



# Agenda

Meeting: **Overview and Scrutiny Committee**  
Date: **12 November 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 (Pages 5 - 6)**

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.

## **Queries about the agenda? Need a different format?**

Contact Kate Clark – Tel: 01303 853267  
Email: [committee@folkestone-hythe.gov.uk](mailto:committee@folkestone-hythe.gov.uk) or download from our  
website  
[www.folkestone-hythe.gov.uk](http://www.folkestone-hythe.gov.uk)

3. **Minutes (Pages 7 - 14)**

To consider and approve, as a correct record, the minutes of the meeting held on 15 October 2019.

4. **Parking violations in and around New Romney (Pages 15 - 18)**

Briefing report OS/19/06 examines parking violations in and around New Romney and current levels of enforcement. The report has been produced as a result of the Annual Scrutiny Programme 2019/20.

5. **General Fund Capital Budget Monitoring 2019/20 (Pages 19 - 30)**

This monitoring report provides a projection of the current financial position for the General Fund capital programme, based on expenditure to 31 August 2019 and identifies variances compared to the latest approved budget.

6. **Housing Revenue Account (Revenue and Capital) - Budget Monitoring Position 2019/20 (Pages 31 - 38)**

C/19/38 monitoring report provides 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 31 August 2019.

7. **General Fund Revenue - Budget Monitoring Position (end July) 2019/20 (Pages 39 - 44)**

Monitoring report C/19/42 provides a projection of the end of year financial position of the General Fund revenue budget, based on expenditure to the 31 August 2019.

8. **Budget Strategy 2020/21 (Pages 45 - 64)**

C/19/40 – This Budget Strategy sets out the guidelines for preparing the 2020/21 Budget. It supports the Corporate Plan and aligns with the direction and objectives of the Medium Term Financial Strategy (MTFS).

The Budget Strategy takes account of current and future financial issues, sets out the underlying assumptions and initial budget-setting proposals and provides a timetable for delivering a balanced budget in 2020/21.

9. **Fees and Charges 2020/21 (Pages 65 - 90)**

Report C/19/41 focuses on the proposed fees and charges for 2020/21 which will contribute towards meeting the council's 2020/21 budget objectives and Medium Term Financial Strategy.

The Council's Fees and Charges Policy was revised and agreed by Cabinet on 15 November 2017 (Report C/17/54).

10. **Proposed changes to ICT service delivery (Pages 91 - 98)**

Report C/19/33 relates to the provision of a future ICT service and the end of the current outsourced ICT contract. Due to changes in technology that are driving digital transformation the 10 year ICT outsourced service contract that was entered into in 2012 is becoming unfit for purpose in a number of ways as it was designed to support a working model of a largely static workforce based in a number of fixed offices. The contract does not take account of the range of devices that are increasingly being deployed and the uptake of the use of mobile working to drive efficiency are changing the requirements for supporting a modern workforce, nor does it take account of technologies such as cloud computing.

The ICT contractor, Sopra Steria, have approached the council to discuss possibility of a mutually agreed early termination of the contract as they are operating at a loss. Officers believe that there are advantages to agreeing to this request in that it will allow the ICT service to be reshaped to fit with the council's wider transformation plans and provide the necessary support moving forwards as new technology is adopted.

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## **Declarations of Interest**

### **Disclosable Pecuniary Interest (DPI)**

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

### **Other Significant Interest (OSI)**

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

### **Voluntary Announcement of Other Interests (VAOI)**

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

#### **Note to the Code:**

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; 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. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

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## Minutes

### Overview and Scrutiny Committee

Held at:	Council Chamber - Civic Centre, Folkestone
Date	Tuesday, 15 October 2019
Present	Councillors Danny Brook, Miss Susan Carey, Laura Davison, Michelle Dorrell (Vice-Chair), Peter Gane, Terence Mullard, Tim Prater, Patricia Rolfe, Rebecca Shoob (Chairman) and Lesley Whybrow
Apologies for Absence	None
Officers Present:	Kate Clark (Committee Services Officer), Adrian Hammond (Housing Strategy Manager), Andy Jarrett (Chief Strategic Development Officer), John Bunnett (Corporate Director - Place and Commercial Services), Jyotsna Leney (Community Services Manager), Sue Lewis (Committee Services Officer), Tim Madden (Corporate Director - Customer, Support and Specialist Services), Susan Priest (Head of Paid Service), Andrew Rush (Corporate Contracts Manager), Charlotte Spendley (Assistant Director) and Lee Walker (Group Accountant) and Karen Weller (Environmental Protection Team Leader)
Others Present:	Elaine Bostock and Graham Blackman (Shepway Tenants and Leaseholders Board), Councillors Jenny Hollingsbee, David Godfrey, David Monk, Stuart Peall and Connor McConville.

#### 23. **Declarations of Interest**

Councillors Patricia Rolfe, Peter Gane and Terry Mullard declared an interest, with regard to Agenda items 7 and 9 in that they are directors on the Board of Oportunitas. Dispensations have been applied.

Councillor Miss Susan Carey made a voluntary announcement as she is a customer of Oportunitas Ltd.

All members remained in the meeting and took part in discussions.

24. **Minutes**

The minutes of the meeting held on 10 September 2019 were approved and signed by the Chairman.

25. **East Kent Housing - Housing Management: future options appraisal**

This report set out a headline options appraisal of future housing management options, taking into consideration the current arrangements between the four councils (Canterbury City Council, Dover District Council, Folkestone & Hythe District Council, Thanet District) and East Kent Housing.

The Chairman introduced Elaine Bostock (Chairman) and Graham Blackman (Deputy Chairman) from the Shepway Tenants and Leaseholders Board (STLB).

Ms Bostock advised members that the STLB had been around for 25 years. She said the Board had a very good relationship with East Kent Housing and were kept regularly informed of performance and future works to be carried out. Ms Bostock also pointed out that the Board had a good relationship with the EKH Chief Executive.

Ms Bostock and Mr Blackman had concerns about the proposed recommendation to bring housing management services back in-house as past history showed a less successful relationship with the Council and tenants with stigma attached. They felt that in the past there had not been adequate tenant involvement and were keen to point out that tenants' views are invaluable.

Councillor David Godfrey acknowledged the importance of ensuring STLB are involved, however non-compliance issues identified were serious and the structure of EKH needs to be considered.

Members comments included:

- In-house administration would give more strength and efficiency in dealing with issues that arise.
- Engaging and listening to tenants' concerns.
- Legal and Compliance issues are the Council's responsibility
- The need to be kept informed of the decisions made by the other three Councils.

Mrs Susan Priest, Head of Paid Service, emphasised to members and STLB that an 'in principal' decision will be made at Cabinet followed by a consultation. Tenants will be encouraged to take part and drop-in sessions are also planned.

Mrs Priest assured members that consultation questions will be balanced and there is no weighting attached to these.

Proposed by Councillor Peter Gane  
Seconded by Councillor Rebecca Shoob and



**RESOLVED:**

**To recommend to Cabinet that there is maximum engagement with the Shepway Tenants and Leaseholders Board.**

(Voting: For 10; Against 0; Abstentions 0)

Councillor Tim Prater made reference to Part 12 of the Constitution which states a recommendation to be approved by the executive and Full Council.

Proposed by Councillor Tim Prater  
Seconded by Councillor Peter Gane and

**RESOLVED:**

**To recommend to Cabinet that a final decision on East Kent Housing management is referred for full discussion to Full Council.**

(Voting: For 8; Against 1; Abstentions 1)

Proposed by Councillor Michelle Dorrell  
Seconded by Councillor Peter Gane and

**RESOLVED:**

**To receive and note report C/19/29.**

(Voting: For 9; Against 0; Abstentions 1)

**26. East Kent Housing - Electrical Testing and Water Risk Assessments**

This report has been prepared in response to the safety compliance issues identified in respect of East Kent Housing's management of the housing tenanted properties. The report reviews the current position with EICR compliance and makes recommendations on a new inspection regime. The report further updates the position with regards to water risk assessments and the budget provisions needed for completion of these works. The report ends with a summary of year to date additional costs for compliance improvements mainly related to additional EKH staff.

Members and representatives of the Shepway Tenants and Leaseholders Board agreed that the five year rolling programme of electrical testing of its tenanted properties was a sound idea.

Proposed by Councillor Peter Gane  
Seconded by Councillor Danny Brook and

**RESOLVED:**

**To receive and note report C/09/31.**

(Voting: For 10; Against 0; Abstentions 0)

**27. Flytipping**

Mrs Karen Weller, Environmental Protection Team Leader, presented the briefing note.

Members comments included:

- Increase in fly tipping across the District reported, has this been the case in all Folkestone wards. Information to be supplied to the committee members.
- Enforcement outcomes in Folkestone wards – a breakdown to be provided to members.
- Staffing issues. Mrs Weller was keen to point out that there is a national shortage of experienced staff and this is being tackled Kent wide to identify what type of knowledge each Local Authority has and if training can be provided to officers free of charge to improve the standard of knowledge. The Environmental Protection Officers are very knowledgeable and experienced with over 10 years' service and this puts us in a very strong position with 100% success rate on prosecutions.
- £250k available from Kent County Council to support Kent Councils with Duty of Care fly-tipping, however a breakdown of where these funds are spent is not available.
- Officers have not seen any significant increase in fly-tipping of non-household waste since the introduction of charging at Household Waste Recycling Centres (HWRC). It was noted that only certain materials are chargeable, such as plasterboard, ceramic tiles, bricks and rubble etc. Other household items remained free of charge to take to HWRC or use of social media or free adds to arrange free collection.
- It was noted that other options could be looked at with regard to chargeable Bulky Waste Collections.

Members thanked Mrs Weller for her report and it was agreed that Environmental Services team are extremely proactive and efficient.

Proposed by Councillor Patricia Rolfe  
Seconded by Councillor Miss Susan Carey and

**RESOLVED**

**To receive and note briefing paper OS/19/05.**

(Voting: For 10; Against 0; Abstentions 0)

**28. Medium Term Financial Strategy 20/21 to 22/24**

The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. It puts the financial perspective on the council's Corporate Plan priorities, expressing the aims and objectives of various plans and strategies in financial terms over the four year period ending 31<sup>st</sup> March 2024. It covers both revenue and capital for the General Fund and the Housing

Revenue Account. Also included are the Council's reserves policies. The MTFS is a key element of sound corporate governance and financial management.

Mr Tim Madden, Corporate Director, pointed out aspects of the report to members.

Proposed by Councillor Peter Gane  
Seconded by Councillor Danny Brook and

**RESOLVED:**  
**To receive and note Report C/19/26.**

(Voting: For 10; Against 0; Abstentions 0)

29. **Refresh of the Council's Children, Young People and Vulnerable Adults Safeguarding Policy 2019**

The Council is part of the statutory safeguarding role within the wider public sector, with responsibilities to children, young people and vulnerable adults. The safeguarding policy of the Council has been updated and is attached at Appendix 1. A review of safeguarding activity and current status is presented in Appendix 2.

Members were advised about the change from the Kent Safeguarding Children's Board to the Kent Safeguarding Children Multi Agency Partnership arrangements which will provide further effectiveness.

Safeguarding concerns that are being dealt with by staff include mental health issues and suicide threats.

Members comments included:

- Staff training, a reliance on staff to complete adequate training.
- Contractor safeguarding responsibilities and ensuring that they have adequate safeguarding arrangements. Contractor advice note provides levels of safeguarding depending on the agreements in place, Councillor Davison has requested a copy of this.
- Training for Councillors, it is important that members are offered and attend training sessions.
- Folkestone Safe Haven project, a mental health initiative, to commence early next year, details will be made available on the Council's website.

Proposed by Councillor Peter Gane  
Seconded by Councillor Lesley Whybrow and

**RESOLVED:**  
**To note report C/19/32.**

(Voting: For 10; Against 0; Abstentions 0)

30. **Treasury Management mid-year monitoring report 2019/20**

This report provides an update on the council's treasury management activities that have taken place during 2019/20 against the agreed strategy for the year. The report also provides an update on the treasury management indicators approved by Cabinet earlier this year.

Mr Lee Walker, Group Accountant, presented this report and drew members' attention to Non-Treasury Investments and the rate of return.

He also mentioned that the Public Works Loan Board's interest rate has increased by approximately 1% meaning any new borrowing would be more expensive.

The extra borrowing mentioned in the report is due to the acquisition of Connect 38, Westenhanger Castle and further funding for Oportunitas Ltd. Additional income streams are being generated from some of these acquisitions.

Proposed by Councillor Peter Gane  
Seconded by Councillor Patricia Rolfe and

**RESOLVED:**  
**To receive and note report C/19/27.**

(Voting: For 10; Against 0; Abstentions 0)

Councillor Terry Mullard left the Chamber and did not return for the remainder of the meeting.

31. **Land at Ship Street, Folkestone**

This report seeks authority to acquire the former gasworks site in Ship Street, Folkestone (East Folkestone Ward).

Members comments included the following:

- There needs to be a good mix of homes, green space and commercial opportunities.
- Obvious risks with remediation however costs have been identified in the pre-development costs.
- The proposed development falls within class A of the National Infrastructure Levy and as such, no contribution is required.

Proposed by Councillor Laura Davison  
Seconded by Councillor Tim Prater

**RESOLVED:**

**To recommend to Cabinet that the local community is involved and consulted in the proposed development of the site.**

(Voting: For 5; Against 4; Abstentions 1)

**Constitution Part 5 (19.2) Chairman's casting vote in favour of the above resolution exercised.**

Proposed by Councillor Peter Gane  
Seconded by Councillor Patricia Rolfe and

**RESOLVED:**

**To receive and note report C/19/30.**

(Voting: For 9; Against 0; Abstentions 0)

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# Agenda Item 4

This Report will be made public on 4 November 2019



Report Number **OS/19/06**

**To:** Overview & Scrutiny Committee  
**Date:** 12 November 2019  
**Status:** Non- Key Decision  
**Responsible officer:** Andy Blaszkowicz, Assistant Director  
**Cabinet Member:** Councillor David Godfrey, Cabinet Member for Housing, Transport and Special Projects

**SUBJECT:** Parking violations in and around New Romney

**SUMMARY:** This briefing report examines parking violations in and around New Romney and current levels of enforcement.

**RECOMMENDATION:**

1. To receive and note report OS/19/06.

## 1. BACKGROUND

- 1.1 Parking restrictions have been in place in and around New Romney for many years. There have been a number of changes/additions to the restrictions with the most major one in 2017, which amended all limited waiting bays along the high street to two hours.
- 1.2 There are very few restrictions beyond the high street and they comprise mainly of yellow lines and disabled bays.

## 2. ENFORCEMENT OF RESTRICTIONS

- 2.1 One or two officers are deployed daily to enforce the on and off street restrictions in and around New Romney. The officers do spend more time along the high street as it is the busiest. Adjacent roads are also visited quite frequently.
- 2.2 It is clearly the case that civil enforcement officers cannot be everywhere at once and therefore cannot issue a penalty charge notice (pcn) for every contravention that occurs. It is also the case that exemptions may apply to others which are not apparent. For example, blue badge holders are allowed to park on yellow lines for up to three hours.
- 2.3 It should also be noted that there is no blanket ban on pavement parking outside of London. There must be a traffic regulation order (TRO) in place to ban such parking. The council's pavement parking ban TROs do not include roads in New Romney. Officers can only enforce pavement parking in areas in New Romney where there are yellow lines.
- 2.3 The number of pcns issued to vehicles illegally parked in roads in New Romney between 1<sup>st</sup> January and 30<sup>th</sup> September 2019 are shown on the table below.

Locations	Restrictions	Number of PCNs issued
High Street New Romney	Yellow lines, limited waiting bays, disabled bays, coach parking bays, and pedestrian crossing zig zags	76
Tritton Lane	Yellow lines	-
Ashford Road	Yellow lines	-
Fairfield Road	Yellow lines, disabled bay and school keep clear	1
North Street	Yellow lines and disabled bays	6
Rome Road	Yellow lines	5
West Street	Yellow lines	12
St John's Road	Yellow lines	1
Sussex road	Yellow lines and disabled bay	5
Marsh Crescent	Disabled bay	-
Victoria Street	Yellow lines	1
Rolfe Lane	Yellow lines and disabled bay	4
Church Approach	Yellow lines	-
Church Road	Yellow lines	2



### **3. THE WAY FORWARD**

- 3.1 Parking Services note the concerns raised about lack of enforcement beyond the High Street and the car parks. Records indicate these roads are being visited and logged, although few pcns are being issued. The issues have however been raised with the council's enforcement contractor, and they have been instructed to increase patrols in these areas.
- 3.2 Parking Services will continue to monitor parking in and around New Romney, and if necessary, will seek to implement additional restrictions during the financial year 2020/21. This might include recommending pavement parking bans and restrictions that can be enforced instantly in areas where there are repeated violations.

