



Agenda

Meeting: **Overview and Scrutiny Committee**
Date: **29 January 2019**
Time: **7.00 pm**
Place: **Council Chamber - Civic Centre, Folkestone**

To: **All members of the Overview and Scrutiny Committee**

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

Members of the committee, who wish to have information on any matter arising on the agenda, which is not fully covered in these papers, are requested to give notice, prior to the meeting, to the Chairman or appropriate officer.

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 committee should declare any interests which fall under the following categories*:

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

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

Queries about the agenda? Need a different format?

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Email: committee@folkestone-hythe.gov.uk or download from our
website
www.folkestone-hythe.gov.uk

To consider and approve, as a correct record, the minutes of the meeting held on 11 December 2018.

4. **Council Tax Empty Homes Premium (Pages 11 - 26)**

From 1 April 2019, billing authorities will be given the ability to amend long term empty home Council Tax premiums. Report C/18/63 reviews these proposals and recommends that some changes are introduced from the new financial year 2019/20.

5. **Investment Strategy (Pages 27 - 46)**

Report C/18/65 sets out the council's proposed strategy for its service and commercial investments in 2019/20 to be approved by full Council.

6. **Folkestone Sports Centre Trust Grant (Pages 47 - 58)**

The grant funding agreement with Folkestone Sports Centre Trust (the Trust) ends in 2020. The Trust, in advance of the end of this agreement, has made a request for a new grant. Report C/18/61 summarises this request, reviews performance of the current grant agreement and makes recommendations on a future grant reward.

7. **Royal Military Canal Rowing Boats (Pages 59 - 64)**

Report C/18/60 summarises the requirement to replace the Council's rowing boats on the Royal Military Canal in Hythe.

8. **'Spirit of the Leas' Folkestone Coastal Park Heritage Lottery Fund Stage Two Grant Application (Pages 65 - 76)**

Following Cabinet approval in September 2016, a Stage One grant application was submitted to the Heritage Lottery Fund (HLF) for a project to improve access to Folkestone's Coastal Park. The Stage One application was successful and the HLF awarded FHDC a development grant of up to £40,300 to support a Stage Two submission. Report C/18/67 seeks Cabinet approval for the submission of a Stage Two application and to approve a match funding contribution over the period of the project from June 2019 to November 2020.

9. **Local Development Scheme 2019 update (Pages 77 - 102)**

Report C/18/68 presents a draft updated Local Development Scheme to Cabinet. The Local Development Scheme (LDS) sets out the timetable for preparing the council's development plan documents and outlines their purpose and general content. If approved by Cabinet, the LDS will be

published on the council's website.

10. Funding for direct action to secure compliance with enforcement notices at Whitehall Farm, Romney Road, Lydd (Pages 103 - 114)

In March 2017 Corporate Management Team (CMT) agreed funding for direct action to secure compliance with enforcement notices at Whitehall Farm. Report C/18/62 provides an update on the attempts made to secure direct action within the budget agreed and seeks agreement for further funds to be released so that direct action can be secured to achieve compliance with the enforcement notices.

*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
- 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

Overview and Scrutiny Committee

Held at:	Council Chamber - Civic Centre, Folkestone
Date	Tuesday, 11 December 2018
Present	Councillors Miss Susan Carey, Peter Gane (Chairman), Clive Goddard, Ms Janet Holben (Vice-Chair), Mrs Mary Lawes, Ian Meyers and Mrs Rodica Wheeler
Apologies for Absence	Councillor Mrs Claire Jeffrey, Councillor Michael Lyons and Councillor Russell Tillson
Officers Present:	Andy Blaszkowicz (Assistant Director), Kate Clark (Committee Services Officer), Gavin Edwards (Policy and Performance Officer), Leigh Hall (Group Accountant), Katharine Harvey (Chief Economic Development Officer), Andrew Hatcher (Revenues and Benefits Strategic Manager), Cheryl Ireland (Chief Accountant), Amandeep Khroud (Assistant Director), Sue Lewis (Committee Services Officer), Tim Madden (Corporate Director - Customer, Support and Specialist Services), Sarah Robson (Assistant Director), Charlotte Spendley (Assistant Director), Adrian Tofts (Planning Policy Manager) and David Whittington (Planning Policy Team Leader)
Others Present:	Councillors Ewart-James and Mrs Sacre

143. **Declarations of Interest**

Councillor Ms Susan Carey declared an interest with respect to Oportunitas Ltd as she is a customer of their grounds maintenance service.

144. **Minutes**

The minutes of the meeting held on 13 November 2018 were submitted, approved and signed by the Chairman.

145. **Council Tax Reduction Scheme**

Report C/18/52 recommended the adoption of a replacement Council Tax Reduction scheme for 2019/2020, which is to be implemented with effect

from 1 April 2019.

Second adult rebate was queried and the fact that more young adults are staying longer in the family home. Members were advised that if a non-dependant adult is not working, then they are encouraged to make a claim for Universal Credit and any other entitlements.

Proposed by Councillor Mrs Rodica Wheeler
Seconded by Councillor Miss Susan Carey and

Resolved: To receive and note report C/18/52.

(Voting: For 6; Against 0; Abstentions 1)

146. General Fund Revenue - Budget Monitoring Position - 2nd Quarter 2018/19

Monitoring report C/18/56 provided a projection of the end of year financial position of the General Fund revenue budget, based on expenditure to the 31 October 2018.

For clarification it was explained that the reprofiling of expenditure of £700,000 for progressing the Otterpool masterplanning process was from 2017/18, now relevant to 2018/19.

Monies allocated to portfolio holders for the purposes of local environment enhancements for 2018/19 are non-recurring.

Proposed by Councillor Clive Goddard
Seconded by Councillor Mrs Rodica Wheeler and

Resolved: To receive and note Report C/18/56.

(Voting: For 6; Against 1; Abstentions 0)

147. Housing Revenue Account - Revenue and Capital Budget Monitoring 2018/19

Monitoring report C/18/54 provided a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 30 September 2018.

Proposed by Councillor Clive Goddard
Seconded by Councillor Mrs Rodica Wheeler and

Resolved: To receive and note Report C/18/54.

(Voting: For 6; Against 0; Abstentions 1)

148. Draft General Fund Revenue Budget 2019/20

Report C/18/51 set out the Council's Draft General Fund budget for 2019/20.

The Council Tax base position has changed slightly from a MTFS projected figure of 1.5% increase to 1.4% projected increase

Proposed by Councillor Miss Susan Carey
Seconded by Councillor Clive Goddard and

Resolved: To receive and note report C/18/51.

(Voting: For 6; Against 0; Abstentions 1)

149. **Quarter 2 Performance Report 2018/19**

Report C/18/55 provided an update on the Council's performance for the second quarter of 2018/19, covering 1 July 2018 to 30 September 2018. The report enables the Council to assess progress against the approved key performance indicators for each service area.

Key Performance Indicators (KPIs) will be monitored during 2018/19 and reported to CLT and Members quarterly.

Members commented on the following points:

- Vigorous pursuit of parking fines is paramount. Two debt recovery agencies are used and their services and results are under constant review. New parking restrictions within the district have proved a deterrent.
- Flytipping and other anti-social behaviours. Members agreed that the local area officers are making a difference. All incidences are reported and arrangements then made to clear or clean.
- The Chairman reminded members the importance of reporting issues to the police for statistical purposes as this can identify problem areas and action can then be taken.
- Reporting arrangements can be anonymous depending on the nature of the incident. Crime related issues can be reported through Crimestoppers anonymously.

It was noted that successful recovery of fines from foreign vehicles had increased, Councillor Mrs Mary Lawes was keen to know the reasons behind this. Mr Andy Blaszkowicz, Assistant Director, will return to Cllr Lawes with further information.

Under Delivering Excellence in the report it was suggested that the number of calls is quoted as a measure against length of time calls are waiting.

Proposed by Councillor Clive Goddard
Seconded by Councillor Ian Meyers and

Resolved: To receive and note report C/18/55.

(Voting: For 7; Against 0; Abstentions 0)

150. Oportunitas Progress Report 2018/19

Report C/18/53 provided an update from the Board of Oportunitas Ltd (“the company”) covering activities undertaken so far in 2018/19 financial year, including a financial statement for the period from 1 April 2018 to 30 September 2018, in-line with the requirement contained in the Shareholder’s Agreement between the company and the Council.

Councillor Miss Carey was keen to know the updated net worth of investments and increase in value. Mrs Charlotte Spendley, Assistant Director, advised the last valuation was dated March 2018, however any change to this will be reported back.

Proposed by Councillor Ian Meyers
Seconded by Councillor Mrs Mary Lawes and

Resolved: To receive and note the report.

(Voting: For 7; Against 0; Abstentions 0)

151. Folkestone and Hythe District Heritage Strategy

The Heritage Strategy Report C/18/57 is an evidence base document for the Places and Policies Local Plan and Core Strategy Review and it will also provide information for planning applications and funding bids. It sets out positive objectives and priorities to ensure the district’s heritage assets provide a unique opportunity for future place-making, guiding and stimulating regeneration and making significant contributions to recreation, tourism, health and education.

The views of a large and enthusiastic group of stake-holders, individuals and groups were gathered during the initial stages the strategy’s production. It is now proposed that the draft Strategy is published to provide an opportunity for interested groups and individuals, businesses, landowners, developers and the wider public, to shape the final version.

Members were advised that there will be consultation period either before or after Christmas for a six to eight week period. It was hoped that on final publishing officers can use this strategy as a guide in terms of themes and principles.

Proposed by Councillor Clive Goddard
Seconded by Councillor Ian Meyers and

Resolved: To receive and note report C/18/57.

(Voting: For 7; Against 0; Abstentions 0)

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This report will be made public on 22 January 2019

Report Number **C/18/63**

To: Cabinet
Date: 30 January 2019
Status: Key Decision
Responsible Officer: Charlotte Spendley, Assistant Director - Finance, Customer & Support Services
Portfolio Holder: Councillor Malcolm Dearden, Cabinet Member for Finance

SUBJECT: EMPTY HOME PREMIUMS

SUMMARY:

From 1 April 2019, billing authorities will be given the ability to amend long term empty home Council Tax premiums. This report reviews these proposals and recommends that some changes are introduced from the new financial year 2019/20.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below to ensure the empty homes are encouraged to be occupied and income to the council is maximised whilst giving consideration to the district's Council Tax charge payers, ensuring they are treated in a reasonable and consistent manner.

RECOMMENDATIONS:

Cabinet is asked to:

1. To receive and note report C/18/63.
2. To recommend to Full Council to adopt the new Council Tax empty home premiums from the 2019/20 financial year onwards as demonstrated in Table 1.
3. To recommend to Full Council to remove the exemption of a property when it is 'actively marketed' if it meets the premium criteria rules (3.3 to 3.5).

1. BACKGROUND

- 1.1 On 20 November 2013 Council resolved ‘to apply a long term empty home premium at the maximum of 50% effective for council tax bills due from 1 April 2014 onwards’ in accordance with changes in legislation.
- 1.2 This legislation provided the Council discretion to apply a premium of up to 50% of the Council Tax charge on those properties that have been empty for more than two years. This provision was introduced by Central Government as a tool to assist local authorities in the drive to bring empty properties back into use.
- 1.3 On 1 November 2018 amendments were laid to the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 which enables Councils to apply a higher amount of premium for long term empty dwellings with effect from 1 April 2019.
- 1.4 This enactment increases the premium’s maximum level to 100% until 1st April 2020, thereafter to 200% until 1st April 2021, and thereafter to 300%, in each case depending upon the amount of time the property is empty (Table 1). Decisions on whether to apply a premium, and the exact rates to be charged, will remain a matter for individual local authorities, which will take into account local circumstances.

2. AMENDMENTS

- 2.1 Amendments will allow Council’s to introduce an increase in the existing premium and two further phases of premium as detailed in Table 1.

Table 1

Introduction date	Premiums that can be applied
1 April 2019	100% premium for properties empty 2 years +
1 April 2020	100% premium for properties empty 2 – 5 years 200% premium for properties empty 5 years +
1 April 2021	100% premium for properties empty 2 – 5 years 200% premium for properties empty 5 – 10 years 300% premium for properties empty 10 years +

- 2.2. The amendments have effect for financial years beginning on or after 1 April 2019 and it does not matter if the start date of the property being empty is before this comes into force.
- 2.3 It is expected that doubling the cap on the premium will allow local authorities to strengthen the incentive for owners of empty homes to bring them back into use.

- 2.4 No public consultation is required to introduce this change. The policy change received Royal Assent on 1 November 2018.
- 2.5 Liable parties will be able to appeal via standard Council Tax appeal routes if they disagree with the granting of a premium on an account based upon facts of an individual case, for example, they state that the property is not empty. The principle of a premium will not be open to appeal.

3. EXEMPTIONS

- 3.1 The legislation provides criteria where the premium cannot be applied. They are:
- An 'occupier' is in the armed force, or
 - An annex is occupied as part of the main dwelling.
- 3.2 English regulations suggest that demonstrable attempts to sell the property could be grounds for exemption from the premium but no such requirement was introduced. However, guidance for local authorities in England, published in May 2013, stated:
- The government's intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of property that is genuinely on the housing market for sale or rent.*
- The government expects billing authorities to consider the reasons why properties are unoccupied and unfurnished, including whether they are available for sale or rent, and decide whether they want such properties to be included in their determination.*
- 3.3 Within existing arrangements there can be administration difficulties with Council Tax payers putting properties on the market for sale or rent to take advantage of the exemptions or by simply placing furniture in the property to avoid the premium. Whilst the possible income generated is significant the likelihood of realisation of this income is slight.
- 3.4 Due to this difficulty to administer this exemption correctly and fairly and as there is no legal definition of what is 'actively marketing', this cannot be tested through the appeal system as it is our own local decision.

Problems that arise from this possible exemption are:

- Proving that a property is being actively marketed if a taxpayer is choosing not to place the property with an agent. Examples have included putting a card in a local shop window to advertise availability to rent or sell.
- There is nothing to stop a taxpayer putting the property up for sale to claim the exemption then immediately withdrawing it from sale.
- Websites offering properties for sale, particularly flats. Do not give the property number so it is difficult to independently check a property remains for sale or rent
- Once a property has been sold subject to contract in the majority of cases it is no longer being actively marketed for sale so in theory the premium exemption should end. We have no way of knowing when or if this happens so are losing out on revenue.
- If a long term empty property is purchased in a poor state of repair the new owner is immediately liable for a premium as they cannot claim any exemption

and are unhappy the seller had no premium and therefore they have not been notified it will apply.

- 3.5 It is recommended that this exemption from the premium is ended with effect from the 1 April 2019. Taxpayers affected by the changes will be notified prior to the 1 April 2019 so they may make changes to the property and be encouraged to bring it back into effective use before they are impacted by the changes.

4. FINANCIAL IMPLICATIONS

- 4.1 Table 2 illustrates the estimated financial impact of keeping the existing premium with no changes. The figures in Tables 2 to 5 are based on existing accounts that are listed as empty and it should be noted that these details are tangible.

Table 2

Long term empty (empty 2 years+)	Accounts	CTax Base value	50% premium charge value	Total chargeable	FHDC Benefit
2018/19 projection	184	£276,650	£131,448	£408,098	£57,133

- 4.2 Tables 3, 4 and 5 illustrates the estimated financial impact of introducing the empty homes premium over the next 3 years as allowed in the new legislation.

Table 3: Year 1 – April 2019 (100% premium)

2019/20	Accounts	CTax Base value	Proposed Premium charge value	Charge value if premium unchanged	Proposed total chargeable	Additional Council tax chargeable	FHDC additional benefit
100% premium (empty 2 yrs+)	201	£299,928	£299,928	£449,892	£599,856	£149,964	£20,995

Table 4: Year 2 – April 2020 (100% & 200% premiums)

2020/21	Accounts	CTax Base value	Proposed Premium charge value	Charge value if premium unchanged	Proposed total chargeable	Additional Council Tax chargeable	FHDC additional benefit
100% premium (empty 2-5 yrs)	104	£152,476	£152,476	£228,714	£304,952	£76,238	£10,673
200% premium (empty 5 yrs+)	97	£147,452	£294,904	£221,178	£442,356	£221,178	£30,965
					£747,308	£297,416	£41,638

Table 5: Year 3 – April 2021 (100% & 200% & 300% premiums)

2021/22	Accounts	CTax Base value	Proposed Premium charge value	Charge value if premium unchanged	Proposed total chargeable	Additional Council tax chargeable	FHDC additional benefit
100% premium (empty 2-5 yrs)	70	£103,143	£103,143	£154,715	£206,286	51571	£7,220
200% premium (empty 5 yrs+)	94	£139,386	£278,772	£209,079	£418,158	209079	£29,271
300% premium (empty 10 yrs+)	37	£57,399	£172,197	£86,099	£229,596	143497	£20,089
					£854,040	£404,147	£56,580

5 MANDATORY PROCESS

- 5.1 A full Council resolution is required to introduce the amendments detailing exemptions and agreements of introduction dates and premium amounts.
- 5.2 Following any formal decision to change publication of the change must be published in the local press within 21 days.

6. RISK MANAGEMENT

6.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Additional income to FHDC is not fully realised due to the impact of the current economic climate on collection rates.	High	Medium	Collection to be closely monitored.
Empty Home listed as for let or sale but to avoid premiums but not actively marketed	Medium	Medium	To define actively marketed within resolution to enable consistent and clear administration.

7. LEGAL, FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's comments (DK)

There are no legal implications arising directly out of this report other than those already stated. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 makes provision that, where two or more properties are occupied or owned by the same person, they may be treated for the purposes of non-domestic rating as one property and the Council can increase the percentage by which the council tax is payable in respect of a long-term empty dwelling.

7.2 Finance Officers comments (CI)

Taking advantage of the change in legislation to apply a higher Council Tax Empty Homes premium would result in additional Council Tax income for the Council. The cumulative estimated additional income over the next 3 years from applying the premium is £119,213 as outlined in the tables in section 4.2. If the proposed higher premiums are adopted then the additional income estimate will be factored into the 2019/20 final budget position to be presented in February.

7.3 Equalities and Diversities Implications

There are no equality or diversity issues regarding this report.

