3 that the site is available for development by virtue of being in the ownership of a Gypsy and Traveller family who have purchased the site with the intention of creating two to four residential pitches in order to meet the housing requirements of their immediate family.
- 6.7 On balance of material considerations, officers' consider that 'land adjacent to 'The Retreat', Old Romney, where supported by an appropriate policy is both a suitable and available site that is capable of delivering a small-scale Gypsy and Traveller site of two to four pitches.
- 6.1 A summary of the detailed site assessment can be found in the site assessment Matrix for Gypsy and Traveller Pitches in Appendix 1.

Appendix 1: Site Assessment Matrix for Gypsy and Traveller Pitches

Appendix 2: Gypsy and Traveller Site Assessment Form

Gypsy and Traveller Site Assessment Form

SHLAA Ref:		FHDC Ward:	
Site Name/Address:		Source:	
Current Use:		Area (ha):	
		Site Visit:	

Stage 1: Initial Assessment on suitability

A	Is the size of the site greater than 0.1 ha.	
B	Is the site within 500m of a settlement boundary?	
C	<p>Is the site within or does it contain any of the following:</p> <ul style="list-style-type: none"> • SAC • SSSI • National Nature Reserve • Ramsar • SPA • Ancient Woodland • A Significant or Extreme Flood Hazard (as defined in the SFRA for the year 2115) • Scheduled Monument • Registered Parks and Gardens 	

Proceed to Stage 2?	
----------------------------	--

Stage 2: Detailed Assessment on suitability

A	Relationship to the settlement hierarchy?	
B	Physical or Infrastructure Constraints:	
	i) Can a suitable access to the highway network be created?	
	ii) Is there adequate highway capacity?	
	iii) Is there water supply?	
	iv) Is there sewerage?	
	v) Is there electricity supply?	
	vi) Are there electricity pylons on site?	
	vii) Is there contamination?	
	viii) Are there adverse ground conditions?	
	ix) Is there any hazardous risk?	
	x) Is there difficult topography?	
	xi) Is there a river near or on the site?	
	xii) Is it in flood zone 2?	
	xiii) Is it in flood zone 3?	
	<p>If yes hazard rating 2115 with climate change - Nil/Low/Moderate/Significant</p>	
C	Could the development potentially have a detrimental impact on any of the following?	
	i) Townscape	
	ii) Landscape	
	iii) AONB and its immediate setting	
	iv) Kent BAP sites	
	v) Tree Preservation Orders	
	vi) Heritage Assets	
	vii) Historic Park/Garden or Square	
	viii) Local Wildlife Site	

	ix) Protected Open Space	
D	Has the site been identified to be retained in the Employment Land Review?	
E	Is the site safeguarded (including minerals)?	
F	Sustainable Location. How does the site perform against the following criteria?	
	• Within 800m of a bus stop or railway station	
	• Within 800m of a primary school	
	• Within 800m of a convenience store	
	• Within 1km of a GP surgery	
G	External Environmental Factors	
	Would the amenity of residents be adversely affected by any external environmental factors? Is a buffer area required?	
H	Attractiveness to the Gypsy and Traveller Community. Assessment by Arc⁴	
Proceed to Stage 3?		

Stage 3: Deliverability

A	Do any of the following factors affect the availability of the site?	
	i) Multiple Ownership/Ransom Strip	
	ii) Existing Tenancy/Lease Agreement	
	iii) Willingness of the Owner(s) to Sell	
	iv) Willingness of the Developer to Develop	
	v) Occupied by Use unlikely to Cease	

Proceed to Stage 4?	
----------------------------	--

Stage 4: Achievability

A	Market Interests	
	i) Compatible with Adjacent Uses	
	ii) Land Values compared with Existing and Alternative Uses	
	iii) Attractiveness of Locality	
	iv) Demand	
B	Cost	
	i) site preparation	
	ii) abnormal costs;	
	iii) planning policy	
	iv) infrastructure	
C	i) Type of G & T site	
	ii) Quantity of pitches/ plots	
D	Delivery and Phasing	
	Is the site 'deliverable' (1 - 5 years)?	
	Is the site 'developable' (6 – 15 years)?	

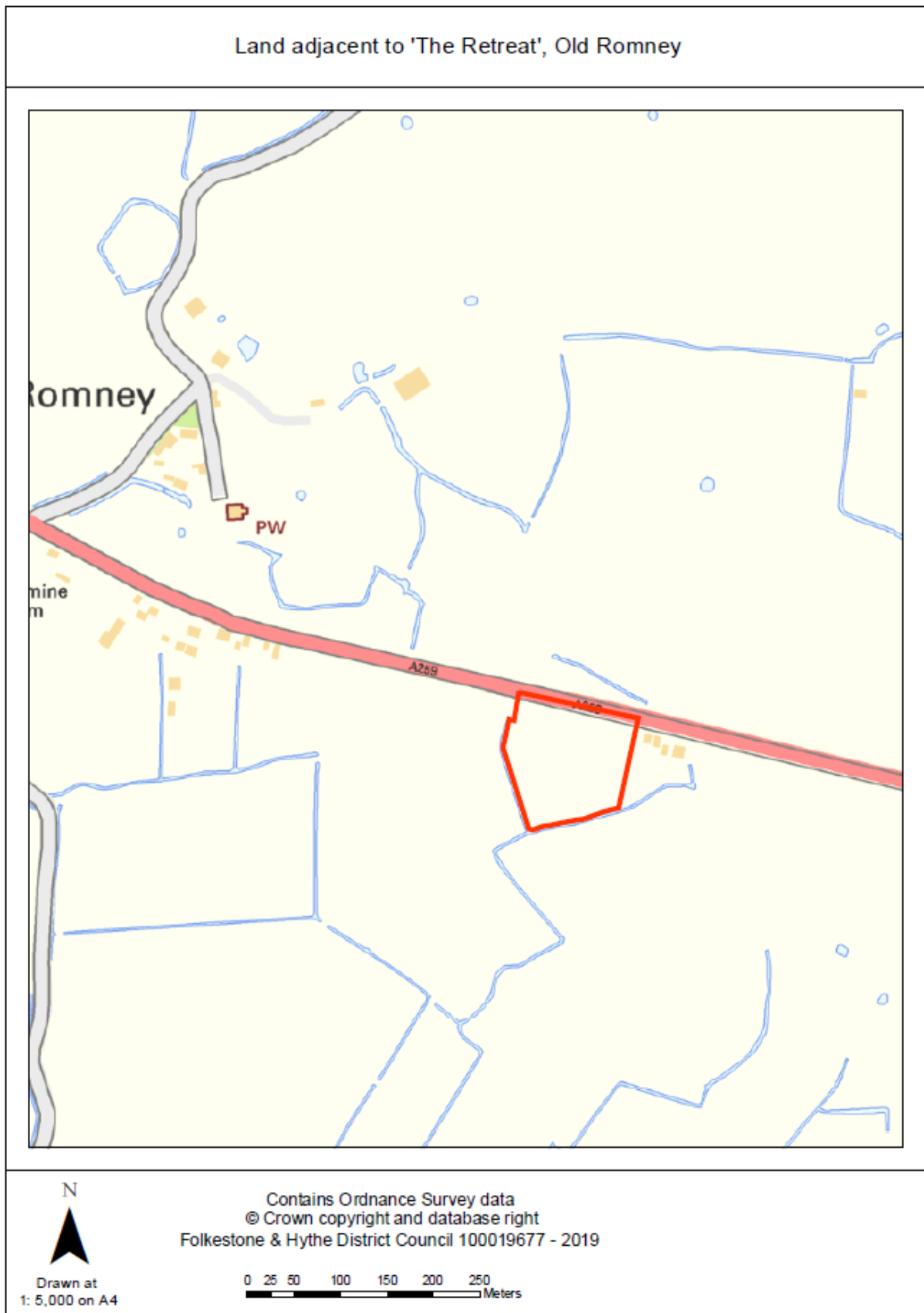
Stage 5: Comments from other organisations as appropriate