### **4. RISK MANAGEMENT ISSUES**

- 4.1 No perceived risks

### **5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

#### **5.1 Legal Officer's Comments (NE)**

There are no legal implications arising from this report.

#### **5.2 Finance Officer's Comments (ST)**

There are no financial implications arising from this report

#### **5.3 Diversities and Equalities Implications**

There are no diversities and equalities implications (FM)

### **6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer.

Report Author, Frederick Miller- Transportation Manager  
Telephone: 01303 853207.  
Email: [frederick.miller@folkestone-hythe.gov.uk](mailto:frederick.miller@folkestone-hythe.gov.uk)

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

None

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This Report will be made  
public on 5 November  
2019

Report Number **C/19/35**

**To:** Cabinet  
**Date:** 13 November 2019  
**Status:** Non-Key Decision  
**Responsible Officer:** Charlotte Spendley – Assistant Director Finance,  
Customer & Support Services  
**Cabinet Member:** Councillor David Monk, Leader  
**SUBJECT:** GENERAL FUND CAPITAL BUDGET MONITORING  
2019/20

**SUMMARY:** This monitoring report provides a projection of the current financial position for the General Fund capital programme, based on expenditure to 31 August 2019, and identifies variances compared to the latest approved budget.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations set out below because it needs to be kept informed of the General Fund capital programme position and take appropriate action to deal with any variance from the approved budget.

**RECOMMENDATIONS:**

1. To receive and note report C/19/35.

## 1. INTRODUCTION AND BACKGROUND

- 1.1 As part of the council's normal budget monitoring process this report updates Cabinet on the current position for the General Fund capital programme in 2019/20, based on expenditure to 31 August 2019, compared to the latest approved budget. Specifically, this report:-
- i) identifies variances on planned capital expenditure for 2019/20 and explanations of these differences, and
  - ii) considers the impact any changes to the overall capital programme will have on the financing resources required to fund it.
- 1.2 Cabinet is reminded that Full Council approves a rolling five year General Fund Medium Term Capital Programme (MTCP) annually as part of the overall budget process. This monitoring report considers the latest projected expenditure for 2019/20 against the profiled budget for the year. Full Council approved the current MTCP through to 2023/24 on 20 February 2019 (Report no A/18/19 refers). On 13 March 2019 Full Council approved the acquisition of the Connect 38 building in Ashford (Report no A/18/26 refers). The latest approved budget also includes £2.4m reprofiled from 2018/19 due to slippage on schemes and is consistent with the position previously reported to Cabinet on 19 June 2019 in the General Fund Capital Programme Outturn Report for 2018/19 (Report no C/19/01 refers).
- 1.3 The projections shown in the report are made at a relatively early stage in the financial year and will be subject to further change which will be reported to Cabinet as part of the on-going budget monitoring process.

## 2. CAPITAL PROGRAMME 2019/20 – PROJECTED OUTTURN

- 2.1 The latest projection for the total cost and funding of the General Fund capital programme for 2019/20 is £30,535,500, a decrease of £6,173,500 compared to the latest budget of £36,709,000. Full details are shown in Appendix 1 to this report and the following table summarises the position across the Service Units and also outlines the impact on the capital resources required to fund the programme:

General Fund Programme 2019/20	Latest Budget 2019/20	Latest Projection 2019/20	Variance
<b>Service Unit</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Environment & Corporate Assets	20,934	18,356	(2,578)
Finance, Customer & Support Services	5,119	3,218	(1,901)
Governance, Law & Regulatory Services	2,039	1,689	(350)
Strategic Development Projects	8,617	7,273	(1,344)
<b>Total General Fund Capital Expenditure</b>	<b>36,709</b>	<b>30,536</b>	<b>(6,173)</b>

General Fund Programme 2019/20	Latest Budget 2019/20	Latest Projection 2019/20	Variance
<b>Capital Funding</b>			
Capital Grants	(2,759)	(992)	1,767
External Contributions	(1,001)	(461)	540
Capital Receipts	(1,593)	(1,325)	268
Revenue	(1,117)	(1,202)	(85)
Borrow	(30,239)	(26,556)	3,683
<b>Total Funding</b>	<b>(36,709)</b>	<b>(30,536)</b>	<b>6,173</b>

2.2 The following table summarises the main reasons for the net reduction in the projected outturn compared to the latest budget:

Variances – 2019/20 Latest Budget to Projected Outturn			
1	Slippage and Reprofiting between 2019/20 and 2020/21	£'000	£'000
i)	Corporate Property Health and Safety Enhancements – delayed until new 10 year maintenance plan for Civic Centre agreed	(66)	
ii)	Pumping Stations new vehicle – subject to future arrangement with East Kent Housing	(25)	
iii)	Hawkinge Cemetery expansion – further phase now planned for 2020/21	(28)	
iv)	Area Officer vehicles – delayed while electric vehicle options explored	(30)	
v)	Coronation Parade, Folkestone coastal defence scheme – next phase delayed until 2020/21 and scope of works subject to review. Scheme all externally funded	(2,382)	
vi)	Hythe to Folkestone Beach Recharging Study coastal defence scheme brought forward from 2020/21. Study will inform the scope of works for the main scheme	30	
vii)	Oportunitas phase 2 capital funding	(2,050)	
viii)	Otterpool Park land and property acquisitions	(573)	
ix)	Strategic Development Property Projects (unallocated balance)	(161)	
x)	Biggins Wood Commercial Development	(61)	
xi)	Greatstone Holiday Lets scheme	(999)	
xii)	Princes Parade Leisure Scheme – preliminary expenditure brought forward from 2020/21. Scheme currently on hold and subject to an application for a Judicial Review regarding the planning permission	450	
			(5,895)
<b>2</b>	<b>Reductions in Planned Expenditure</b>		
i)	Beach Management coastal defence	(96)	

	scheme – budget brought forward from 2018/19 not expected to be required unless there are severe winter storms. Scheme all externally funded		
ii)	Disabled Facilities Grants and Loans – overall demand for the service remains lower than the ring-fenced resources available from Government	(310)	
ii)	Home Safe Loans - reduction in anticipated demand	(40)	
			(446)
<b>3</b>	<b>Increases in Planned Expenditure</b>		
i)	Lifeline Capitalisation – additional stock required due to an increase in the number of customers taking up the service	18	
ii)	Increase in IT equipment related costs including an additional £98k for the rollout of new laptops across the authority	150	
			168
	<b>Total change (reduction) in overall capital programme for 2019/20</b>		<b>(6,173)</b>

- 2.3 Some capital schemes are more difficult to project accurately in terms of both the timing of expenditure and, in some cases, the final cost. This is particularly the case with some of the strategic property initiatives, the private sector housing schemes, including Disabled Facilities Grants, and the drawdown of funding for property acquisitions by Oportunitas Limited.

### 3. IMPACT OF PROGRAMME CAPITAL FUNDING RESOURCES

- 3.1 One of the key principles underlying the council's Medium Term Financial Strategy for the capital programme is borrowing is only to be used to support schemes expected to generate a net revenue saving and/or future capital receipt. Otherwise capital schemes are to be funded from available or realised capital resources. The only exception to this is where a scheme is subject to grant funding or external contributions in which case no commitment is made against these until the funding is confirmed. The latest projection for the General Fund capital programme conforms to these principles.
- 3.2 As summarised in section 2 of this report, the council's projected capital expenditure for 2019/20 requires a significant level of borrowing to support it. The capital schemes in 2019/20 planned to be supported by borrowing are:

	£'000
i) Connect 38	17,710
ii) Oportunitas phase 2	1,400
iii) FHDC Transformation	500

iv)	Temporary Accommodation	565
v)	Otterpool Park acquisitions	6,000
vi)	Otterpool Park delivery mechanism	281
vii)	Greatstone Holiday Lets	100
Total		<b>26,556</b>

- 3.3 The latest position regarding the council's available capital receipts to fund capital expenditure is shown in the following table:

<b>Capital Receipts Position Statement</b>		<b>£'000</b>
Total receipts in hand at 31 August 2019		(9,819)
Less:		
Committed towards General Fund capital expenditure		1,992
Committed towards HRA capital expenditure		5,336
Ring-fenced for specific purposes		1,262
Contingency for urgent or unforeseen capital expenditure		500
<b>Balance available to support new GF capital expenditure</b>		<b>(729)</b>

#### 4. CONCLUSIONS

- 4.1 The projected outturn shown for the General Fund capital programme for 2019/20 reflects the position based on actual expenditure and forecasts at 31 August 2019. The projected outturn will be reviewed, updated and reported to Cabinet as part of the budget monitoring process for 2019/20.

#### 5 RISK MANAGEMENT ISSUES

- 5.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Capital resources not available to meet the cost of the new projects.	High	Low	Capital receipts required have already been realised for the majority of the programme. Schemes subject to future capital resources will only commence once these are realised. Schemes supported by grant funding will only

			commence once fully approved and committed by the relevant body. Prudential borrowing is only used for capital schemes expected to generate a net revenue benefit and/or future capital receipts
Cost of new projects may exceed the estimate.	High	Medium	Capital monitoring procedures in place allowing prompt early action to be taken to manage the risk effectively.

## 6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

### 6.1 Legal Officer's Comments (NE)

There are no legal implications arising directly out of this report.

### 6.2 Finance Officer's Comments (LW)

This report has been prepared by Financial Services. There are no further comments to add.

### 6.3 Diversities and Equalities Implications

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

## 7. 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*

*Tel: 01303 853593. e-mail :lee.walker@folkestone-hythe.gov.uk*

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

None

Appendices:

Appendix 1 – General Fund Capital Programme 2019/20 Projected Outturn



GENERAL FUND CAPITAL PROGRAMME BUDGET MONITORING 2019/20					
Item Number	Service Area and Scheme	Latest Approved Budget	Projection at 31/08/2019	Variance Budget to Projection	Comments
		£'000	£'000	£'000	
	<b>Andy Blaszkowicz - Environment &amp; Corporate Assets</b>				
1	GF Property Health & Safety Enhancements	116	50	-66	Partly deferred to 2020/21 and subject to the production and agreement of a Civic Centre 10 year plan
2	Grounds Maintenance Vehicle Replacement Programme	158	158	0	On target with the majority of items already delivered
3	Lifeline Capitalisation	42	60	18	Additional cost due to an increase in customers taking up the service
4	Royal Military Canal Enhancements	20	20	0	On target to complete planned works
5	Pumping Stations - New Vehicle	25	0	-25	Delayed and subject to discussions with East Kent Housing
6	Hawkinge Cemetery Expansion	28	0	-28	Remainder of scheme now expected to take place in 2020/21
7	Area Officer Vans	30	0	-30	Delayed and now considering electric vehicles which may require an increase to the budget
8	Royal Military Canal Replacement Rowing Boats	46	46	0	Order placed and boats due to be delivered

GENERAL FUND CAPITAL PROGRAMME BUDGET MONITORING 2019/20					
Item Number	Service Area and Scheme	Latest Approved Budget	Projection at 31/08/2019	Variance Budget to Projection	Comments
		£'000	£'000	£'000	
9	Connect 38 Ashford	17,710	17,710	0	Acquired May 2019 and providing an additional income in 2019/20
10	Coronation Parade Coastal Defence Scheme	2,392	10	-2,382	Scheme all externally funded. Remaining planned works are now subject to review. The cliff stabilisation works are expected to be delayed until 2020/21 and the major rock revetment work may not proceed.
11	Greatstone Dunes Management	15	15	0	Scheme externally funded by the Environment Agency
12	Beach Management 2015-2020 Coastal Defence	349	253	-96	Scheme externally funded by the Environment Agency. Amount of work required is dependent upon the impact of winter storms in particular.
13	Coronation Parade Annual Monitoring Coastal Defence	4	4	0	Scheme externally funded by the Environment Agency. Amount of work required is dependent upon the impact of winter storms in particular.
14	Hythe to Folkestone Beach Recharging Study Coastal Defence	0	30	30	Scheme externally funded by the Environment Agency. Being draw down from £2m approved budget in the MTCP, originally all profiled for 2020/21
	<b>Total - Environment &amp; Corporate Assets</b>	<b>20,934</b>	<b>18,356</b>	<b>-2,578</b>	

GENERAL FUND CAPITAL PROGRAMME BUDGET MONITORING 2019/20					
Item Number	Service Area and Scheme	Latest Approved Budget	Projection at 31/08/2019	Variance Budget to Projection	Comments
		£'000	£'000	£'000	
	<b>Charlotte Spendley - Finance, Customer &amp; Support Services</b>				
15	PC Replacement Programme	16	114	98	Roll out of new laptops across the authority. Savings anticipated to be made on ICT capital budgets over medium term to help offset the additional cost
16	Server Replacement Programme	60	107	47	Additional cost to meet new Microsoft software licence requirements
17	Virtual Desktop Technology	16	20	4	
18	Bacas Burial Software System	11	11	0	Planned to be installed and operational during Autumn 2019
19	Oportunitas Loan & Share Capital Ph 1	778	778	0	On target
20	Oportunitas Loan & Share Capital Ph 2	3,450	1,400	-2,050	To invest in the company's planned expansion of its residential property portfolio, which is being partly reprofiled to 2020/21
21	FHDC Transformation	788	788	0	ICT costs - on target
	<b>Total - Finance, Customer &amp; Support Services</b>	<b>5,119</b>	<b>3,218</b>	<b>-1,901</b>	

GENERAL FUND CAPITAL PROGRAMME BUDGET MONITORING 2019/20					
Item Number	Service Area and Scheme	Latest Approved Budget	Projection at 31/08/2019	Variance Budget to Projection	Comments
		£'000	£'000	£'000	
	<b>Amandeep Khroud - Governance, Law &amp; Regulatory Services</b>				
22	Temporary Accommodation	565	565	0	Scheme underway to progress the acquisition of a further 4 units of accommodation
23	New Vehicle Dog Warden	12	12	0	Planning to procure and acquire vehicle in the current financial year
24	Disabled Facilities Grants & Loans	1,000	690	-310	Now includes the local Home Enablement Service. However, the overall demand for DFGs and loans remains lower than the ring-fenced resources available to support these and there is no waiting list
25	Home Safe Loans	100	60	-40	Demand for these loans remains lower than anticipated although further promotional work is planned to encourage applications
26	Empty Home Initiatives	362	362	0	Joint initiative with KCC planned to bring 24 units of accommodation back in to use over the financial year
	<b>Total - Governance, Law &amp; Regulatory Services</b>	<b>2,039</b>	<b>1,689</b>	<b>-350</b>	

GENERAL FUND CAPITAL PROGRAMME BUDGET MONITORING 2019/20					
Item Number	Service Area and Scheme	Latest Approved Budget	Projection at 31/08/2019	Variance Budget to Projection	Comments
		£'000	£'000	£'000	
	<b>Andy Jarrett - Strategic Development Projects</b>				
27	Otterpool Park Land & Property Acquisitions	6,573	6,000	-573	Part of an ongoing programme of acquisitions planned to continue into 2020/21. Current year includes purchase of Westenhanger Castle.
28	Otterpool Park Garden Town Delivery Mechanism	281	281	0	On target
29	Hythe Environmental Improvements	1	1	0	On target
30	Corporate Property Development Projects	161	0	-161	Unallocated sum to support strategic property initiatives
31	Biggins Wood Commercial Development	61	0	-61	No planned expenditure in the current financial year.
32	Greatstone Holiday Lets	1,099	100	-999	Currently in planning phase. Construction phase delayed until 2020/21
33	Ship Street Site Folkestone	441	441	0	Cabinet approval made in October 2019 to proceed with the purchase of the site

GENERAL FUND CAPITAL PROGRAMME BUDGET MONITORING 2019/20					
Item Number	Service Area and Scheme	Latest Approved Budget	Projection at 31/08/2019	Variance Budget to Projection	Comments
		£'000	£'000	£'000	
34	Princes Parade Leisure Centre	0	450	450	Preliminary fees reprofiled from 2020/21. Scheme on hold subject to a request to seek a Judicial Review regarding the planning permission for the development being considered
	<b>Total - Strategic Development Projects</b>	<b>8,617</b>	<b>7,273</b>	<b>-1,344</b>	
	<b>Total General Fund Capital Expenditure</b>	<b>36,709</b>	<b>30,536</b>	<b>-6,173</b>	

This Report will be made public on 5 November 2019



Report Number **C/19/39**

**To:** Cabinet  
**Date:** 13 November 2019  
**Status:** Non-Key Decision  
**Head of Service:** Charlotte Spendley, Head of Finance  
**Cabinet Members:** Councillor David Monk, Leader of the Council and Councillor David Godfrey, Housing, Transport and Special Projects

**SUBJECT:** HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL BUDGET MONITORING 2019/20 – 2nd QUARTER

**SUMMARY:** This monitoring report provides 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 31 August 2019.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations set out below because Cabinet needs to be kept informed of the Housing Revenue Account position and take appropriate action to deal with any variance from the approved budget and be informed of the final 2019/20 position.