7.4 Communication comments (MR)

If agreed, the proposed changes should be communicated widely to ensure that those in the district that this change affects understand their obligations to pay council tax on empty homes. While there is a requirement for this change to be publicised in the local press, other communications channels should also be considered.

7.5 Resources comments

There are no significant resource implications expected from this report.

7.6 Transformation comments

There are no significant transformation implications expected from this report.

8 CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Report author: Andrew Hatcher

Telephone: 01303 853348

Email: andrew.hatcher@folkestone-hythe.gov.uk

9.2 Appendices:

Appendix 1 – Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

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Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

CHAPTER 25

Explanatory Notes have been produced to assist in the
understanding of this Act and are available separately

£4.90



Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

CHAPTER 25

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Non-domestic rating in England

- 1 Hereditaments occupied or owned by the same person

Council tax in England

- 2 Higher amount for long-term empty dwellings

General provisions

- 3 Extent, interpretation and short title



Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

2018 CHAPTER 25

An Act to make provision, where two or more hereditaments occupied or owned by the same person meet certain conditions as to contiguity, for those hereditaments to be treated for the purposes of non-domestic rating as one hereditament; and to increase the percentage by which a billing authority in England may increase the council tax payable in respect of a long-term empty dwelling. [1st November 2018]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Non-domestic rating in England

1 Hereditaments occupied or owned by the same person

- (1) In Part 3 of the Local Government Finance Act 1988 (non-domestic rating), in section 64 (hereditaments), after subsection (3) insert—

“(3ZA) In relation to England, where—

- (a) two or more hereditaments (whether in the same building or otherwise) are occupied by the same person,
- (b) the hereditaments meet the contiguity condition (see subsection (3ZC)), and
- (c) none of the hereditaments is used for a purpose which is wholly different from the purpose for which any of the other hereditaments is used,

the hereditaments shall be treated as one hereditament.

- (3ZB) In relation to England, where –
- (a) two or more hereditaments (whether in the same building or otherwise) are –
 - (i) owned by the same person, and
 - (ii) unoccupied,
 - (b) the hereditaments –
 - (i) ceased to be occupied on the same day, and
 - (ii) have each remained unoccupied since that day,
 - (c) immediately before that day, the hereditaments were, or formed part of, a single hereditament by virtue of subsection (3ZA), and
 - (d) the hereditaments meet the contiguity condition (see subsection (3ZC)),

the hereditaments shall be treated as one hereditament.

- (3ZC) The hereditaments meet the contiguity condition if –
- (a) at least two of the hereditaments are contiguous, and
 - (b) where not all of the hereditaments are contiguous with each other –
 - (i) one or more of the other hereditaments is contiguous with one or more of the hereditaments falling within paragraph (a), and
 - (ii) each of the remaining hereditaments (if any) is contiguous with at least one hereditament that falls within sub-paragraph (i) or this sub-paragraph.

- (3ZD) For the purposes of subsection (3ZC) two hereditaments are contiguous if –

- (a) some or all of a wall, fence or other means of enclosure of one hereditament forms all or part of a wall, fence or other means of enclosure of the other hereditament, or
- (b) the hereditaments are on consecutive storeys of a building and some or all of the floor of one hereditament lies directly above all or part of the ceiling of the other hereditament,

and hereditaments occupied or owned by the same person are not prevented from being contiguous under paragraph (a) or (b) merely because there is a space between them that is not occupied or owned by that person.”

- (2) The amendments made by subsection (1) have effect for financial years beginning on or after 1 April 2010.

Council tax in England

2 Higher amount for long-term empty dwellings

- (1) Section 11B of LGFA 1992 (higher amount for long-term empty dwellings: England) is amended as follows.
- (2) In subsection (1)(b) (maximum percentage by which council tax may be increased) –
 - (a) after “that day” insert “(“the relevant day”)", and
 - (b) for “50” substitute “the relevant maximum”.

- (3) After subsection (1) insert –
- “(1A) For the financial year beginning on 1 April 2019 the “relevant maximum” is 100.
- (1B) For the financial year beginning on 1 April 2020 the “relevant maximum” is –
- (a) in respect of any dwelling where the period mentioned in subsection (8) ending on the relevant day is less than 5 years, 100;
 - (b) in respect of any dwelling where the period mentioned in subsection (8) ending on the relevant day is at least 5 years, 200.
- (1C) For financial years beginning on or after 1 April 2021 the “relevant maximum” is –
- (a) in respect of any dwelling where the period mentioned in subsection (8) ending on the relevant day is less than 5 years, 100;
 - (b) in respect of any dwelling where the period mentioned in subsection (8) ending on the relevant day is at least 5 years but less than 10 years, 200;
 - (c) in respect of any dwelling where the period mentioned in subsection (8) ending on the relevant day is at least 10 years, 300.”

(4) The amendments made by subsections (1) to (3) have effect for financial years beginning on or after 1 April 2019 (and it does not matter whether the period mentioned in section 11B(8) of LGFA 1992 begins before this section comes into force).

(5) In this section “LGFA 1992” means the Local Government Finance Act 1992.

General provisions

3 Extent, interpretation and short title

- (1) This Act extends to England and Wales.
- (2) In this Act “financial year” means a period of 12 months beginning with 1 April.
- (3) This Act may be cited as the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.



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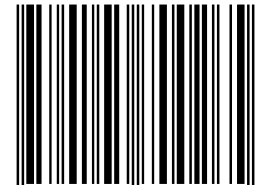
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This Report will be made public on 22 January 2019



Report Number **C/18/65**

To: Cabinet
Date: 30 January 2019
Status: Key decision
Responsible Officer: Charlotte Spendley, Assistant Director – Finance, Customer and Support Services
Cabinet Member: Councillor Malcolm Dearden, Cabinet Member for Finance

SUBJECT: INVESTMENT STRATEGY 2019/20

SUMMARY: This report sets out the council's proposed strategy for its service and commercial investments in 2019/20 to be approved by full Council.

REASONS FOR RECOMMENDATIONS:

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

- a) The Council must have regard to both CIPFA's Prudential Code for Capital Finance in Local Authorities and the Ministry for Housing Communities and Local Government Investment Guidance when carrying out its duties under Part 1 of the Local Government Act 2003.
- b) The Council is required to approve an Investment Strategy for the forthcoming year.

RECOMMENDATIONS:

1. To receive and note report C/18/65.
2. To recommend to Council that the 2019/20 Investment Strategy, including the Investment Indicators, set out in the appendix to this report is approved.

1. INTRODUCTION AND BACKGROUND

- 1.1 In early 2018 the Ministry for Housing, Communities and Local Government (MHCLG) revised their *Statutory Guidance on Local Government Investments* mainly as a response to the increased commercial investment activity in the sector. The MHCLG Guidance now requires all local authorities to produce an annual Investment Strategy for their non-treasury management investments which has to be approved by full Council. The MHCLG Guidance also requires local authorities to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) publications of *The Prudential Code for Capital Finance in Local Authorities* and *Treasury Management in the Public Services* which both complement it.
- 1.2 The Authority invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.3 The main purpose of the new investment strategy is to identify the level of the authority's service and commercial investments and to set risk management parameters around these.
- 1.4 Treasury management investments and borrowing continue to be covered by a separate annual Treasury Management Strategy which has to be approved by Cabinet as part of the budget process in advance of each new financial year. However, the revised MHCLG Guidance requires some limited treasury management information to feature in the new investment strategy, including the level of interest received by the General Fund.
- 1.5 The investment strategy, set out in the appendix to this report, is based on the authority's existing and planned service-related and commercial investments and is consistent with the proposed General Fund Medium Term Capital Programme due to be approved by full Council in February 2019.
- 1.6 Being a new requirement on the authority, it is anticipated that the investment strategy will develop and evolve over time in line with the council's own capital investment aspirations and plans. The intention is to review the investment strategy annually as part of the authority's budget setting process. However, if the nature and structure of the authority's proposed service and commercial investments was to change during the year it may be necessary to revise the strategy at the same time.

2. RISK MANAGEMENT ISSUES

- 2.1 The main purpose of the Investment Strategy shown in the appendix to this report is to identify risks associated with the authority's service and commercial investments and to set parameters to help mitigate these. No other risk management issues have been identified as relevant to this report.

3. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

3.1 Legal Officer's Comments (DK)

There are no legal implications arising directly out of this report other than those already stated. For each financial year, the council should prepare at least one Investment Strategy which should contain the disclosures and reporting requirements specified in the Local Government Investment Guidance as published by the MHCLG. The Strategy should be approved by full Council.

3.2 Finance Officer's Comments (LW)

This report has been prepared by Financial Services and there are no direct financial implications arising from it.

3.3 Diversities and Equalities Implications (LW)

Please see enclosed Equalities Impact Assessment shown at appendix 2.

4. CONTACT OFFICERS 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 & Treasury)
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 – Investment Strategy Report 2019/20 Template

Appendices:

Appendix 1: Investment Strategy 2019/20
Appendix 2: Equalities Impact Assessment.

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INVESTMENT STRATEGY 2019/20

1. INTRODUCTION

- 1.1 The Investment Strategy is a requirement of the Ministry for Housing, Communities and Local Government's (MHCLG) *Statutory Guidance on Local Government Investments*. The MHCLG Guidance also requires local authorities to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) publications of *The Prudential Code for Capital Finance in Local Authorities* and *Treasury Management in the Public Services* which both complement it.
- 1.2 The council invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.3 The main purpose of the strategy is to identify the level of the council's service and commercial investments and to set risk management parameters around these. It is based on the authority's existing and planned service-related and commercial investments and is consistent with the proposed General Fund Medium Term Capital Programme due to be approved by full Council in February 2019.

2. TREASURY MANAGEMENT INVESTMENTS

- 2.1 The council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the CIPFA. The balance of treasury management investments is expected to fluctuate between £20m and £40m during the 2019/20 financial year.
- 2.2 **Contribution:** The contribution that these investments make to the objectives of the council is to support effective treasury management activities. These investments also contribute an income stream to support the General Fund budget position annually.
- 2.3 **Further details:** Full details of the council's policies and its plan for 2019/20 for treasury management investments are covered in a separate document,

the Treasury Management Strategy Statement (TMSS), due to be considered for approval by Cabinet as part of the budget process for 2019/20. The approved TMSS will be published on the council's website.

3. SERVICE INVESTMENTS: LOANS

3.1 **Contribution:** The council can lend money to its subsidiaries, its charities where the council is the trustee, its external service providers, local residents and its employees to support local public services and stimulate local economic growth. In the future the council may also lend money to joint ventures it decides to enter into to help deliver its major corporate investment initiatives. Examples of loans the council makes are shown in the table below:

Table 1 – Example of Loans Made for Service Investments

Organisation	Relationship	Purpose	Service Objective
Oportunitas Ltd	Housing and Regeneration subsidiary company	Primarily for the acquisition of residential property for rent	Provision of good quality homes for rent Generate additional revenue stream for the General Fund
East Kent Housing Ltd	External Service Provider	Acquisition of new software system (interest free)	Efficient management of HRA properties
Local property owners	Jointly funded empty homes initiative with Kent County Council	Loans to property owners to bring empty properties across the district back in to residential use	Bringing empty residential properties back into use and the provision of additional good quality homes

3.2 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 2 - Loans for service purposes in £ millions

Category of borrower	31.3.2018 actual			2019/20
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Approved Limit £m
Subsidiaries	3.501	-	3.501	7.6
External Service Provider	0.186	-	0.186	0.3
Local residents/landlords	4.234	-	4.234	4.7
TOTAL	7.921	-	7.921	12.6

- 3.3 The approved limit for subsidiaries in 2019/20 includes the increase in loan capital to Oportunitas of £2.47m approved by full Council on 28 February 2018 as part of its future strategy for the council's wholly owned subsidiary company.
- 3.4 Accounting standards require the authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. Previously no loss allowance has been made for the loans made as the majority of these have been secured against property with a low risk of default. However, the authority is required to keep the position under review and the figures for loans in the Council's statement of accounts from 2018/19 onwards will be shown net of any loss allowance made. The authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 3.5 **Risk assessment:** The council assesses the risk of loss before entering into and whilst holding service loans. This includes:
- 3.5.1 Ensuring the authority has the legal power to make the loan to the entity in the first place.
- 3.5.2 Assessing loan applications against the type of market the entity is operating and competing in:
- i) Loans to the council's subsidiary company, charities where it is the trustee, joint ventures or external service providers require a business case and, possibly, business model to be prepared in advance. This needs to demonstrate the entity's long term financial viability, its ability to meet the loan repayment terms and also the internal governance arrangements in place to support their operations. The entity also needs to demonstrate how it will evolve over time against both market conditions and its customer needs. The entity needs to identify any ongoing or future investment requirements to support it over the term of the loan. The authority's loan agreement may require the entity to provide regular performance information to enable an assessment to be made of their ability to continue to meet its terms and conditions. Unless

otherwise agreed, loans made are secured against the property or other assets of the entity to help mitigate the risk of default.

- ii) Loans to local property owners for housing improvements schemes are made in accordance with the criteria of the specific scheme agreed by the council. All previous and existing housing improvement schemes offer interest free loans (soft loans) with the requirement that the principal sum is repaid to the authority at an agreed trigger point such as after an agreed period of time or when the property is eventually sold. Loans are secured as a charge against the property to help mitigate the risk of default.

3.5.3 External advisors can be used to support the council in assessing investment opportunities and preparing loan agreements. This can include advising on investment options appraisal, business plan or case submissions, relevant commercial lending terms, compliance for State Aid, taxation and other statutory issues and reporting obligations for the borrower.

3.5.4 The council has established procurement and contract management procedures to appoint and monitor the performance of external advisors it uses. This can involve;-

- interviewing potential consultants to gain a better understanding of their breadth of experience and knowledge in the specific area,
- liaising with other local authorities through established groups and channels to discuss the suitability of consultants being considered where it is known they have been used before,
- focusing advice on larger firms with the breadth and depth of expertise to minimise risk, and
- utilising our own professional judgement to consider the advice received.

3.5.5 Credit ratings are not currently applicable as part of the assessment process for checking the financial status of entities or individuals who apply for a loan. This may alter if the nature and scope of loans made was to change in the future.

3.5.6 The council may require other sources of information to help assess the suitability of the entity requesting a loan such as financial accounts or a bank reference.

4. SERVICE INVESTMENTS: SHARES

4.1 Currently the council only invests in share equity for its wholly owned Housing and Regeneration subsidiary company, Oportunitas Limited. In the future the council may also acquire shares in either other subsidiaries companies it may choose to establish or joint venture companies it decides to enter into to help deliver its major corporate investment initiatives.

4.2 **Contribution:** The council's investment in the shares of Oportunitas Limited supports its operational trading activities including its acquisition of residential property to increase the supply of good quality housing for rent to local

people. No dividend return is expected in the medium term from this investment, however the council's overall investment in Oportunitas provides an additional revenue stream to the General Fund.

- 4.3 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows.

Table 3 - : Shares held for service purposes in £ millions

Category of company	31.3.2018 actual			2019/20
	Amounts invested £'m	Gains or losses £'m	Value in accounts £'m	Approved Limit £'m
Subsidiaries	0.479	-	0.479	5.21
TOTAL	0.479	-	0.479	5.21

- 4.4 The approved limit for 2019/20 includes the increase in share equity of £4.43m approved by full Council on 28 February 2018 as part of its future strategy for Oportunitas.

- 4.5 **Risk assessment:** The council assesses the risk of loss before entering into and whilst holding shares of its subsidiaries or joint ventures. This includes:

4.5.1 Ensuring the authority has the legal power to acquire the share capital of the entity in the first place.

4.5.2 Preparing a long term business case and business model for the company identifying the level, structure and time scale of the investment required to enable it to become financially viable and sustainable and provide the authority with an appropriate financial return

4.5.3 Requiring the company to develop and maintain a business plan outlining how it will meet the objectives of the authority as shareholder including identifying associated risks, including market conditions, and measures to mitigate these.

4.5.4 Requiring the company in the event it was to cease trading or become insolvent to dispose of its assets and transfer the net receipt to the authority or transfer the assets to the control of the authority itself, to help mitigate the risk of financial loss.

4.5.5 Using external advisers if required to support the authority in preparing its business planning and modelling to support the creation and development of the company and also structure the shareholder agreement.

4.5.6 Using the authority's established procurement and contract management procedures to appoint and monitor the performance of external advisors it uses. This can involve;-

- interviewing potential consultants to gain a better understanding of their breadth of experience and knowledge in the specific area,

- liaising with other local authorities through established groups and channels to discuss the suitability of consultants being considered where it is known they have been used before,
- focusing advice on larger firms with the breadth and depth of expertise to minimise risk, and
- utilising our own professional judgement to consider the advice received.

4.5.7 Credit rating checks are not applicable as a risk assessment check to support the authority's investment in its wholly owned subsidiary company. This may alter if the nature and scope of the council's acquisition of share capital made was to change in the future.

4.6 **Liquidity:** The council's share equity investment in Oportunitas is a long term commitment with no specified end date. The business case and model supporting the council's investment in Oportunitas is based on a 45 year period. The council's future capital investment plans do not require the repayment of the share equity. As shareholder the council has overall control of the company and can decide if it wants to review the level of its share equity investment. For any future share equity investment in other subsidiary companies or joint ventures it is likely these will also be a long term commitment, however this will be determined at the time the investment is being considered for approval.

4.7 **Non-specified Investments:** Shares are the only investment type that the council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the authority's upper limits on non-specified investments. The council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

5. COMMERCIAL INVESTMENTS: PROPERTY

5.1 **Contribution:** The council invests in local commercial and residential land and property with the intention of making a capital gain or generating a new revenue stream that will be spent on local public services. The council currently holds investment property for the following main reasons;

- i) Land and property to support the proposed Otterpool Park Garden Town development of up to 10,000 new homes over an approximate 30 year period.
- ii) Land for other commercial and residential development.
- iii) Commercial and light industrial units for local businesses providing employment opportunities and the authority with a net rental stream.

5.2 The table below summarises the value of the council's investment assets grouped by property type measured against the original purchase or construction cost. For some assets the original purchase or construction cost data is not available in which case the value of the asset at 1st April 2014 has been used as a proxy value with changes since then shown as a gain or loss.