<ul style="list-style-type: none"> • SDC Internal – Property/Housing/Environmental Health • KCC Highways
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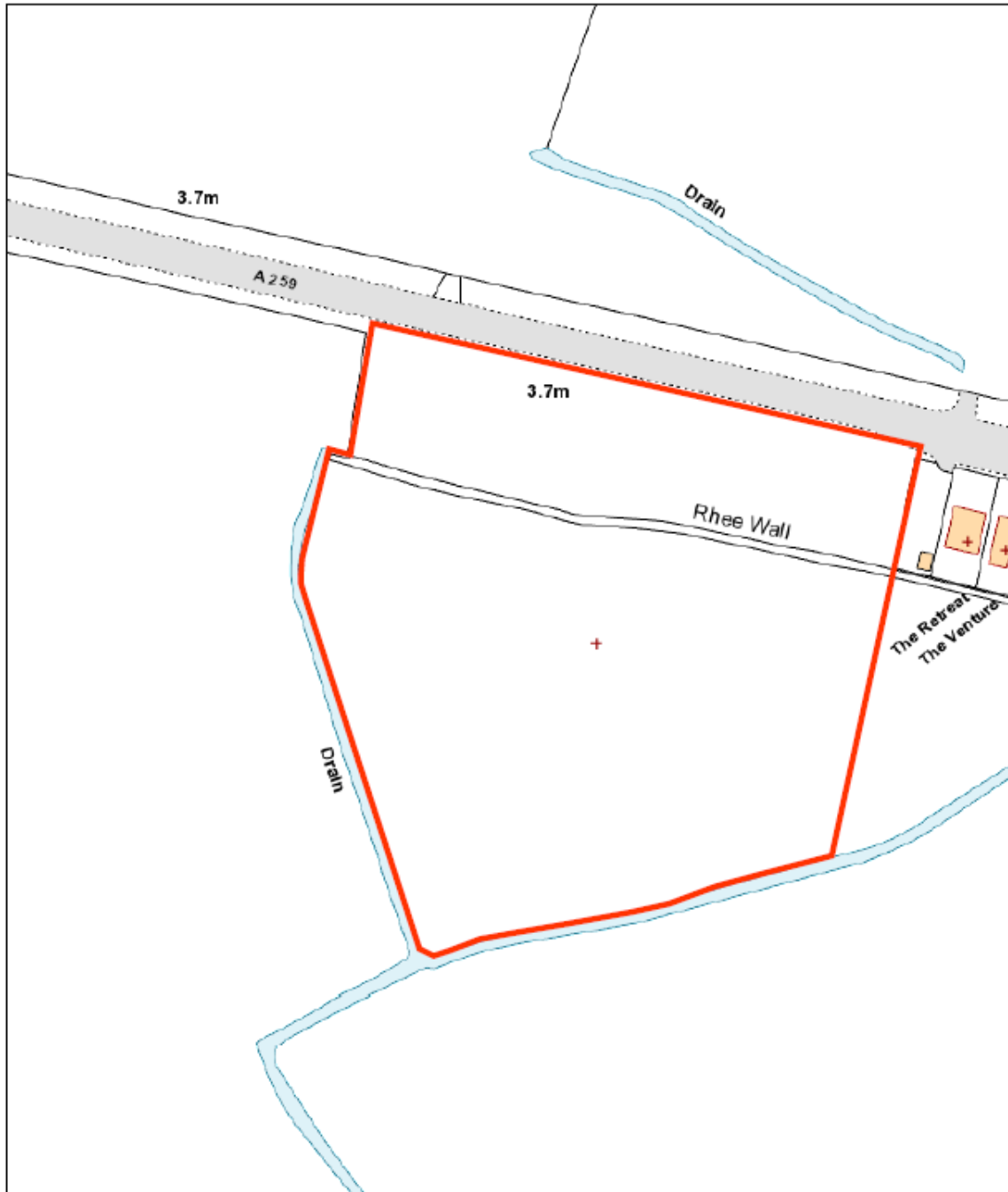
- **Highways Agency**
- **Environment Agency**
- **Natural England**
- **Kent Wildlife Trust**

CONCLUSIONS

Appendix 2: Site Map: Land adjacent to 'The Retreat', Lydd Road, Old Romney

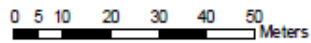


Land adjacent to 'The Retreat', Old Romney



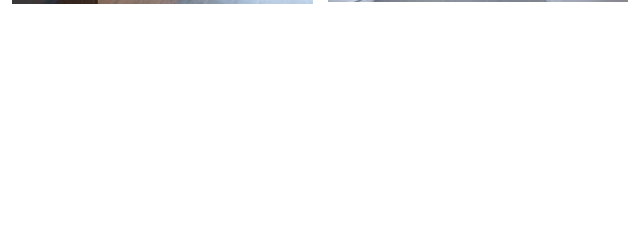
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Contains Ordnance Survey data
© Crown copyright and database right
Folkestone & Hythe District Council 100019677 - 2019



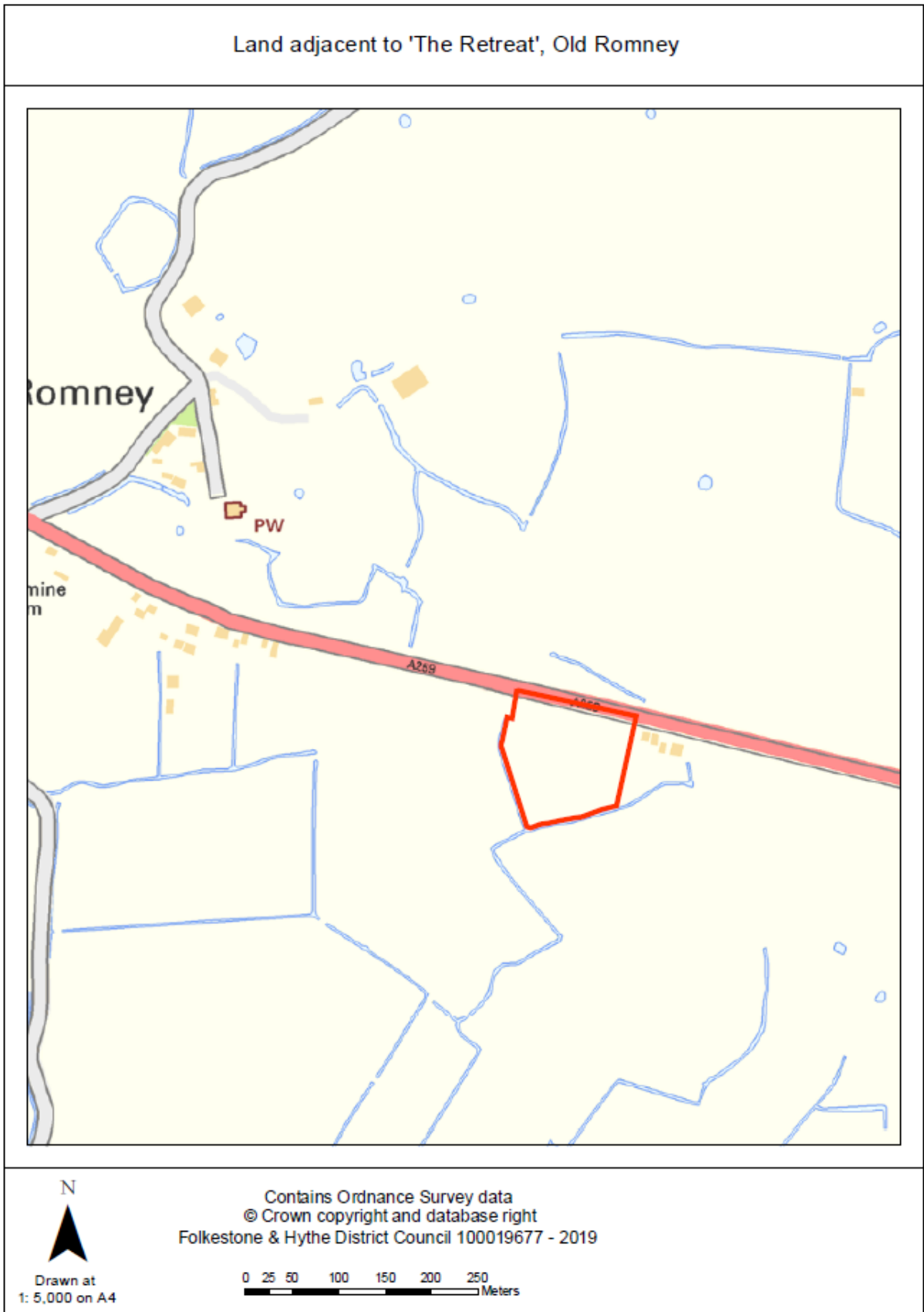
Appendix 3: Case Study – Carrswood View, Bath

- Built: August 2015
- Managed: Elim Housing
- Accommodation: Eight permanent and five transit pitches
- Rent: Weekly Rent of £105. Residents are responsible for utility costs and Council Tax.
- Site facilities:
 - Hard standing for a caravan
 - Electric and water supply
 - Space to park a car or second caravan
 - Utility block (bathing facilities, kitchen and lounge area)
 - Shed for storage
 - Bin storage
 - Visitor parking.