**RECOMMENDATIONS:**

1. To receive and note Report C/19/39.

## 1. INTRODUCTION

- 1.1 This report informs Cabinet of the likely projected outturn on HRA revenue and capital expenditure for 2019/20.
- 1.2 The projections are based on actual expenditure and income to 31 August 2019. Some caution therefore needs to be exercised when interpreting the results due to the early stage of the financial year, however, a thorough budget monitoring exercise has been carried out.

## 2. HOUSING REVENUE ACCOUNT REVENUE 2019/20 (see Appendix 1)

- 2.1 The table below provides a summary of the projected outturn compared to the latest budget for 2019/20.

	Latest Budget £'000	Projection £'000	Variance £'000
Income	(16,183)	(16,211)	(28)
Expenditure	10,366	10,625	259
HRA Share of Corporate Costs	206	206	0
<b>Net Cost of HRA Services</b>	<b>(5,611)</b>	<b>(5,380)</b>	<b>231</b>
Interest Payable/Receivable etc	1,494	1,494	0
<b>HRA Surplus/Deficit</b>	<b>(4,117)</b>	<b>(3,886)</b>	<b>231</b>
Revenue Contribution to Capital	8,312	8,322	10
<b>Decrease/(Increase) to HRA Reserve</b>	<b>4,195</b>	<b>4,436</b>	<b>241</b>

- 2.2 The table shows that overall at quarter 1 there is a projected increase in net expenditure of £241k on the HRA. The main reasons for this are as follows:-

	£'000
Increase in EKH Management Fee	218
Additional Legal costs	30
Other minor variances	(7)
<b>Total net projected Housing Revenue Account increase</b>	<b><u>241</u></b>

- 2.3 The increase in EKH funding is due to additional management fee for increased resources to deal with compliance issues.

The position reported reflects the additional management fee agreed by Cabinet at its meeting on 16<sup>th</sup> October. EKH is currently reviewing its structure to address the compliance matters and it is expected that the extra funding required will increase further by the end of March 2020. Details of additional expenditure will be reported in future budget monitoring reports.

- 2.4 Overall, the HRA reserve at 31 March 2020 is expected to be £4.436m compared with £4.195m in the latest budget.



### 3. HOUSING REVENUE ACCOUNT CAPITAL 2019/20 (see Appendix 2)

- 3.1 The latest budget for the HRA capital programme in 2019/20 is £15.634m and the projected outturn for the year is £15.644m, an overspend of £10k.
- 3.2 The reason for the increase in expenditure is due to a new path at Walmsley House, Princess Street.
- 3.4 The following table compares the resources required to finance the projected outturn for the HRA capital programme in 2019/20. The variation shown below corresponds to the figure in section 3.1, above.

2019/20 HRA	1-4-1 Capital Receipts	Revenue Contribution	Major Repairs Reserve	Total
	£'000	£'000	£'000	£'000
Projected Outturn	3,540	8,322	3,782	15,644
Approved	3,540	8,312	3,782	15,634
Variation	0	10	0	10

### 4. CONCLUSION

- 4.1 The HRA revenue outturn projection for 2019/20 forecasts £241k higher expenditure than the latest approved budget.
- 4.2 The HRA capital outturn projection for 2019/20 forecasts £10k higher expenditure than the latest approved budget.
- 4.3 The projected outturn for both the HRA revenue expenditure and capital programme for 2019/20 reflects the position based on actual expenditure and forecasts at 31 August 2019.

### 5. RISK MANAGEMENT ISSUES

- 5.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The latest projection of the outturn could be materially different to the actual year end position.	Medium	Medium	Areas at greater risk of variances are being closely monitored and an update will be made to Cabinet if appropriate when this report is considered to allow action to be taken.
Capital receipts (including right to buy sales) not materialising	Medium	Low	The capital programme uses realised capital receipts only.

## **6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **6.1 Legal Officer's Comments (NE)**

There are no legal implications arising from this report.

### **6.2 Finance Officer's Comments (LW)**

This report has been prepared by Financial Services. There are therefore no further comments to add.

### **6.3 Diversities and Equalities Implications (DA)**

The report does not cover a new service/policy or a revision of an existing service or policy therefore does not require an EIA.

## **7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

*Cheryl Ireland, Chief Accountant*

*Tel: 01303 853213 Email: [cheryl.ireland@folkestone-hythe.gov.uk](mailto:cheryl.ireland@folkestone-hythe.gov.uk)*

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

Budget projection working papers

### **Appendices:**

[Appendix 1](#) Housing Revenue Account revenue budget monitoring report at 31 August 2019

[Appendix 2](#) Housing Revenue Account capital budget monitoring report at 31 August 2019

HOUSING PORTFOLIO	LATEST APPROVED BUDGET £000	PROJECTED OUTTURN £000	VARIANCE £000	REASON
<b>INCOME</b>				Increase due to new affordable properties
Dwelling rents	14,843	14,874	-31	
Non-dwelling rents	355	336	19	
Charges for services and facilities	985	1,001	-16	
Contributions from general fund	0	0	0	
<b>Total Income</b>	<b>16,183</b>	<b>16,211</b>	<b>-28</b>	
<b>EXPENDITURE</b>				£218k additional resources to EKH to deal with compliance issues, £30k unforecast legal fees & £9k EKH Tunstall Service Contract 19/20
Repairs and maintenance	3,548	3,548	0	
Supervision and management	4,157	4,416	259	
Rents, rates and taxes	22	22	0	
Depreciation charges of fixed assets	2,527	2,527	0	
Debt management expenses	22	22	0	
Bad debts provision	90	90	0	
<b>Total Expenditure</b>	<b>10,366</b>	<b>10,625</b>	<b>259</b>	
<b>Net</b>	<b>-5,817</b>	<b>-5,586</b>	<b>231</b>	
HRA Share of Corporate and Democratic Costs	206	206	0	
<b>Net Cost of HRA Services</b>	<b>-5,611</b>	<b>-5,380</b>	<b>231</b>	
Interest payable	1,569	1,569	0	
Interest and investment income	-75	-75	0	
Premiums and discounts	0	0	0	
<b>(SURPLUS)/DEFICIT</b>	<b>-4,117</b>	<b>-3,886</b>	<b>231</b>	
<b>MOVEMENTS IN HRA BALANCE FOR 2018/19</b>				
Repayment of debt	0	0	0	
Revenue contribution to capital	8,312	8,322	10	
Surplus/deficit for the year	-4,117	-3,886	231	
<b>Increase/Decrease in Net Movement in HRA Balance</b>	<b>4,195</b>	<b>4,436</b>	<b>241</b>	
HRA Reserve balance brought forward	-8,047	-8,047	0	
HRA Reserve balance carried forward	<b>-3,852</b>	<b>-3,611</b>	<b>241</b>	

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PORTFOLIO AND SCHEMES	LATEST APPROVED BUDGET	PROJECTED OUTTURN	VARIANCE	COMMENTS
<b>HOUSING PORTFOLIO</b>	<b>£'000</b>	<b>£000</b>	<b>£000</b>	
<b>1. Planned Improvements</b>				
Windows & Doors	230	230	0	
Re-roofing	387	387	0	
Replacement Double Glazing Units	0	0	0	
Heating Improvements	668	668	0	
Kitchen Replacements	403	403	0	
Bathroom Improvements	170	170	0	
Voids Capital Works	250	250	0	
Disabled Adaptations	350	350	0	
Sheltered Scheme upgrades	80	80	0	
Rewiring	405	405	0	
Contract Specification	61	61	0	
Lift Replacement	50	50	0	
Thermal Insulation	10	10	0	
Fire Protection Works	120	120	0	
Impairment of Assets	0	0	0	
	3,185	3,185	0	
<b>2. Major Schemes</b>				
External Enveloping *	558	558	0	
Garages Improvements	30	30	0	
Treatment Works	10	10	0	
Broadmead Road	0	0	0	
	598	598	0	
<b>3. Environmental Improvements</b>				
Environmental Works	25	25	0	
New Paths	15	25	10	
Play Areas	10	10	0	
	50	60	10	
<b>4. Other Schemes</b>				
New Builds/Acquisitions	11,802	11,802	0	
EKH Single System	0	0	0	
Cash Incentive Scheme	0	0	0	
	11,802	11,802	0	
<b>TOTAL</b>	<b>15,634</b>	<b>15,644</b>	<b>10</b>	
<b>FUNDING</b>				
Major Repairs Reserve	3,782	3,782	0	
Revenue Contribution	8,312	8,322	10	
1-4-1 Capital Receipts	3,540	3,540	0	
<b>TOTAL FUNDING</b>	<b>15,634</b>	<b>15,644</b>	<b>10</b>	

\* This includes all items of the property structure that is external, such as roof, chimneys, gutters, fascias, eaves and repointing.

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This Report will be made  
public on 5 November  
2019.

Report Number **C/19/42**

**To:** Cabinet  
**Date:** 13 November 2019  
**Status:** Non-Key Decision  
**Head of Service:** Charlotte Spendley – Assistant Director Finance,  
Customer & Support Services  
**Cabinet Member:** Councillor David Monk – Leader of the Council

**SUBJECT: GENERAL FUND REVENUE BUDGET MONITORING – 2<sup>ND</sup> QUARTER  
2019/20**

**SUMMARY:** This monitoring report provides a projection of the end of year financial position of the General Fund revenue budget, based on expenditure to the 31 August 2019.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations set out below because it needs to be informed of the council's General Fund revenue budget position and take appropriate action to deal with any variance from the approved budget.

**RECOMMENDATIONS:**

1. To receive and note Report C/19/42.

## 1. INTRODUCTION AND BACKGROUND

- 1.1 This report updates Cabinet on the likely projected outturn on the General Fund revenue budget, based on data at 31 August 2019.
- 1.2 General Fund projections are made against the latest approved estimate (incorporating approved virements).

## 2. GENERAL FUND REVENUE 2019/20 - PROJECTED OUTTURN

- 2.1 The Quarter 2 projected outturn for service areas shows a forecast of £18,991k against the latest approved budget of £19,590k resulting in a variance of £599k (projected underspend).
- 2.2 When taking into account other operating expenses & income, as well as movement on earmarked reserves & capital financing, the total projected outturn is a projected underspend of £514k.
- 2.3 The following table summarises the latest projected outturn position across the Service Units:

General Fund Net Cost of Services	Latest Approved Budget	Projected Outturn	Variance
	£'000	£'000	£'000
Customer, Support & Specialist Services	322	285	-37
Leadership Support	700	706	6
Governance, Law & Regulatory Services	5,914	5,977	63
Human Resources	630	588	-42
Finance, Customer & Support Services	7,718	6,983	-735
Strategic Development	926	2,157	1,231
Economic Development	596	598	2
Planning	513	600	87
Environment & Corporate Assets	2,611	1,097	-1,514
<b>Sub-Total – Heads of Services</b>	<b>19,930</b>	<b>18,991</b>	<b>-939</b>
Unallocated Net Employee Costs	-340	0	340
<b>Total – Heads of Service</b>	<b>19,590</b>	<b>18,991</b>	<b>-599</b>



2.4 The main variations are shown and explained in more detail below.

	£'000
Administration budgets incl. vacancy factor	360
<b>Finance, Customer &amp; Support Services</b>	
Housing Benefit/Rent Rebates – decrease in payments	-368
Council Tax Reduction Scheme – additional grant	-213
<b>Strategic Development</b>	
Otterpool Park – Masterplanning costs	1,284
<b>Planning</b>	
Development Control – additional income from Planning Performance Agreements	-200
<b>Environment &amp; Corporate Assets</b>	
On Street Parking – additional income	-55
Off Street Parking – additional income	-160
Building Holding Accounts – additional rental income from Otterpool farms	-50
Commercial Properties – Connect 38 income	-1,100
Other small variations	-97
<b>Total – Heads of Service</b>	<b>-599</b>

Administration Budgets

This represents variances across various service areas within the administration budgets mainly relating to staffing costs. This position is net of the agreed vacancy factor amount budgeted for each year and Transformation project savings.

Finance, Customer & Support Services

Housing Benefit/Rent Rebates – the projected net underspend on Housing Benefits mainly relates to the projected decrease in rent allowance payments.

Council Tax Reduction Scheme – the increase in income relates to grants being received from Kent County Council (KCC) in respect of additional Support Grant and Empty Homes Incentive Fund.

Strategic Development

Otterpool Park – The net cost for progressing the Otterpool masterplanning process in 2019/20, both as a developer and as the local planning authority, is projected to be £1,284k more than budgeted.

The increase mainly relates to work required to support the project undertaken by consultants Arcadis for the Collaboration Board and Project Board in order to achieve outline planning permission.

All projected costs for 2019/20 will be met from the Otterpool Reserve.

### Planning

Development Control – following the successful introduction of Planning Performance Agreements additional income is projected to be received in 2019/20.

### Environment & Corporate Assets

Car Parking – despite increasing the base budget projections for 2019/20, income projections for both on-street and off-street parking continue to increase in line with current trends.

Building Holding Accounts – the increase in income relates to rental income being received for Otterpool Farm.

Commercial Properties – the projected rental income to be received relates to the Connect 38 offices in Ashford, acquired in May 2019. The full acquisition cost £17.7m has been met from Prudential Borrowing. For 2019/20 it is projected that the council will be able to use cheaper internal borrowing from available cash balances to temporarily meet the capital cost of Connect 38 rather than take out new external borrowing. The impact of the internal borrowing has been contained within the interest payable and receivable budgets which are held outside of the heads of service area. Further, the requirement on the council to make an annual Minimum Revenue Provision (MRP) charge to offset the Capital Financing Requirement arising from the borrowing does not commence until 2020/21. The annual MRP charge for Connect 38 is estimated to be in the region of £500k.

The rental income received from Connect 38, which did not feature in the approved 2019/20 budget has been reversed out and taken to Earmarked Reserves as shown below.

### Transformation Project

The transformation project has an approved budget that was set by Cabinet in February 2018 and this was profiled over the period of the programme with funding being drawn down as required. This is being monitored, however at the present time there will be no variances affecting the overall spending position of the council for this report. This will continue to be monitored to ensure the funding is spent effectively and any potential variances will be reported in due course.

## 2.5 Further variances below the heads of service total are shown below.

### Other Non-Service related Government Grants

There is projected to be additional grant received of £290k which reflects net changes to grants received from Ministry of Housing, Communities & Local Government (MHCLG) in relation to additional Brexit funding of (£317k) partially offset by a reduction in Section 31 grant relating to lower business rates discretionary reliefs awarded of £27k.

### Capital Financed from Revenue

In line with the latest projected outturn position on the General Fund Capital Budget Monitoring report it is reported that this cost will be approximately £1,202k in 2019/20.

This is an increase of £1,064k in the budgeted sum with the majority of it relating to the re-profiling of capital schemes between 2018/19 and the current financial year (£979k).

There is also expected to be additional spend relating to ICT costs for server upgrade and laptop replacements of £85k.