Table 4 - Property held for investment purposes

Property Type	Value at 01/04/2014	Actual Purchase Cost	31/03/2018 (Actual)		31/03/2019 (Projection)	
			Accrued Gains (Losses)	Value in Accounts	Accrued Gains (Losses)	Value in Accounts
	£'000	£'000	£'000	£'000	£'000	£'000
Commercial and Light Industrial (existing)	1,119	n/a	305	1,424	305	1,424
Land (existing)	183	n/a	284	467	284	467
Land (acquired since 01/04/2014)	n/a	1,112	-55	1,057	-55	1,057
Otterpool (acquired to 31/03/18)	n/a	5,324	-269	5,055	-269	5,055
Otterpool (planned 18/19)	n/a	1,380	n/a	n/a	0	1,380
Total	1,302	7,816	265	8,003	265	9,383

5.3 It is anticipated the council's value of property held for investment purposes will be increased by 31 March 2019 to reflect the reclassification of land held at Princes Parade, Hythe and Fernfield, Hawkinge from surplus assets to investment assets. The impact of this potential change has yet to be determined and will be reflected in the Council's Statement of Accounts for the year ending 31 March 2019, if it happens.

5.4 **Security:** In accordance with government guidance, the council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. However, it is recognised the council is acquiring land for development reasons and therefore its existing use value as an investment asset may be significantly lower than its future potential value.

5.5 A fair value assessment of the council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2018/19 year end accounts preparation and audit process value these properties below their purchase cost and there is no reasonable prospect of this being reversed as a result of the council's investment plans, then an updated investment strategy will be

presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

- 5.6 **Risk assessment:** The council assesses the risk of loss before entering into and whilst holding property investments by preparing a business case to support the proposed investment. This includes:
- 5.6.1 Assessing the current and expected future market demand and need for relevant property by reference to local, regional or national data, including rental and occupancy levels.
 - 5.6.2 Assessing the current and expected future market competition for the type of property being considered.
 - 5.6.3 Identifying the relevant legal power the authority is using to undertake the purchase and whether or not it may need to purchase and operate it through a separate entity such as a company or joint venture.
 - 5.6.4 Identifying how the authority can recover or dispose of its interest in the property without financial loss.
 - 5.6.5 Undertaking a whole-life financial assessment for the proposed scheme to identify any on-going investment that may be required.
 - 5.6.6 Using specialist external advisors such as, valuers, surveyors, property agents, solicitors and taxation and other finance specialists to help evaluate the proposed investment if required.
 - 5.6.7 Using the council's established procurement and contract management procedures to appoint and monitor the performance of external advisors it uses. This can involve;-
 - interviewing potential consultants to gain a better understanding of their breadth of experience and knowledge in the specific area,
 - liaising with other local authorities through established groups and channels to discuss the suitability of consultants being considered where it is known they have been used before,
 - focusing advice on larger firms with the breadth and depth of expertise to minimise risk, and
 - utilising our own professional judgement to consider the advice received.
 - 5.6.8 Using credit checks if required to assess the financial strength of third parties the council could be exposed to, for instance where the authority proposes to purchase an investment property which has existing commercial tenants. Credit ratings are not applicable as part of the assessment process for property investment.
 - 5.6.9 The council has established a proactive risk management culture within the organisation, including all key projects being required to consider risks, as well as quarterly monitoring and reporting of key corporate risks which includes, at times, key investment plans such as the delivery of Otterpool.

- 5.7 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions.
- 5.8 The council's commercial and light industrial units' portfolio is viewed as a long term commitment providing valuable local jobs and supporting the local economy. Any decision to dispose of existing units would need to be balanced against providing alternative employment opportunities, continuing to support the local economy as well as the direct financial impact to the authority.
- 5.9 Where property is held for future development reasons the council will identify how it intends to recover or access the cost of its capital investment as part of any proposal for the specific development.

6. PROPORTIONALITY

- 6.1 The current Medium Term Financial Strategy (MTFS) does not include property investment income as part of its projections as a number of the council's schemes are currently only in the planning stage. The MTFS is however over the medium term in a deficit position, and the authority has commenced work on exploring investments to support the closure of this gap (along with an internal Transformation programme). Early indicative projections suggest that these schemes could contribute about £1.0m pa by 2022/23, which, including the existing investment income forecast of about £1m, would represent around 2.0% proportion of the gross service expenditure of the authority. As the plans further develop the Council will further consider its approach to proportionality in respect of investment income to gross service expenditure.

Table 5 - Proportionality of Investments

	2017/18 Actual	2018/19 Forecast	2019/20 Budget	2020/21 Projection	2021/22 Projection
Gross service expenditure	94,861,000	96,128,000	97,412,000	98,714,000	100,033,000
Investment income	(871,000)	(954,000)	(1,128,000)	(1,060,000)	(1,060,000)
Proportion	0.92%	0.99%	1.16%	1.07%	1.06%

7. CAPACITY, SKILLS AND CULTURE

7.1 Elected members and statutory officers:

- 7.1.1 All members are provided with a full training session on treasury management and investments by the authority's Treasury Management advisors (Arlingclose Ltd). This is conducted regularly and encompasses all members and not just those on the relevant committees. Training is also held on specific issues for nominated councillors (such as on Investment Appraisals) and there are ongoing briefings for individual members with specific responsibilities such as the Finance Portfolio holder and the Chair of the Audit and Governance Committee. All members have a wide exposure to

investment decisions and are able to interrogate officers either formally or informally.

7.2 Commercial deals:

7.2.1 The council has a process in place whereby all proposed capital investment decisions are referred to Financial Services and Legal Services to ensure compliance with the principles of the prudential framework and of the regulatory framework for local authorities. For individual major projects, including commercial property investments, a project board or working group is established at the outset which includes officers from Financial Services and Legal Services who advise on compliance with statutory guidance and regulatory issues.

7.3 Corporate governance:

7.3.1 The council has a clearly articulated corporate plan and associated values which are being refreshed as part its transformation programme. It also has a long standing practice of regular and transparent decisions in relation to investments held for both treasury management purposes and also for investment purposes. The governance structure includes scrutiny of all decisions through the Overview and Scrutiny Committee prior to these being considered by Cabinet. Any new investment decisions need to be approved by Full Council with a full explanation of the benefits, opportunities and risks associated with any proposal. The ongoing performance of investments is regularly reported back to Members and is subject to ongoing review and monitoring.

8. INVESTMENT INDICATORS

8.1 The council proposes to set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

8.2 **Total risk exposure:** The first indicator shows the authority's total exposure to potential investment losses. This includes amounts the authority is contractually committed to lend but have yet to be drawn down and guarantees it has issued over third party loans.

Table 6 - Total investment exposure in £millions

Total investment exposure £m	31.03.2018 Actual	31.03.2019 Forecast	31.03.2020 Forecast
Treasury management investments	37.3	37.4	20.0
Service investments: Loans	7.9	9.5	12.5
Service investments: Shares	0.5	0.5	5.2
Commercial investments: Property	8.0	9.4	17.1
TOTAL EXPOSURE	53.8	56.8	54.9

- 8.3 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the council's investments are funded by usable reserves and income received in advance of expenditure.

Table 7 - Investments funded by borrowing in £millions

Investments funded by borrowing £m	31.03.2018 Actual	31.03.2019 Forecast	31.03.2020 Forecast
Service investments: Loans	-	-	1.6
Service investments: Shares	-	-	2.8
Commercial investments: Property	5.7	6.1	10.1
TOTAL FUNDED BY BORROWING	5.7	6.1	14.5

- 8.4 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 8 - Investment rate of return (net of all costs)

Investments net rate of return	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Treasury management investments	1.02%	1.26%	1.96%
Service investments: Loans	1.86%	2.04%	2.39%
Service investments: Shares	0%	0%	0%
Commercial investments: Property	1.07%	1.06%	1.10%
ALL INVESTMENTS	1.13%	1.34%	1.86%

8.4.1 The net return on loans made for service investments includes those that are interest free and are accounted for as 'soft loans', including private sector housing improvement loans.

End

Stage 1 and 2 Equality Impact Assessment Templates

Directorate: Financial Services

Service:Accountancy

Accountable Officer: Lee Walker

Telephone & e-mail:01303 853593

lee.walker@folkestone-hythe.gov.uk

Date of assessment: 15 January 2019

Names & job titles of people carrying out the assessment:

Name of service/function/policy etc: Investment Strategy
Is this new or existing? New

Stage 1: Screening Stage

1. Briefly describe its aims & objectives

<p>The Investment Strategy identifies the level of the authority's service and commercial investments and sets risk management parameters around these. The strategy does not cover the specific arrangements regarding the authority's service and commercial investments activities. For instance, the qualifying criteria for loans to local property owners will be subject to the arrangements for that specific scheme.</p>
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2. Are there external considerations? (legislation/government directive etc.)

<p>Yes, the Investment Strategy is a requirement of the Ministry for Housing, Communities and Local Government's (MHCLG) <i>Statutory Guidance on Local Government Investments</i>. The MHCLG Guidance also requires local authorities to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) publications of <i>The Prudential Code for Capital Finance in Local Authorities</i> and <i>Treasury Management in the Public Services</i> which both complement it.</p>

3. Who are the stakeholders and what are their interests?

<ul style="list-style-type: none"> i) FHDC Members and Officers – Governance and management of authority's financial resources. ii) Authority's subsidiary companies – access to loan and/or share equity to support their investment objectives iii) Authority's charities where the it is the trustee – access to loan funding to support their investment objectives iv) Authority's external service providers – access to loan funding to support the delivery of services to the authority v) Local property owners – access to loan funding to support improvements to local
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privately owned residential property, including bringing empty properties back in to use.

- vi) Authority's employees – access to loan funding as part of their conditions of employment for specific items
- vii) Authority's Joint Venture companies – access to loan and share equity to support their investment objectives

4. What outcomes do we want to achieve and for whom?

To mitigate risks to the authority directly associated with making service or commercial investments through loans made and share equity issued to third parties and the direct purchases of commercial property.

5. Has any consultation/research been carried out or relied upon?

Yes:

Use of Arlingclose template document to ensure Investment Strategy complies with MHCLG Statutory Guidance on Local Government Investments

6. Are there any concerns at this stage which indicate the possibility of inequalities/negative impacts? (Consider and identify any evidence you have - equality data relating to usage and satisfaction levels, complaints, comments, research, outcomes of review, feedback and issues raised at previous consultations, known inequalities) If so please provide details.

None

7. Could a particular protected characteristic be affected differently in either a negative or positive way? (Positive – it could benefit, Negative – it could disadvantage, Neutral – neither positive nor negative impact or Not sure?)

	Type of impact, reason & any evidence
Disability	Not applicable
Race (including Gypsy & Traveller)	Not applicable
Age	Not applicable
Gender	Not applicable
Transgender	Not applicable

Sexual Orientation	Not applicable
Religion/Belief	Not applicable
Pregnancy & Maternity	Not applicable
Marriage/ Civil Partnership Status – not applicable	Not applicable

8. Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?

Not applicable		

9. Are there any human rights implications?

No - not applicable

10. Is there an opportunity to promote equality and/or good community relations?

No – not applicable

11. If you have indicated a negative impact for any group is that impact legal? (not discriminatory under anti-discrimination legislation)

No – not applicable

12. Is any part of this policy/service to be carried out wholly or partly by contractors?

No – not applicable

Please note that normally you should proceed to a Stage 2: Full Equality Impact Assessment Report if you have identified actual, or the potential to cause, adverse impact or discrimination against different groups in the community. (Refer to Quick Guidance Notes at front of template document)

13. Is a Stage 2: Full Equality Impact Assessment Report required?

No

This strategy sets the over-arching framework for risk mitigation measures for the authority's service and commercial investment arrangements. Individual schemes for loan, share equity or direct purchase of service and commercial investments may require their own EIA.


14. Date by which Stage 2 is to be completed and actions

Not applicable

Please complete

We are satisfied that an initial screening has been carried out and a full impact assessment **is not required*** (please delete as appropriate).

Completed by: Lee Walker
Date: 16/01/2019



Role: Group Accountant (Capital and Treasury)



Countersigned by Head of Service

Date: 16.01.19

This Report will be made public on 22 January 2019

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/18/61**

To: Cabinet
Date: 30 January 2019
Status: Key Decision
Responsible Officer: Amandeep Khroud, Assistant Director, Governance, Law and Regulatory Services
Cabinet Member: Councillor Jenny Hollingsbee, Deputy Leader and Cabinet Member for Communities

SUBJECT: FOLKESTONE SPORTS CENTRE TRUST GRANT

SUMMARY: The grant funding agreement with Folkestone Sport Centre Trust (the Trust) ends in 2020. The Trust in advance of the end of this agreement, has made a request for a new grant. This report summarises this request, reviews performance of the current grant agreement and makes recommendations on a future grant reward.

REASONS FOR RECOMMENDATIONS:

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

- a) Grant funding would continue to support Folkestone Sports Centre Trust in its delivery of its programme of sports and community based activities.

RECOMMENDATIONS:

1. To receive and note report C/18/61.
2. To approve the recommendation for a new three-year grant agreement of £150,000 per annum starting in April 2020.

1. BACKGROUND

1.1 In April 2015 the council entered into a five-year grant funding agreement with Folkestone Sport Centre Trust Ltd (the Trust). The grant funding agreement was a successor to previous agreements but differed in that in this instance the annual grant reduced over the period of the agreement.

- 15/16 £ 200,000
- 16/17 £ 189,500
- 17/18 £ 179,000
- 18/19 £ 168,500
- 19/20 £ 150,000

1.2 The purpose of the grant was: -

- To support the maintenance costs of a community swimming pool.
- To enable public access to a community swimming pool at affordable prices.
- To provide opportunities for the local community to swim recreationally as a means of improving public health and tackling social isolation.
- To facilitate school swimming sessions for young people in the district.
- To maintain a community facility which supports the broader public health agenda and the Local Health and Wellbeing Board.
- To support a community facility for the purpose of competitive sport and sports development.

1.3 The grant agreement placed the following requirements on the Trust to provide: -

- A scheduled programme of maintenance and repair works for the swimming pool.
- An annual inspection by the council to ensure the works have been completed to a satisfactory standard.
- A five-year business plan to reduce the financial dependency on grant funding.
- An annual report to FHDC summarising the work of the Trust to support community development, sports development and health and wellbeing in the district.
- A minimum of three liaison meetings with the council.

- 1.4 The requirements of the grant agreement are monitored in the liaison meetings. The Trust has complied with the terms of the agreement in the sharing of information, the monitoring arrangements and its use of the grant funding.
- 1.5 There is no commitment to future funding in the current agreement and the Trust has been consistently advised this could not be guaranteed. It was however anticipated that the Trust would wish to make an application for a further grant and it was recommended that any new request should be made in advance of the final year of the current agreement. This would give time for the Trust to plan and adapt to any changes in future funding.
- 1.6 The Trust has now made a request for the new grant agreement that would start from April 2020 (see Appendix 1).

2. **FSCT Grant Funding Request & Options**

- 2.1 The grant funding request is attached as Appendix 1. The request details what the Trust provides in terms of sporting facilities, health and wellbeing, and community programmes. The Trust requests a further grant of £150,000 per annum for a period of five years starting in 2020.
- 2.2 The funding request highlights the following activities that would be supported by a new grant: -
- The sports facilities and the sport activities currently provided.
 - Health and wellbeing activities including disability sports, rehabilitation, mental health and dementia support, social inclusion and preventative care.
 - Support for local school's activities at the centre.
 - Apprenticeship and employment programmes.
- 2.3 The grant request has also been reviewed by the Community Services Manager who has identified how the Trust additionally supports the council in its community activities: -
- Attendance on the local Health and Wellbeing Board.
 - Event hosting e.g. Armed Forces Day.
 - Support for our Dementia Friendly Communities work e.g. Rosie's Moments.
 - Support for other community projects e.g. Tall Ships.
- 2.4 The Trust has provided financial accounts information throughout the current grant period. The financial information provided includes a full breakdown of the Trust's incomes and costs. Financially, the Trust breaks even most quarters and has controlled its costs and protected its income against a number of pressures (e.g. introduction of national living wage and the impact of 'budget' gyms). The Trust's long-term business plans with the development of a 'high ropes' facility at the site should also raise additional income.

- 2.5 It is important to note however that the Trust only breaks even with the contribution of the council funding, which is treated as an income stream on their Profit & Loss projections. Without the grant agreement the Trust would run at a loss each quarter and would be under considerable financial pressure if the grant ceased. The Trust has only limited cash reserves.
- 2.6 The council's medium term financial strategy includes a provisional allocation for a continued grant to the Trust although as previously stated no commitment has been made to a future grant award.
- 2.7 The options in response to the Trust's request for a new grant are: -
- No grant awarded beyond the end of the current agreement.
 - Grant awarded on the basis requested by the Trust (£150K x 5 years).
 - Grant offered for a shorter period.
- 2.8 **No grant award** – There would be financial saving to the council from not providing a grant but this would need to be balanced against the impact on the Trust and the resulting actions it would need to take to secure its financial position. This could include the possible closure of facilities, reduction of community and sporting programmes and increased prices. Due to the community impact this is not recommended.
- 2.9 **Grant is awarded on the basis requested by the Trust** – The requested grant for £150,000 per annum for the period of five-years. The grant is fixed at the level of final year of the current agreement. The benefit would be the continued provision of the sports and community activities by the Trust. For the council the cost over five-years would be £750,000. The main financial risk is the length of the commitment and the potential need to withdraw or drastically reduce the grant in the future due to changes in our own financial position. For this reason this option is not recommended.
- 2.10 **Grant awarded for a three-year period** – The recommended option is for a grant of £150,000 per annum to be offered to the Trust for a shorter three-year period. This would mitigate the concerns about making a long-term financial commitment. Consideration was given to whether the grant offered should be reduced annually over the agreement period but this was rejected due to the potential impact on the community programme.
- 2.11 If a grant is approved it is recommended that the current grant agreement is used as a model for the next agreement as this has provided a good level of oversight.

Terms would include: -

- Confirmation that this is a grant agreement and can terminate or be amended at the council's discretion.
- The grant agreement infers no continuation beyond termination.
- The sports, activities and community programme supported by the grant.

- Public acknowledgement of the financial support from the council and incorporation in publicity material produced by the Trust.
- The Trust provides each quarter an income and expenditure breakdown, details of sports and community programmes supported.
- Continuation of the minimum of three liaison meetings with council officers each year to discuss financial and service performance.