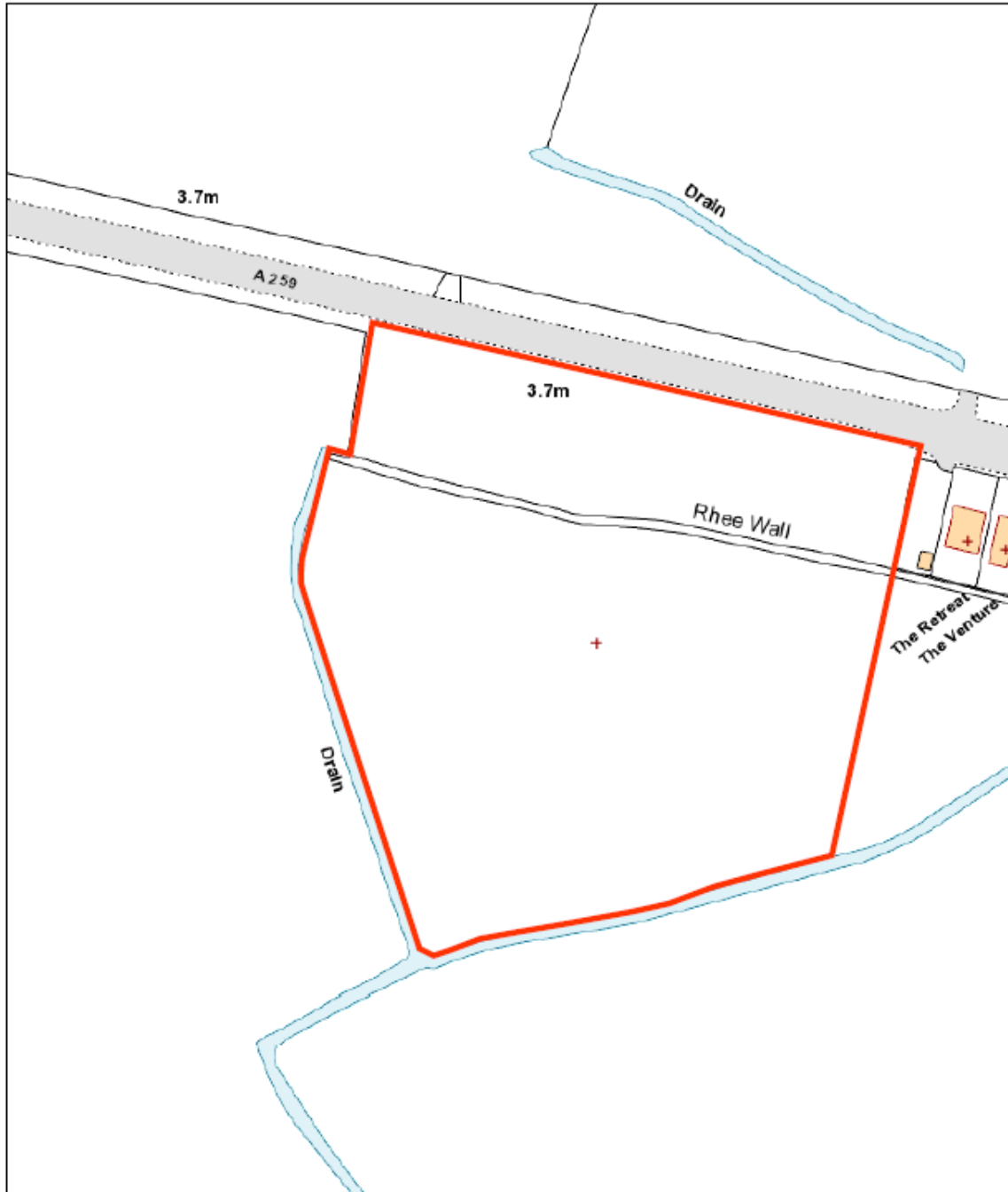


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Appendix 2: Land adjacent to 'The Retreat', Lydd Road, Old Romney



Land adjacent to 'The Retreat', Old Romney



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Drawn at
1: 1,250 on A4

Contains Ordnance Survey data
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Folkestone & Hythe District Council 100019677 - 2019

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Appendix 3: Draft Policy RM15: Land adjacent to 'The Retreat', Old Romney

Policy RM15 – Land adjacent to 'The Retreat', Lydd Road, Old Romney

Land adjacent to 'The Retreat', Old Romney is allocated for Gypsy and Traveller accommodation with capacity for 4 pitches comprising amenity blocks, parking for static and touring caravans, visitor parking; and storage.

Development proposals will be supported where

1. Vehicular access is from Lydd Road (A259) and appropriate space for turning and manoeuvring is provided within the site.
2. Pitches are sensitively sited and located away from the areas of highest flood risk.
3. A surface water drainage and foul sewerage disposal strategy is resolved to the satisfaction of the statutory authority;
4. A Phase 1 Habitat Survey is undertaken by a licensed ecologist to assess the presence of Protected Species on or near to the site. The drainage channels abutting the site should be assessed for their ecological importance and if appropriate mitigation measures introduced that maintain or improve water quality in accordance with CSD5 of the Core Strategy
5. Proposals (including any commercial activities) are compatible with and would not have an adverse impact on the amenity of neighbouring residents; and converse and enhance the natural environment in accordance with Policy NE2.
6. There is a landscaping scheme that retains the existing trees and hedgerows along the north, south and western boundaries; and where appropriate enhances the eastern boundary through additional planting.
7. Additional boundary treatments are compatible with the rural setting and wider landscape.
8. The archaeological potential of the land is properly considered and appropriate archaeological mitigation measures are put in place.
9. The development should be occupied by only those that fulfil the definition of a Gypsy or Traveller.

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This Report will be made public on 9 July 2019.



Report Number **C/19/11**

To: Cabinet
Date: 17th July 2019
Status: Non key
Responsible Officer: Charlotte Spendley – Assistant Director – Finance, Customer and Support Services
Cabinet Member: Cllr David Wimble

SUBJECT: **DUNGENESS SUSTAINABLE ACCESS AND RECREATIONAL MANAGEMENT STRATEGY (SARMS)**

SUMMARY: This report summarises the findings and sets out the main recommendations of the SARMS. It also summarises the results of the consultation on the document and sets out proposed actions to take this strategy forward.

REASONS FOR RECOMMENDATIONS :

These actions are required to fulfil the requirements of the habitats regulations assessment for the current Core Strategy and will help with the production of the Core Strategy Review. They will also fulfil the Council's responsibilities arising from its role as a land owner and also a duty to conserve biodiversity under the Natural Environment and Rural Communities Act 2006 as part of its policy or decision making.

RECOMMENDATIONS:

- 1) To receive and note report C/19/11.
- 2) that the action plan is agreed as the basis for discussions with Rother District Council and Natural England (set out in Appendix 1);
- 3) that funding for implementing the strategy be raised through S106 for new developments that directly impact on the area or through CIL contributions.
- 4) that Folkestone & Hythe and Rother District Councils explore making a financial contribution to the Fifth Continent Project for rebranding and an interpretation plan .
- 5) that officers make any necessary minor amendments to the strategy and action plan to improve accuracy and clarity subject to the agreement of the Assistant Director and Cabinet Member.