### Movement in Earmarked Reserves

The projected movement on Earmarked Reserves reflects the release of £161k from the VET Reserve and £1,290k from the Otterpool reserve and a contribution of £50k to the Leisure Reserve, £1,862k to the Economic Development reserve and £308k to the Business Rates reserve.

The total approved carry forwards from 2018/19 was £417k and included within the projection for the Carry Forward Reserve is £136k that has been released in 2019/20. It is assumed that a further £281k will be used during the year and transferred out of the Carry Forward Reserve with the service areas amended accordingly.

Reserve	Balance at 1/4/2019 £'000	Latest Budget £'000	Projection £'000	Change £'000	Balance at 31/3/2020 £'000
<b>Earmarked</b>					
Business Rates	5,496	59	367	308	5,863
Leisure Reserve	197	0	50	50	247
Carry Forwards	723	-176	-344	-168	379
VET Reserve	637	24	-137	-161	500
Invest to Save	366	0	0	0	366
Maintenance of Graves	12	0	0	0	12
New Homes Bonus (NHB)	2,524	-165	-165	0	2,359
Corporate Initiatives	404	260	260	0	664
IFRS Reserve	38	-7	-7	0	31
Otterpool Park Garden Town	2,129	-278	-1,568	-1,290	561
Economic Development	2,901	-742	1,120	1,862	4,021
Community Led Housing	437	0	0	0	437
Lydd Airport	9	0	0	0	9
Homelessness Prevention	319	0	0	0	319
High Street Regeneration	0	3,000	3,000	0	3,000
<b>Total Earmarked Reserves</b>	<b>16,192</b>	<b>1,975</b>	<b>2,576</b>	<b>601</b>	<b>18,768</b>

### Business Rates Income

There is a net increase in Business Rates income which is based on latest estimates due to lower gross rates payable and higher mandatory reliefs awarded of £298k which is off-set by the projected pool benefit for 2019/20 of (£616k).

- 2.6 With the above variances added to the service areas favourable variance of £599k, the overall position for the general fund shows a projected underspend of £514k.

### 3. CONCLUSIONS

- 3.1 The projected outturn shown for the General Fund revenue account for 2019/20 reflects the position based on actual expenditure and forecasts at 31 August 2019.

### 4. RISK MANAGEMENT ISSUES

- 4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
MTFS becomes out of date.	High	Low	The MTFS is reviewed annually through the budget process.
Assumptions may be inaccurate.	High	Medium	Budget monitoring is undertaken regularly and financial developments nationally are tracked. Assumptions are regularly reviewed.

### 5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 **Legal Officer's Comments (NE)**

There are no legal implications arising directly out of this report.

5.2 **Finance Officer's Comments (LH)**

This report has been prepared by Financial Services. There are therefore no further comments to add.

5.3 **Diversities and Equalities Implications**

The report does not cover a new service/policy or a revision of an existing service/policy and therefore does not require an Equity Impact Assessment.

### 6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

*Leigh Hall, Group Accountant*

*Telephone: 01303 853231 Email: [leigh.hall@folkestone-hythe.gov.uk](mailto:leigh.hall@folkestone-hythe.gov.uk)*

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

Budget projection working papers.

This Report will be made public on 5 November 2019



Report Number **C/19/40**

**To:** Cabinet  
**Date:** 13 November 2019  
**Status:** Key Decision  
**Head of Service:** Charlotte Spendley, Assistant Director- Finance, Customer & Support Services  
**Cabinet Member:** Councillor David Monk, Leader of the Council

**SUBJECT: BUDGET STRATEGY 2020/21**

## **SUMMARY:**

This Budget Strategy sets out the guidelines for preparing the 2020/21 Budget. It supports the Corporate Plan and aligns with the direction and objectives of the Medium Term Financial Strategy (MTFS).

The Budget Strategy takes account of current and future financial issues, sets out the underlying assumptions and initial budget-setting proposals and provides a timetable for delivering a balanced budget in 2020/21.

## **REASONS FOR RECOMMENDATIONS:**

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

- (i) The Budget Strategy provides the framework for compiling the detailed 2020/21 budgets;
- (ii) The Budget Strategy will support the delivery of the MTFS; and
- (iii) The council's constitution requires approval of such a Strategy at least two months in advance of final budget approval.

## **RECOMMENDATIONS:**

1. To receive and note report C/19/40.
2. To approve the Budget Strategy for 2020/21 set out in this report.
3. To approve the General Fund revenue growth & savings proposals for 2020/21 (Appendix 2).
4. To approve the General Fund capital growth proposals for 2020/21 (Appendix 3).
5. To agree the proposed timetable for preparing 2020/21 budgets (Appendix 4).

## **1. INTRODUCTION**

- 1.1 The Constitution requires that 'no less than two months before any plan, strategy or budget that forms part of the Budget and Policy Framework needs to be adopted, the Cabinet will publish initial proposals and a timetable to council'.
- 1.2 This Budget Strategy covers those requirements, setting out the initial proposals and a timetable that will be used to inform the setting of the detailed budget for 2020/21. The Budget Strategy is consistent with the direction and objectives of the updated MTFS.
- 1.3 The MTFS and Budget Strategy are aligned with the council's strategic financial objectives, which are:
- To maintain a balanced Budget such that expenditure matches income from Council Tax, fees and charges, and government and other grants and to maintain that position.
  - To maximise the council's income by setting fees and charges, where it has the discretion and need to do so, at a level to ensure at least full cost recovery, promptly raising all monies due and minimising the levels of arrears and debt write offs.
  - To ensure a long term sustainable view is taken of any investments and the appropriate risk analysis is provided in considering those.
  - To set a rate for Council Tax which maximises income necessary for the council to deliver its strategic objectives but ensures that government referendum limits are not exceeded. The percentage increase will be reviewed annually.
  - To ensure resources are aligned with the council's strategic vision and corporate priorities.
  - To consider and take advantage of commercial opportunities as they arise to achieve a commercial return.
  - To maintain an adequate and prudent level of reserves.

## **2. CURRENT FINANCIAL POSITION**

### 2018/19 General Fund Budget Outturn

- 2.1 The final contribution to the General Fund Reserve was £3.8m. This included a net transfer to Earmarked Reserves of £3.2m compared to a budgeted use of £0.9m.
- 2.2 Over recent years, Folkestone & Hythe has established a good track record of maintaining a healthy reserves position. This enables the council to have greater stability and resilience for dealing with current and future financial challenges and uncertainties.

### 2019/20 Forecast General Fund Budget Outturn

- 2.3 The General Fund Revenue Budget monitoring for the second quarter of 2019/20 is reported to Cabinet as part of this meeting on 13 November 2019.

Based on information to 31 August 2019 there is a projected favourable variance of £514k for the year against the latest approved budget. The reasons for the variance are detailed in the monitoring report and relate primarily to the reduction of rent allowance payments and additional grants received from KCC relating to the Council Tax Reduction Scheme.

- 2.4 The Quarter 2 HRA Monitoring is reported to Cabinet as part of this meeting on 13 November 2019 and sets out the projected outturn for HRA revenue and capital expenditure for 2019/20. The projections, based on actual expenditure and income to 31 August 2019, show there is a projected increase in net expenditure of £241k on the HRA and an overspend of £10k on the capital programme against the £15.6m latest budget.
- 2.5 The latest projection for the General Fund capital programme in 2019/20 is also reported to Cabinet at this meeting on 13 November 2019 and it shows a reduction in planned capital expenditure of £6.2m against the latest budget. The main reason for the reduction is the delay of the next phase of the Coronation Parade coastal defence scheme, Oportunitas phase 2 capital funding and Greatstone Holiday Lets scheme until 2020/21.

#### Government Funding

- 2.6 In February 2019, the Secretary of State for the Ministry of Housing, Communities and Local Government announced the final local government finance settlement 2019/20. This announcement followed on from consultation on the provisional settlement.
- 2.7 The main points of note from the settlement relevant for this council are as follows:

	2018/19 £'000	2019/20 £'000	Change £'000
<b>Settlement Funding</b>			
Revenue support grant	0	0	0
Baseline funding	3,896	3,673	(223)
<b>Settlement funding assessment</b>	<b>3,896</b>	<b>3,673</b>	<b>(223)</b>
<b>Reduction in funding compared to 2018/19</b>	n/a	(223)	(5.7%)

#### New Homes Bonus

- 2.8 The Government recognises the need for continuity and certainty on New Homes Bonus (NHB) and there were no new changes to the way NHB works in 2019/20. The NHB baseline was maintained at 0.4% and only growth above this level will attract NHB payments.
- 2.9 The council currently receives £1.5m in NHB payments; 79% of this funding is used to support services with the remaining amount set aside within a reserve to fund the additional cost of services.

#### 2020/21 Local Government Finance Settlement

- 2.10 The government previously stated its intention to hold a new Spending Review in 2019, covering the period 2020/21 to 2022/23. However, with the current political turbulence around Brexit, it was announced that a one-year

Spending Round would be provided, covering the financial year 2020/21; and that this would be followed in 2020 by a full Spending Review, reviewing public spending as a whole and setting multi-year budgets.

2.11 In September 2019 the Government announced Spending Round 19 which delivered an increase in year to year spending across public services of £13.8bn which included:

- additional Social Care funding of up to £1.5bn, partly funded by grant and partly funded by an additional year of the Adult Social Care Precept
- an additional £54m to help reduce homelessness and rough sleeping

2.12 In October 2019 the Government published a technical consultation paper for the 2020/21 Local Government Finance Settlement. The consultation confirms the Government's decision to delay major reform until 2021/22 and its intention to implement a 'roll-forward' of the Local Government Finance Settlement 2019/20, which will provide stability for the majority of funding sources for local government, ahead of a more substantial Spending Review exercise in time for 2021/22. The Government's proposed approach to the 2020/21 settlement includes the following measures that relate to district councils:

- Up-rating the 2019/20 Settlement Funding Assessment in line with the change in the small business non-domestic rating multiplier. Given the planned delay in implementing increased business rates retention the Government proposes not to alter the existing mechanism for determining the tariff and top-up payments in 2020/21.
- A core Council Tax referendum principle of up to 2% (a reduction from 3% in 2018/19) or £5, whichever is greater. The package of referendum principles also include:
  - an Adult Social Care precept of 2% on top of the core principle;
  - and no referendum principles for town and parish councils.
- Committing to retain the top-slice of Revenue Support Grant to fund New Homes Bonus in 2020/21. In addition to funding legacy payments associated with previous allocations, the Government is also proposing to make a new round of allocations in 2020/21 but this will be a one-year only allocation and will not result in legacy payments being made in subsequent years.
- Continuation of elimination of negative Revenue Support Grant (RSG) via foregone business rates receipts. Folkestone & Hythe is not affected by Negative RSG and so this part of the consultation does not directly impact on the Council.

## **2019/20 FINANCIAL FORECAST**

### Medium Term Financial Strategy (MTFS)

3.1 The MTFS is the council's key financial planning document. It links the council's strategic priorities with the financial resources required to deliver them. The MTFS covers a four year period, providing the context and framework within which the Budget Strategy is prepared, and considers the implications of the council's approved priorities. It also takes in to account



the uncertainty surrounding the financial climate that the council is working within. The MTFS is updated each year, most recently in October (Cabinet report C/19/26).

- 3.2 The current MTFS forecasts a cumulative funding gap of £4.m over the lifetime of this MTFS. This is based on a 2% annual council tax increase for the period of the MTFS. These will be subject to political decisions at the appropriate time. The table below shows the cumulative deficit over the period of the MTFS.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
<b>Forecast Deficit</b>	<b>358</b>	<b>1,556</b>	<b>2,299</b>	<b>4,007</b>

- 3.3 The current MTFS forecasts a deficit of £358k in 2020/21. This Budget Strategy explains the assumptions underlying this forecast (section 4 below) and proposals for addressing next year's funding gap (section 5 below).

#### Reserves

- 3.4 Total General Fund reserves at 1 April 2019 amounted to £22.7m, of which £6.5m was held within the General Reserve. The table below shows projected reserves at 31 March 2020 before any application towards new budget growth or initiatives.

Description of Reserve	Balance 1/4/19 £000	Forecast Balance 31/3/20 £000
<b>General Reserve</b>	<b>6,514</b>	<b>3,029</b>
<b>Earmarked Reserves:</b>		
Business rates	5,496	5,863
Invest to save	366	366
Carry forwards	723	379
IFRS	38	31
Vehicles, equipment and technology	637	500
New Homes Bonus initiatives	2,524	2,359
Corporate plan initiatives	404	664
Maintenance of Graves	12	12
Leisure	197	247
Otterpool Park	2,129	561
Economic Development	2,901	4,021
Community Led Housing	437	437
Lydd Airport	9	9
Homelessness Prevention	319	319
High Street Regeneration	0	3,000
<b>Total Earmarked Reserves</b>	<b>16,192</b>	<b>18,768</b>
<b>Total General Fund Reserves</b>	<b>22,706</b>	<b>21,797</b>

## 4.0 BUDGET ASSUMPTIONS

- 4.1 Appendix 1 explains the changes between the 2019/20 approved budget and 2020/21 budget forecast that have been taken into account in the MTFS. These changes comprise:

	£'000
<b>2019/20 Net Approved Budget (balanced budget)</b>	<b>0</b>
Inflationary Pressures 2020/21	886
Corporate Funding Changes 2020/21 (net)	914
Previously Approved Service Changes 2020/21 (net)	(1,442)
<b>MTFS Forecast 2020/21 Budget Deficit - Before Growth and Savings Proposals</b>	<b>358</b>

### MTFS Funding Assumptions 2020/21

- 4.2 Income from Business Rates is based on last year's estimates, pending a full review. The MTFS shows a 2.3% increase compared to 2019/20, largely reflecting an assumed increase in the small business rates multiplier of 2% in 2020/21. This area remains volatile with an uncertain position on outstanding appeals.
- 4.3 A council tax increase of 2% has been assumed pending the final decision by Full Council in February 2020. Based on the latest Local Government Finance Settlement consultation, the maximum increase for 2020/21 without requiring a referendum will be 2%. A council tax base increase of 1.5% per annum and a balanced Collection Fund have been assumed.
- 4.4 Continuation of current New Homes Bonus receipts but no new monies from 2020/21 due to uncertainties around the formula funding review.

### MTFS Expenditure and Income Assumptions 2020/21

- 4.5 Additional unallocated net employee costs amount to £731k, covering the estimated costs of a salary award, salary increments, additional savings from Transformation and the impacts of the local government pension fund valuation. An estimated annual increase of 3.0% per annum plus an allowance for increments and estimated pension revaluation in 2020/21.
- 4.6 Contract inflation of £146k has been included in the non-pay budget forecast based on prevailing inflation rates within existing contracts.
- 4.7 An increase of 2% has been assumed in relation to the Internal Drainage Board levy.
- 4.8 Net Interest forecasts a decrease of £72k income compared to the 2019/20 projection.

- 4.9 Fees and charges income assumptions are based on current budgets and existing policies, adjusted for proposed changes as detailed in the Fees & Charges 2020/21 report to this meeting of Cabinet.

## 5.0 2020/21 BUDGET PROPOSALS

- 5.1 The council will continue to use a range of approaches to address the deficit in the short and medium term, including:
- Reviewing the level of council tax
  - An annual review of fees and charges
  - Pursuing alternative income streams
  - Continuing the use of digital technologies to transform services
  - Exploring appropriate commercial opportunities
  - Growing the local economy
  - Reviewing all services to generate efficiencies
  - Containing new budget pressures within allocated resources, and
  - Considering the use of reserves to help manage year on year variations in income and expenditure.

### Budget Growth 2020/21

- 5.2 Service heads and budget holders were also asked to identify any unavoidable budget growth items that were necessary to ensure future service sustainability and address unavoidable budget pressures. These total £1.27m (including ICT growth see 5.5) and are detailed at Appendix 2.

### Budget Savings and Efficiencies 2020/21

- 5.3 A rigorous review of the 2019/20 base budget and previous years' outturns has been undertaken by departments in liaison with CLT. This review identified net potential savings and efficiencies of £1m.

### Fees and Charges 2020/21

- 5.4 A review of fees and charges has been undertaken and the outcome has been included in a separate Fees & Charges report to this meeting. The proposed changes to fees and charges are anticipated to increase net income receipts by approximately £149k.

