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FOLKESTONE AND HYTHE DISTRICT COUNCIL

Minutes for the meeting of the Council held at the Council Chamber - Civic Centre Folkestone on Wednesday, 16 October 2019

Present: Councillors Mrs Ann Berry (Chairman), Danny Brook, Miss Susan Carey, John Collier, Laura Davison, Michelle Dorrell, Gary Fuller, Peter Gane, Clive Goddard, David Godfrey, Anthony Hills, Mrs Jennifer Hollingsbee, Jim Martin, Philip Martin (Vice-Chair), Connor McConville, Jackie Meade, Ian Meyers, David Monk, Terence Mullard, Tim Prater, Patricia Rolfe, Rebecca Shoob, Georgina Treloar, Douglas Wade, Lesley Whybrow, David Wimble and John Wing

Apologies for Absence: Councillors Ray Field, Nicola Keen and Stuart Peall

45. **Declarations of Interest**

Councillors Rolfe, Gane, Mullard and McConville declared an interest in respect of Minute No 55 (Medium Term Financial Strategy 2020/21 to 2023/24), in that they were Directors on the Board of Oportunitas. Dispensations had been applied.

Councillor Mrs Carey also declared a personal interest in respect of this item, as she was a customer of Oportunitas.

46. **Minutes**

The minutes of the meeting held on 25 September 2019 were submitted, approved and signed by the Chairman.

47. **Chairman's Communications**

The Chairman made the following announcements:

“The Deputy Chairman and I have continued to support and promote the District Council in the various events we have attended, as well as support the many and varied charity events.

The Most recent have been:

The High Sheriff’s Justice Service in Canterbury Cathedral on 4 October

The Gurkha Memorial Service and the 10th Anniversary of the Nepalese Charity held in the Garden of Remembrance on Sunday 6 October was both moving and colourful. It was attended by many Dignitaries from Nepal and locally.

Yesterday, we were both in Hythe attending and supporting The Hythe Wildlife function, whilst enjoying afternoon tea and listening to a Brass Band playing. One of the highlights for me was watching a certain Mayor joining in with others doing a bit of the Conga whilst singing along.

It’s good to see a lighter side of our Councillors when not in Committee”.

48. **Petitions**

There were no petitions.

49. **Questions from the Public**

There were no questions from the public.

50. **Questions from Councillors**

The questions asked, including supplementary questions (if any), and the answers given are set out in Schedule 2, appended to these minutes.

51. **Announcements of the Leader of the Council**

The Leader made the following announcements:

“Good evening to you all.

Last night I attended the council’s Scrutiny Committee meeting. The meeting was addressed by two members of the Shepway Tenants and Leaseholders Board who were expressing their concern about the possibility of us taking the housing department back in house. One of them thought that where previously there had been a stigma attached to being a council house tenant under EKH that had diminished. I do not know why he should have thought this, in all of the time I have been a Councillor I have never encountered it, far from it. Before EKH was formed, we were proud of our well maintained housing stock and particularly of our engagement with the tenants. When EKH was formed it was envisaged that at some future time it would become a stand-alone entity, that has not happened and therefore the legal accountability still resides with each of the councils. That leaves us liable for such things as corporate manslaughter without direct control of the situation. I make this point now because the tenants should be aware of this implication before they are consulted with. I will also say how impressed I was with the way the Scrutiny Committee handled this item.

EKH is a legal function of the Executive, but recognising the importance of this issue, Cabinet have decided that they will bring this item before Council for discussion before going to Cabinet for the final decision.

At the earlier Cabinet Meeting, a decision had also been made to purchase Ship Street, and I look forward to this coming forward.

The FPPG had also met earlier that evening, and had made a decision that meetings would be open to the public. A report would be brought to the next meeting of the FPPG setting out the rules for this”.

The Leader of the Green Group responded and stated that it had been useful to have the Shepway Tenants and Leaseholders Board present at the meeting of the Overview and Scrutiny Committee, and she had been surprised by how attached they were to EKH. She stated that it was important to involve the public, and listen to what they had to say. She also added that she was concerned about the current format of the consultation form, and felt that it could be leading.

The Leader of the Labour group responded and advised that he echoed the comments of Councillor Whybrow, and that it was important to have consultation events, not just to gain views, but to inform of the consequences of each action.

Councillor Prater, the Leader of the Liberal Democrat Group responded and stated that opening up the FPPG meetings was a welcome move. He also welcomed the Ship Street Scheme, and looked forward to seeing the proposals and costings. He added that a year ago, members would have been horrified at the thought of bringing the housing function back in house, but facts had changed, and despite appearances, tenants had not been kept safe. The council has seen this, and changed its mind. More reviews were coming forward and it was important to learn lessons and look forward. If the council did decide to bring the housing function back in house, there would be an extra cost to bring the housing stock back to an acceptable standard, and ensure this never happened again.