1. BACKGROUND

- 1.1 The SARMS has been prepared following the commitment from both Folkestone & Hythe and Rother District Councils to undertake a 'Sustainable Access Strategy' for the Natura 2000 sites (sites of international and European importance for nature conservation) that fall within and around Dungeness and straddle both district council areas.
- 1.2 The need was identified in both Councils' Local Plan Core Strategies and supporting Habitats Regulations Assessments (HRA), which raised concerns of possible additional pressure and disturbance on the internationally important wildlife sites caused by increased recreational activities as a result of the councils' planning policies (such as the allocation of new residential or tourism developments).
- 1.3 Work commenced on the Sustainable Access Strategy in 2014/15 with the Phase One Visitor Surveys. Results of this work indicated that Dungeness Point has a national profile and is well-visited by a range of people (local and far afield) for a variety of activities. This was followed in 2017 by the Dungeness Sustainable Access and Recreational Management Strategy. The Strategy assesses the whole area and then each of the sub areas. Each area was assessed in terms of its biodiversity; access and management; visitor economy & strategic initiatives. Four detailed documents, each considering one of the issues, have also been produced to support the Strategy.
- 1.4 For the overall strategy area, the report has identified that there is a degree of disconnect between the tourism and natural environment sectors. Raising the profile of the nature conservation value of the strategy area, through a focused partnership working towards a shared agenda, should benefit the visitor economy and move it in a more environmentally-aware and sustainable direction, which could prove mutually beneficial.
- 1.5 The Strategy suggests that the two Councils, working with Natural England, should provide a strategic oversight, working with existing groups to deliver it. Meetings for this could be held at the same time as the National Nature Reserve (NNR) Stakeholder group meetings which this Council already attends. The Strategy also suggests an area wide 'Interpretation Plan' (such as interpretation panels, leaflets or web site) is also required. This would assist visitor education and the need for behaviour change; review of signage and a replacement programme; promotion material and branding; and enforcement.
- 1.6 Other actions include monitoring of visitor usage and monitoring shingle habitats, bird numbers and disturbance. A review of byelaws and legal orders is also recommended, with the aim of providing a more consistent approach across the strategy area, to enable better understanding by visitors, with up to date, relevant and Strategy area-wide coverage of byelaws to protect the natural environment
- 1.7 Whilst neither Council is proposing significant tourism developments in the area, improvements to the 'offer', such as extensions to holiday parks or their

use as main residences, may lead to increased visitor pressure. This would need to be a consideration for future planning applications.

- 1.8 The Strategy also sets out measures needed to mitigate the relevant impacts. These are split in four categories A to D. Category A measures are for mitigation for planning policies or are necessary to be confident of no adverse effect on integrity. Category B measures are for measures clearly linked to a current issue or required to rectify current problem. Those in C and D are not included as they may be required further in the future or just not suitable. In some cases, the results of an earlier category may influence what should or shouldn't happen in later categories. The table of all the measures has been included in Appendix 2 below. The Strategy seeks to address the issues by setting out a strategic, cross boundary approach to ensure that any increases in access and recreational use do not have an adverse impact on the integrity of the sites. It proposes supporting actions to ensure sensitive management of recreation and access for the Dungeness complex of sites drawing upon the visitor surveys in the first phase.
- 1.9 The councils will need to demonstrate that they are progressing with the SARMS so that the Inspectors examining their respective local plans can be confident that additional growth will be managed sustainably. As noted, Folkestone & Hythe and Rother District Councils have worked closely on the SARMS so far, and this will help to demonstrate that the councils are meeting the 'Duty to Cooperate' in local plan-making.

1. CONSULTATION

- 2.1 The SARMS was published for a period of targeted public consultation from 30th July 2018 to 14th September with key stakeholders. There were 24 comments received that made a wide range of points. Responses were received from a number of councils, statutory bodies, organisations and groups with an interest in the area. A summary of the comments and the Councils' proposed responses are attached to this report in Appendix 1.
- 2.2 Ashford Borough Council whilst broadly supportive of the SARMS was concerned that the Zone of Influence which was set at 20km from the designated area, does not appear justified. The Zone of Influence is the geographical area within which the majority of visitors originate. Ashford BC considers that the Strategy is rather misleading as it fails to respond proportionately to the evidence presented in the visitor surveys. There is, however, no standardised method to determine a zone of influence, as each site and their surrounding physical features differ greatly. These are based on 90% of regular visitors (i.e. visits of at least one per week) or 75% of all visitors, to identify the core area from which visitors originate. Zones of Influence are set through discussions with Natural England and respond to the individual sites.
- 2.3 Ashford Borough Council note interventions would be most beneficial if targeted on the majority of visitors who arrive from either a very localised (under 5km) or more national (over 55km) catchment area. They further note the recognition within the strategy that the strategic expansion of New

Romney and, to a lesser extent, of Lydd is likely to present the greatest developmental impact on the designated areas. Notwithstanding ABC's comments, it is evident from Plans 5 and 6 in the SARMS Strategy that more visitors come to the sites from ABC than any other Kent district other than F&HDC itself. Officers will check the basis of ABC comment regarding under 5km and over 55km distances. It is important to note that the HRA focuses on recreational rather than development impacts (although the latter may contribute, if only in a relatively small way).

- 2.4 The issue of heritage is raised by Kent County Council and Historic England. In particular they raise the issues that the area's heritage is absent from the draft SARMS text. KCC state that if it is intended to produce a follow-up document that will address the heritage theme, then this should be stated at the beginning of the document. However the purpose of the SARMS was to meet the requirements of the Habitats Regulations, which does not include heritage issues. Whilst not disagreeing that it is important to also consider the heritage of the area and visitors issues, it was not appropriate to include those issues in this study. Although by necessity not the focus of the study, it is agreed that there is potential for future work to consider heritage as part of an interpretation plan and this could also meet an identified priority in the district's emerging Heritage Strategy. This would, however, be subject to funding.
- 2.5 EDF, a major landowner in the study area, has made a number of comments related to actions that they are already undertaking, such as funding two wardens and installing new gates at the main entrance to the Dungeness Estate. They are also considering further actions such as the review of interpretation panels on the site and preparing a fact sheet about Dungeness. They would be interested in working with the Romney Hythe and Dymchurch Railway.
- 2.6 The primary response from Natural England was that detail is lacking on how feasible the measures are in terms of cost, delivery, accountability and effectiveness in the long term. It is clear from the study that further information and monitoring is needed for more detailed costings and delivery.
- 2.7 Many of Natural England's comments were proposing changes to the priorities, mainly changing Categories B or C to A. However Category A actions are priorities that are clearly mitigation for planning policies or needed to achieve no adverse effect on the integrity of the site, whereas Category B measures are those of on-going high importance, but not directly related to planning proposals. Category C is likely to make a positive and complementary contribution to overall aims, but is more aspirational or there is less defined/insufficient evidence. For example, SA1.1 – dog controls, this is currently listed as a category C priority and Natural England believe that forms of dog control should be at least Category B. If dogs are found to present a significant issue, further controls would put it in category B. However, at this point, more evidence is needed on dog impacts to justify changing category. Proposed surveys will ascertain this.

- 2.8 Natural England also state that they have previously raised the need for a dedicated beach officer for Greatstone, and suggest the Romney Marsh Countryside Partnership could possibly be funded to undertake this. Officers are only aware of one mention of a warden jointly funded by Natural England and Folkestone & Hythe District Council in 2016, however further consideration of 'wardening' roles can be given.
- 2.9 In the Kite Surf Centre's representation they say that the majority of visiting kitesurfers would be more than happy to cooperate if they were more aware of the damage caused by trampling of the flora and fauna on the beach. They believe that better signage, barriers and restricted access points would certainly help with this. The Kite Surf Centre also point out that a large number of visitors use the Broomhill end of the beach for dog walking, especially in the winter months, although this is not reflected in the survey. It is difficult to get an accurate idea of what the visitors are there for as it changes with the conditions each day. On a windy day then almost 100% would be kitesurfers or windsurfers and this was not reflected in the survey which suggests only 5% of visitors are kitesurfers. Winter can be the busiest months for kitesurfing in the UK due to the extreme conditions on offer. The Kite Surf Centre suggest an integrated system would certainly help along with a lot more education as visitors are generally willing to help and contribute, plus some sensible beach controls - like access to beaches being restricted and fenced off perhaps for certain months or in areas which are used the least.