The increase comprises:

	£
<b>Increased income</b>	
Hythe Pool	6,000
Household Waste Collection	3,000
Hackney Carriage Licenses	1,500
Recycling & Waste	14,500
Planning Application Fees	13,000
Off-Street Parking	95,000
On-Street Parking	5,000
Street Naming & Numbering	1,800
Cemeteries	7,300
Memorial Benches	2,000
<b>Total</b>	<b>149,100</b>

### Transformation

- 5.5 The Council is currently undergoing a transformation programme which seeks to improve the service to customers, efficiency, resilience and deliver financial savings to support the medium term financial position. In order to improve the ICT systems to underpin the transformation project, investment of £454k has been identified as being required in 2020/21. Further efficiencies and savings are anticipated to be delivered through this programme.

### Forecast Budget Deficit 2020/21

- 5.6 Based on the work undertaken to date, the latest forecast deficit is set out below. Members should note that this position will change as more detail becomes available.

	£'000
Forecast deficit – October 2019 MTFS	358
Add: budget growth proposals	816
Add: Transformation ICT costs	454
Less: further savings and efficiencies	(1,003)
Less: increase in income generated	(149)
Less: Use of reserves for one off growth	(230)
<b>Revised Forecast Deficit 2020/21</b>	<b>246</b>

- 5.7 Options for addressing the forecast deficit for 2020/21 are now being considered in preparation for the detailed budget report to Cabinet on 11 December and will take into consideration:
- Any new factors affecting local government funding arising from the Government funding settlement announcements in early December
  - Collection Fund surplus/deficit assumptions, with reference to the latest in-year collection performance
  - The outcome of ongoing work to review the revenue budget savings and growth proposals at Appendix 2, and
  - The action that is being taken to address the residual budget gap.

## **6.0 HOUSING REVENUE ACCOUNT (HRA)**

- 6.1 This Budget Strategy does not explore the Housing Revenue Account further as the council approved on 13 March 2019 a revised HRA business plan for the period 2019 to 2049. This includes the impact of the new rent guidance announced in February 2019 allowing rents to increase by CPI + 1% for 5 years from 2020/21 as well as the continuation of the new build capital programme.
- 6.2 The detailed 2020/21 HRA revenue and capital budgets that will be submitted to Cabinet in December 2019 will be consistent with the agreed business plan.

## 7.0 CAPITAL PROGRAMME

- 7.1 As part of the Budget Strategy, Cabinet is asked to consider the proposals for new capital schemes to be included in the council's General Fund Capital Programme for 2020/21. Any new capital scheme to be included in the programme will need to contribute to the objectives set out in section 1.3 of this report. New General Fund capital scheme proposals of £385k for 2020/21 are shown in Appendix 3 to this report. Additionally the council's General Fund Medium Term Capital Programme (MTCP) will need to be updated to include recurring schemes planned to continue over the 5 year period to 2024/25. Members are due to receive an update on the Otterpool Park Garden Town scheme later in a report to Cabinet on 20 November 2019. The capital programme implications of both Otterpool and Folkestone Town Centre Regeneration programme which will be considered in due course will be included in budget reports following their approval.
- 7.2 Cabinet is due to consider a separate report as part of this agenda for a £500k capital investment in the Folkestone Beach Chalets scheme being requested by the Trustees of the Folkestone Parks and Pleasure Grounds Charity. All proposed changes to the council's General Fund MTCP are required to be approved by Full Council as part of the budget setting process.
- 7.3 Capital Receipts – the existing MTFS states that a minimum of £500k in capital receipts must be retained as a contingency to meet urgent or unforeseen capital expenditure. The council's general policy is that only capital receipts received should be earmarked to fund capital projects. The only departure from this is ring-fencing the use of future repaid decent homes loans and home safe loans receipts to be reinvested in further private sector housing improvement loans. The latest position regarding the council's available capital receipts to fund capital expenditure, based on the initial capital budget monitoring for 2019/20, is shown in the following table:

<b>Capital Receipts Position Statement</b>	<b>£'000</b>
Receipts in hand at 31 August 2019	(9,819)
Less:	
Committed towards General Fund capital expenditure	1,992
Committed towards HRA capital expenditure	5,336
Ring-fenced for specific purposes	1,262
Contingency for urgent or unforeseen capital expenditure	500
<b>Balance available to support new capital expenditure</b>	<b>(729)</b>

- 7.4 Over the term of the MTFS the council expects to receive approximately £3.6m in capital receipts which it could choose to use to fund its future General Fund capital expenditure plans or retain for investment purposes. This excludes 'Right to Buy' disposals of council dwellings where the retained element of capital receipts are required to be reinvested directly in local social housing initiatives. This also currently excludes any potential future capital receipts that may be generated through the council's current 'invest to save' initiatives. The council has previously adopted the government's Statutory Guidance for the Flexible Use of Capital Receipts. This allows the council to use capital receipts received from General Fund asset disposals

from 1 April 2016 to 31 March 2022 on revenue expenditure that is planned to generate ongoing efficiencies and savings. It is likely that the first call on the forecast £2.6m of capital receipts from asset disposals will be to support the major transformation project the council is undertaking.

- 7.5 Other Capital Funding Sources - in addition to the available capital receipts, the council can choose to use its revenue resources (earmarked revenue reserves and balances) or consider prudential borrowing to fund its General Fund capital expenditure plans. Prudential borrowing will incur a revenue cost to the General Fund in terms of interest and a minimum revenue provision charge (MRP). Therefore, prudential borrowing is best suited to capital 'invest to save' projects, such as Otterpool Park, Connect 38 Offices, Oportunitas Ltd and the Biggins Wood Commercial development, that will provide a net long term financial return to the council allowing for these costs. The current approved MTCP requires about £48.5m of prudential borrowing to support it, some of which will be off set in time by external funding.
- 7.6 Any capital scheme included in the approved capital programme requiring external grant funding to support it will only be allowed to commence once a formal funding agreement has been established between the council and the relevant funding body.

## **8.0 THE BUDGET TIMETABLE**

- 8.1 By early March each year the council is required by law to approve its budget (revenue, capital and HRA) and council tax levels for the forthcoming year. The Full Council meets in February to do this. Advance notice is given in the publication of key decisions to be made.
- 8.2 Detailed guidance on the annual budget preparation process was circulated to officers in August 2019. This guidance covered roles and responsibilities; the links between finance and service planning; expected standards and approach; and the timetable for preparing the 2020/21 Budget.
- 8.3 The 2020/21 Budget timetable is attached at Appendix 4.

## **9.0 BUDGET CONSULTATION**

- 9.1 There is a duty under section 65 of the Local Government Finance Act 1992 to consult ratepayers (or bodies appearing to represent ratepayers) about proposed expenditure, including capital expenditure, prior to calculating the council tax requirement under S31a (England) of the Act.
- 9.2 The objectives for consultation on the 2020/21 budget proposals are to:
- Engage with key stakeholder groups and local residents;
  - Seek feedback on specific budget proposals for 2020/21; and
  - Seek feedback on general spending and income generation priorities.

This will be achieved through making budget information available to the public, inviting feedback and meeting with representatives from the business community.

## 10.0 RISK MANAGEMENT ISSUES

10.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
MTFS becomes out of date.	High	Low	The MTFS is reviewed annually through the budget process.
Assumptions may be inaccurate.	High	Medium	Budget monitoring is undertaken regularly and financial developments nationally are tracked. Assumptions are regularly reviewed.
Budget strategy not achieved.	High	Low	The budget making process is controlled closely with regular reconciliations against projections.
Incorrect assessment of Local Government Finance Settlement impact.	High	Low	Figures & updates provided by Central Government have been used. The Autumn Budget will inform latest forecasts.
Failure to take action to address forecast medium term financial pressures as well as focusing on the 2020/21 budget position.	High	Medium	Ensure that MTFS forecasts are monitored and timely interventions identified and implemented to address future deficits.

## 11.0 LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

### 11.1 Legal Officer's Comments (NE)

There are no legal implications arising directly out of this report, subject to the Council ensuring its general fiduciary duties are met, including those of consulting with rate payers and ensuring best value. The Council is required to follow a professional code of practice published by CIPFA and regulations set out by the government, including the Local Government Finance Act 1992.

### 11.2 Finance Officer's Comments (CI)

The Budget for 2020/21 will be submitted to council in February 2020. This Budget Strategy is the first stage in the detailed budget process and will be used to inform the preparation of budget estimates.

### **11.3 Diversities and Equalities Implications (CS)**

The budget report to Full Council in February 2020 will include an Equality Impact Assessment of the budget recommendations for 2020/21.

## **12.0 CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Cheryl Ireland, Chief Accountant

Tel: 07834 150176

E-mail: [cheryl.ireland@folkestone-hythe.gov.uk](mailto:cheryl.ireland@folkestone-hythe.gov.uk)

Charlotte Spendley, Assistant Director of Finance, Customer & Support Services

Tel: 07935 517986

E-mail: [charlotte.spendley@folkestone-hythe.gov.uk](mailto:charlotte.spendley@folkestone-hythe.gov.uk)

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

Fees & Charges Report 2020/21

### **Appendices:**

Appendix 1 – Movement from 2019/20 Approved Budget to 2020/21 Base

Appendix 2 – General Fund Revenue Growth & Savings Proposals

Appendix 3 – Capital Programme Growth Proposals

Appendix 4 – Budget Timetable



**Budget Strategy - Movement from 2019/20 Approved Budget to 2020/21 Base**

		£000
<b>Net Budget - 2019/20</b>		<b>0</b>
<b>Inflationary Pressures</b>		
Pay Inflation (3.0% plus adjustment to 2019/20 base)	316	
Pay Increments	115	
Pension Scheme Revaluation 2019	300	
Contract Inflation (p.a.)	146	
Internal Drainage Board (2%)	9	
	<hr/>	886
<b>Corporate Funding Changes</b>		
Interest	72	
Reduced New Homes Bonus	347	
Council Tax income	-309	
Business Rates Collection Fund	-80	
Reserves Movements - net	884	
	<hr/>	914
<b>Previously Approved Service Changes</b>		
District Council elections 2019	-140	
Waste Contract Renewal 2020	255	
Connect 38 Income	-350	
Full Year Effect of 2019/20 Savings	-194	
Expenditure funded from Reserves in 2019/20	-1,013	
	<hr/>	-1,442
<b>Movement in Contributions To/(From) Reserves</b>		<b>0</b>
<b>Forecast 2020/21 Budget Deficit Before Growth and Savings Proposals</b>		<b><u>358</u></b>

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<b>Portfolio</b>	<b>Description of Proposal</b>	<b>£</b>
<b>Property Management and Grounds Maintenance</b>		
1	Additional funds for running costs & cyclical maintenance of public conveniences & parks due to increased use	52,300
2	Additional funds for maintenance of ageing depots, buildings, vehicles, parks & Hythe Pool	45,500
3	Additional funds to support Coastal Protection Schemes	8,200
4	Contaminated land specialist advice & investigation	5,000
<b>Leader</b>		
5	Consultancy & contractor support for Otterpool Park application	100,000
6	Additional legal resources for Otterpool Park	24,000
7	Consultancy costs to support the processing of Planning Applications	100,000
	Impact of pay negotiation - removal of salary Grade A	18,000
<b>Housing, Transport and Special Projects</b>		
8	Increase in rents & rates of car parks	29,500
9	Parkmap system for Traffic Regulation Orders	23,863
<b>Communities</b>		
10	Safeguarding Officer	17,000
11	Community Projects	10,000
<b>Economy</b>		
12	Folkestone Town Centre Regeneration Scheme	100,000
13	Mountfield Road Business Centre	30,000
<b>Enforcement Regulatory Services, Waste and Building Control</b>		
14	Traveller incursion preventative enforcement action	8,000
15	Training & equipment to comply with HSE requirements	25,000
16	Climate Change Officer	42,600
17	Demographic growth of waste contract	92,000
18	Replacement residual/refuse bins	50,000
19	Environmental Enforcement Officer	35,000
<b>Digital Transformation and Customer Services</b>		
20	Transformation ICT improvement costs	454,000
<b>Total Revenue Growth Proposals 2020/21</b>		<b><u><u>1,269,963</u></u></b>
<b>Proposed amendments to Revenue Income Budgets for 2020/21</b>		
1	Reduction in Housing Benefits	-350,000
2	Additional planning income	-300,000
3	Additional net on street parking income	-55,000
4	Additional net off street parking income	-160,000
5	Additional property rental income	-25,000
6	Various other income	-113,399
		<b><u><u>-1,003,399</u></u></b>

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## 2020/21 Capital Programme Growth Proposals

Service Area	Description of Proposal	2020/21 Capital Growth £
<b>Environment and Corporate Assets - Andy Blaszkowicz</b>		
1	Parking Services - replacement of 15 on-street pay and display machines in Folkestone to be spread over a three year period.	47,300
2	Parking Services - New Traffic Regulation Order (TRO) system (Parkmap System) to manage TROs and assist with parking enforcement	38,000
		85,300
<b>Governance, Law and Regulatory Services - Amandeep Khroud</b>		
3	Private Sector Housing - continuation of the joint Empty Homes Initiative with Kent County Council to provide loans to property owners to bring empty units back into use. To be funded from the recycling of repaid loans made previously under this initiative	300,000
		<b>385,300</b>

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### 2020/21 Budget Timetable

<b>Date</b>	<b>Details</b>
16 October 2019	Full Council <ul style="list-style-type: none"> <li>• Medium Term Financial Strategy 2020/21 to 2023/24</li> </ul>
12 November 2019	Overview and Scrutiny <ul style="list-style-type: none"> <li>• Budget Strategy 2020/21</li> <li>• Fees and Charges 2020/21.</li> </ul>
13 November 2019	Cabinet <ul style="list-style-type: none"> <li>• Budget Strategy 2020/21</li> <li>• Fees and Charges 2020/21.</li> </ul> <p>Budget consultation begins</p>
December 2019 (TBC)	Provisional local government finance settlement 2020/21 announced by Ministry of Housing, Local Government and Communities.
10 December 2019	Overview and Scrutiny Committee <ul style="list-style-type: none"> <li>• Detailed scrutiny of draft budget</li> <li>• General Fund draft Revenue Budget 2020/21</li> <li>• HRA revenue and draft Capital Budget 2020/21</li> </ul>
11 December 2019	Cabinet <ul style="list-style-type: none"> <li>• General Fund draft revenue budget 2020/21</li> <li>• HRA revenue and capital draft budget 2020/21</li> </ul>
Early 2020 (TBC)	Final Local Government Finance Settlement confirmed.
15 January 2020	Budget consultation with Folkestone & Hythe Parish Councils Joint Committee
22 January 2020	Cabinet <ul style="list-style-type: none"> <li>• Outcome of Final Local Government Finance Settlement (if required)</li> <li>• General Fund Draft Medium Term Capital Programme 2020/21 to 2024/25 (considered at O&amp;S 21 January).</li> </ul> <p>Budget consultation ends</p>
19 February 2020	Cabinet: <ul style="list-style-type: none"> <li>• General Fund Budget 2020/21</li> <li>• HRA Budgets and Rents 2020/21</li> <li>• General Fund Medium Term Capital Programme 2020/21 to 2024/25.</li> </ul>
19 February 2020	Full Council : <ul style="list-style-type: none"> <li>• General Fund Budget 2020/21</li> <li>• HRA Budgets and Rents 2020/21</li> <li>• General Fund Medium Term Capital Programme 2020/21 to 2024/25.</li> </ul>

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This Report will be made public on 5 November 2019



Report Number **C/19/41**

**To:** Cabinet  
**Date:** 13 November 2019  
**Status:** Key Decision  
**Head of Service:** Charlotte Spendley, Assistant Director Finance, Customer & Support Services  
**Cabinet Member:** Councillor David Monk - Cabinet Member for Finance

**SUBJECT: FEES AND CHARGES 2020/21**

## **SUMMARY:**

This report focuses on the proposed fees and charges for 2020/21 which will contribute towards meeting the council's 2020/21 budget objectives and Medium Term Financial Strategy.

The Council's Fees and Charges Policy was revised and agreed by Cabinet on 15 November 2017 (Report C/17/54).