The Leader in reply stated that he was gratified that all parties recognised the problems and issues in taking forward the proposals with regard to bringing the housing function back in house. He added that he would have liked to set EKH off on its own, as a housing association, but it was not able to get there. He stated that the proposals were subject to consultation, but that there was no alternative but to bring the service back in house.

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

RESOLVED:

That the announcements of the Leader be noted.

52. Opposition Business

There was no opposition business.

53. Motions on Notice

1. From Councillor McConville, Leader of the Labour Party

Councillor McConville outlined his motion which asked for an amendment to part 5, section 6.2 of the constitution, to read "A councillor, who has

proposed a motion *or Opposition business*". The motion had been proposed and seconded at the meeting of the Council on 25 September 2019, and was now open for debate.

Proposed by Councillor McConville,
Seconded by Councillor Davison; and

RESOLVED:

That under part 5 section 27.2, the constitution be amended in regard to part 5 section 6.2. A Councillor, who has proposed a motion which has been referred to a committee or sub-committee, shall be given at least three clear working days' notice of the meeting, at which the motion will be considered, by the Head of Paid Service. If the Councillor attends the meeting but is not a member of that committee or sub-committee, s/he shall have an opportunity to explain the motion to the committee or sub-committee.

This would be amended to read "A councillor, who has proposed a motion or Opposition Business".

(Voting figures: 27 for, 0 against, 0 abstentions).

54. **Review of polling districts and polling places 2019**

Section 18 of the Representation of the People Act 1983 (as amended by Part 4 of the Electoral Administration Act 2006) places a duty on the Council to conduct a review of polling places and polling districts every four years. The last review was concluded by Folkestone & Hythe District Council (as Shepway District Council) in November 2014. The Report outlined the steps the Council was taking to comply with this duty and sought approval from Council to approve the recommendations made.

Proposed by Councillor Gane,
Seconded by Councillor Collier; and

RESOLVED:

That an additional recommendation be added that with regard to CH2/CH3, the Council accept the Scout Hall as a polling station but that this be revisited in due course.

(Voting figures: 27 for, 0 against, 0 abstentions).

Proposed by Councillor Davison,
Seconded by Councillor Dorrell; and

RESOLVED:

That an additional recommendation be added that the polling stations listed for Folkestone Central Ward be accepted but revisited in due course with a view to adding an additional polling station.

(Voting figures: 27 for, 0 against, 0 abstentions).

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

RECOMMENDATIONS:

- 1. That report A/09/14 be received and noted.**
- 2. That the proposals listed in the report as the Polling Districts, Polling Places and Stations be approved for the next four years, or until an ad-hoc review triggered by the Council in the interim.**
- 3. That the proposals outlined in Appendix 2 be adopted, with the implementation to coincide with the revision of the register on 1 December 2019.**
- 4. That in response to a recommendation received at Audit & Governance, the consideration of the use of public houses will be a part of any future polling reviews.**
- 5. That with regard to CH2/CH3, the Council accept the Scout Hall as a polling station but that this be revisited in due course.**
- 6. That the polling stations listed for Folkestone Central Ward be accepted but revisited in due course with a view to adding an additional polling station.**

(Voting figures: 26 for, 0 against, 1 abstentions).

55. Medium Term Financial Strategy 2020/21 to 2023/24

The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. It puts the financial perspective on the council's Corporate Plan priorities, expressing the aims and objectives of various plans and strategies in financial terms over the four year period ending 31st March 2024. It covers both revenue and capital for the General Fund and the Housing Revenue Account. Also included are the Council's reserves policies. The MTFS is a key element of sound corporate governance and financial management.

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

RESOLVED:

- 1. That Report A/19/13 be received and noted.**
- 2. That the Medium Term Financial Strategy, as appended to the report, be adopted.**

(Voting figures: 27 for, 0 against, 0 abstentions).

Full Council – 16 October 2019

Councillor questions:

1. From Councillor J Martin to Councillor Monk, Leader of the Council

The financial viability analysis on which the planning permission for the Princes Parade development was based has many omissions, including:

- Site Clearance
- Remediation
- Regrading site levels
- Services Diversion
- Service corridor to connect with main services
- Attenuation Works/Surface water drainage
- Removal of Japanese Knotweed
- Works to Promenade
- Sea Wall works
- Canal side retaining/supporting structure to the new road
- Ground consolidation works
- Works to provide open space.
- In addition, the report has given an illustrative example for only half of the site.
- The report uses the phrase, “will be at the developer’s cost” whereas the Council are the developer and there is no cost included.
- The report assumes a fully serviced site, which it is not.

If all of the missing costs are included the scheme makes a £15M loss.

I have alerted members and senior officers to this dramatic shortfall many times, but have received no response. What are the Council doing to manage the risk of this potentially catastrophic financial shortfall?