Proposed Actions & Costs

- 2.10 Following consideration of the representations we are of the view that the recommendations in the Strategy should not be amended. These are included as Appendix 2. There a number of minor corrections that are required for the sake of accuracy and clarity.
- 2.11 The Strategy does not set out costs but the consultants provided estimations in a separate paper. The total cost of Category A measures is estimated between £45,270 and £51,870 in the first year plus an ongoing annualised cost of £6,200. It is suggested that these costs would be shared between the two Councils. For Folkestone & Hythe DC this would be within the region of £27,000 for all of the suggested mitigation. The largest costs would be for the Interpretation Plan (estimated at £5,000 to £10,000 for both councils) and signage replacement (estimated at £13,000 to £15,000). Visitor and bird monitoring and surveys are relatively low and are estimated in the region of £1,000 to £2,500 for each area
- 2.12 A number of actions that would fulfil the list of priorities are already under way. The Fifth Continent Project has carried out work on rebranding and an interpretation plan for the area. We have already had discussions on how the recommendations may be co-ordinated and recommendation 3 of this report is that Folkestone & Hythe and Rother District Councils have further discussions particularly concerning a financial contribution. A significant part of the costs for the District Councils was for an interpretation plan, given that it will be possible to dovetail with work already carried out by the Fifth Continent that cost is likely to come down.

2.13 Potential funding could come from CIL receipts now that money is starting to be received. CIL receipts held on account could be used to fund a proportion of the cost of the suggested mitigation, subject to internal approval of any future funding request from the CIL working group and Cabinet. Developments such as the Council's own development at Littlestone are already proposing contributions to signage as mitigation for the development.

2.14 Other actions would include:

- The Strategy has highlighted the need to control dogs, further work is needed to look at the areas where dogs are allowed and how best to introduce controls;
- Given the introduction of area officers there may be scope in combining actions from the area officer and the Dungeness wardens. They may be able to monitor kite surfer activity at Greatstone particularly in the winter and provide a watching eye on the beach there.
- The issue of the expansion of caravan parks and their year round occupation has already been the subject of research and further monitoring will be required.
- Bird surveys should be started, and there is potential for this to be done on a voluntary basis by groups such as the RSPB or British Trust for Ornithology (BTO).
- A quick win would be the production of a leaflet reflecting the branding of the Fifth Continent and to be distributed by the RHDR when they sell tickets to passengers. They have already expressed a willingness to do this.

2.15 These actions are required to fulfil the requirements of the habitats regulations assessment for the current Core Strategy and will help with the production of the Core Strategy Review. The Council has responsibilities arising from its role as a land owner and also a duty to conserve biodiversity under the Natural Environment and Rural Communities Act 2006 as part of its policy or decision making.

2.16 In the initial stages of developing the SARMS, officer kept the then Cabinet Member for the District Economy up-to-date with progress and the new Cabinet Member has also been informed. Ward councillors in the Dungeness area were informed of the consultation.

2.17 The proposed changes to the SARMS arising from the consultation comments (outlined in Appendix 1) will be incorporated into a revised version of the document

3. OPTIONS

- 3.1 (a) To approve the Dungeness SARMS and action list as presented in Appendix 1;
(b) To approve the Dungeness SARMS and action list with modifications directed by Cabinet; and
(c) Not to approve the Dungeness SARMS and action list.

4. RISK MANAGEMENT ISSUES

4.1 There is not a great deal of risk management involved in this issue

Perceived risk	Seriousness	Likelihood	Preventative action
Funding insufficient to deliver Action Plan	Medium	Low	The Strategy has identified clear actions, which can be carried over a number of years. The costs are not onerous and could be funded through CIL/S106.
The Strategy is challenged by other landowners or bodies and is not implemented.	Low	Low	The Strategy has been subjected to consultation with other landowners and interested groups. A working group will also be established
Unable to agree particular actions with Natural England	Medium	Low	Working Group would enable discussions with Natural England as representatives would be present.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments

There are no significant legal implications as a result of the recommendations in this report which are not covered in the body of the report. Complying with recommendations of the SARMS helps to ensure that the Council fulfils its responsibilities as land owner under the Natural Environment and Rural Communities Act 2006.

7.2 Finance Officer's Comments

The financial implications have been outlined within 2.11 of the main report. The required funding can be met from existing CIL funding, should there not be any applicable S106 contributions.

7.3 Diversities and Equalities Implications

There are no equalities implications directly arising from this report.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Hazel Sargent – Senior Policy Planning Officer
Telephone: 01303 853318
Email: hazel.sargent@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

Appendices:

Appendix 1: Dungeness SARMS Action List
Appendix 2: SARMS Recommendations

Dungeness SARMS Action Plan

SARMS Recommendations		Action	Short term/Long term/Ongoing
Category A Priority Actions. Clearly mitigation for planning policies or necessary to be confident of no adverse effect on integrity	Interpretation Plan for the strategy area	Fifth Continent have already made significant progress on such a plan and branding. Initial discussions have been held to explore how the Councils may add value to this work.	ST
Page 121	Signage review and replacement programme: signage, its location and messages, including waymarkers and information signs at key locations:- • Greatstone and Lade foreshore; • Camber; • Pett Level/Pannel Valley and seafront	As above. Produce a leaflet reflecting the branding of the Fifth Continent and to be distributed by the RHDR when they sell tickets to passengers. They have already expressed a willingness to do this.	ST
	A SARMS Oversight Group to ensure development and delivery of the SARMS, comprising reps from SDC, RDC and NE	Oversight group to include both councils, NE and major landowners such as EDF.	LT
	Oversight Group to scope the potential for existing partnerships and initiatives to develop plans and deliver the	Oversight group to include both councils, NE and major landowners such as EDF. The existing partnership of the	LT

Appendix 1

	SARMS across sectors and boundaries	Dungeness NNR partner group would form a delivery group	
	Promotion: Review of websites to ensure that local promotional websites contain information on appropriate visitor behaviour at the Natura sites	Fifth Continent website draws a lot of info together, maybe scope for links to Council's tourism website?	ST
	Bird Surveys and monitoring, to include feeding and roosting locations, numbers, seasonality and incidents and levels of bird disturbance at specific sites:- <ul style="list-style-type: none"> • Camber Western foreshore – October to March; • Romney Sands and Lade – October to March; 	Bird surveys should be started, and there is potential for this to be done on a voluntary basis by groups such as the RSPB or British Trust for Ornithology (BTO).	Ongoing
	WeBS bird monitoring: Support full area coverage of monitoring of WeBS sectors		Ongoing
	Visitor surveys of numbers and profile (including socio-economic data), activities and season of visit Site-specific programme of visitor surveys at the following sites:- Camber West – October to March; Camber and Broomhill watersports users – in Spring, Autumn and Winter (weather dependent); Romney Sands and Lade – October to March; Dungeness Point – all year;	Given the introduction of area officers there may be scope in combining actions from the area officer and the Dungeness wardens. They may be able to monitor kite surfer activity at Greatstone particularly in the winter and provide a watching eye on the beach there	Ongoing

Appendix 1

	Voluntary Codes of Conduct: to be developed for:- Greatstone beach specialist recreational users	From responses to the consultation, users such as kite surfers are happy to work with the Councils to develop voluntary codes	LT (follows from above)
	Monitoring of the growth of mobile/park homes sites in or near the N2K sites	The issue of the expansion of caravan parks and their year round occupation has already been the subject of research and further monitoring will be required	Ongoing
	Ensure standards for open space provision are adhered to	Monitoring of local plan policies.	Ongoing
		The Strategy has highlighted the need to control dogs, further work is needed to look at the areas where dogs are allowed and how best to introduce controls; (Category C)	LT
Category B Essential to SARMS	Revised Byelaws and Orders for consistent approach	Review and update byelaws	LT
	Vehicle Parking Controls- Introduce counting and managing parking sites, minimise displacement parking	EDF have started counts and exploring other controls on Dungeness Estate. F&HDC to look at its parking issues, has introducing charging had any effects?	LT
	Develop comprehensive approach to management of Greatstone Dunes	Extend good practice, improve fencing and routes, look at	LT

Appendix 1

		encroachment and raising awareness	
	Develop awareness raising activities for senior officers and local politicians	Work at strategic levels e.g. KNP. Cabinet reports	LT