## **RECOMMENDATIONS**

1. To receive and note report C/19/41.
2. To approve:
  - (i) The 2020/21 fees and charges which are set at the discretion of the council for the General Fund and Housing Revenue Account, as outlined in Appendix 2;
  - (ii) The parking charges in Appendix 3;
  - (iii) The statutory charges subject to discretionary charges in Appendix 4.

## **1. INTRODUCTION AND BACKGROUND**

- 1.1 The Fees and Charges Policy sets out the Council's charging framework. The Policy is outlined within Appendix 1 in full. It is felt that the policy remains relevant and no changes to the policy are proposed at this time.
- 1.2 The proposal for 2020/21 is to apply the CPI rate at June 2019 (2%) as the benchmark for price increases. There are exceptions to this principle where an inflationary increase is anticipated to have an adverse impact on demand or where it would place the charge out of line with comparable services in neighbouring councils.
- 1.3 The proposed discretionary fees and charges for 2020/21 are detailed at Appendices 2 to 4.

## **2. DISCRETIONARY FEES AND CHARGES – APPENDIX 2**

### **2.1 Legal, Democratic and Contract Services**

- 2.1.1 Hythe Pool – proposed increases are broadly inflationary, however some charges remain unchanged due to current fees being in line with other leisure providers, or in some cases more.

### **2.2 Housing Services**

- 2.2.1 All HRA resident charges to be increased by inflation rate in line with the agreed policy. Rent setting will be considered separately through the December HRA Cabinet paper and is not subject to these inflationary increases.

### **2.3 Commercial & Technical**

- 2.3.1 No increases to the Private Lifeline charges are proposed so that our charges remain competitive when compared with other providers.
- 2.3.2 Hire of Land – increases higher than the inflation rate are proposed. Increases are on average 6% to bring charging in line with comparative fees for Folkestone Parks & Pleasure Grounds Charity land.

### **2.4 Community Services**

- 2.4.1 Miscellaneous Licensing - New fees added to schedule for dog boarding and breeding and keeping and training animals, this replaces current structure of charging due to new legislation which took effect from 1st October 2018. Increases have been limited to the inflationary rate of 2%, except for the fee relating to the hiring of horses has increased to £166.50.
- 2.4.2 Market fees - A new Street Trading Consent licence applicable for 3 months has been introduced and the existing annual licence is proposed to be increased by the inflationary rate of 2%. The existing Street Trading licence

relating to stall lanterns is proposed to be increased from £2.00 to £5.00 per day, per stall.

- 2.4.3 Food & Safety – the Food Export certificate charge has been split into certification and food inspection. The combined fee for these two elements has been reduced by 3.5%. This will support local businesses, following Brexit, which may only require a number of certificates for export but not an inspection.

## **2.5 Finance, Customer & Support Services**

- 2.5.1 Street Naming & Numbering – Charges are proposed to be increased from 2019/20 levels at an above inflation rate, resulting in an average increase across this service of 13%. These range from a £6 increase (to £245) for the provision of historical information to £164 increase (to £735) to change a street name.
- 2.5.2 Cemeteries – proposed change to fee structure; burial & plot charges now included within age category purchase fees. Digging fees & other fees increased by inflationary rate of 2%. Exhumation fees no longer a fixed fee but a variable fee from 2020/21. Memorial bench fees are to be increased by 4%, this is to take into account that there were no increases in 2019/20.
- 2.5.3 Public Health Funerals – a new fee of £300 is proposed to cover the cost of these.

## **3. PARKING CHARGES 2020/21 – APPENDIX 3**

- 3.1 It is not proposed to apply inflationary increases across the parking charges schedule except for the following locations to assist with car park operations, seasonal demand and road congestion:

Long stay Sandgate Road – proposed increase of 50p across all stay durations

Mount Street, Hythe – proposed additional hour of parking taking to 3 hour maximum stay. £1.20 for first hour, linear per minute charging thereafter.

Lower Sandgate Road West – proposed significant above inflationary increases to help manage demand.

- 3.2 Folkestone Controlled Parking Zones (CPZ) – new fees for permits to assist Tradesmen working at properties across CPZ's. New yearly permit for £416 and a six monthly permit for £208.
- 3.3 Parking Suspensions – proposed increase from a £75 flat fee to £100 administration fee plus £12 per day per 6m parking space.

#### 4. STATUTORY CHARGES SUBJECT TO DISCRETIONARY FEES – APPENDIX 4

- 4.1 Local Land charges (Commercial) – the basic research fee is proposed to be reduced from £130 in 2019/20 to £95 in 2020/21 which will bring it in line with the residential charges.

#### 5. 2020/21 GENERAL FUND BUDGET IMPLICATIONS

- 5.1 The following budget changes have been proposed though the Budget Strategy document also being considered at this meeting in respect of income budgets. Additionally there are a few smaller income adjustments reflected in the Budget Strategy position through the base budget review. Several of these adjustments however are reflective of current trends rather than proposed changes to the fees & charges schedules. The significant changes that relate to the level of fees being charged are the part of the increase in Off-Street Parking income.

The increase comprises:

	£
<b>Increased income:</b>	
Hythe Swimming Pool	6,000
Household Waste Collection	3,000
Hackney Carriage Licence	1,500
Recycling & Waste	14,500
Planning Application Fees	13,000
Off-Street Parking	95,000
On-Street Parking	5,000
Street Naming & Numbering	1,800
Cemeteries	7,300
Memorial Benches	2,000
	<hr/>
<b>Net</b>	<hr/> <b>£149,100</b> <hr/>

#### 6. PROPOSED AMENDMENTS TO HOUSING REVENUE ACCOUNT FEES AND CHARGES

##### Charges for Wastewater Treatment Works and Pumping Stations

- 6.1 The 2019/20 Fees and Charges report highlighted that the HRA subsidises the cost of this service. As in previous years, Cabinet agreed to limit increases on the charge for this service for existing users to annual increases of 8% in 2019/20 where users of the service were already paying the maximum charge of £875 per property. Users whose charge was lower than this would continue to pay the actual cost of the service up to the capped maximum amount. Cabinet has also previously agreed that new purchasers of properties, who buy under the 'Right to Buy' scheme, pay the actual cost of wastewater treatment works and cesspools.

The increase to the capped charge takes it from £945 in 2019/20 to £1,020 in 2020/21 and will reduce the HRA subsidy to £2,000 from £4,000.

#### Cesspools

- 6.2 In 2019/20 the same principle of the council recovering its costs up to a maximum of £945 for each household has previously been approved for the 7 council-owned properties which drain to cesspools. This produces annual income of £6,615. The cost of the service in 2018/19 was £11,820. If the cost is about the same in 2019/20 the HRA would be subsidising the service by approximately £5,205. In line with the above, it is recommended that the cap remains at the already approved figure of 8% per annum for 2020/21 taking the annual charge to £1,020.
- 6.3 Charges to tenants for garages, parking, room hire, etc. are to be increased by 2%
- 6.4 The budget implications of these changes will be reflected in the Housing Revenue Account and Capital Original Budget 2020/21 report to Cabinet in February 2020.

## **7. RISK MANAGEMENT ISSUES**

- 7.1 A summary of the perceived risks follows:

<b>Perceived risk</b>	<b>Seriousness</b>	<b>Likelihood</b>	<b>Preventative action</b>
Income targets are not achieved resulting in a budget deficit	High	Medium	All fees and charges and income budgets are reviewed in detail each year to ensure that they are reasonable and achievable.

## **8. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **8.1 Legal Officer's Comments (NE)**

As a general rule, the Council is under a duty to act fairly in its decision-making, including exercising its discretion to increase relevant fees and charges. The Localism Act 2011 gives the Council a wide ambit of power to charge for its services and section 93 of the Local Government Act 2003 gives the Council capacity to charge for relevant services; on the basis it is doing so without 'trading' (or making a profit).

### **8.2 Finance Officer's Comments (LH)**

The financial implications are set out in the report.

### 8.3 Diversities and Equalities Implications

The budget report to Full Council in February 2020 will include an Equality Impact Assessment of the budget recommendations for 2020/21.

## 9. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Leigh Hall, Group Accountant

Tel: 01303 853231

E-mail: [leigh.hall@folkestone-hythe.gov.uk](mailto:leigh.hall@folkestone-hythe.gov.uk)

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

Budget working papers

#### **Appendices:**

Appendix 1 - Fees and Charges Policy

Appendix 2 - Discretionary Fees and Charges Schedule

Appendix 3 – Parking Schedule

Appendix 4 - Statutory Fees Subject to Discretionary Charges Schedule

### **General Fees and Charges Policy**

All fees and charges are subject to the following general policy.

1. There shall be full cost recovery so that general council taxpayers are not subsidising the costs of an optional service. Any exceptions to this rule can only be agreed by cabinet. Where there is a substantial change between the current charge and the full cost recovery amount, the increase can be staggered over a period of up to three financial years.

In addition:

2. Fees and charges are increased by the current rate of inflation (generally rounded up to the nearest 10p).

The main exceptions to this rule are:

- Court fees
- Room bookings at the civic centre – voluntary organisations
- Car parking – as subject to review in the Car Park Strategy
- Building control – subject to full cost recovery of building control chargeable element.
- Contract charges with other organisations which are subject to separate negotiations
- Commercial activities - where fees and charges need to respond to market conditions or their ability to compete effectively for tenders. These will be discussed with the relevant portfolio holder at the appropriate time but will be on the basis of covering all costs at a minimum.
- Statutory charges - over which the council has no control and will be introduced as per the respective guidance and will not be subject to this policy

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Discretionary Fees and Charges 2020/21

		VAT KEY	OS	Outside the scope of VAT		APPENDIX 2	
			S	Standard Rated	20%		
			E	Exempt			
			Charges for 2019/20			Charges for 2020/21	
		VAT	Net of VAT if	Charges for 2019/20		Net of VAT if	Charges for 2020/21
Service	Further Information	Category	applicable	with VAT if applicable		applicable	with VAT if applicable
			£	£		£	£
LEGAL, DEMOCRATIC AND CONTRACTS SERVICES							
<b>Freedom of Information Act 2000</b>							
Estimation of officer time taken to process the request – 18 hours or more: (disbursements eg. photocopying and postage will be charged separately)							
Initial charge (for first 18 hours)		OS	450.00	450.00		450.00	450.00
Additional hours (per hour)		OS	25.00	25.00		25.00	25.00
<b>Environmental Information Regulations</b>							
Requests under the Environmental Information Regulations will be charged at £25 an hour (disbursements eg. photocopying and postage will be charged separately)			25.00	25.00		0.00	0.00
<b>Data Protection Act (Effective from 25 May 2018)</b>							
Manifestly unfounded or excessive request - estimation of officer time taken to process the request – 18 hours or more: (disbursements eg. photocopying and postage will be charged separately)		OS					
Initial charge (for first 18 hours)		OS	450.00	450.00		450.00	450.00
Additional hours (per hour)		OS	25.00	25.00		25.00	25.00
Requests for further copies of information already supplied: hours charged at £25 per hour (disbursements eg. photocopying and postage will be charged separately)		OS	25.00	25.00		25.00	25.00
<b>Legal Fees</b>							
Development/planning agreements	First 10 hours	OS	700 to 4,000	700 to 4,000		715 to 4,080	715 to 4,080
Hourly rate thereafter		OS	110.00	110.00		110.00	110.00
Commercial property / lease	Hourly rate if applicable	OS	450 to 850	450 to 850		460 to 870	460 to 870
Transfer of miscellaneous land		OS	550 to 750	550 to 750		560 to 765	560 to 765
Lease renewals		OS	250 to 500	250 to 500		255 to 510	255 to 510
License to assign		OS	400 to 850	400 to 850		410 to 870	410 to 870
Licenses for land		OS	250 to 850	250 to 850		255 to 870	255 to 870
Easements		OS	350 to 800	350 to 800		360 to 820	360 to 820
Land enquiries - abortive transaction fee		OS	150.00	150.00		155.00	155.00
Deed of surrender		OS	400 to 850	400 to 850		410 to 870	410 to 870
Deed of novation		OS	400 to 850	400 to 850		410 to 870	410 to 870
Leaseholder matters/post RTB Matter		OS	150 to 300	150 to 300		155 to 310	155 to 310
Discharge of mortgages		OS	120.00	120.00		125.00	125.00
Rent reviews		OS	150.00	150.00		155.00	155.00
Supplying copies of deed/misc land documents per A4 photocopying charge		OS	0.10	0.10		0.10	0.10
Hourly rate for providing services to external organisations or hourly rate to be applied in complex property/development transactions		S	105.00	126.00		110.00	132.00

Discretionary Fees and Charges 2020/21

VAT KEY

OS

Outside the scope of VAT  
Standard Rated  
Exempt

20%

APPENDIX 2

Service	Further Information	VAT Category	Charges for 2019/20		Charges for 2020/21	
			Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Net of VAT if applicable	Charges for 2020/21 with VAT if applicable
			£	£	£	£
<b>Hythe Swimming Pool</b>						
<i>These activities are subjected to standard VAT unless there is a block booking of 10 or more sessions by schools, clubs or</i>						
Swimming – Adult		S	3.50	4.20	3.60	4.30
Swimming – Junior		S	2.20	2.60	2.25	2.70
Swimming – Senior		S	2.20	2.60	2.25	2.70
Swimming – Off Peak		S	2.70	3.20	2.75	3.30
Swimming – Disabled		S	1.75	2.10	1.75	2.10
Swimming – Carer		S	1.75	2.10	1.75	2.10
Organised Groups – Adults		S	3.00	3.60	3.00	3.60
Organised Groups – Junior		S	1.90	2.30	1.95	2.30
Family ticket (2 adults & 2 juniors or 1 adult & 3 juniors)		S	9.20	11.00	9.30	11.20
Aqua Aerobics/Fit		S	4.50	5.40	4.50	5.40
Aqua Zumba		S	4.50	5.40	4.50	5.40
Spectator Admission		S	0.80	1.00	0.80	1.00
Gym		S	4.60	5.50	4.60	5.50
Adult lessons – course of 10 (45 minute lessons)		E	81.50	81.50	81.50	81.50
Adult (front crawl) training - per session		E	5.40	5.40	5.40	5.40
Junior lessons – course of 10 (30 minute lessons)		E	56.00	56.00	56.00	56.00
Pool hire per hour (includes 1 lifeguard and upto 30 people)		S	93.33	112.00	95.00	114.00
Teaching Pool hire per hour		S	33.75	40.50	34.42	41.30
Club hire (Monday-Saturday)		E	68.00	68.00	69.40	69.40
Club hire (Sunday)		E	62.00	62.00	63.20	63.20
Lifeguard for clubs		E	11.70	11.70	11.95	11.95
Adult blue voucher book (12 tickets)		S	35.00	42.00	35.80	43.00
Senior voucher book (12 tickets)		S	22.00	26.00	22.50	27.00
Junior voucher book (12 tickets)		S	22.00	26.00	22.50	27.00
Disabled Voucher book (12 tickets)		S	17.50	21.00	17.50	21.00
Aqua Aerobics yellow voucher books (12 tickets)		S	45.00	54.00	45.00	54.00
School swimming teacher - per half hour		S	7.08	8.50	7.25	8.70
Schools non exclusive – per child per half hour		S	1.85	2.20	1.85	2.20
School exclusive pool hire – per half hour (maximum 20 children)		S	29.00	35.00	29.00	35.00
School exclusive pool hire – additional children		S	1.25	1.50	1.25	1.50
Private lessons per half hour – 1 child		E	13.50	13.50	13.50	13.50
Direct debit - annual advance payment		S	175.00	210.00	175.00	210.00
Direct debit - monthly payment on a minimum 12 month contract		S	15.30	18.40	15.30	18.40
Direct debit monthly payment - open contract (no minimum term can be cancelled at		S	19.70	23.60	19.70	23.60
Joining fee for open contract direct debit		S	13.70	16.40	13.70	16.40