3. RISK MANAGEMENT ISSUES

3.1 The main risks are: -

Perceived risk	Seriousness	Likelihood	Preventative action
FHDC unable to support the continued Financial Commitment	Medium	Medium	<ul style="list-style-type: none"> • New agreement limited to 3-years. • Funding planned in the MTFS.
Grant is misspent or does not provide value for money.	Medium	Low	<ul style="list-style-type: none"> • FHDC liaison meetings and ongoing monitoring of community activities.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments (David Kelly)

There are no legal implications arising directly out of this report. Legal Services will, upon instruction, advise on the terms of the Grant Agreement.

4.2 Finance Officer's Comments (Charlotte Spendley)

The proposed 2019/20 budget reflects the grant at the agreed £150k level. The current MTFS does not currently make any assumptions regarding the award of grant differing to this level in future financial years. However it should be noted that the MTFS is in a projected deficit position and the Council is facing significant uncertainty about its own financial position due to the Fair funding review which will have a financial impact upon the Council over the course of this commitment.

4.3 Diversities and Equalities Implications (AR)

The report notes that the grant supports Folkestone Sports Centre Trust's sports and community programme.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Andrew Rush, Corporate Contracts Manager
Telephone: 01303 853271
Email: andrew.rush@folkestone-hythe.gov.uk

Appendices:

Appendix 1 – Folkestone Sports Centre Trust Ltd Funding Request

DRAFT

Folkestone Sports Centre Trust Ltd. Reg. Charity no: 308189

Community service provision and Financial review 2018 - 19

The purpose of this report is to update the District Council in respect of the service provision by Folkestone Sports Centre Trust to the Community up to the year 2018/19 and to review the future provision of services in the year 2019/20 and beyond.

This report demonstrates the Trust's support of the local authority's commitment to the Health and Well-being of our community and in helping to make the District a desirable place to live and work, whilst ensuring that all ages and abilities within the community have equal opportunity to learn, play and progress in a wide variety of sports and active leisure pursuits.

Folkestone Sports Centre Trust provides vital services supporting both preventative health care and rehabilitation, thus alleviating further strain on the resources of the Health Service.

The FSC Trust continues to be committed to its original Charity cause and concept, as stated in the Trust's M & A in 1973, of affordable sport, leisure and social care for the benefit of the whole community.

This report sets out how, with the support of the local authority, the Trust will continue to fulfil the commitments of that original concept, diversifying and growing the service according to the ever changing needs of the community.

The cost to the Trust of providing health, social and education services in the current year (2018 – 2019) is forecast in excess of £175,000.(attached)

It is anticipated that the Trust, by investing heavily in new activities through an 'enabling project' which disposes of a small area of underused land, will generate an increase in turnover, further reducing dependency upon the local authority.

Over a period of 5 years from 2015 – 2020, FSCT has continued to strive to reduce costs and increase income, in order to reduce the deficit in grant reduction. However, with the increase in wages, rates, utilities and health and the social demands of the community, it is evident that the Trust cannot continue to provide all services and attain self-sufficiency.

In conclusion therefore, in order to continue to provide these vital services, it is requested that Folkestone and Hythe District Council continues to support this vital work in providing an annual grant of £150,000 per annum for a further 5 year term.

Health and Well-Being	Annual Cost to Trust
<p>Exercise referral by Health Professionals – a wide range of health needs are met through regular, supported, individually designed and monitored exercise programmes. Patients are prescribed exercise by their health professional and referred to FSCT where they are assessed by a highly qualified fitness professional - a bespoke programme is given to each individual who is monitored through a 12 week, discounted programme, which is underwritten by FSCT (no funding is received from the Health Authority for this service).</p> <p>Reports, patient progress and outcomes are reported back to KCHFT by the fitness professional and administrator</p> <p>Training and continued cpd is funded by FSCT and is essential in order to continue to offer this valuable community service.</p>	<p>10560</p> <p>1050</p> <p>350</p>
<p>Rehabilitation</p> <p>Following discharge from the Health Service, responsibility for continued Cardiac Rehabilitation Exercise programme is passed to FSCT. This programme is on-going for the client and is heavily discounted by FSCT. (No funding is received for this programme.) Clients are able to feel safe in the continued programme, in the knowledge that FSCT staff are monitoring them throughout each session and will see signs of improvement or deterioration – and if necessary refer back to the health service.</p> <p>The staff member must update her BACR qualification annually to ensure that the highest levels of competency are maintained. FSCT funds this training.</p> <p>In conjunction with the Stroke Association, FSCT staff deliver a bespoke programme of 12 weeks exercise classes to from Stroke survivors. This new programme started in February 2018 and during this year is part-funded by SA, with the 12 week delivery programme being discounted by FSCT to ensure affordability.</p> <p>On-going funding is unsure after the year ending March 2019.</p>	<p>4410</p> <p>850</p> <p>5890</p>
<p>Preventative care</p> <p>Health questionnaires and where necessary, in depth health assessments, are undertaken for all gym and toning studio customers. Individual programmes are written and monitored to achieve customer aims: weight loss/maintaining healthy weight – smoking cessation – diabetes – exercise in pregnancy – lung function etc.</p> <p>Exercise and activities for young people are a high priority and during 2017-18 funding was received from KCC, but repeat funding for continuing the programme has not been received for 2018-19. The programme continues, but disadvantaged families cannot afford even the discounted prices offered by FSCT therefore diminishing our efforts to address health inequalities in the Folkestone and Hythe area.</p> <p>In order to reduce the issue of childhood obesity in primary and early secondary age children this programme should not be lost.</p>	<p>10000</p>
<p>Reduced mobility and long term conditions</p> <p>Facilities for those of all ages and abilities, with reduced mobility – MS, CF, CP, Head injury, Stroke, Arthritis, Rheumatism, Obesity, Advanced age – sustain or improve their joint and muscle movement through therapy sessions in the Toning Studio, where trained staff, monitor improvements and update supported exercise programmes in order that clients can achieve their goals and enjoy the social aspect of the Studio.</p> <p>Toning Consultants are trained in the improvement of movement for those with Long Term illness and Chronic pain.</p> <p>Working with Residential Homes, Care facilities and community health partners, FSCT uses a community mini bus to assist those for whom transport issues would make attendance impossible.</p> <p>FSCT provides a low cost meeting place and drop in facility for NHS providers including KCHFT to support those in the community with long term conditions (diabetes clinic – weight management clinic – chronic pain clinic – expert patient clinic)</p>	<p>27800</p> <p>1500</p> <p>1500</p>

<p>Disability Now fully accessible to all floors, the Centre has been able to make suitable adaptations to include the whole community. FSCT houses the Folkestone Community Hub for KCC Learning Disability group 5 days per week. The Service Users make good use of the FSCT sports, swimming, exercise and Sensory facilities and benefit from integration and inclusion enabling their access to the same facilities and activities as the wider community on a daily basis. NHS Community Care service clients access Fitness, Swimming and Sports activities each week (Moving On Up group) and again, benefit from being included with the wider community and enjoy affordable (discounted) access. A Changing Place is located within the Centre and although used by FSCT service users, is available for residents and visitors to the Town at no charge. The Community Room (Front Room) is available at low cost for community groups to utilise through weekday evenings and weekend days. Sports activities for those with physical disability are widely available and include clubs for Wheelchair Basketball – Kurling – Archery – Ski - A weekly 'Give it a Go!' session allows all levels of learning and physical disabilities to try out a wide range of sports and activities, whilst meeting others and enjoying a fun social occasion. This session is given heavy financial support from FSCT. FSCT supports vulnerable adults as volunteers, who enjoy working within the staff environment, learning skills and gaining confidence, enabling possibilities of future employment within the community.</p>	<p>14016</p> <p>3600</p> <p>2700</p>
<p>Mental Health and Dementia support The introduction of an Outdoor Learning area – Forest School – has supported children and adults who are suffering from low level mental health issues, working with Forest School practitioners to grow self-esteem and give a sense of purpose – the outcomes for members of the MIND group during the year 2017-18 has been outstanding, but regrettably additional funding has not been sourced and therefore the group no longer attend, finding that their service users cannot afford the costs of the activity. FSCT is unable to underwrite this service and therefore financially disadvantaged people have been unable to continue their activity. The Forest School offers outdoor learning sessions to young people suffering the stresses of school, particularly during exam times, and works with groups and individuals to allow time to be away from their peers in a non-intrusive environment with the Forest School practitioners. Schools need to find the financial resources to enable their young people to benefit from this, and taster sessions are offered by FSCT to enable the schools to understand and see the benefits for themselves. A dementia support group (Rosie's Moments) is heavily discounted by FSCT to enable those living with dementia, socially isolated people and their carers, to access a social group and exercise activities. The group has grown in number over the past year and it is anticipated that FSCT will continue to support this going forward. Funding is currently being sought to fund new equipment to accommodate the increased numbers and to keep the activities fresh and interesting.</p>	<p>4500</p> <p>2500</p> <p>1750</p>
<p>Social Inclusion and reducing isolation Over 50's groups meet regularly to play a variety of sport during the day and in the evenings. Badminton – Kurling – Walking Football – Pickle Ball. Discounted membership is provided to support community groups (ARRCC/Touchbase Care, The Shed) to access healthy exercise in a social environment. Young parents and their pre-school children and those on low income, now meet for regular sessions in the Sports Hall – bouncy castle and games – and in the Sensory Room and Sensory Pool, followed by time in the café with their young children. This is a great meeting place for young parents to enjoy social time on a 'drop in basis' and is heavily discounted to ensure affordability.</p>	<p>1440</p> <p>1600</p>

<p>The Men's Shed (Forest Shed) is providing social inclusion time for isolated people (men and women) who are spending time together sharing experiences and passing on knowledge and skills, whilst supporting the work of the Forest School and helping to maintain the area.</p>	1500
<p>Lifestyle referrals are still available for any practitioner who feels that their individual clients would benefit from learning how a lifestyle change can be achieved, with the support of the FSCT exercise professionals. Previously working with Family Champions the programme saw positive outcomes for many isolated people within disadvantaged families – however funding and staffing constraints meant that the local authority could no longer offer this service to their clients.</p> <p>FSCT provides this service for a small number of individuals who are supported by Headstart and other KCC initiatives. FSCT discounts membership and provides a supported exercise programme which is similar to the health referral programme.</p>	540
	350
Employment and Education	
<p>The Trust employs 120 staff, ranging from 87 full time employees working 30 or more hours per week, to individual sports and exercise instructors working up to 29 hours per week. During the year 2018-19 the Trust has a wage bill in excess of £900,000 per annum – with the increasing National Minimum wage and Living wage, the growing wage bill puts excessive strain on budgets.</p>	
<p>The Trust operates an Apprenticeship scheme, which support and encourages young people who have an interest and passion for sport, to use this as a means to fulfil professional nationally recognised qualifications in preparation for future employment. The withdrawal of government funded courses, and the closure of the local authority Apprenticeship support scheme, the means to continue to support young people in this way, is greatly reduced and is likely to result in no further Apprenticeship training being offered at FSCT</p>	12480
<p>The Trust is committed to supporting training and personal development of existing staff and continues to offer affordable training courses to non-employees, on a not-for-profit basis.</p>	
<p>The Trust offers work-experience placements to young people through local schools and continues to give a good introduction to the workplace.</p> <p>Further work-experience placements are available for those who need support back into employment, and includes those with learning or physical disabilities and ex-military personnel.</p>	
<p>The Trust attends community Careers Fairs to advise and encourage young people who have an interest in finding out routes into the Sports and Leisure industry</p>	
Education and National Curriculum	
<p>Local Primary Schools, Secondary Schools, Special Needs Schools and Home-schooled children access the Trust's facilities for their physical education, utilising the Trust's instructors to give a high level of teaching. Some local schools have a lack of outdoor sports facilities and therefore the Centre's facilities are invaluable – in addition to the unique sports which are offered at the Centre, that they would not have the chance to try.</p>	41000
<p>After School Clubs provide affordable (discounted or funded) out of school activities give new opportunities for young people for whom financial constraints prevents access.</p>	16000
<p>The Trust assists local schools (particularly small schools) in providing transport by using the Trust's minibus where possible, if lack of, or the cost of, transport would prevent them from taking part in activities.</p>	1500

An Outdoor Learning area has been formed on the Trust's land and offers a unique opportunity for school and young people groups within the District, to benefit from a Forest School, right on their doorstep. Many of these young people, through disadvantage, would not otherwise have the opportunity to experience and learn about the 'Outdoors'.	
Supporting Talent and Excellence	
Kent Sport identifies potential sporting talent and awards FANS scheme status to all ages. On behalf of the District, FSCT offers free use of the relevant sports and training facilities for those identified as potential future County and National representatives. In some instances, Trust's instructors advise and support training.	4020
The Trust identifies those from FSC Clubs who have the potential to go further in their sport, frequently giving reduced rates, or free access – often assisting with transport and/or equipment costs to enable them to compete at a higher level.	1500
The Trust allows heavily subsidised use of the mini-bus to assist clubs in transporting their players to competitions and tournament.	1500
	176376

Facilities and Activities for All	
<p>Adult Gym with a mix of CV and Resistance/Weight Equipment</p> <p>Multi Activity Room with Junior Fitness Classes</p> <p>Studio for low impact aerobic classes, including Yoga, Pilates, Over 60's Dance, Tai Chi...</p> <p>Studio for high impact aerobic classes, including Pump, Zumba, Step, Insanity</p> <p>Indoor Cycle Studio with PT training area</p> <p>25m Swimming Pool and 12m Training/Sensory pool</p> <p>Sensory Room</p> <p>8 court size multi sports hall</p> <p>3 Squash Courts</p> <p>Footgolf course</p> <p>1km Cross Country Running Track</p> <p>Multi Use Games Area (outdoors) – 3 x Tennis Courts – 8 x Pickle Ball – Football</p> <p>Archery Court</p> <p>Ski Slope and Training/Toboggan Slope</p> <p>Passive Exercise Equipment Studio</p> <p>Treatment Rooms</p> <p>Community Rooms</p> <p>Training/Meeting Rooms</p> <p>Café and Bar</p> <p>Planning Stage for 3 level High Ropes Course and Assault/Challenge courses</p>	

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This Report will be made public on 22 January 2019



Report Number **C/18/60**

To: Cabinet
Date: 30th January 2019
Status: Non key decision
Responsible Officer: Andy Blaszkowicz, Assistant Director - Environment and Corporate Assets
Cabinet Member: Councillor Dick Pascoe, Cabinet Member for Property Management and Environmental Health

SUBJECT: ROYAL MILITARY CANAL ROWING BOATS

SUMMARY: This report summarises the requirement to replace the Council's rowing boats on the Royal Military Canal in Hythe.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to approve the recommendations below for the following reasons:

- 1) Option 1 will require a one off investment of new boats during 2019/20. This would result in the boats being purchased at one time and not incurring extra costs if the price of the boats increase. It would also mean that the whole fleet of boats is fit for purpose for the 2020/21 season and the council will not be required to pick from a selection of old non water worthy boats on the canal which could reduce the level of service required and expected. Full Council is required to approve the budget for all new capital schemes.
- 2) The current tenant has many years of experience operating the existing service. By allowing this tenant to continue operating for a minimum of the next 5 years, the delivery of this popular tourism offer in Hythe would continue.

RECOMMENDATIONS:

1. To receive and note report C/18/60.
2. To agree Option 1 to purchase a new fleet of boats for the sum of £46,000 and agree to lease the boats to the current tenant for a minimum lease period of 5 years.
3. To seek full Council's approval for the budget of £46,000 required for purchase of the new fleet of boats to be funded as set out in paragraph 4.3 of this report.

1. BACKGROUND

- 1.1 Rowing boats have been available for hire on the Royal Military Canal in Hythe for over 100 years. Currently the council owns 20 rowing boats which have been in use for in excess of 30 years. The service also includes the Electric Boat, *La Tienne* which provides boat tours as part of the service.
- 1.2 The current tenant (CRN.co) operates the service on behalf of the council and has done so since 2004.
- 1.3 The tenant maintains the boats over the winter period and operates the service between Easter and October alongside the Electric Boat service. The tenant has use of a building at Twiss Road Boat sheds for storage and maintenance.
- 1.4 The tenant pays the council an annual rent of £5,500.
- 1.5 The agreement for operating the service of the rowing boats is currently renewed each year in April but it would be more efficient to agree a longer term approach for the operation and running of the service.
- 1.6 The current stock of rowing boats is now over 30 years old and at the end of their useful life. A number of boats have fractured internal hulls, irreparable rowlocks and are becoming uninsurable, difficult to repair and require replacement. These boats cannot be used for more than another season in their current condition.
- 1.7 CRN.co has reported that the boats and will not last another season (post 2019).
- 1.8 CRN.co reports that from the period 2010 – 2016, the average rowing boat gross income was £23,735 and the average electric boat gross income was £12,776.

2. OPTIONS

- 2.1 Officers have considered 6 options which are detailed below:

Option 1: The Council invests the required capital sum to purchase a new fleet of 20 boats and enters into a new lease of 5 years with the current tenant at a cost of £46,000.

Option 2: As per option 1, but the boats are purchased over two years spreading the cost. The cost may be slightly higher than option 1 as prices could rise. Approximate cost £48,000 but split over two years.

Option 3: To allow the existing tenant to purchase a fleet of new boats, in return the tenant would be granted a rent free period to recoup the capital outlay. At a current rent of £5,500 pa the payback period would be nine years. The current tenant is willing to do this with an extended agreement period of at least 10 years.

Option 4: To cease operation of the electric boat service and rowing boat hire concession. This would likely result in negative publicity for the council and the loss of a valued tourism asset in Hythe. There would be a small income from the sale of the existing fleet of rowing boats and the electric boat which is thought to have held its value (circa £20,000).

Option 5: F&HDC to purchase a new fleet and bring the service in house. This would have staffing and insurance implications, staff would need appropriate training to pilot the electric boat. The average gross income reported from the current tenant is £36,000 over the period 2010 – 2016.

Option 6: Put the whole boat concession out to tender to seek a new provider who would purchase the boats as part of the new arrangement.