Appendix 2

Report Action ref	Type of Measure	Commentary	Lead Organisation	Notes
SARMS plan: Mitigation measures (category 'A'): Priority Actions. Clearly mitigation for planning policies or necessary to be confident of no adverse effect on integrity				
CB2, DP6, RL7,	Data and Monitoring	Visitor surveys of numbers and profile (including socio-economic data), activities and season of visit Site-specific programme of visitor surveys at the following sites:- Camber West – October to March; Camber and Broomhill watersports users – in Spring, Autumn and Winter (weather dependent); Romney Sands and Lade – October to March; Dungeness Point – all year;	RDC, SDC	
CB3, RL7, SA5.2		Bird Surveys and monitoring, to include feeding and roosting locations, numbers, seasonality and incidents and levels of bird disturbance at specific sites:- • Camber Western foreshore – October to March; • Romney Sands and Lade – October to March;	RDC, SDC	
SA5.3		WeBS bird monitoring: Support full area coverage of monitoring of WeBS sectors	RDC, SDC, NE	Include SWT (B Yates) and local bird observers
DP6		NE Shingle report: Results to be reported and reviewed for potential inclusion into this strategy plan	NE	
SA6.4, DP2, RH2	Visitor Education:	Interpretation Plan for the strategy area	RDC, SDC	
SA6.2, PL1, CB4, RL1, RL2		Signage review and replacement programme: signage, its location and messages, including waymarkers and information signs at key locations:- • Greatstone and Lade foreshore; • Camber; • Pett Level/Pannel Valley and seafront	RDC, SDC	
RL2	Access Control and Enforcement	Voluntary Codes of Conduct: to be developed for:- Greatstone beach specialist recreational users	SDC	To include specialist groups (eg kite surfers)
SA7.3	Branding and Promotion	Promotion: Review of websites to ensure that local promotional websites contain information on appropriate visitor behaviour at the Natura sites	RDC, SDC	
SA8.1	Partnership Working	A SARMS Oversight Group to ensure development and delivery of the SARMS, comprising reps from SDC, RDC and NE	RDC, SDC, NE	
SA8.2		Oversight Group to scope the potential for existing partnerships and initiatives to develop plans and deliver the SARMS across sectors and boundaries	As above	
SA9.1	Planning measures	Monitoring of the growth of mobile/park homes sites in or near the N2K sites	RDC, SDC	
SA9.2		Ensure standards for open space provision are adhered to	RDC, SDC	
CB3		Assess any plans to develop or enhance recreation routes into the marsh from Camber Village;	RDC, SDC	
SARMS Plan: Category 'B' measures: Essential to the SARMS, and clearly linked to a current issue or required to rectify current problem				
SA5.1, PL3	Data and Monitoring	Visitors - Develop a programme of visitor monitoring across the strategy area (in addition to category A sites – see Camber, Romney & Lade and Dungeness Point sub-area actions); strategy-area-wide including the use of the Royal Military Canal Path and Saxon Shore Way;	SDC, RDC	NB, for RMCP, potentially as part of planned enhancements
SA5.2		Birds - Monitoring of numbers and bird disturbance events across the strategy area (in addition to category A sites - see Camber and Romney & Lade sub-area actions)	SDC, RDC	
DP6		Dungeness Point/Estate – Data and Monitoring: Maintain the traffic counter at Dungeness Estate entrance and continue monitoring of numbers on an ongoing basis; Work with RHDR and SDC to more accurately assess visitors through the RHDR station route	EDF, RMCP	Include RHDR and SDC

RM1		Romney Marsh – Data and Monitoring: Improve the evidence base for the area by monitoring the download or sale of promoted leaflets	RMCP	
SA6.6, RL1	Visitor Education:	Develop visitor 'hubs' or 'gateway' sites to promote visitor awareness for the wider Dungeness Complex at- Rye Harbour Reserve; Romney Marsh Visitor Centre	SWT,KWT	Essential to support monitoring, wardening and education programmes
RL1		Continue to produce the RMCP's Shingle Issue publication for residents and local businesses	RMCP	Include EDF and NE
RH2		Rye Harbour Reserve - Develop interpretation to appeal to the site's wide range of regular and infrequent visitors.	SWT	Planning element included in overall Interpretation Plan for Strategy area (A)
DP2		Dungeness Point: Work with RHDR to install interpretive and education displays in and outside the café;	EDF, RMCP, RHDR	
RM2		Romney Marsh – Interpretation Programme: Develop and implement interpretation in areas people visit and as an integral part of promoted routes and tours (eg churches) on the Marsh	SDC	Following development of overall Interpretation Plan (Mitigation or category 'A' measure)
CB4	Visitor Education: Warden role	Camber - Introduce an Education Warden role or include education in the role of beach patrol; Education campaign with caravan parks, making messages appropriate and attractive to visitor profile	RDC	
DP2		Dungeness Estate - Extend Educational Wardening role across the estate	EDF	
SA1.1, RL6	Access Control and Enforcement	Revised Byelaws and Orders: to provide a more consistent approach across the strategy area, with up to date, relevant and Strategy area-wide coverage of byelaws	RDC, SDC	
SA2.1		Vehicle parking controls: Introduce methods to count numbers of vehicles using public car parks in the area; and manage car parking sites and costs on a sub-area basis, to reduce recreational pressure and minimise displacement parking at other areas	RDC, SDC	In accordance with sub-area requirements and to be reviewed following ongoing monitoring
CB1		Camber: Improved and coordinated management of dunes:- Assess alternative and secure funding methods to deliver management; Ensure access management works are adequately funded and carried out annually	RDC	Include other landowners and/or managers (eg ESCC)
CB3		Camber: Access restrictions to be considered, depending on results of surveys (visitors and birds), e.g. winter dog controls	RDC	Pending results of visitor and bird monitoring, when this could become a mitigation (A) issue
RL3		Romney and Lade: Rationalise car parking – various measures	SDC	
RL4		Romney and Lade: Develop a comprehensive approach to the management of Greatstone Dunes – various measures	SDC, NE	
DP3		Dungeness Point: A suite of measures to better manage visitor access in the area (see page 71 for site-specific actions)	EDF, RMCP	Include EDF representative organisations (eg BNP Paribas)
DP4		Dungeness Point: Develop actions to support access management (see also DP5), to include consideration of*:- A parking enforcement system Voluntary Codes of Conduct for specialist users A PCSO or Warden (enforcement) with legal powers (* subject to landowner agreement)	EDF, RMCP, SDC	Include specialist users (eg anglers)
RL2		Romney and Lade: Depending on outcome of further investigation (see actions RL7) work with adventure sports operators and clubs to determine activity zones (for both summer and winter).	SDC	More evidence is needed to determine the extent and the seasonality
SA8.3	Partnership Working	Delivering the SARMS: Develop cross-boundary working: A SARMS Delivery grouping to take forward projects, and help build local support through events, activities and meetings; A SARMS Strategic grouping to draw partners together to plan, resource and commission joint activities in support of the local economy, communities and environment	RDC, SDC,	
SA8.4		Develop awareness-raising activities for senior officers and local politicians; and identify champions to represent the work of the SARMS at a strategic level;	RDC, SDC	
PL2		Pett Level/Pannel Valley and Rye Harbour: Incorporate these areas more fully into the Dungeness complex and where possible, link to the Fifth Continent Landscape Partnership Scheme	RDC, Fifth Continent Project	
DP5		Dungeness Point – Partnership working arrangements to include: an executive grouping of major landowners and interests; an estate partnership: with the above plus residential property owners, and local businesses and attractions including the RHDR, the Old Lighthouse, and The Britannia and Pilot pubs; a wider Estate Management Stakeholder group, including site users	EDF, RMCP	

RM4		<p>Work with the County highway authorities/PROW teams, local authorities, countryside projects and others promoting access to ensure that all access plans are carefully assessed regarding their potential impact on the designated sites including:</p> <p>Through Natura sites; The Royal Military Canal Path (PROW); New access routes out of Camber Village, as they may be developed;</p> <p>Consideration be given to the installation of interpretation panels where existing or new promoted routes cross Natura sites;</p>	RDC, SDC	
RL5, RM4, SA4.1	Planning measures	<p>Planning Measures: Local authorities to:</p> <p>to investigate the potential provision of suitably robust open space recreation sites, close to the coast as part of the development of their Green Infrastructure plans; Consider the after-uses of the CEMEX pits at Lydd-On-Sea; Consider the potential for developing land for open space uses near New Romney Caravan Park and Holiday Village; Work with providers of holiday park-type accommodation regarding plans which may affect levels of recreational pressure, and to develop on-site visitor education measures; Consider the potential uses of the Scotney Lakes complex regarding their contribution or impact on the Natura sites; Assess extension of season or area of operation of recreational activities to limit future impacts</p>	RDC, SDC	The results of the Phase One visitor survey indicated that alternative sites for recreation may need to be in a coastal location to be effective in deflecting visitors from sensitive sites