Discretionary Fees and Charges 2020/21

VAT KEY

OS  
S  
E

Outside the scope of VAT  
Standard Rated  
Exempt

20%

APPENDIX 2

Service	Further Information	VAT Category	Charges for 2019/20	Charges for 2019/20	Charges for 2020/21	Charges for 2020/21
			Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Net of VAT if applicable	Charges for 2020/21 with VAT if applicable
			£	£	£	£
Waste & Recycling						
Bulky household collection (1 item)		OS	24.50	24.50	24.99	24.99
Bulky waste additional items (collected on the same visit)		OS	6.00	6.00	6.00	6.00
Abortive visits (including scheduled collections not cancelled 1 working day in advance)		OS	24.50	24.50	24.99	24.99
Cancelled visits - (including scheduled collections not cancelled 1 working day in advance)		OS	5.00	5.00	5.00	5.00
Garden waste sacks individual		OS	1.25	1.25	1.30	1.30
Garden waste sacks (roll of 10 sacks)		OS	11.45	11.45	11.70	11.70
Purple sacks (restrictions apply) - individual		OS	2.45	2.45	2.50	2.50
Purple sacks (restrictions apply) - roll of 13 sacks		OS	29.95	29.95	30.50	30.50
Supply & delivery of 140 litre wheeled bin		OS	35.99	35.99	36.70	36.70
Supply & delivery of 180 litre wheeled bin		OS	49.99	49.99	50.99	50.99
Supply & delivery of 240 litre wheeled bin		OS	47.95	47.95	48.90	48.90
Supply & delivery of 360 litre wheeled bin		OS	75.95	75.95	77.50	77.50
Supply & delivery of 660 litre green (residual) wheeled bin		OS	235.00	235.00	239.70	239.70
Supply & delivery of 660 litre wheeled bin (recyclables)		OS	245.00	245.00	249.90	249.90
Supply & delivery of 1100 litre green (residual) wheeled bin		OS	252.00	252.00	257.00	257.00
Supply & delivery of 1100 litre wheeled bin (recyclables)		OS	262.00	262.00	265.00	265.00
Bin authorisation fee (2 wheeled bin)		OS	6.00	6.00	6.00	6.00
Bin authorisation fee (4wheeled bin)		OS	12.00	12.00	12.00	12.00
Food waste collections, kerbside container		OS	9.95	9.95	10.15	10.15
Food waste collections, kitchen caddy		OS	5.95	5.95	6.70	6.70
New property container offer (Up to 2WB, 2 Food + Box) Price capped at		OS	84.95	84.95	86.65	86.65
Black box recycling container		OS	9.95	9.95	10.15	10.15
Purple box recycling container		OS	9.95	9.95	10.15	10.15
Green waste collection - contribute towards purchase		OS	29.95	29.95	30.50	30.50
Green waste collection - annual subs.		OS	47.00	47.00	48.00	48.00
Green waste collection - direct debit		OS	47.00	47.00	48.00	48.00

Discretionary Fees and Charges 2020/21

VAT KEY

OS

S

E

Outside the scope of VAT

Standard Rated

Exempt

20%

APPENDIX 2

Service	Further Information	VAT Category	Charges for 2019/20		Charges for 2020/21	
			Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Net of VAT if applicable	Charges for 2020/21 with VAT if applicable
			£	£	£	£
COMMUNICATIONS						
Below are the advertised rates, but discretionary discounts could be considered.						
Advertising space in Your District Today	1/4 Page	S	295.00	354.00	295.00	354.00
Advertising space in Your District Today	1/2 Page	S	495.00	594.00	495.00	594.00
Advertising space in Your District Today	Full Page	S	850.00	1,020.00	850.00	1,020.00
Advertising space in Your District Today	Back Page	S	995.00	1,194.00	995.00	1,194.00
Advertising space in Your District Today	Inside Front/Back cover	S	900.00	1,080.00	900.00	1,080.00
HOUSING SERVICES						
Housing Revenue Account						
Garages let to SDC tenants	Per week	OS	11.70	11.70	11.90	11.90
Garages let privately	Per week	S	11.70	14.00	11.93	14.30
Parking spaces let to SDC tenants	Per week	E	3.40	3.40	3.50	3.50
Parking spaces let privately	Per week	S	3.40	4.00	3.50	3.50
Stores	Per week	E	17.50	17.50	17.90	17.90
Hire of scooter store	Per week	E	2.40	2.40	2.45	2.45
Lounge hire - sheltered accommodation	Per hour	E	14.60	14.60	14.90	14.90
Guest rooms - sheltered accommodation	Per night	E	17.50	17.50	17.85	17.85
Lifeline for Council tenants (VAT is zero rated for clients with disabilities)	Per week	S	1.00	1.20	1.00	1.20
Long lease renewals						
Administrative fee		S	210.00	252.00	214.20	257.00
Valuation fee		S	377.00	452.40	384.50	461.40
Plan fee		S	100.00	120.00	102.00	122.40
Supporting People						
- Full Sheltered	Per week	E	11.20	11.20	11.40	11.40
- Semi Sheltered	Per week	E	0.80	0.80	0.80	0.80
Shed	Per week	E	3.90	3.90	3.98	3.98
RTB - management fee	Annual	E	220.00	220.00	220.00	220.00
RTB - reference for purchase		E	45.00	45.00	45.90	45.90
RTB - service charges enquiry		E	79.00	79.00	80.60	80.60
Sale of land - administration fee		S	263.00	315.60	268.25	321.90
Housing						
Non-Statutory Inspection fee	Per inspection	S	115.83	139.00	120.00	144.00

Discretionary Fees and Charges 2020/21

		VAT KEY	OS	Outside the scope of VAT		APPENDIX 2	
			S	Standard Rated	20%		
			E	Exempt			
			Charges for 2019/20			Charges for 2020/21	
Service	Further Information	VAT Category	Net of VAT if applicable	Charges for 2019/20 with VAT if applicable		Net of VAT if applicable	Charges for 2020/21 with VAT if applicable
			£	£		£	£
COMMERCIAL & TECHNICAL SERVICES							
Parking Services							
Provision of white 'access' road markings (outside premises or private drive):							
Analysis and survey work	per application	E	121.00	121.00		121.00	121.00
Installation and maintenance (10 years)	per application	E	158.00	158.00		158.00	158.00
Hire of Land							
Refundable deposit - non-commercial events(minimum of £100) - sliding scale		OS	up to £500.00	up to £500.00		up to £500.00	up to £500.00
Small non-commercial events (excluding Boot Fairs) - hire charge		OS	135.00	135.00		143.00	143.00
Charitable/Community events (excluding Boot Fairs) - hire charge		OS	40.00	40.00		41.00	41.00
Boot Fairs		OS	260.00	260.00		280.00	280.00
Commercial events hire charge (per day)		OS	1,150.00	1,150.00		1,210.00	1,210.00
Refundable deposit - commercial events (minimum of £500) - sliding scale		OS	up to £1,000.00	up to £1,000.00		up to £1,000.00	up to £1,000.00
Arranging TPC road closure (admin fee)		OS	25.00	25.00		25.00	25.00
Cleaning & restocking charge for use of WCs used by event organiser (some exemptions available on request)		S	104.00	125.00		110.83	133.00
Public Toilets							
Dymchurch Sea Wall toilets		OS	0.20	0.20		0.20	0.20
Radar keys		S	2.20	2.60		2.24	2.70
Outdoor Sports and Recreation							
Outdoor Sports and Recreation							
These activities are subjected to standard VAT unless there is a block booking of 10 or more sessions by schools, clubs or associations, then it is treated as an exempt activity.							
Cricket – Shorncliffe		S	61.40	73.70		62.63	75.20
Cricket – Shorncliffe (Concession)		S	25.60	30.70		26.11	31.30
Football – Sports Ground (Cheriton)		S	66.50	79.80		67.83	81.40
Football – Sports Ground (Cheriton) (concession)		S	46.00	55.20		46.92	56.30
Mini Soccer - Sports Ground (Cheriton)		S	14.80	17.80		15.10	18.10
Football - 9v9 Sports Ground (Cheriton Rd and North Rd)		S	29.70	35.60		30.30	36.40
Football – Stadium (Cheriton)		S	56.30	67.60		57.43	68.90
Football – Stadium (Cheriton) (concession)		S	35.80	43.00		36.52	43.80
Royal Military Canal:							
Allotments (Green Lane) Full Plot		OS	41.00	41.00		41.80	41.80
Allotments (Green Lane) Half Plot		OS	20.50	20.50		20.90	20.90
Shingle Extraction							
Annual Fee up to 120,000 cubic metres		OS	n/a	n/a		n/a	n/a
Fee per cubic metre over 120,000 cubic metres		OS	1.02	1.02		1.04	1.04
Beach Huts							
Hythe			800.00	800.00		800.00	800.00
Sale of Documents							
Sale of miscellaneous documents - Building Control		S	Variable	Variable		Variable	Variable

Discretionary Fees and Charges 2020/21

Discretionary Fees and Charges 2020/21			VAT KEY	OS	Outside the scope of VAT		APPENDIX 2
				S	Standard Rated	20%	
				E	Exempt		
			Charges for 2019/20			Charges for 2020/21	
Service	Further Information	VAT Category	Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Net of VAT if applicable	Charges for 2020/21 with VAT if applicable	
			£	£	£	£	
Private Lifeline Charges							
Equipment subject to VAT but client has option to complete VAT exemption form.							
Gemini unit (per week)	per week	S	3.50	4.20	3.50	4.20	
Bogus caller alarm		S	31.00	37.20	31.00	37.20	
CO2 fall & flood detector	Quarterly charge	S	34.50	41.40	34.50	41.40	
GPS Footprint	per week	S	5.30	6.40	5.30	6.40	
Universal sensor	Quarterly charge	S	17.20	20.60	17.20	20.60	
Epilepsy sensor	per week	S	6.70	8.00	6.70	8.00	
Pull cord		S	2.00	2.40	2.00	2.40	
Property exit sensor		S	2.20	2.60	2.20	2.60	
Bed occupancy sensor	Quarterly	S	81.25	97.50	81.25	97.50	
Bed sensory pad	per week	S	1.50	1.80	1.50	1.80	
PR / fault visits		S	39.00	46.80	39.00	46.80	
Safe socket		S	31.00	37.20	31.00	37.20	
Smoke detectors	per week	S	2.30	2.80	2.30	2.80	
Telephone extension lead		S	6.00	7.20	6.00	7.20	
Electrical extension lead		S	9.00	10.80	9.00	10.80	
Pendant		S	72.50	87.00	72.50	87.00	
Pendant rental	per week	S	1.50	1.80	1.50	1.80	
Replacement pendant (used)		S	40.00	48.00	40.00	48.00	
Lost units (replacements)		S	138.00	165.60	138.00	165.60	
GSM (mobile phone lifeline)	per week	S	6.70	8.00	6.70	8.00	
Care assist	per week	S	3.30	4.00	3.30	4.00	
Care assist for existing clients with faulty line		S	44.00	52.80	44.00	52.80	
Replacement power supply	per unit	S	36.00	43.20	36.00	43.20	
Big button phone	per unit	S	17.50	21.00	17.50	21.00	
Minuet pendants	per unit	S	85.00	102.00	85.00	102.00	
ADSL filters	Unit price +10%	S	5.00	6.00	5.00	6.00	
Installation charge		S	40.00	48.00	40.00	48.00	
Out of area installation charge		S	69.50	83.40	69.50	83.40	
RSL monitoring income shown as an hourly rate		S	0.11	0.13	0.11	0.13	
Wristband set up charge		S	35.00	42.00	35.00	42.00	
Wristbands (per annum)		S	20.00	24.00	20.00	24.00	
Telehealth monitoring		S	1.85	2.20	1.85	2.20	
Warm Homes		S	1.55	1.90	1.55	1.90	
Lone Worker scheme set-up	per person	S	5.50	6.60	5.50	6.60	
Lone Worker scheme part-time	per week	S	0.90	1.10	0.90	1.10	
Lone Worker scheme full-time	per week	S	1.20	1.40	1.20	1.40	
Data holding and contract holding	per week	S	0.60	0.70	0.60	0.70	
Monitoring only - donated (per week)	As per supporting people	S	2.20	2.60	2.20	2.60	
Daily Check Calls	per quarter	S	14.60	17.50	14.60	17.50	
Daily Check Calls	per annum	S	58.40	70.10	58.40	70.10	

Discretionary Fees and Charges 2020/21

Discretionary Fees and Charges 2020/21			VAT KEY	OS S E	Outside the scope of VAT Standard Rated Exempt	20%	APPENDIX 2
Service	Further Information	VAT Category	Charges for 2019/20	Charges for 2019/20	Charges for 2020/21	Charges for 2020/21	
			Net of VAT if applicable £	with VAT if applicable £	Net of VAT if applicable £	with VAT if applicable £	
PLANNING SERVICES							
Planning Pre-Application Charging Schedule							
Householder application - written advice only		S	43.75	52.50	44.63	53.60	
Householder application - up to 1 hour meeting with written advice		S	131.25	157.50	133.89	160.70	
Equestrian development (domestic) - written advice only		S	43.75	52.50	44.63	53.60	
Equestrian development (domestic) - up to 1 hour meeting with written advice		S	131.25	157.50	133.89	160.70	
Replacement dwellings							
Single dwelling/flat/holiday let/self contained annexe, incl change of use - written		S	131.25	157.50	133.89	160.70	
Single dwelling/flat/holiday let/self contained annexe, incl change of use - up to 1 hour meeting with written advice		S	218.75	262.50	223.13	267.80	
2 - 9 dwellings/flats/holiday lets incl HMOs, self contained units with care - written advice only		S	216.75	260.10	221.09	265.30	
2 - 9 dwellings/flats/holiday lets incl HMOs, self contained units with care - up to 1 hour meeting with written advice		S	367.50	441.00	374.85	449.80	
10 - 20 dwellings/flats/holiday lets incl HMOs, self contained units with care - up to 2 hour meeting with written advice		S	568.75	682.50	580.13	696.20	
21 - 49 dwellings/flats/holiday lets incl HMOs, self contained units with care - up to 2 hour meeting with written advice		S	743.75	892.50	758.63	910.40	
50 - 199 dwellings/flats/holiday lets incl HMOs, self contained units with care - up to 2 hour meeting with written advice. (Planning Performance Agreement if appropriate for cost recovery of officer time and consultant costs)		S	875.00	1,050.00	892.50	1,071.00	
Strategic development 200 units and over - Planning Performance Agreement for cost recovery of officer time and consultant costs		S	Variable	Variable	Variable	Variable	
External alterations requiring planning permission - all uses		S	43.75	52.50	44.63	53.60	
Listed Buildings where no associated planning permission required - written advice only		S	65.60	78.70	66.91	80.30	
Listed Buildings where no associated planning permission required - 30 minute meeting with written advice		S	131.25	157.50	133.89	160.70	
Listed building work also requiring planning permission - relevant pre application planning fee.		S	Variable	Variable	Variable	Variable	
Advertisements (initial one hour advice meeting and letter)							
Businesses - further work following intial advice and all other business/commercial with a floor space 500m² and below		S	43.75	52.50	44.63	53.60	
Businesses - further work following initial advice and all other business/commercial with a floor space above 500m² - £525 plus £1,000 per 500m2 thereafter		S	437.50	525.00	446.25	535.50	
Businesses - further work following initial advice and all other business/commercial with a floor space above 500m² - £525 plus £1,000 per 500m2 thereafter		S	Variable	Variable	Variable	Variable	
All Other operations and developments including changes of use		S	437.50	525.00	446.25	535.50	
Sale of Documents							
Sale of miscellaneous documents - Planning Policy		S	Variable	Variable	Variable	Variable	
Sale of miscellaneous documents - Development Management		S	Variable	Variable	Variable	Variable	
Charging for monitoring legal agreements		S	Variable	Variable	Variable	Variable	
Shepway Core Strategy Local Plan	Hard Copy	S	73.50	88.20	74.97	90.00	
Shepway Core Strategy Local Plan	Saved Policies	S	94.40	113.30	96.29	115.50	
Shepway Core Strategy Local Plan - concessionary rate for local residents, Town and Parish Councils	Hard Copy	S	52.50	63.00	53.55	64.30	
	with Saved Policies	S	73.50	88.20	74.97	90.00	
Self-Build and Custom Build Housing Projects Register							
First time applicants		S	25.00	30.00	25.50	30.60	
Annual renewal		S	12.50	15.00	12.75	15.30	