ANSWER:

As you are aware the Council’s advisors, Savills, valuers and Betteridge and Milsom, cost consultants have reviewed your own appraisal and revisited their own work. They are firmly of the view that, having taken account of the matters you list that the project is viable and that there is no £15million gap funding requirement. Savills is one of the world’s leading property agents and I am happy to accept their expert opinion.

SUPPLEMENTARY QUESTION:

What is the link that allows developers to benefit significantly from the Princes Parade financial model?

ANSWER:

I am not going to answer this question as I believe the answer given was full and final.

2. From Councillor Davison to Councillor Monk, Leader of the Council

Can you please make a statement about the future of Folkestone beach huts following press reports?

ANSWER:

At the Folkestone Parks and Pleasure Grounds Charity (FPPG) meeting held on 16 October 2019, the trustees considered a report from officers looking at options to regenerate the area and provide new chalets for residents and visitors.

In 2018, the 74 chalets were taken back in house after a long lease where they had been allowed to fall into a state of disrepair. Currently, 52 of these are let to tenants with the other 22 being in an un-lettable condition and being too costly to repair. Significant investment is required, firstly to stabilise the slope between the chalets and the Coastal Park, remove the derelict chalets, repair the local infrastructure consisting of steps, paths and walls and finally to repair or replace all of the chalets.

The FPPG trustees have decided to proceed with an option that achieves the above objectives and provides 136 beach chalets in total. This is subject to Folkestone and Hythe District Council approving the capital loan at a full council meeting in November.

This consists of 120 new wooden chalets of varying sizes and 16 completely renovated existing chalets giving a total of 136 chalets. The renovated chalets will be the eight tiered chalets and eight of the better condition chalets with pitched roofs. The trustees believe that this will maintain some of the character of the site and help maintain its identity.

Many of the chalets need to be taken down so the slope can be stabilised behind them. Engineering works will be carried out to achieve this objective whilst the whole local infrastructure is renovated and improved. Two sections of the chalets will have new ramps installed to provide access to all before the 16 remaining chalets are renovated and the 120 new chalets installed.

My fellow trustees have committed to a significant investment that will not only greatly improve the area but provide an income for the charity for the years to come. This will help maintain the beach chalets and surrounding area and the other charity owned parks and open spaces in Folkestone.

QUESTION:

Could you provide costings for the repair of the existing chalets and also the costings and durability of the proposed wooden replacements?

ANSWER:

I'm not at liberty to do that, this is a matter for the trust.

3. From Councillor McConville to Councillor Monk, Leader of the Council

What impact does the decision to increase interest rates from the Public Works Loan Board have on our future financial outlook?

ANSWER:

The Treasury determined, on the 9 October, that the maximum net amount of loans by the PWLB at any one time would increase from £85 billion to £95 billion. This was in response to an increase in lending to the local authority sector. However, at the same time, the Treasury also increased its margin over gilts by 100bps (1%). This was an unexpected move and is seen by outside observers as a response to some authorities borrowing extensively against commercial investments.

Whilst this decision is unfortunate, overall this does not materially affect our financial outlook. There are some negative impacts of course. Loans from PWLB will be more expensive and it is likely the administrative process for obtaining other loans will be more complex. However, early advice is that there is likely to develop a market for borrowing which is less than the new PWLB rate and there has already been a marked increase in inter authority lending. The change in rate does not affect existing PWLB loans.

The notification from HM Treasury also makes reference to the government's willingness to work with authorities on a case by case basis. We will be making strong representations to the government to recognise our significant commitment to deliver new housing for the district and to allow us to borrow at the previous rate.

I will also add that any borrowing will also look to minimise the costs to the council and will be based on the most effective mix of short, medium and long term borrowing depending on the prevailing rates at the time.

THERE WAS NO SUPPLEMENTARY QUESTION.

4. From Councillor Davison, to Councillor Godfrey, Cabinet Member for Housing, Transport and special projects

What are your thoughts on Norwich city council for its Stirling prize winning development of environmentally conscious council housing and are there plans for such innovative and inspirational council housing in our own district?

ANSWER:

My thoughts are that Norwich City Council should be congratulated on their Goldsmith Street Stirling Development. These new Council homes have been developed to the German Passivhaus standard and are amongst the most energy efficient in the country with the residents expected to have their annual energy bills reduced by as much as 70% each year. I can confirm that the Council's Strategic Development team are exploring how the Council can work to further improve the energy efficiency of the further 200 Council homes already in its delivery programme and of course beyond. This will include work to explore how the homes in this benchmark development were financed and

delivered to enable us to see what lessons can be learnt for the new Council homes programme in this district.

This energy efficiency philosophy is not only for Council homes but also for other planned developments and is included in the Charter for the Councils flagship Otterpool Park proposals.

THERE WAS NO SUPPLEMENTARY QUESTION.