Category 'C' measures: Not within the SARMS Plan. Likely to make a positive and complementary contribution to overall aims, but more aspirational or less defined/insufficient evidence or not a proportionate response

	Access Control and Enforcement	<p>Consideration of extension or creation of legal orders* to ensure that dog controls are in place where required for the winter months at coastal Natura sites</p> <p>(* Dog Control Orders have been superseded by Public Space Protection Orders. Work will be needed to ascertain the test(s) needed to introduce this order, or other relevant orders eg Community Protection Notices)</p>		The link between dogs and bird disturbance in the strategy area is not proven. Further evidence will be needed.
SA7.1	Branding and Promotion	Develop a unifying brand for the Strategy area; potentially around the natural environment		
SA7.2		In a joined-up approach in partnership with the tourism sector to develop a promotional strategy for the Strategy area and its component sites, to include: An official website for the promotion of the area, or focus on enhancing existing official website(s) to support appropriate visitor behaviour/nature sensitivity; and taking a more consistent and appropriate approach to promotional messages		The development of an official website would help support the SARMS
RM3		Ensure that any rebranding, promotion and repositioning of the Romney Marsh fully includes consideration of the designated sites and conservation features and that messages around responsible recreation are central to this rebranding		
RH3	Site-specific measures: Rye Harbour Reserve	<p>Secure funding mechanisms for Rye Harbour reserve to:</p> <p>Ensure continued high-quality visitor management; Deliver high quality interpretation; Ensure that the new visitor centre is self-sufficient and does not cause funding insecurity;</p> <p>Also, to consider better integration with car park (as this largely serves the reserve), and investigate the potential of the reserve receiving a proportion of any future parking fee.</p>		
RH4		Bring Rye Harbour reserve more fully into a broader strategic planning and delivery partnership which covers the wider Dungeness complex;		
RH5		With the agreement of landowners, consider monitoring lake areas just outside the reserve as potential functional areas for wildlife (notably birds);		
RH6		Access promotion should pay due regard to the designated areas, and provide information to visitors e.g. to keep dogs on leads in some areas;		
CB1	Site-specific measures: Camber	<p>Camber Dunes coordinated management:</p> <p>Review and formulate new management plan for dunes which sets out detailed future and annual management requirements and costings required; Form management partnership for dunes for owners to properly implement habitat and recreation management</p>		
DP3	Site-specific measures: Dungeness Point/Estate	Review current on-line presence of the Dungeness Estate, improve the official website, and consider improvements to streamline the user experience when searching for information e.g. driving online traffic and providing links to one official website		

Category 'D' measures: Not within the SARMS Plan. Not suitable to be taken forward

Potential to limit visitor numbers at some sites to minimise pressure on wildlife

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This report will be made public on Tuesday 9 July 2019.



Report Number **C/19/12**

To: Cabinet
Date: 17 July 2019
Status: Key Decision
Responsible officer: John Bunnett – Place and Commercial
Cabinet Members: Councillor David Monk, Leader of the Council, Councillor David Godfrey, Transport, Housing and Special Projects

Subject: **Biggins Wood – Delivery**

SUMMARY: This report recommends the acceptance of two bids to deliver the Biggins Wood development.

REASONS FOR RECOMMENDATIONS:

The council has sought bids for the delivery of the Biggins Wood development. The bids received have been evaluated and a decision needs to be made on the acceptance of the offers. Completion of Biggins Wood will be in accordance with the Council's strategic objectives of more homes and more jobs.

RECOMMENDATIONS:

1. To receive and note report C/19/12.
2. To accept, subject to the completion of satisfactory agreements (including the formation of a joint venture) the offers from :-
 - R in respect of the commercial element of the development and;
 - E in respect of the residential element of the development.
3. To enter into a joint venture partnership with R in accordance with the details set out in this report on terms to be agreed.
4. To agree the use of £500,000 from the Business Rates Pool Reserve to fund the commercial element of this proposal.
5. That the Corporate Director for Place and Commercial be authorised with the agreement of the Leader of the Council and the Cabinet Member for Transport, Housing and Special Projects and in consultation with the Corporate Director for Customer, Support, and Specialist Services to negotiate and conclude such

agreements (including the formation and establishment of a joint venture) and to take such other actions as are necessary to deliver the Biggins Wood development in accordance with the offers set out in this report. This to include the use of the Business Rates Pool to fund any shortfall in remediation costs should this occur.

1 BACKGROUND

- 1.1 Members will recall that the Council purchased land at Biggins Wood / Caesar's Way on 21st December 2016. . The price paid for the land was one and a half million pounds (£1,500,000). The land was purchased with existing planning permission for 77 homes, 54 light industrial units and one office building. The site comprises 2.43 hectares (10.95 acres) in all of which 2.08 hectares (5.14 acres) is the commercial land area and 2.34 hectares (5.81 acres) is the residential land area.
- 1.2 On 31 May 2017 Cabinet considered report C/17/06 and resolved:
1. *To receive and note report C/17/06.*
 2. *To note the necessary preliminary work required to undertake detailed delivery planning through to a procurement decision.*
 3. *To note that a further report is brought back to Cabinet when a delivery decision needs to be made. That report will:*
 - *Detail the issues around finance, risk profile and timelines of each option; and*
 - *to recommend a procurement route.*
- 1.3 On 20 February 2019 cabinet received report C/18/70 on the outcome for grant funding made to Homes England under the Government's Accelerated Construction Programme to support remediation and other development costs for the site. The application was successful and the council was awarded approximately one million pounds. Cabinet resolved to accept the grant offered (minute 78).
- 1.4 This report sets out the reasons for purchasing the site, what the Council's aims are, the process of that has been followed to seek interests in the site and makes recommendations on the acceptance of two offers.

2. REASONS FOR PURCHASING THE SITE

- 2.1 The report recommending the purchase of the site framed the reasons in the following way:-

"The reason for purchasing the site is to help meet the Council's vision.

Prosperous and ambitious – Working for more jobs and homes in an attractive district"

And in particular to implement proposals to meet the key objectives of the Council's Corporate Plan particularly:

- a) *To boost the local economy and increase job opportunities through the development of a major new employment offer;*
- b) *More homes; enable the construction of 77 new homes including 23 affordable homes;*

c) *Support an attractive and vibrant place to live by ridding the area of a derelict and contaminated site and by creating new public open space.*

d) *Deliver value for money...*”

2.2 It should be recalled that the last use of the site was in the late 1970s when the brickworks on it closed. It has remained unused therefore for approximately 40 years. In the years of disuse the site has become overgrown and is unattractive. The main access to it is particularly poor from an aesthetic point of view.

3. OFFERS RECEIVED

3.1 The site was offered for sale, freehold or leasehold in the Estates Gazette in February of this year. By way of reminder the planning permission is for:-

- 77 residential units, of which 30% (23 No.) will be affordable, and of those 60% (14 No.) will be for affordable rent and 40% (9 No.) will be shared ownership.
- 46 No. 2 bed 4 person houses.
- 31No, 3 bed 5 person houses.
- Commercial Office units – 660m².
- Light Industrial/Storage units – 5,142m².

3.2 The offers differed in content and approach.

3.3 The recommendations are that, subject to the approval and completion of satisfactory agreements (see paragraph 7 below) the offer of company R (“R”) be accepted in respect of the commercial element and the offer of company E (“E”) be accepted for the residential part. The two offers are set out in more detail below. As there still will be negotiations over the details the companies have been anonymised.

4 COMMERCIAL DEVELOPMENT

4.1 R propose the formation of a joint venture company owned 50 – 50 by R and the Council.

4.2 R have provided draft heads of terms for the joint venture partnership. The joint venture (JV) would be a company, the council would own 50% of the shares and R the other 50%. Although not stated in the heads of terms the Council would insist on equal representation on the board of directors.