3. SERVICE IMPLICATIONS

- 3.1 Should the decision be made not to renew the boats, the council would no longer be able to operate the service and would attract negative publicity and result in the loss of a valued tourism and community asset. It would end a long term service and tradition offered by the council and result in a loss of income (currently £5,500.00 pa.).
- 3.2 A fleet of new boats will secure the long term future of the service (at least 25 years).
- 3.3 A new fleet of 20 14ft Glass reinforced plastic (GRP) rowing boats will cost in the region of £46,000 excluding delivery. This requirement has not been budgeted for and requires a capital growth bid to be approved. The payback period is approximately 9 years at the current rent although Officers believe a higher rent will be obtainable with new boats therefore reducing the payback period. Thereinafter the council will receive an income which will have the potential to be increased over the agreed rental period. These boats will have a useful life of at least 25 years if maintained and cared for correctly throughout their life.
- 3.4 The existing rowing boats have a current value of approximately £2,500-£4,000 for the entire fleet, however the sale of these boats may be difficult to market. One suggestion would be for the current tenant to coordinate the boats for sale individually alongside the operation of the new rowing boats next season.
- 3.5 Boats are made to order and lead times need to be considered although staggered deliveries could be arranged. The boats are handmade and take approximately 3 weeks to make each one and therefore a decision regarding the funding is required sooner rather than later in order to ensure that the service is not interrupted next season.

4. CONCLUSION

4.1 The rowing boat hire service is a popular historical feature of the canal and the town of Hythe. The service promotes family activities, healthy active lifestyles and green tourism. Run in conjunction with the electric boat service, it provides local employment and an enjoyable pastime for residents and visitors. The service fits with the Corporate Plan in the following ways:

Health Matters –

Ensuring that the canal is well used and that this leisure facilities promotes health and wellbeing.

Achieving Stability –

Ensuring that the council receives and maintains a regular income stream into the future.

Appearance Matters –

Maintain and improve natural and historic assets.

Work with partners to boost the appearance of the district.

Protect and manage coastal sites in an environmentally sustainable way

4.2 Taking everything into account Officers believe that the best way forward is to proceed with Option 1: The Council invests the required capital sum to purchase a new fleet of 20 boats and enters into a new lease of 5 years with the current tenant. The cost of this option is £46,000. The lease would be renegotiated to a figure of approximately £7,500 per annum providing a payback period of 6 years. It maintains the facility as it is now with the vast experience of the current tenant and maintains the tourism offering which has been so popular in Hythe for so many years.

4.3 Full Council is required to approve the proposed capital investment of £46,000 for the new fleet of boats. On 12 December 2018 Cabinet agreed to provide £100,000 in 2018/19 for Environmental Improvement projects with the amount to be allocated evenly to each Cabinet Member (minute 51 refers). The final decision on approving the release of these sums is delegated to the Head of Paid Service in consultation with the Leader of the Council. Councillor Dearden, Cabinet Member for Finance, and Councillor Ewart-James, Cabinet Member for Housing, have both indicated they wish to allocate their sums of £10,000 each towards the proposed purchase of the new fleet of boats. The balance of the capital cost (of £26,000) can then be met as a revenue contribution from the Vehicle, Equipment and Technology Reserve. Subject to Cabinet approval, the scheme will be incorporated in the update to the General Fund Medium Term Capital Programme due to be considered by full Council on 20 February 2019.

5. RISK MANAGEMENT ISSUES

5.1 There is a high probability of negative publicity for the Council should the rowing boat hire service cease.

5.2 The annual income received would be lost if the rowing boat concession ceased and this may have a knock on effect to the local economy from visitor numbers visiting the canal and surrounding areas could reduce in number.

- 5.3 The Hythe Venetian Fete uses approximately 20 boats for the event and the fete could be under threat if no boats were available, again resulting in negative publicity for the council.

Perceived risk	Seriousness	Likelihood	Preventative action
Loss of service	High	Low	Approval of purchase of new boats
Loss of income	High	Low	Approval to renew the concession for a minimum period of 5 years

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (DK)

There are no legal implications arising directly out of this report. (When reaching a decision, the Council must take into account the health and safety of users of the rowing boats on the canal to the extent the current stock is stated as being over 30 years old and of potential health risk to users.)

6.2 Finance Officer's Comments (LW)

The financial implications arising from the proposal are contained in the body of this report.

6.3 Diversities and Equalities Implications (AB)

There are no equalities implications arising directly from this report.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

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This Report will be made public on 22 January 2019

Report Number **C/18/67**

To: Cabinet
Date: 30 January 2019
Status: Non- key Decision
Responsible Officer: Katharine Harvey, Chief Economic Development Officer
Cabinet Member: Councillor Collier – Cabinet Member for District Economy

SUBJECT: “Spirit of the Leas” Folkestone Coastal Park Heritage Lottery Fund Stage Two Grant Application

SUMMARY:

Following Cabinet approval in September 2016, a Stage One grant application was submitted to the Heritage Lottery Fund (HLF) for a project to improve access to Folkestone’s Coastal Park. The Stage One application was successful and the HLF awarded FHDC a development grant of up to £40,300 to support a Stage Two submission. This report seeks Cabinet approval for the submission of a Stage Two application and to approve a match funding contribution over the period of the project from June 2019 to November 2020.

REASONS FOR RECOMMENDATIONS:

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

- a) For the submission of a Stage Two HLF application
- b) For the match funding required from FHDC towards this project.

RECOMMENDATIONS:

1. To receive and note report C/18/67.
2. To agree to the submission of a Stage Two HLF application.
3. To agree in principle to underwrite the value of the Section 106 contribution earmarked towards the project.

1. INTRODUCTION

- 1.1 The Folkestone Coastal Park “Spirit of the Leas” project aims to restore historic routes and structures in the Coastal Park and along the Leas, as well as to develop an understanding and appreciation within the community of the roles played by the Park, Leas Cliff Hall and the Leas in Folkestone’s development as a coastal resort.
- 1.2 This project is one component of the Council’s programme for the future enhancement of Folkestone Town Centre. In particular, this project will improve connectivity between the town centre and the Lower Leas Coastal Park, to realise the full potential of this key asset for both visitors and residents alike.
- 1.3 Following submission of a Stage One application in October 2016, the HLF granted the Council an 80% development grant of up to £40,300 to support the development of a Stage Two application, with the balance to be drawn from the 2017/18 Economic Development team budget.
- 1.4 Agreement was sought from Cabinet in June 2017 (C/17/14) to draw down the HLF Stage Two development grant and to commence work towards a Stage Two application, This was because:
- support was necessary to accept the Stage Two development grant and for prioritising resource within the Economic Development team to develop the application; and
 - there was a requirement for match funding from FHDC towards the project
- 1.5 The Cabinet agreed:
- To the submission of a Stage Two HLF application providing all match funding required was found from sources other than the District Council.
 - To Officers adopting a proactive approach to identifying and securing external match funding contributions to deliver the necessary project funding and delivery requirements.
 - That a report returned to Cabinet before submission of the Stage Two application.

2. THE “Spirit of the Leas” PROJECT

- 2.1 The project aims to enhance connectivity and movement flow between the town and seafront. It comprises the following elements, which includes both capital works and engagement activities, which are of particular importance to HLF.
- The restoration of the cliff-paths either side of the Leas Cliff Hall to improve access between the park and town-centre to encourage new users, re-establish views of the park and Hall, and relieve pressure on other routes such as the Pulhamite Zig-Zag Path.
 - The restoration of heritage features including the Leas subway, air-vents from the Hall’s predecessor the Leas Shelter, and the manufacture of a pattern of the Leas lamp-columns from which new columns will be able to be cast.

- The interpretation of the Leas Cliff Hall and Leas cliff-top promenade's built and social heritage.
 - The engagement of people through activities centred on music, dance, fashion, architecture and archaeology.
- 2.2 The Coastal Park and Leas comprise one of the district's main "free-to-enter" attractions. The Park has achieved Green Flag status since 2007 and is rated by Trip Advisor as the 9th best out of 862 "things to do" in Kent, attracting some 500,000 visitors annually. Recent 2017 estimates suggest that average day visitor spend in the district is £30. Therefore, assuming visits to the Park are generally of a half-day duration, the Park could be attracting around £7.5 million annually.
- 2.4 The proposed improvements to the Park will help to increase the Park's attractiveness and connectivity with Folkestone town centre to visitors and residents, thereby supporting the local economy.
- 2.5 The project fits well with Corporate Plan priorities and supports the Economic Development Strategy by :
- Enhancing Folkestone as a visitor destination and make it enhance its attractive as a place for inward investment;
 - Improving connectivity in Folkestone between the town and seafront;
 - Maximising the economic benefits of the coast through encouraging the full enjoyment of the asset.
- 2.6 This project also supports the four objectives of the district's recently adopted Heritage Strategy (C/18/57) by:
- Demonstrating the District Council's leadership role in championing and promoting the rich heritage of the district and supporting heritage-related activity.
 - Seeking funding to support the management of the Leas Cliffe Hall, the Victorian subway and Leas Promenade heritage assets and undertaking activities to promote their historical importance
 - Using the district's historic environment and heritage to enhance Folkestone's place-making activities by improving connectivity between the town centre, and the Lower Leas Coastal Park.
 - Realising and capitalising on the economic and social potential of the district's rich historic environment, heritage assets and heritage activity.

3. DEVELOPMENT OF THE STAGE TWO APPLICATION

- 3.1 The HLF awarded FHDC a development grant of 80% of the total costs of developing a Stage Two application, which were estimated would be a total cost of £50,000. The actual cost has been £37,125 and the breakdown is shown in Appendix 1.
- 3.2 The work undertaken to develop the Stage Two application has included:
- **Finalising the cost estimates for the capital works.** This has included costs for the paths, subway and lamp columns and to restore the views

and to landscape the area, including thinning and replanting pine trees. Should the HLF application be successful, the capital works will need to be procured. Consequently a project contingency cost has also been included in the Stage 2 application costings.

- **Developing an interpretation and activity plan.** The development of these has involved:
 - liaising with over 20 groups
 - a site visit for residents and groups
 - an online survey to elicit views on proposals, which resulted in 110 responses
 - a focus group for older people
 - the development of a video by FE students
 - press and social media about the project
- **Demonstrating how the project will be delivered, including** setting out the project's delivery structure
- **Finalising the sources of funding** for the project
- **Finalising the project timetable**

3.3 Further details of the above elements of the project are shown in Appendix 2.

3.4 A meeting with HLF took place on 6th December 2018 to review the Stage Two Application material and to provide comment. This was a very positive meeting with the work undertaken by the lead officer, Dave Illsley commended. FHDC has been encouraged to submit a Stage Two application.

4. **PROJECT MATCH FUNDING**

4.1 The Stage One application identified that the district council would provide up to 20% of match funding towards this project, which was more than the 5% minimum required by HLF(C/16/30 para 1.6). This was agreed because of the competitive nature of the applications and that this higher contribution would bring a greater likelihood of success.

4.2 The success of the project at Stage One resulted in HLF awarding an 80% grant towards developing a Stage Two application and a potential grant of £466,700 towards the final 'Spirit of the Leas' project.

4.3 As a result of the Stage Two project development work, a total project cost has now been established at £606,920. With a maximum HLF grant of £466,700 towards the final project, there is an outstanding match funding requirement for £140,220 (23%).

4.4 The HLF requires projects of this nature to be maintained by the grant recipient for a period of at least five years. The match funding contribution therefore includes estimated maintenance costs. The Stage Two development work has clarified these to be £36,750 over the minimum five

year period, whereas previously these had been identified at £18,000. These funds will be allocated from the appropriate annual Grounds Maintenance budget streams.

- 4.5 Further to the agreed actions from the Cabinet meeting on 21 June 2017, other potential match funding contributions towards this project have been sought. This has included approaches to the Roger De Haan Charitable Trust, Magnox Industries and the Folkestone Town Council. As a result, a funding commitment of £20,000 has been secured from Folkestone Town Council, leaving an outstanding requirement of £83,470 from FHDC.
- 4.6 Further internal investigations have been made into the potential of using some of the s106 Folkestone Seafront funds as a match funding contribution towards this project. £100,000 of s106 funds have been earmarked specifically towards improving paths and access within the Lower Leas Coastal Park. A separate identified S106 contribution is also available towards bringing the Leas Cliff lift back into use at a future point in time. Therefore it is proposed that these funds are used for the remaining match funding requirements for the project. However, because the release of these s106 funds are predicated on specific numbers of homes coming forward, due to some economic uncertainty there is a requirement for FHDC to underwrite these funds in case they are unavailable within the required timeframe for this project.
- 4.7 Cabinet is therefore requested to agree in principle to underwrite the use of the Folkestone Seafront s106 funding contribution towards the Spirit of the Leas project, in order to deliver the project as set out in the timetable shown in Appendix 1. If the HLF funding bid is successful, the proposed scheme is expected to run from 1 September 2019 to 30 November 2020. Before this, Cabinet will be required to consider a separate report seeking formal budget approval from full Council for the whole scheme to be included in the General Fund Capital Programme.

5. RISK MANAGEMENT ISSUES

5.1

Perceived risk	Seriousness	Likelihood	Preventative action
The council decides not to submit a stage 2 application due to dissatisfaction with level of match funding secured	High – loss of officer time over lengthy period and £10,000 development contribution from FHDC; although submission does not guarantee success significant funds will be lost to other heritage projects in the south east region with adverse impact	Low	FTC has agreed to contribute £20,000 towards the project FTC contribution is to come from Folkestone Seafront s106, which has already been

	on the council's reputation and risks to future bids for HLF grants.		earmarked for path improvements in Leas Coastal Park
The Stage 2 application is not successful	High – loss of officer time over lengthy period and £10,000 development contribution from FHDC.	Low	The HLF has said that it is rare for a round two submission to be rejected provided that applicants work closely with them during the development stage. There has been a close working relationship established with the HLF officer and the meeting in December to review the stage 2 application material was very positive

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (DK)

There are no legal implications arising directly out of this report other than those already identified in the report. The match funding payments required of the Council towards the project are clearly an important undertaking and one which must be honoured by the Council.

Legal Services have been informed by the Heritage Lottery Fund that the terms and conditions upon which it requires beneficiaries to undertake prior to accepting a grant are not negotiable.

6.2 Finance Officer's Comments (LH)

The financial implications are set out in sections 3 and 4 above. As stated there are no financial resources set aside in forward plans at this stage. If the HLF funding bid is successful, full Council will be required to formally approve a budget for the whole scheme for it to be included in the General Fund Capital Programme

6.3 Diversities and Equalities Implications

There are no diversities or equalities implications arising.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Telephone: 01303 853287

Email: katharine.harvey@folkestone-hythe.gov.uk

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**Appendix 1: Spirit of the Leas HLF Project: Stage Two Application
Development Costs**

Capital Works RIBA 3 Designs	Martello	£18,000
Ecology Survey	Lloyd Bore	£1,150
Landscaping proposals	Lloyd Bore	£7,970
Interpretation proposals	ARC	£5,700
Focus Group	Consultant & Room Hire	£955
Cliff Path Feasibility Study	Canterbury City Council	£2,350
Activity Plan video	The Edge, Folkestone College	£1,000
TOTAL		£37,125

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Appendix 2: The Spirit of the Leas Project

Project Costs

Project Cost Items	Cost
Capital Works	
Landscape Works (ecological supervision, tree thinning and replanting)	£30,000
Restore Subway	£85,426
Restore Path east	£117,737
Restore Path west	£102,050
Lamp Columns and Air Vents	£44,456
Professional Fees (Produce RIBA 4-7 information and tender package)	£21,900
Capital Costs Sub-total	£401,569
Evaluation	£9,000
Interpretation	
Design & install on-site interpretation	
Restructure F&HDC Leas & Coastal Park Webpages (F&HDC)	
Aural Journey (Jim Jam Arts)	
Schools Seashore Pack (KWT & St Marys School)	
Interpretation Costs Sub-total	£47,270
Activity Projects	
Before the Leas (CAT)	
Exploring the Leas (CAT)	
Decades & Dance (CAT)	
The Leas Through Young Lenses (Timelocked)	
Class & Space Conference (Timelocked)	
Leas Research Group (Timelocked)	
Town Meets Country (WCCP)	
Schools History Workshops (SHW)	
Community Theatre (Jim Jam Arts)	
Music Through The Century (Folkestone Festivals)	
Seashore Events Kent Wildlife Trust	
Folkestone & District Local History Society Exhibition	
Primary Participation (St Mary's Primary)	
Spirit of the Leas Project Newsletter (EKC)	
Spirit of the Leas Merchandising Project (EKC)	
Skills Training Programme with FE College	
Planning CPD and Project Manager Conservation Training	
Activity Projects Costs Sub-Total	£59,615
Contingency 7.5%	£38,809
Inflation at 2.5%	£13,907
5 Years Increased Maintenance	£36,750
TOTAL PROJECT COSTS	£606,920

Project Delivery Structure

The former Folkestone THI Manager, Richard Piper will be allocated responsibility as project manager. The post of project manager for the

Folkestone THI scheme was hosted by F&HDC and successfully combined a mix of capital (private and public realm) works and a very wide variety of community activities including conservation skills training with East Kent College, work with primary schools, community groups, volunteering. The THI scheme has recently ended but the scheme manager who is a qualified surveyor with wide experience of working with heritage and community groups gained through the THI scheme has been retained by F&HDC.

The Spirit of the Leas Project Manager (PM) will report to John Bunnett, Corporate Director for Place and Commercial and will be supported by an in-house project delivery group with representatives from the main operational teams including:

- Grounds Maintenance
- Engineers
- Community Locality Officers
- Communications

The Project Manager will ensure that the project will be delivered correctly in terms of procurement and other governance matters by working with our in-house finance, procurement, planning and HR teams.

The Project Manager will maintain links with external stakeholders including HLF, Folkestone Town Council (a funder) and the wider community including groups such as the Creative Foundation which is planning the next Triennial to take place during autumn 2020, some aspects of which are expected to take place on the Leas and in the Park.

Tasks will be split into four main areas – Capital Works, Action Plan (Projects) Action Plan (Interpretation) and Intern Opportunities.

Funding Summary

Total Project Cost	£606,920
Project Funding Sources	
HLF (based on Stage One approval)	£466,700
Folkestone Town Council	£20,000
FHDC 5 Years Maintenance	£36,750
FHDC S106 Folkestone Seafront contribution	£83,470

Project Timetable

ACTIVITY	2019							2020										
	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov
Project Timetable - Start Date - assuming decision June 19.																		
Complete HLF/F&HDC Permission to Start																		
Capital Works																		
Produce RIBA 4-7 information and tender package																		
Tender process for paths, subway, cast iron works and landscaping.																		
Appoint contractors																		
Landscape Works (preliminary ecology, tree thinning and replanting)																		
Mobilisation On site (paths and subway)																		
Restore Subway																		
Restore Path east																		
Restore Path west																		
Manufacture lamp column patterns and moulds																		
Create column and replacement parts																		
Install replacement parts																		
Install new lamp column(s)																		
Restore air vents																		
Action Plan																		
Evaluation																		
Baseline evaluation																		
Mid-term evaluation review																		
End of Project Evaluation Report																		
Interpretation																		
Tender for, develop, and produce on-site interpretation																		
Install on-site interpretation																		
Restructure F&HDC Leas & Coastal Park Webpages (F&HDC)																		
Aural Journey (Jim Jam Arts)																		
Schools Seashore Pack (KWT & St Marys School)																		
Activity Projects																		
Spirit of the Leas Volunteers																		
Before the Leas (CAT)																		
Exploring the Leas (CAT)																		
Decades & Dance (CAT)																		
The Leas Through Young Lenses (Timelocked)																		
Class & Space Conference (Timelocked)																		
Leas Research Group (Timelocked)																		
Town Meets Country (WCCP)																		
Schools History Workshops (SHW)																		
Community Theatre (Jim Jam Arts)																		
Music Through The Century (Folkestone Festivals)																		
Folkestone & District Local History Society Exhibition																		
Spirit of the Leas Project Newsletter (EKC)																		
Spirit of the Leas Merchandising Project (EKC)																		
Skills Training Programme with FE College																		

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This Report will be made public on 22 January 2019



Report Number **C/18/68**

To: Cabinet
Date: 30 January 2019
Status: Non-key decision
Responsible Officer: Sarah Robson, Assistant Director – Strategy, Performance and Communications
Cabinet Member: Cllr John Collier, Cabinet Member for the District Economy

SUBJECT: LOCAL DEVELOPMENT SCHEME 2019 UPDATE

SUMMARY:

This report presents a draft updated Local Development Scheme to Cabinet. The Local Development Scheme (LDS) sets out the timetable for preparing the council's development plan documents and outlines their purpose and general content. If approved by Cabinet, the LDS will be published on the council's website.

REASONS FOR RECOMMENDATIONS

To ensure that the council has an up-to-date Local Development Scheme, setting out the timetable for the preparation of future local plan documents, to provide information for local people and support the council's local plan documents at examination.

RECOMMENDATIONS:

1. To receive and note report C/18/68.
2. To approve the attached Local Development Scheme 2019 for publication.

1. BACKGROUND

- 1.1 Local planning authorities are required to publish a timetable, known as a Local Development Scheme (LDS), for the preparation of the different local plan documents that make up the development plan for their areas. The LDS should be updated as necessary, as progress is made with preparing plans, or as the need for new documents is identified.
- 1.2 An updated LDS was approved by Cabinet on 30 June 2016. Since publication, a number of partial updates to the timetable have been approved by Cabinet as work on the council's Places and Policies Local Plan and Core Strategy Review has progressed. Updates have included:
 - Cabinet 14 September 2016 - with the Preferred Options Places and Policies Local Plan;
 - Cabinet 19 April 2017 - with an update on the Core Strategy Review;
 - Cabinet 19 July 2017 - with the Submission Draft Places and Policies Local Plan; and
 - Cabinet 17 January 2018 - with the Consultation Draft Core Strategy Review.
- 1.3 This report puts forward an updated LDS, which consolidates previous amendments, and also proposes an amendment to the Community Infrastructure Levy Charging Schedule.
- 1.4 The council will need to demonstrate that it has an up-to-date LDS for the examinations of the Places and Policies Local Plan and Core Strategy Review.

2. CONSULTATION

- 2.1 There is no requirement for the local planning authority to consult on the Local Development Scheme; the LDS is a project plan for the preparation of documents which will themselves be consulted on as they are drafted.

3. OPTIONS

- 3.1 The draft 2019 Local Development Scheme is included in Appendix 1 to this report. This uses the same format as the 2016 LDS. Amendments have been made to the text including:
 - An update on the St Mary in the Marsh Neighbourhood Plan, following the successful referendum on 8 November 2018;
 - References to the Sandgate Design Statement have been updated to reflect recent work on a revised draft (as agreed by Cabinet on 14 November 2018, C/18/46);
 - Updates to timescales for the Places and Policies Local Plan and Core Strategy Review have been made; and
 - References to the National Planning Policy Framework (NPPF) have been updated to reflect the new NPPF published in July 2018.

- 3.2 The 2019 LDS includes additional proposals for amendments to the Community Infrastructure Levy Charging Schedule.

Amendment to the Community Infrastructure Levy Charging Schedule

- 3.3 The council's Community Infrastructure Levy (CIL) Charging Schedule was adopted in July 2016 and CIL charges came into force on 1 August 2016.
- 3.4 CIL is a fixed charge, based on the floorspace of new developments (charged per square metre). CIL charges were set in the Charging Schedule in 2016; these charges are index-linked to inflation.
- 3.5 The adopted CIL Charging Schedule removes certain areas from CIL liability, reflecting the strategic development allocations in the 2013 Core Strategy: Folkestone Seafront, Shorncliffe Garrison, New Romney and Sellindge. Within these areas Section 106 agreements and Section 278 agreements (for highways infrastructure) are being used to secure comprehensive developer contributions linked to the particular phases of the developments.¹
- 3.6 The Regulation 18 Core Strategy Review, consulted on between March and May 2018, highlighted that the council would seek to amend its CIL Charging Schedule to exempt the new garden settlement from CIL, to maximise the developer contributions secured through Section 106 and Section 278 legal agreements.²
- 3.7 The CIL Regulations 2010 (as amended) require that to set (or revise) a CIL Charging Schedule, charging authorities must have an appropriate evidence base to support the proposed levy. The national Planning Practice Guidance (PPG) states that the evidence base should include:
- The infrastructure needs to support growth (based on the infrastructure assessment undertaken for the Local Plan); and
 - An overall assessment of the economic viability of new development (showing the effect of the proposed levy rate on viability).
- 3.8 The council is preparing an Infrastructure Delivery Plan as part of the evidence base to support the emerging Core Strategy Review. The council, working jointly with Kent County Council, has commissioned BPS Chartered Surveyors to undertake an assessment of the economic viability of new development proposed in the Core Strategy Review. Accordingly, the evidence base to support the proposed revised levy needs to satisfy the requirements set out in the PPG for the council to proceed with a revision to its CIL Charging Schedule.

¹ See CIL Charging Schedule, Appendix 4: [https://www.folkestone-hythe.gov.uk/media/3786/SDC-CIL-Charging-Schedule---final-draft-June-2016/pdf/SDC_CIL_CS_\(final_draft\)_June_2016\).pdf](https://www.folkestone-hythe.gov.uk/media/3786/SDC-CIL-Charging-Schedule---final-draft-June-2016/pdf/SDC_CIL_CS_(final_draft)_June_2016).pdf)

² See page 92: https://www.folkestone-hythe.gov.uk/media/4892/Core-Strategy-Review-Consultation-Draft-Plan---March-2018/pdf/Consultation_Draft_Plan_March_2018.pdf

3.9 Amendments to the CIL Charging Schedule would be required to go through two consultation stages:

- Consultation on a Preliminary Draft Charging Schedule; and
- Consultation on a Draft Charging Schedule.

Consultation periods can be shorter than those required for development plan documents. The amended Charging Schedule would then be submitted to the Planning Inspectorate for examination. The government is considering changes to this procedure to simplify and streamline the process.

3.10 It is likely that the consultation documents would be limited to: revised plans showing new areas to be exempt from CIL, reflecting the policy allocations for the new garden town and Sellindge; the supporting evidence described above; and a justification for the exemption. The 2016 CIL examination was undertaken through exchange of written statements (the Inspector did not require public hearings to be held), and it is likely that the amendments to the CIL Charging Schedule would follow a similar process. Amendments to the CIL Charging Schedule would track alongside the next stages of the Core Strategy Review, and dependent on timing, the same Inspector could examine both documents.

4. OPTIONS

4.1 The options are as follows:

- (a) To approve the LDS for publication as presented in Appendix 1;
- (b) To approve the LDS for publication with modifications directed by Cabinet; and
- (c) Not to approve the LDS for publication.

5. RISK MANAGEMENT ISSUES

5.1 Perceived risks are set out in the table below.

Perceived risk	Seriousness	Likelihood	Preventative action
That the timetable shown in the LDS changes due to unforeseen circumstances, new national requirements, etc.	Medium	Low	Progress with preparing local plan documents is reported in the Authority Monitoring Report. The LDS can be updated to account for any changes to the timetable or new documents that need to be prepared.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments

There are no legal implications arising directly out of this report other than as already stated in the report. Every Local Planning Authority must prepare and maintain a Local Development Scheme in accordance with section 15(1) of the Planning and Compulsory Purchase Act 2004 (as amended). Local Planning Authorities are responsible for monitoring progress made in preparing their Local Development Documents against the timetable set out in the Local Development Scheme (DK).

6.2 Finance Officer's Comments

There are no direct financial consequences of this report. The proposed work would be undertaken utilising existing resources (CS).

6.3 Diversities and Equalities Implications

There are no equalities implications directly arising from this report. However, as and when local plan documentation is prepared, an Equality Impact Assessment (EIA) should be carried out as part of the evidence base to fully ensure proposed plans do not adversely impact those with protected characteristics as defined under the Equality Act 2010 (GE).

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

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Folkestone & Hythe District Council

Local Development Scheme 2019

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Appendices

Appendix 1. Timetable Illustration

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1. Introduction

- 1.1 This document is Folkestone & Hythe District Council's Local Development Scheme. As part of the Planning and Compulsory Purchase Act 2004 (as amended by the Planning Act 2008 and Localism Act 2011) each local planning authority must prepare a Local Development Scheme for their area.
- 1.2 A Local Development Scheme (LDS) is a project management document used to maintain an up-to-date and relevant planning strategy. The LDS sets out the council's timetable for preparation and adoption of future development plan documents. The LDS is intended to provide information to interested parties to help them participate in the plan-making process.
- 1.3 This LDS, which comes into effect on [date], updates and replaces the LDS approved in October 2016.
- 1.4 The LDS gives interested parties and local residents information concerning:
 - The documents the council will be preparing;
 - The subject matter and geographical area to which these documents relate; and
 - The projected timetable for their preparation and adoption.

2. The Development Plan Process

2.1 National planning policy, set out in the National Planning Policy Framework (NPPF, 2018) puts a new emphasis on the continual review and updating of local plans. NPPF paragraph 33 states that:

“Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change in the near future.”

2.2 The NPPF defines a local plan as a plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. This includes development plan documents adopted under the Planning and Compulsory Purchase Act¹.

2.3 In addition to development plan documents, the council also prepares the following:

- Authority Monitoring Report (AMR) - As well as reporting on the development that has taken place within the district, the AMR also sets out progress with the preparation of the documents that make up the development plan;
- Statement of Community Involvement (SCI) – The SCI sets out how the council will involve the local community in planning decisions; and
- Local Development Scheme (LDS) (this document) – The LDS sets out the programme for preparing planning documents.

2.4 The development plan for Folkestone & Hythe district currently comprises the following documents:

- The Shepway District Council Core Strategy², adopted in September 2013;
- The Shepway Policies Map 2013 adopted alongside the Core Strategy; and
- Saved policies in the Shepway District Council Local Plan Review (2006).

¹ See NPPF, Annex 2: Glossary.

² On 1 April 2018, the local authority changed its name from Shepway District Council to Folkestone & Hythe District Council.

3. Development Plan Documents

2013 Core Strategy Local Plan

- 3.1 The Core Strategy was adopted in September 2013. The Core Strategy is the over-arching policy document from which future planning policies in the Places and Policies Local Plan (for specific purposes, topics and areas) have been developed. It covers the plan period 2006/07 to 2030/31 and sets out objectives for the district's development and identifies land for strategic development, including housing allocations at Folkestone Seafront and Shornccliffe Garrison. Specific policies are included in the Spatial Strategy and Core Strategy Delivery sections. This is preceded by a Delivering Sustainable Development policy, reflecting the 'presumption of sustainable development' set out in the NPPF.
- 3.2 The Core Strategy is currently supplemented by remaining detailed guidance in 'saved' policies from the Shepway District Local Plan Review. Appendix 5 of the Core Strategy sets out the continuing saved Local Plan (2006) policies that effectively support the Core Strategy. The last paragraph of each Core Strategy sub-section sets out which of the 2006 policies are replaced (a further tranche of deletions having taken place in 2009).

Supporting Documents

- 3.3 There is no longer a requirement for local planning authorities to specify the timetables for producing other planning documents such as Supplementary Planning Documents (SPDs), the Community Infrastructure Levy (CIL) and the Statement of Community Involvement (SCI) in the LDS. However the council is aware that this timetabling is useful so, when applicable, details will be made available for information purposes through the council's website.
- 3.4 SPDs expand or add details to policies in development plan documents. The NPPF states that SPDs are particularly useful in setting out guidance related to design: *"To provide maximum clarity about design expectations at an early stage, plans or supplementary planning documents should use visual tools such as design guides and codes. These provide a framework for creating distinctive places, with a consistent and high quality standard of design."*³
- 3.5 The following topic SPDs currently support the development plan:
- Shepway Affordable Housing SPD;
 - Kent Design Guide 2005/06 SPD; and
 - Sandgate Design Statement 2013 SPD.
- 3.6 The Affordable Housing SPD predates but still helps deliver Core Strategy policy CSD1; for example through providing guidelines on tenure mix and financial calculations. This SPD could potentially be updated within the LDS period, but as confirmed in Core Strategy paragraph 5.6, it still applies.

³ NPPF, paragraph 126.

- 3.7 The Sandgate Village Design Statement was adopted as SPD in 2013 and is applicable to planning applications in Sandgate Parish. Sandgate Parish Council is currently updating the SPD to take account of recent developments and new government policy. A revised version of the SPD was agreed by Cabinet in November 2018 and consultation on the SPD is taking place between 10 January and 7 February 2019. The revised document will then be amended as necessary and the final version will be approved by the council for making decisions on planning applications within the parish.
- 3.8 These SPDs provide additional guidance to adopted policies and should be accorded weight in development management decisions. Other development briefs and policy documents are also available to assist with planning decisions at the local level.
- 3.9 Following Habitats Regulations Assessment, consistent with policy CSD4, the Core Strategy also set out provisions for a Sustainable Access Strategy at Dungeness. The Dungeness Sustainable Access and Recreation Management Strategy (SARMS) is currently being prepared, in partnership with a number of different stakeholders.
- 3.10 The Statement of Community Involvement (SCI) sets out how public engagement will shape planning in the district. The council's SCI was adopted on 22 February 2007.

Places and Policies Local Plan (in progress)

- 3.11 The Places and Policies Local Plan (PPLP) is one of the documents that will, when adopted, form part of the development plan. The allocations and policies within this plan cover the whole district and will be used to consider the suitability of development proposals. The plan covers the period from 2006/07 to 2030/31, in line with the adopted Core Strategy.
- 3.12 The Places and Policies Local Plan sits below the Core Strategy and has two main functions:
- To allocate land for future development to meet Core Strategy requirements for residential, employment, community and other needs; and
 - To provide development management policies that will be used to assess planning applications and guide future development.
- 3.13 When the plan is adopted, it will replace the saved policies in the 2006 Shepway District Local Plan. (The 2006 Local Plan policies that will be replaced on adoption of this plan are set out in Appendix 2 of the PPLP).
- 3.14 The Places and Policies Local Plan has gone through a number of consultation stages in its development. Most recently, the Submission Draft Local Plan was published under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012, and was subject to a six-week period of public consultation that closed on 19 March 2018.

- 3.15 Additional work had to be undertaken on the plan's Habitats Regulations Assessment, following a judgement in the European court (known as 'People Over Wind'), which delayed progress with the plan against the previous LDS timetable.
- 3.16 Following this additional work, the plan was submitted to the Secretary of State for examination on 28 September 2018 and public hearings will be held before an independent Planning Inspector. If found 'sound' by the Planning Inspector, the plan can then be adopted by the council and used in the development management process.

Core Strategy Review (in progress)

- 3.17 The Core Strategy Review is an update of the adopted 2013 Core Strategy. Some of the 2013 policies remain as in the 2013 plan, except for some minor changes to reflect new government policy and guidance. In addition, policies for strategic sites (Folkestone Seafront and Shorncliffe Garrison) have been left largely unaltered; even though planning permissions are in place for these sites, the policies are still needed to guide any subsequent phases of the developments.
- 3.18 The main changes to the plan are:
- **District housing requirement** – The housing requirement has been increased from a minimum of 350 new homes a year (and a target of 400 homes a year) in the 2013 Core Strategy to 676 new homes a year or 12,845 homes in total. This follows the introduction of a new national methodology for calculating housing need. This is reflected in revised Policy SS2: Housing and the Economy Growth Strategy;
 - **Affordable housing provision** - The level of affordable housing provision has been set at 22 per cent of market developments, following the findings of the council's Strategic Housing Market Assessment. This is planned to increase the delivery of affordable homes from 100 a year (set in the 2013 Core Strategy) to 139 a year. This is set out in Policy CSD1: Balanced Neighbourhoods;
 - **New Garden Settlement in the North Downs** – Following the new development requirements, the revised plan identifies a location for a new garden settlement in the North Downs Area at Westenhanger to the south of the M20 and High Speed 1 railway line. The new garden settlement will provide a minimum of 6,375 new homes over the plan period, with the potential for further growth after 2037, up to a total of 8,000-10,000 homes. Detailed requirements are set out in four policies: Policy SS6: Development Requirements; Policy SS7: Place-Shaping Principles; Policy SS8: Sustainability and Healthy New Town Principles; and Policy SS9: Infrastructure, Delivery and Management;
 - **Sellindge Strategy** – The policy for Sellindge includes proposals for further expansion to the east and west. This takes growth from the current level of 250 new homes in the 2013 Core Strategy to a total of 600 new homes in the Review. Policy CSD9: Sellindge Strategy sets out detailed requirements for the different phases of development.