4.3 The purpose of the joint venture would be to deliver the commercial development for profit.

4.4 The proposed financing of the JV and how it would develop the land is shown below.

- 4.5 The council's initial contribution to the joint venture will be the value of the commercial land and a capital contribution of £500,000. The Council's contribution will be matched in value by a financial contribution from R, this is the Commencing Capital. R would build the development on behalf of the joint venture using a phased approach (see below), with the Commencing Capital used for this purpose.
- 4.6 The site will be developed in a phased approach. The first phase, including site remediation and servicing (see below) would be constructed using the Commencing Capital and, in respect of the servicing and remediation, the grant from Homes England. The first phase would comprise 932m² of commercial space (the "First Unit"), if the demand is present 371m² would also be constructed. It is envisaged that the joint venture would be agnostic as to the disposal of the units and how future units would be constructed. Decision on this will be led by the market so, for example, units could be sold freehold or leased, the units could be sold under a design and build agreement or as completed units. Fundamentally the market conditions will dictate this as will the timing of future phases of the development.
- 4.7 Funding for the financing of the remaining parts would need to be agreed. However either party could decide not to fund the remaining phases or fund it only in part. In this event there would be a transfer of shares either in whole or in part at an agreed price to reflect the contribution of the partner deciding not to fund or partially fund the remaining phases. This would affect, of course, the share of profit.
- 4.8 R have submitted an appraisal which shows that building the First Unit would mean the commercial development at that stage would break even. R's estimate is that the commercial development if fully constructed would mean a commercial return to the Council of not less than 5%. The assumptions used by R to arrive at these figures have been independently validated by Smith Woolley and Perry.
- 4.9 Members should appreciate that if a joint venture is formed the Council's direct control over the development would be curtailed. The JV would have to pursue the broad objectives set down but would otherwise be in control of the development. As indicated above this would include whether to sell or lease units. Any directors would have to act in the best interests of the company rather than the body appointing them. It would however be for the Council to decide whether to fund the development beyond phase 1 as described in paragraph 4.6 above.
- 4.10 As part of the agreement on the land but not part of the JV, R would also build the estate road, incoming main supplies and carry out remediation works to the entire site as part of one operation. Whilst R / the joint venture will have no continuing interest in the residential part of the site it would not make sense to remediate part only of the site. The costs of remediation etc. will be substantially met from the Homes England grant. Any shortfall will be funded by the Council.

- 4.11 Would participation in the JV enable the Council to achieve its objectives in buying the land? Obviously much will depend on the market in terms of timing but it would appear to be a good method of ensuring the employment land is built out, the site's appearance is vastly improved and the Council makes a commercial rate of return.

5. RESIDENTIAL DEVELOPMENT

- 5.1 E's offer is based on the delivery of a clean site and one serviced to the boundary. E's offer represents at least a 10% uplift in land value of the residential site.
- 5.2 E will build the dwellings - 77 in all, in accordance with the planning permission. This is at their risk. It is the expectation that some of the houses will be of modular construction. E consider that they may be able to achieve a density of more than 77 units, officers will explore the possibility of an overage clause in this event. The development will be the subject of an agreement which will ensure as far as possible that it is completed within a defined timescale with an expectation that work will begin on site by spring 2020 at the latest. However again the market will be a factor in determining how quickly the houses are completed.
- 5.3 The planning permission envisages 23 affordable homes. These will be acquired by the Council as part of its housing stock on completion of the development. The costs of these affordable dwellings will be met from the housing revenue account, the dwellings themselves added to the Council's housing stock and managed by East Kent Housing. This has been agreed in the HRA business plan and Biggins Wood identified as a pipeline project.
- 5.4 By accepting the offer from E will the Council achieve its objectives? The proposal delivers the houses in accordance with the planning permission. The site will be much improved in appearance, 23 affordable homes will be constructed in an area where there is a high demand for such homes. Furthermore it delivers value for money with the uplift in land value.

6. FINANCE

- 6.1 As stated above the financing of the first phase of the commercial land will require a capital contribution of £500,000 from the Council. Furthermore there may be a capital contribution to fund any shortfall in the monies available to undertake the remediation works. There is at present no budget for this money, though there is money available in the business rate pool.
- 6.2 It should be appreciated that if the commercial element proceeds to be fully developed the net profit from that element and from the residential land will be substantial.

7. AGREEMENTS NECESSARY

- 7.1 To achieve the Council's objectives in respect of both the commercial and residential parts of the Biggins Wood Development will entail detailed agreements.
- 7.2 In respect of the commercial element a joint venture will have to be formed including most probably a shareholder agreement.
- 7.3 In respect of the residential element a development agreement will be needed to ensure that the development is completed.
- 7.4 It is suggested that the Corporate Director for Place and Commercial be authorised with the agreement of the Leader of the Council and the Cabinet Member for Transport, Housing and Special Projects and in consultation with the Corporate Director for Customer, Support, and Specialist Services to negotiate and conclude such agreements (including the formation and establishment of a joint venture) and to take such other actions as are necessary to deliver the Biggins Wood development in accordance with the offers set out in this report. This to include the use of the Business Rates Pool to fund any shortfall in remediation costs should this occur.

8. RISK MANAGEMENT ISSUES

- 8.1 The following risk management areas are highlighted.

Risk	Seriousness	Likelihood	Preventative Action
Lack of demand for commercial office space	High	Medium	Advise suggest there is demand
Severe slowdown of the housing market	High	Medium	Advise received that there is and will continue to be demand.
Remediation works greater than expected	High	Low	Expert advice has been taken on this.

9. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

- 9.1 Legal Officer's comments:

The Localism Act 2011 ("the Act") includes a "general power of competency" which gives local authorities the legal capacity to do anything that an individual can do that is not specifically prohibited. The power of competency under s1 of the Act enables the Council to establish a company for commercial purposes. Under s4 of the Act all trading must be carried out through a company. This gives the powers to enter into prudential investment and in this context the investment provides a financial return along with

ancillary benefits in terms of delivery of housing and also helps to meet the Council's vision.

The Council will be appointing external solicitors to provide detailed legal advice on:-

- the formation of the joint venture and any ancillary agreements and assisting in the negotiation of the setting up of the joint venture;
- the agreement necessary to ensure the site is remediated, the access road constructed and the land services and assisting in the negotiations leading to the completion of the agreement; and
- the agreement necessary to ensure the residential element is completed, the affordable housing is transferred to the council and modular housing provided and assisting in the negotiations leading to the completion of the agreement.

9.2 Finance Officer's Comments

The broad outline of the proposal is set out within the report. The land at Biggins Wood was purchased for £1,500,000. An additional £131,000 was agreed for works to progress the site (Cabinet report C/17/06 22 May 2017). It should be noted that this was split between the General Fund (70% and the HRA (30%). Any realisation of the benefits will need to reflect this split. In total the costs are £1,631,000 split General Fund £1,141,700 and HRA £489,300. The Council has also been awarded a grant from Homes England of £1,015,767 to support the remediation of the site. This is expected to substantially cover the costs of remediation. However, any shortfall in this can be met from the business rates pool referred to below. The cost has been assessed independently but this measure can act as a contingency and as an additional safeguard to be used with the authority of the respective Corporate Directors in consultation with the Leader and Cabinet Portfolio Holder.

The report references the potential for the additional £500,000 capital contribution for the Council to be drawn from the business rates pool. This fund was considered by Cabinet on the 21 June 2017 and agreed that the pool, whose use needs to also be agreed by Kent County Council, was an appropriate funding mechanism for Biggins Wood although the precise amounts were not considered. The pool itself, as at the end of 2018/19 has £863,491 remaining and therefore funding is available for this purpose.

The proposed offer seems to offer the Council good value for money although it should be noted that due diligence still needs to be completed. With regard to the residential element, this is comparatively straight forward and the HRA business plan has factored in the purchase of 23 properties for affordable housing / shared ownership. The commercial development, for which the additional £500,000 is being requested, is more complex although does seem to indicate a positive return for the Council.

The returns being suggested for the commercial development are based on estimates of the proposed bidder and need to be validated during the due

diligence process. The nature of the Joint Venture is to be determined however the principle seems to be that of a shared risk and reward. Whilst there is a return after phase 1, the maximisation of profit will only occur once the scheme is fully developed and this will require further investment. Those decisions will need to be agreed at the appropriate time and will be subject to the prevailing environment.

9.3 Diversities and equalities implications

There are no diversity or equalities issues arising from this report.

10. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officers prior to the meeting:

Telephone: 07718 563295

Andy Jarrett, Chief Strategic Development Officer

Telephone: 01303 853 429

Email: andy.jarrett@shepway.gov.uk

The following background documents have been relied upon in the preparation of this report:

Exempt – paragraph 3 of schedule 12A Local Government Act 1972 (as amended).

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