- 3.19 An initial consultation on the draft Core Strategy Review (Regulation 18) was undertaken from 29 March 2018 to 18 May 2018. The standard six week period was extended to allow for the Easter bank holidays.
- 3.20 Following the close of the consultation, the consultation comments have been reviewed and amendments have been made to the plan.
- 3.21 A new version of the plan has been produced (Regulation 19) and was approved by the council's Cabinet on 14 November 2018. The Regulation 19 Core Strategy Review will be put out for consultation beginning in January 2019. Following this consultation, the Core Strategy Review will be submitted to the Secretary of State for examination and public hearings will be held before an independent Planning Inspector. If found 'sound' by the Planning Inspector, the plan can then be adopted by the council and used to decide planning applications.

Amendments to the Community Infrastructure Levy Charging Schedule (in progress)

- 3.22 The Community Infrastructure Levy (CIL) is a fixed charge on certain types of new development, payable on a square metre basis. It is intended to pay for strategic infrastructure requirements identified on a published list (known as a Regulation 123 list). Specific pieces of infrastructure related directly to a particular site may also be sought through Section 106 and Section 278 (highways) legal agreements.
- 3.23 The council adopted a CIL Charging Schedule in July 2016, which came into operation on 1 August 2016. This sets out different charges for residential and retail developments in different areas of Folkestone & Hythe district. The adopted CIL Charging Schedule exempted certain areas of strategic development from CIL charges, so that a full suite of infrastructure improvements could be secured through Section 106 and Section 278 legal agreements. Exempted areas reflect the strategic development sites allocated in the 2013 Core Strategy: Folkestone Harbour and Seafront, Shorncliffe Garrison, New Romney Masterplan sites and Sellindge.
- 3.24 Limited amendments will be sought to the adopted CIL Charging Schedule so that the proposed allocations in the emerging Core Strategy Review are also exempt from CIL charges, specifically the policy allocations for the new garden town and amended allocations at Sellindge. This will enable a comprehensive range of infrastructure improvements to be secured, linked to particular phases of the development through legal agreements.

Neighbourhood Plans

- 3.25 Local communities can produce Neighbourhood Plans, setting out policies on the development and use of land in their area. Plans are subject to consultation and assessed by an independent Examiner. Once the examination has taken place, registered voters living in the area have an opportunity to vote whether to bring the Neighbourhood Plan into force. If the referendum is successful, the

plan will be brought into force and used to determine planning applications in the parish or neighbourhood area. The local planning authority has a duty to support the process.

3.26 As Neighbourhood Plans are not prepared by the council and their timetables are dependent on the progress made by the communities drafting them, they are not included in the LDS. At the time of writing, the following Neighbourhood Plan areas have been approved within the district:

- Hythe;
- Lympne;
- New Romney;
- Sellindge; and
- St Mary in the Marsh.

3.27 Of the five areas only St Mary in the Marsh has progressed with drafting a Neighbourhood Plan. The Neighbourhood Plan was submitted for independent examination in late 2017, and the Examiner recommended a number of modifications.

3.28 These modifications were made to the Neighbourhood Plan and the plan was then taken to referendum on 8 November 2018. The result of the referendum was a vote in favour of bringing the plan into force (see table below). The council is now proceeding to adopt the plan and it will be used to decide relevant planning applications within St Mary in the Marsh parish.

Results of the St Mary in the Marsh Neighbourhood Plan referendum (8 November 2018)	
Results	Votes recorded
The total number of votes cast in favour of a Yes	477 (87.20%)
The total number of votes cast in favour of a No	69 (12.61%)
Total number of ballot papers issued	547

4. Profile of Emerging Planning Policy Documents

- 4.1 This section of the LDS provides details about the preparation and content of the council's Places and Policies Local Plan and Core Strategy Review. Although Community Infrastructure Levy (CIL) Charging Schedules are not formally part of the development plan for an area, information is also included about amendments to the district's CIL Charging Schedule.
- 4.2 The tables on the following pages set out details of these planning documents, their purpose, coverage and an indicative timetable for their preparation. Community engagement has/will be carried out according to the council's adopted Statement of Community Involvement.
- 4.3 The indicative timetables reflect the current programme and priorities, and this will be kept under review. The programme is shown in the chart in Appendix 1.

Profile of Emerging Planning Policy Documents	Page
1. Places and Policies Local Plan	11
2. Folkestone & Hythe District Policies Map	12
3. Core Strategy Review	13
4. Amendments to the Community Infrastructure Levy Charging Schedule	14
5. Authority Monitoring Report	15

1. Places & Policies Local Plan	
Role / Subject	<p>The second part of the development plan, flowing from the adopted 2013 Core Strategy, the Places and Policies Local Plan identifies allocations for development and sets out detailed development management policies. Part one of the plan covers specific 'Places' (sites for development for housing, employment and other uses) and part two contains generic 'Policies' (general policies for determining planning applications). The Places and Policies Local Plan follows the 2013 Core Strategy plan period (2006/07 to 2030/31).</p> <p>The Places and Policies Local Plan allocates small- and medium-sized sites to deliver the development requirements set out in the Core Strategy (supplementing the Core Strategy's strategic allocations). New housing sites are allocated at places identified in the settlement hierarchy; there are also new local environmental and economic designations (including policies to support the identified town/local centres in the 2013 Core Strategy).</p> <p>On adoption, the plan and its revised development management policies will replace the remaining saved policies in the Shepway Local Plan Review 2006.</p> <p>The plan has been assessed through the Sustainability Appraisal and Habitats Regulations Assessment processes.</p>
Coverage	Folkestone & Hythe District
Status	Local Plan document
Plan period	2006/07-2030/31
Timetable:	
Evidence gathering	Complete
Public consultation on preferred options	October-November 2016
Public consultation on submission draft plan	February-March 2018
Submission for Examination in Public	September 2018*
Adoption (if found 'sound' at Examination)	July 2019*
<i>*After submission the timetable is determined by the Planning Inspectorate (PINS)</i>	

2. Folkestone & Hythe District Policies Map	
Role / Subject	<p>The map showing the extent of all geographic (sub-district) Local Plan policies (for example settlement boundaries, site-specific allocations, retail frontages, key local environmental characteristics and others designations).</p> <p>Formerly known as the Proposals Map, the Policies Map was adopted in its current form in 2013 alongside the 2013 Core Strategy, and is available to view on the council's website.</p> <p>The Policies Map must reflect the Local Plan and therefore the 2013 version will be replaced on adoption of the Places & Policies Local Plan. Milestones in its production and drafting will therefore reflect those set out above; although an independent integrated mapping resource (as opposed to individual changes) may not be produced in the early stages.</p>
Coverage	Folkestone & Hythe District
Status	Local Plan document
Plan period	2006/07-2030/31 (updated as plans are revised)
Timetable:	
Consultation on preferred options (Regulation 18)	October-November 2016
Consultation on submission draft plan (Regulation 19)	February-March 2018
Submission for Examination in Public	September 2018*
Adoption (if found 'sound' at Examination)	July 2019*
<i>*After submission the timetable is determined by the Planning Inspectorate (PINS)</i>	

3. Core Strategy Review	
Role / Subject	<p>The Core Strategy Review will set out the overall long-term planning strategy for the district. The current Core Strategy covers the period to 2030/31; the Core Strategy Review will identify how additional housing and employment needs will be met over an extended plan period to 2036/37.</p> <p>The Core Strategy Review will set out the framework for future homes and economic development, together with strategic site allocations and environmental policies. While some policies are largely unchanged from the 2013 Core Strategy, the Review includes proposals for a new garden settlement in the North Downs Area, as well as further expansion at Sellindge.</p> <p>Local planning authorities must review their local plans at least once every five years, and update them as necessary. The approach to the Core Strategy Review is therefore to review sections and policies that need to be amended now; further changes may be needed in the future, but these can be addressed in the next review. Updates take into account new development requirements for the district, as well as changes to national policy, with the new National Planning Policy Framework (2018) and updated Planning Practice Guidance.</p> <p>The plan is being assessed through the Sustainability Appraisal and Habitats Regulations Assessment processes.</p>
Coverage	Folkestone & Hythe District
Status	Local Plan document
Plan period	2018/19-2036/37
Timetable:	
Consultation on preferred options (Regulation 18)	March-May 2018
Consultation on submission draft plan (Regulation 19)	January-March 2019
Submission for Examination in Public	April 2019*
Adoption (if found 'sound' at Examination)	November 2019*
<i>*After submission the timetable is determined by the Planning Inspectorate (PINS)</i>	

4. Amendments to Community Infrastructure Levy Charging Schedule	
Role / Subject	<p>The Community Infrastructure Levy (CIL) Charging Schedule for Folkestone & Hythe district was approved in July 2016 and charges came into operation in August 2016. Charging schedules are not formally part of the development plan for an area, but charging schedules and relevant development plans should inform and generally be consistent with each other.</p> <p>The Charging Schedule for Folkestone & Hythe district sets out different charges for residential and retail development, for different areas of the district. Charges are based on a rate per square metre of development.</p> <p>There are a number of exemptions where CIL will not be charged, where infrastructure contributions will instead be secured through Section 106 and Section 278 (highways) legal agreements, reflecting the strategic development sites in the 2013 Core Strategy:</p> <ul style="list-style-type: none"> • Folkestone Harbour and Seafront; • Shorncliffe Garrison; • New Romney Masterplan sites; and • Sellindge. <p>Given proposals in the Core Strategy Review, limited amendments will be made to the CIL Charging Schedule to exempt the policy allocations for the new garden settlement and revised Sellindge policy from CIL, consistent with current strategic development sites in the 2013 Core Strategy.</p>
Coverage	Folkestone & Hythe District
Status	Local Plan document
Plan period	2018/19-2036/37
Timetable:	
Consultation on Preliminary Draft Charging Schedule	January-March 2019
Consultation on Draft Charging Schedule	June-July 2019
Submission for Examination	August 2019
Adoption (if found 'sound' at Examination)	December 2019*
<i>*After submission the timetable is determined by the Planning Inspectorate (PINS)</i>	

5. Authority Monitoring Report (AMR)	
Role / Subject	<p>The Authority Monitoring Report (AMR) is produced periodically (annually or more frequently) to assess the effectiveness of local plan policies. It assesses whether targets are being achieved, both in terms of the performance of existing policies (including the amount and type of development) and progress in the delivering the documents set out in the Local Development Scheme.</p> <p>The AMR can also report on other matters, including:</p> <ul style="list-style-type: none"> • Details of the district's performance against the requirement to maintain a five year supply of deliverable housing sites; • Actions for local plan production under the Duty to Cooperate; and • Meeting the requirements to report money collected and spent through the Community Infrastructure Levy (CIL). The 2018 AMR is to report on the first full financial year applicable.
Coverage	Folkestone & Hythe District
Status	Evidence
Timetable	
Survey and data collection	April-August annually
Drafting AMR	September-November annually
AMR published	December-January annually

5. Evidence Base

- 5.1 National policy requires that local planning policies are based on evidence that is “adequate and proportionate, focused tightly on supporting and justifying the policies concerned ...” (NPPF, paragraph 31). A significant amount of evidence has already been collected and prepared to support preparation of the council’s development plan documents. Further studies will be carried out if needed to maintain up-to-date and proportionate evidence.
- 5.2 The evidence base informing the council’s Places and Policies Local Plan and other development plan documents is available on the council’s website⁴. A list of previous evidence documents can also be viewed on the evidence base webpages.
- 5.3 A number of studies to inform the Places and Policies Local Plan and Core Strategy Review are required to meet statutory requirements, namely Sustainability Appraisal and Appropriate Assessment/Habitats Regulations Assessment. An outline of these is provided below.

Sustainability Appraisal

- 5.4 Sustainability is at the heart of the planning process. Under the Planning and Compulsory Purchase Act (2004) it is a requirement that local plans are subject to a process of Sustainability Appraisal that also meets the requirements of the Strategic Environmental Assessment (SEA) Directive. Sustainability appraisal is a process that looks at how proposed development affects social, economic and environmental considerations. Sustainability appraisal needs to identify how mitigation measures may be used to remove or reduce any adverse impacts that could result from new development.

Appropriate Assessment and Habitats Regulations

- 5.5 Under European legislation there is a requirement to consider whether development proposals would be likely to have an adverse impact on any internationally designated sites (either individually or in combination with any other plans or projects) and, where necessary, to devise appropriate mitigation.
- 5.6 Sustainability appraisal and Appropriate Assessment/Habitats Regulations Assessment are iterative processes and should inform each stage of the local plan. Associated reports can be accessed on the council’s evidence base webpage or through enquiries to the Planning Policy team.

⁴ See the following link: <https://www.folkestone-hythe.gov.uk/planning/planning-policy/local-plan/places-policies/evidence>

6. Monitoring and Review

- 6.1 The proposed timetable for the preparation of Folkestone & Hythe district's development plan documents is set out in Appendix 1. The timetable is considered to be challenging but achievable; the council has, for example, made rapid progress with the Core Strategy Review, from initial consultation in March/May 2018 to submission consultation in January 2019.
- 6.2 However in preparing any plan there are risks and uncertainties from external factors, such as:
- New planning policies and guidance being introduced by government, particularly regarding requirements for housing provision;
 - Unexpected outcomes of engagement with key stakeholders and the public (such as an abnormally large volume of comments at consultation stages, or demands for further technical evidence); and
 - Maintaining capacity within the council if staff leave, presenting difficulties given current skills shortages in the planning profession.
- 6.3 Monitoring and review of the LDS will be carried out through the Authority Monitoring Report (AMR). This is important to enable communities and interested parties to be aware of progress.

7. Further Information

- 7.1 This LDS can be downloaded from the council's website.⁵

How to register on our consultation database

- 7.2 The council encourages the use of digital technology for consultation. The best way to stay informed about progress with preparing planning policy documents is to be registered on the consultation database. This way, you will receive direct email notification of all upcoming consultation events.
- 7.3 You may already be registered (for example, as a result of an individual response to a previous planning consultation). If you are not sure whether you are already registered, you can check by telephoning 01303 853000 and asking to speak to a member of the Planning Policy team or by emailing planning.policy@folkestone-hythe.gov.uk.
- 7.4 If you are not already registered, you can do this by going to the council's consultation portal (see www.folkestone-hythe.gov.uk/consultations) and clicking on the 'Login/Register' button at the top right of the screen. Alternatively, if you do not have access to the internet, or you have any difficulty in registering, you can contact us using the details below:

Planning Policy
Folkestone & Hythe District Council
Civic Centre
Castle Hill Avenue
Folkestone
CT20 2QY

⁵ See: <https://www.folkestone-hythe.gov.uk/planning/planning-policy/developing-planning-policy>

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Appendix 1: Local Development Scheme Timetable

Document	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Places and Policies Local Plan	D	R19	C	S	H	R	R	A				
Core Strategy Review	E	R18	D/C		R19	C	S	H	R	A		
CIL Charging Schedule			E	PDCS	D/C	DCS	C	S	R	A		

Key	
E/D/C	Evidence gathering / drafting plan / assessing consultation responses, assessing site submissions
R.18	Consultation on Regulation 18 Draft plan
R.19	Consultation – Regulation 19 Draft (Submission)
PDCS	Consultation – CIL Preliminary Draft Charging Schedule
DCS	Consultation – CIL Draft Charging Schedule
S	Submission of plan to the Secretary of State (Planning Inspectorate)
H	Examination in public (including hearings)
R	Examination in public – receipt of Inspector’s Report
A	Adoption of plan

This Report will be made public on 22 January 2019



Report Number **C/18/62**

To: Cabinet
Date: 30th January 2019
Status: Non key decision
Responsible Officer: Llywelyn Lloyd, Chief Planning Officer
Cabinet Member: Councillor Malcolm Dearden, Cabinet Member for Finance

SUBJECT: FUNDING FOR DIRECT ACTION TO SECURE COMPLIANCE WITH ENFORCEMENT NOTICES AT WHITEHALL FARM ROMNEY ROAD LYDD

SUMMARY: In March 2017 Corporate Management Team (CMT) agreed funding for direct action to secure compliance with enforcement notices at Whitehall Farm. This report provides an update on the attempts made to secure direct action within the budget agreed and seeks agreement for further funds to be released so that direct action can be secured to achieve compliance with the enforcement notices.

REASONS FOR RECOMMENDATIONS:

All attempts to secure compliance with the enforcement notices by the landowner have failed and the situation on the site is gradually worsening. The only recourse available to the Council to ensure compliance with the enforcement notices is for the Council to take direct action both in the public interest and interest of the visual amenity of the local environment and to demonstrate that unacceptable unauthorised activities in breach of enforcement notices will not be tolerated.

RECOMMENDATIONS:

1. To receive and note report C/18/62.
2. To continue to pursue direct action to achieve the following requirements as a result of the Enforcement Notice issued under section 172 of the Town and Country Planning Act 1990 (as amended):
 - i) Cease the use of the land for the storage of vehicles not connected with the permitted use of the site for agriculture and the keeping of horses.
 - ii) Remove the vehicles not connected with the permitted use of the site for agriculture and the keeping of horses.
3. To continue to pursue direct action to achieve the following requirements as a result of the Enforcement Notice issued under section 172 of the Town and Country Planning Act 1990 (as amended):

- i) **Cease the use of the land for the storage of mobile homes; touring caravans; horse boxes, vehicle trailers; and a boat, not connected with the permitted use of the site for agriculture and the keeping of horses.**
 - ii) **Remove the mobile homes; touring caravans; horse boxes; vehicle trailers; and a boat, not connected with the permitted use of the site for agriculture and the keeping of horses from the land.**
4. **Continue to pursue direct action to achieve the following requirements as a result of the Enforcement Notice issued under section 172 of the Town and Country Planning Act 1990 (as amended):**
 - i) **Secure the cessation of the unauthorised residential use of the building.**
 - ii) **Remove all domestic paraphernalia from the building.**
 - iii) **Remove all domestic paraphernalia from the Land which is connected with the residential use of the building;**
 - iv) **Remove the kitchen and bathroom from the building to ensure that a residential use cannot start again at short notice**
5. **To ring fence funding up to £100,000 for direct action to be taken from the 2018/19 underspend and to be carried forward in the event of this not being spent during the 2018/19 financial year. The sum to be drawn down as and when required.**
6. **To place a charge on the land or pursue action via the County Court for the costs incurred in achieving 2 - 4 above.**

1. BACKGROUND

Use of the Land

1.1 On the 30th of June 2014, an Enforcement Notice was served on the owners of the land requiring the following:

- i) Cease the use of the land for the storage of the caravan; vehicles; and storage crates not connected with the permitted use of the site for agriculture and the keeping of horses

- ii) Remove the caravan; vehicles; and storage crates not connected with the permitted use of the site for agriculture and the keeping of horses

The Enforcement Notice took effect on 11th of August 2014 and gave a period for compliance of three months. No appeal was made against the serving of the Notice and the date to comply with the requirements of the Notice was the 11th of November 2014. Alongside the Enforcement Notice, a letter was sent to the registered owners, [REDACTED] explaining the procedures in place should the Enforcement Notice not be adhered to and their rights of appeal.

1.2 Email correspondences dating from June 2014 between [REDACTED] and the Enforcement Officer, John Macauley, made it clear what was required to be undertaken by the date for compliance with the Notice. Although the registered owners are [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] is not responsible for the breach of the enforcement notice. Her day to day interest in the land is that she keeps horses on part of it.

1.3 Prior to the Notice compliance date being reached, a visit was made to the site on the 3rd of October 2014 and it was noted that the site had been cleared of cars for storage, as well as crates, and the caravan had been removed. However, a visit to the site on the 12th of February 2015 showed the site was again being used for the storage of vehicles, in breach of one of the requirements of the Enforcement Notice.

1.4 On the 12th of February 2015 a letter was sent to [REDACTED] requesting he attend the Council offices on the 24th of February 2015 to explain why the requirements of the Enforcement Notice had not been complied with. [REDACTED] did not attend.

1.5 On the 24th of February 2015 a letter was sent under caution to [REDACTED] [REDACTED] asking questions about the use of the Land and why the Notice had not been complied with. The letter, including answers to the questions in it, were requested to be returned by the 10th of March 2015. The letter was not returned.

1.6 A visit to the site on the 10th of March 2015 showed that the land was still being used to store vehicles.

1.7 More recent visits towards the end of 2016 and at the beginning of January 2017 showed the site still being used to store vehicles.

Unauthorised Residential Occupation

1.8 On the 12th of February 2013, an Enforcement Notice was served on the owners of the land requiring that the unauthorised residential occupation of a building known as Little Owls Barn ceased, and required the following:

- i) Cease the unauthorised residential use of the building
- ii) Remove all domestic paraphernalia from the building.
- iii) Remove all domestic paraphernalia from the Land outlined which is connected with the residential use of the building;
- iv) Remove the kitchen and bathroom from the building to ensure that a residential use cannot start again at short notice.

1.10 The Notice required compliance with the requirements of the Notice within 6 months if no appeal was made against the issuing of it. An appeal was made against the serving of the Notice, but that was dismissed on the 27th of November 2013. As a result the revised compliance date for the requirements of the Notice was the 27th of May 2014.

1.11 A visit to the property on the 8th of July 2014 showed that the Notice had not been complied with in that the building was still being used for residential accommodation; still contained domestic paraphernalia; and the kitchen and bathroom were still there.

1.12 The occupant and owner of the property is [REDACTED]. The property is not registered in the Land Registry, but the land it sits on is. The registered owners of the land are [REDACTED] and does not live at Little Owls Barn. This has been confirmed verbally by [REDACTED] and by [REDACTED] including when he was questioned under caution.

1.13 On the 17th of July 2014 a letter under caution was sent to [REDACTED] asking questions about the use of Little Owls Barn and why the Notice had not been complied with. The letter and answers to the questions in it were requested to be returned by the 31st of July 2014. [REDACTED] did not return the letter, but on the 3rd of October 2014 the Enforcement Officer, John Macauley, visited Little Owls Barn and cautioned [REDACTED] and took a statement from him, which he signed. [REDACTED] confirmed that he still lived at Little Owls Barn, and had no intention of complying with the requirements of the Enforcement Notice, believing that Little Owls Barn had always been a dwelling.

1.14 [REDACTED] has been prosecuted by the Council for failing to comply with the Enforcement Notice on Little Owls Barn. [REDACTED]

██
██
██ is still living in Little Owls Barn in breach of the requirements of the Enforcement Notice.

Enforcement Update

- 1.15 In early 2017 officers started to look into taking direct action to secure compliance with the enforcement notices. A procurement exercise was carried out with Enforcement Services, HCB Enforcements, and Ivy Legal. Responses were received from Enforcement Services and Ivy Legal. Ivy Legal's costs to deliver the requirements of the 2 Enforcement Notices were significantly lower than Enforcement Services, being between ██████████ plus VAT and ██████████ plus VAT respectively at that time.
- 1.16 A report was presented to CMT in March 2017 seeking approval to continue to pursue direct action to secure compliance with the enforcement notices referred to above. CMT agreed that direct action be pursued; to cover the costs for the direct action from the 2017/18 CMT contingency fund up to £14,100 excluding VAT; and to place a charge on the land or pursue action via the County Court for the costs incurred.
- 1.17 Following this a draft contract was drawn up between ██████████ and the Council, but despite numerous telephone calls and emails ██████████ stopped responding. Contact was finally made and in February 2018 a site visit was carried out with one of their team to assess the extent of the storage and obtain the registration numbers of the vehicles. However, that person left ██████████ soon after and further attempts to progress this with that company failed. As a result the contract was never signed and direct action was not taken. At the time of that visit there were 51 cars and caravans on the site that had registration numbers on them, plus various vehicles that did not.
- 1.18 Since that time the number of cars on the site has increased significantly and a large number of touring caravans started to be stored on it, together with mobile homes; horse boxes; vehicle trailers and a boat, in addition to the items that were already on the land. Not all of these items were covered by the original enforcement notice relating to storage, so a further enforcement notice was served. It has subsequently come to light that there is also an elderly gentleman living in a mobile home on the site. A vehicle registration search has revealed that the majority of the cars and caravans are not registered to ██████████. It is understood from speaking to some of the caravan owners that ██████████ is charging people to store their caravans on the land.
- 1.19 Attempts have been made to find other companies to carry out the direct action to secure compliance with the 3 enforcement notices but only two were found – Enforcement Services (who had provided a quote previously) and the Sheriffs Office. A representative of the Sheriffs Office went on to the site with the Enforcement Officer in June 2018 to record the registration numbers of the vehicles. Due to the significant number of vehicles etc., on the land the quotes received have increased significantly to between an estimated ██████████ for carrying out the necessary direct action to secure compliance with the enforcement notices. This includes all the

relevant documentation, removal of items from the land, off site storage for a period of time and the removal of [REDACTED] and his belongings from the building and the works required to ensure it cannot be used for residential purposes. Part of the reason for the increase in costs since the previous quotes is that the number of vehicles and caravans stored on the site has substantially increased.

1.20 In order to try to reduce these costs, in September 2018 letters were sent to all vehicle and caravan owners that it was possible to identify, advising them that the vehicle was on the land in breach of an enforcement notice and giving them until 31st October 2018 to remove it. They were advised that any vehicles left on the land after that date may be removed without further notice. It appears that only one owner has removed their caravan.

1.21 In 2016 and 2017 three planning applications were submitted to regularise the use of Little Owls Barn as a dwelling. For all of these the Council exercised its right to decline to the applications under Section 70C of the Town and Country Planning Act 1990 as there is a pre-existing enforcement notice relating to the use for which planning permission was applied for and the appeal against the enforcement notice has been dismissed by the Secretary of State. In March 2018 an invalid retrospective planning application was submitted for the change of use of the land the subject of the enforcement notices from agricultural to use for the storage of caravans/motorhomes and the change of use and conversion of an agricultural building to residential (Little Owls Barn). This was finally made valid in September 2018 and is an attempt by the owner to regularise the uses and may be the reason why vehicles and caravans have not been removed as it is understood the applicant has told people that he is going to get planning permission so they don't need to take any notice of the letters sent by the Council. A further letter was sent to vehicle owners advising them that there is still a requirement to remove their vehicles but this does not appear to have had any impact.

1.22 With regard to this retrospective application, all the relevant planning issues for these uses were taken into account when a decision was being taken on whether to enforce against the uses. The enforcement notices were served because it was considered that planning permission would not be granted for them. There has been no material change in planning circumstances since the enforcement notices were served to warrant planning permission now being granted so the application is likely to be refused. The applicant and agent were advised of this both before and after the invalid application was submitted.

2. CONSULTATION

2.1 No consultations are necessary in respect of taking direct action to secure compliance with enforcement notices.

3. OPTIONS

- 3.1 Noncompliance with an Enforcement Notice can be pursued through the courts since it is a criminal offence for which, if convicted, the maximum fine is unlimited in the Crown Court, and up to £20,000 in a Magistrate's Court. Non-compliance with the requirements of an Enforcement Notice can also be dealt with by direct action, by which the LPA, or an agent authorised to act for them, carry out the works themselves. [REDACTED] has already been prosecuted in relation to the continued occupation of Little Owls Barn in breach of the Enforcement Notice, [REDACTED] although no prosecution case has been presented before the courts regarding failure to comply with the requirements of the Enforcement Notices concerning the use of the land to store vehicles. However, it is proposed that this will be progressed at the same time as the Council taking direct action to secure compliance with the requirements of the Enforcement Notices. When taking direct action prior warning should be given stating that the Council and its appointed contractors intend to carry out the steps required by the Notices.
- 3.2 Whilst a prosecution may be successful it does not always deliver compliance with the requirements of an Enforcement Notice, as the prosecution regarding the non-compliance with the requirements of the Enforcement Notice regarding Little Owls Barn has shown. In this case it is considered unlikely that further prosecution will result in compliance with the Notices. It is considered that direct action is necessary to ensure the harm to the amenity of the area is addressed, but also to demonstrate the Council's willingness to use initiatives such as this to actively pursue landowners to secure compliance with Enforcement Notices. The use of comprehensive remedial action will therefore generate an on the ground improvement in the locality as well as an enhanced public perception of the role the Council plays in confronting such problems directly.
- 3.3 In accordance with the provisions of Section 178 of the Town and Country Planning Act 1990 (as amended) the Council should undertake all reasonable endeavours to recover expenses incurred in undertaking direct action. A charge can be applied to the land and an invoice sent to the owner. This charge would be binding on successive owners of the land to which the original enforcement notice relates. The charge would take effect on the date that the Council undertakes the direct action to comply with the Enforcement Notices.
- 3.4 It is recommended that the expenses that are sought to be recovered are those incurred by the Council in pursuing the direct action. The Council should take all reasonable steps in recovering the expenses as a debt and should raise an invoice in accordance with existing practice and procedures. The Council's land charges department should be notified immediately of the recoverable sums that need to be entered as a record against the property in the Register of Local Land Charges. If the debt remains unpaid the Council can then take steps to register the charge at HM Land Registry.
- 3.5 With regard to the recovery of the costs incurred in undertaking direct action, government guidance states the following:

'Authorities that have undertaken works themselves have not experienced great difficulties in recovering costs. Where costs cannot be immediately recovered LPAs have the option of registering a charge on the property with the Land Registry, thus assuring full cost recovery plus base-rate interest. There is also provision within the Land Charges Act for the interim procedure of placing an estimate of the charge that will become due on the property. This effectively ensures the land or property cannot be sold without a charge being shown on the land. County or High Court bailiffs have also been successfully used to recover monies owed.'

In this case it is understood that there are multiple charges already on the land and, if this is the case, cost recovery is unlikely to be successful. However it is considered that there is a public interest case for undertaking direct action.

- 3.6 Approval to ring fence funding of up to £100,000 is sought to allow for a contingency because the costs may have increased since the quotes were sought last year depending on the vehicles numbers on site. It is likely the number of touring caravans stored on the site will have increased since entry to the site was last gained in June 2018.

4. RISK MANAGEMENT ISSUES

4.1

Perceived risk	Seriousness	Likelihood	Preventative action
Landowner puts more vehicles back on site after it has been cleared	High	High	Prosecute and take direct action while vehicle numbers are low. Give consideration to serving an injunction
Occupant returns to live in Little Owls Barn	High	High	Housing Options Team to work with occupant to secure alternative accommodation. Give consideration to serving an injunction
Occupant of mobile home becomes homeless or returns to site	High	Low	Housing Options Team to work with occupant to secure alternative accommodation. Give consideration to serving an injunction
Landowner could appeal to the High Court leading to delays in taking action and resulting in	High	Medium	Ensure all correct legal procedures followed to minimise likelihood of a successful legal challenge

increased costs to the Council			
Council may not be able to recover its costs	High	High	Carry out credit check to ascertain the value of the existing charges registered on the property.
Funding is not available to take direct action	High	Low	There is sufficient underspend currently forecast for 2018/19

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (DK)

There are no legal implications arising directly out of this report that are not already stated in it. The Council obtained legal advice from [REDACTED] (Becket Chambers) who confirmed that a court would consider [REDACTED] breaches as justifying the Council moving to direct action: [REDACTED] said that any direct action should be undertaken only after having given [REDACTED] reasonable notice of 28 days).

5.2 Finance Officer's Comments (LK)

Confirm that £14,100 was carried forward from CLT Contingency in 2017/18 and is available to use. There is a potential difference of up to £86,000 for the costs. There is no approved budget for this in 2018/19 or 2019/20 and the CLT Contingency has all been allocated for 2018/19. If approved, and the expenditure falls in 2018/19 then this could come from the projected underspend that is currently being shown through budget monitoring. At quarter 2 the projected underspend was £450,000.

5.3 Diversities and Equalities Implications (GE)

There are no equalities implications directly arising from this report.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

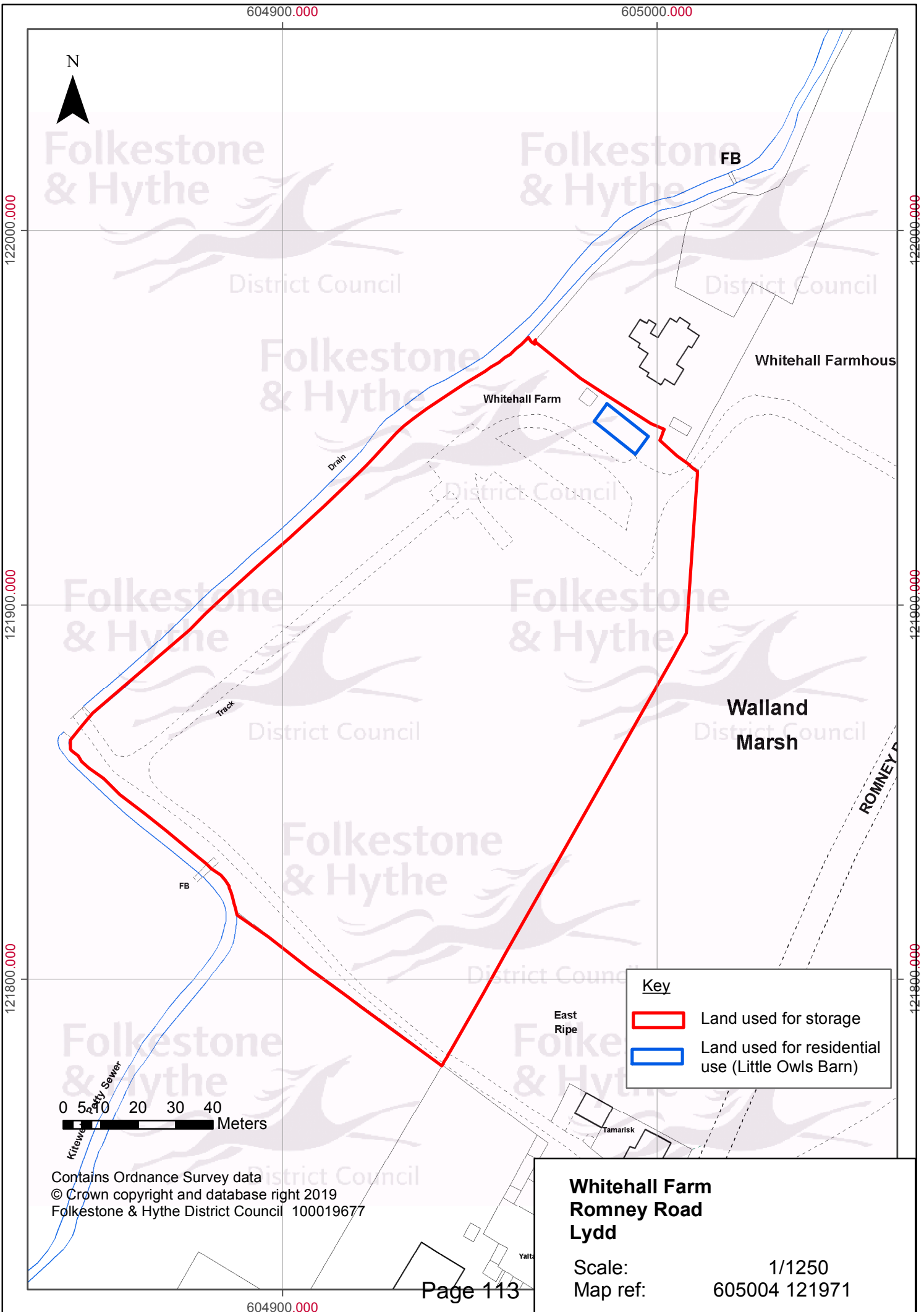
Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Lisette Patching, Development Management Manager
 Telephone: 01303 853448
 Email: lisette.patching@folkestone-hythe.gov.uk

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

Enforcement complaint file Y12/0184/CM

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District Council

District Council

District Council

District Council

District Council

District Council

Whitehall Farmhouse

Whitehall Farm

Walland Marsh

ROMNEY ROAD

Key

- Land used for storage
- Land used for residential use (Little Owls Barn)

0 5 10 20 30 40 Meters

Contains Ordnance Survey data
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 Folkestone & Hythe District Council 100019677

Whitehall Farm
Romney Road
Lydd

Scale: 1/1250
 Map ref: 605004 121971

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