Discretionary Fees and Charges 2020/21

Discretionary Fees and Charges 2020/21			VAT KEY	OS	Outside the scope of VAT	APPENDIX 2	
				S	Standard Rated	20%	
				E	Exempt		
				Charges for 2019/20		Charges for 2020/21	
Service	Further Information	VAT Category	Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Net of VAT if applicable	Charges for 2020/21 with VAT if applicable	
			£	£	£	£	
COMMUNITY SERVICES							
Hackney Carriage Licensing							
Drivers Single Licence		OS	130.00	130.00	135.00	135.00	
Drivers Dual Licence		OS	177.00	177.00	185.00	185.00	
Knowledge Test		OS	61.00	61.00	62.00	62.00	
Vehicle Licence – Annual		OS	279.00	279.00	273.00	273.00	
Vehicle Licence – Transfer		OS	94.00	94.00	96.00	96.00	
Vehicle Licence - Change of Ownership (no plates)					45.00	45.00	
Vehicle Plate replacement		OS	20.50	20.50	21.00	21.00	
Driver Badge replacement		OS	20.50	20.50	21.00	21.00	
Private Hire Operator Licence (Per vehicle)		OS	64.50	64.50	63.00	63.00	
Refund Processing Fee (surrendered Licence)					25.00	25.00	
Copy of Paper Licence					10.50	10.50	
Amend Paper Licence (change of address details)					10.50	10.50	
Miscellaneous Licensing							
Dangerous Wild Animals Act 1964 & 1970	Every Two years	OS	420.00	420.00	428.50	428.50	
Boarding in Kennels for Dogs Boarding For Cats (Part A)					184.50	184.50	
Selling Animals As Pets (Part A)					184.50	184.50	
Homeboarding for Dogs (6 or more animals), Dog Day Care, Homeboarding Agent (Part A)					166.50	166.50	
Homeboarding for Dogs (5 or less animals) (Part A)					148.50	148.50	
Breeding of Dogs (Part A)					166.50	166.50	
Keeping/Training Animals for Exhibition (5 or less animals) (Part A)					148.50	148.50	
Keeping/Training Animals for Exhibition (6 or more animals) (Part A)					184.50	184.50	
1 year Licence (Part B)					113.00	113.00	
2 year Licence (Part B)					176.00	176.00	
3 year Licence (Part B)					229.00	229.00	
Hiring of Horses (Part A)			120.00	120.00	166.50	166.50	
Other Charges							
Request for Variations							
- administrative amendment only			20.00	20.00	20.00	20.00	
- inspector visit (if required)			80.00	80.00	80.00	80.00	
Request for re-inspection (for all licences) plus vet fees if applicable			80.00	80.00	80.00	80.00	
Zoo Licence Act 1982							
Application Fee					604.20	604.20	
LA Inspector per hour					26.30	26.30	
Veterinary fees (all animal licences) - recharged at cost.			0.00	N/A	0.00	N/A	
Street Trading Consent/Licence (Annual)		OS	290.00	290.00	295.00	295.00	
Street Trading Consent (3 month)					120.00	120.00	
Non mobiles > 25 feet in length		OS	803.00	803.00	803.00	803.00	
Stall per foot- Sandgate Road	March to December	OS	3.00	3.50	3.00	3.50	
Stall per foot- Sandgate Road	January and February	OS	1.80	1.80	1.80	1.80	
Stall per foot- Guildhall Street	March to December	OS	2.00	2.35	2.00	2.35	
Stall per foot- Guildhall Street	January and February	OS	1.35	1.35	1.35	1.35	
Street Trading Licence (Lanterns) - per stall per day	per foot	OS	2.00	2.00	5.00	5.00	
Market License fee			tba	tba	tba	tba	
Canoe - annual		OS	29.00	29.00	29.50	29.50	
Canoe - seasonal		OS	19.00	19.00	19.50	19.50	
Boat - annual		OS	47.00	47.00	48.00	48.00	
Boat - seasonal		OS	29.50	29.50	30.00	30.00	



Discretionary Fees and Charges 2020/21

		VAT KEY	OS	Outside the scope of VAT	APPENDIX 2	
			S	Standard Rated	20%	
			E	Exempt		
			Charges for 2019/20		Charges for 2020/21	
Service	Further Information	VAT Category	Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Net of VAT if applicable	Charges for 2020/21 with VAT if applicable
			£	£	£	£
<b>Scrap Metal Licensing</b>						
Grant of site licence		OS	503.00	503.00	513.00	513.00
Renewal of site licence		OS	472.00	472.00	481.00	481.00
Collectors licence		OS	295.50	295.50	300.00	300.00
Variation of licence		OS	64.50	64.50	65.80	65.80
Change of details		OS	54.00	54.00	55.00	55.00
<b>Personal &amp; Premises Licences</b>						
Personal - Acupuncture, ear piercing, electrolysis & semi-permanent ink		OS	193.00	193.00	193.00	193.00
Personal - Tattooing Registration		OS	308.00	308.00	308.00	308.00
Personal - Sex Shop Consent		OS	2,067.00	2,067.00	2,067.00	2,067.00
Personal - Change to Registration		OS	107.00	107.00	107.00	107.00
<b>Premise Licence Pre-Application Schedule</b>						
Written advice (basic) following letter/submission received		S	20.50	24.60	21.00	25.20
Per 60 minute meeting with written advice		S	39.00	46.80	79.50	95.40
<b>Dog Control</b>						
Kennelling per night		OS	19.50	19.50	19.90	19.90
Out of hours dog collection		OS	51.15	51.15	52.20	52.20
Veterinary fees at cost		OS	Variable	Variable	Variable	Variable
Microchip fee		OS	5.00	5.00	5.00	5.00
Flea treatment (dependant on size of the dog)		OS	8.00 to 12.00	8.00 to 12.00	8.00 to 12.00	8.00 to 12.00
Worming (dependant on size of the dog)			8.00 to 13.00	8.00 to 13.00	8.00 to 13.00	8.00 to 13.00
Vaccination charge		OS	25.00	25.00	25.00	25.00
<b>Pollution Environmental Health</b>						
Contaminated land search fee		OS	150.00	150.00	153.00	153.00
Hourly fee for works in default (returning seized goods and removal of fly posting)		OS	15.00	15.00	15.30	15.30
<b>Food and Safety</b>						
Certificate for voluntary surrender of unfit food (Including 1 hour officer time)		OS	92.00	92.00	94.00	94.00
Plus officer time per additional hour		OS	42.00	42.00	43.00	43.00
Food export certificate		OS	140.00	140.00	45.00	45.00
Plus additional charge per consignment where inspection is required					90.00	90.00
Food Hygiene course - fee per person		E	60.00	60.00	60.00	60.00
Food Hygiene Scheme - re-rating	per application	E	130.00	130.00	130.00	130.00
<b>Private Water Supply Sampling</b>						
Risk assessments(If carried out by contractor)	per hour	OS	52.50	52.50	52.50	52.50
Risk assessments(If carried out by SDC staff)	per hour	OS	26.30	26.30	26.30	26.30
Mileage	per mile	OS	0.60	0.60	0.60	0.60
Sampling	per visit	OS	56.30	56.30	56.30	56.30
Analysis and courier (first sample)	first sample	OS	16.30	16.30	16.30	16.30
Additional sample	each	OS	5.50	5.50	5.50	5.50
<b>Caravan Site Licensing</b>						
New application	Band A (single pitch)	E	0.00	0.00	0.00	0.00
New application	Band B (2 - 10 pitches)	E	528.00	528.00	538.00	538.00
New application	Band C (11 - 25 pitches)	E	614.00	614.00	626.00	626.00
New application	Band D (26 - 50 pitches)	E	757.00	757.00	772.00	772.00
New application	Band E (51 - 100 pitches)	E	1,021.00	1,021.00	1,041.00	1,041.00
New application	Band F (101 - 200 pitches)	E	1,565.00	1,565.00	1,596.00	1,596.00
New application	Band G (201 - 400 pitches)	E	2,638.00	2,638.00	2,690.00	2,690.00
New application	Band H (401 - 800 pitches)	E	4,783.00	4,783.00	4,878.00	4,878.00
Annual fee	Band A	E	0.00	0.00	0.00	0.00
Annual fee	Band B	E	313.00	313.00	319.00	319.00
Annual fee	Band C	E	399.00	399.00	407.00	407.00

Discretionary Fees and Charges 2020/21

VAT KEY

OS  
S  
E

Outside the scope of VAT  
Standard Rated  
Exempt

20%

APPENDIX 2

Service	Further Information	VAT Category	Charges for 2019/20	Charges for 2019/20	Charges for 2020/21	Charges for 2020/21
			Net of VAT if applicable	with VAT if applicable	Net of VAT if applicable	with VAT if applicable
			£	£	£	£
Annual fee	Band D	E	542.00	542.00	552.90	552.90
Annual fee	Band E	E	807.00	807.00	823.20	823.20
Annual fee	Band F	E	1,350.00	1,350.00	1,377.00	1,377.00
Annual fee	Band G	E	2,423.00	2,423.00	2,471.50	2,471.50
Annual fee	Band H	E	4,569.00	4,569.00	4,660.40	4,660.40
Transfer	Band A	E	0.00	0.00	0.00	0.00
Transfer	Band B to Band H	E	58.00	58.00	59.00	59.00
Amendment	Band A (single pitch)	E	0.00	0.00	0.00	0.00
Amendment	Band B to Band H	E	81.00	81.00	82.60	82.60
Site rules	Band A (single pitch)	E	0.00	0.00	0.00	0.00
Site rules	Band B to Band H	E	39.00	39.00	39.50	39.50
FINANCE, CUSTOMER & SUPPORT SERVICES						
Street Naming and Numbering						
Changing a property address		OS	57.00	57.00	80.00	80.00
Registering a new property		OS	114.00	114.00	135.00	135.00
New Street/Building (2-10 units)		OS	217.00	217.00	280.00	280.00
New Street/Building (11-19 units)		OS	354.00	354.00	390.00	390.00
New Street/Building (>20 units)		OS	354.00	354.00	390.00	390.00
Additional unit		OS	30.00	30.00	30.00	30.00
Changing a street name		OS	571.00	571.00	735.00	735.00
Provision of historical information		OS	239.00	239.00	245.00	245.00
Cemeteries						
Purchase fees						
Children not exceeding 12		OS	202.00	202.00	247.00	247.00
Person over 12 –purchase fee		OS	559.00	559.00	611.00	611.00
Burial and Plot Fees (now included within above)		OS	1,038.00	1,038.00	0.00	0.00
Green Burials (Hawkinge Only)		OS	1,008.00	1,008.00	1,008.00	1,008.00
Plot purchase, first internment & right to erect						
Garden of remembrance (Lydd, Double Plot)		OS	610.00	610.00	610.00	610.00
Garden of remembrance (New Romney, Double Plot)		OS	610.00	610.00	610.00	610.00
Garden of remembrance (New Romney, Single Plot)		OS	382.00	382.00	382.00	382.00
Digging Fees						
Children stillborn - No charge		E				
Person over 12 – single depth digging		OS	576.00	576.00	587.00	587.00
Person over 12 – double depth		OS	855.00	855.00	872.00	872.00
Person over 12 – triple depth		OS	1,145.00	1,145.00	1,168.00	1,168.00
Other Fees						
Exhumation Fee (at cost)		E	1,219.00	1,219.00	Variable	Variable
Internment of ashes		OS	144.00	144.00	147.00	147.00
Late internment		OS	137.00	137.00	140.00	140.00
Spreading of ashes		OS	49.00	49.00	50.00	50.00
Scattering of ashes under turf		OS	144.00	144.00	147.00	147.00
Re-open fee		OS	87.00	87.00	89.00	89.00
Add. inscription		OS	74.00	74.00	75.00	75.00
Use of chapel		OS	142.00	142.00	145.00	145.00
Memorials – 6 X 3		OS	246.00	246.00	251.00	251.00
Vases		OS	94.00	94.00	96.00	96.00
Kerbs		OS	437.00	437.00	446.00	446.00
Laying down unsafe memorial		OS	124.00	124.00	127.00	127.00
Standard cost of a donated memorial bench, new plaque and 10 years mtce		OS	1,530.00	1,530.00	1,591.00	1,591.00

Discretionary Fees and Charges 2020/21

		VAT KEY	OS	Outside the scope of VAT	APPENDIX 2	
			S	Standard Rated	20%	
			E	Exempt		
			Charges for 2019/20		Charges for 2020/21	
Service	Further Information	VAT Category	Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Net of VAT if applicable	Charges for 2020/21 with VAT if applicable
			£	£	£	£
Standard cost of a refurbished donated memorial bench, new plaque and 10 years mtce		OS	900.00	900.00	936.00	936.00
Standard cost of a refurbished donated memorial bench, existing plaque and 10 years mtce		OS	790.00	790.00	822.00	822.00
Deed of grant		E	40.00	40.00	41.00	41.00
Transfer of Deed of Grant		E	103.00	103.00	105.00	105.00
Rose bush (includes 5yr maintenance) (now included within purchase fees above)		E	97.00	97.00	N/A	N/A
Reserved plot surcharge on use		OS	80.00	80.00	82.00	82.00
Reservation fee		OS	80.00	80.00	82.00	82.00
Family History Request - per request up to 3 names		E	30.00	30.00	31.00	31.00
Family History Request - per request more than 3 names		E	60.00	60.00	61.00	61.00
Replacement headstones - administration fee		E	50.00	50.00	51.00	51.00
Burial where ashes are added - administration fee		E	50.00	50.00	51.00	51.00
Mixing of two ashes - administration fee		E	50.00	50.00	51.00	51.00
Public Health Funerals			0.00	0.00	300.00	300.00

Discretionary Fees and Charges 2020/21

		VAT KEY	OS	Outside the scope of VAT		APPENDIX 2	
			S	Standard Rated	20%		
			E	Exempt			
			Charges for 2019/20			Charges for 2020/21	
Service	Further Information	VAT Category	Net of VAT if applicable	Charges for 2019/20 with VAT if applicable		Net of VAT if applicable	Charges for 2020/21 with VAT if applicable
			£	£		£	£
<b>Hiring of council meeting rooms for all non Folkestone &amp; Hythe District Council meetings/functions</b>							
<i>KALC (Kent Association of Local Councils) and relevant voluntary/Charity organisations 100% discount</i>							
Council Chamber	Basic Hourly rate	E	35.80	35.80		35.80	35.80
Council Chamber	Hourly rate after 9pm week day evenings & Saturday (including Civic Warden fee)	E	60.60	60.60		60.60	60.60
Council Chamber	Hourly rate for Sundays & Bank Holidays (including Civic Warden fee)	E	67.10	67.10		67.60	67.60
Boulogne and Middleburg Room	Basic Hourly rate	E	26.60	26.60		26.60	26.60
Boulogne and Middleburg Room	Hourly rate after 9pm week day evenings & Saturday (including Civic Warden fee)	E	50.30	50.30		51.90	51.90
Boulogne and Middleburg Room	Hourly rate for Sundays & Bank Holidays (including Civic Warden fee)	E	56.90	56.90		58.50	58.50
Other meeting rooms	Basic Hourly rate	E	15.30	15.30		15.30	15.30
Other meeting rooms	Hourly rate after 9pm week day evenings & Saturday	E	40.10	40.10		40.60	40.60
Other meeting rooms	Hourly rate for Sundays & Bank Holidays (including Civic Warden fee)	E	46.60	46.60		47.20	47.20
<b>Use of drinks machine for non Folkestone &amp; Hythe District Council meetings/functions</b>							
Per drink - Up to 30 persons		S	0.92	1.10		0.94	1.10
30 Persons or more		S	27.60	33.10		28.15	33.80
<b>General sale of documents / photocopying</b>							
Photocopying	per A4 sheet (black & white)	S	0.12	0.15		0.12	0.15
Photocopying	per A4 sheet (colour)	S	0.16	0.20		0.16	0.20
Photocopying	per A3 sheet (black & white)	S	0.28	0.35		0.28	0.35
Photocopying	per A3 sheet (colour)	S	0.32	0.40		0.32	0.40
Photocopying	per A1 sheet (black & white)	S	3.00	3.60		3.00	3.60
Photocopying	per A1 sheet (colour)	S	3.50	4.00		3.50	4.00
Photocopying	per A2 sheet (black & white)	S	3.00	3.60		3.00	3.60
Photocopying	per A2 sheet (colour)	S	3.50	4.00		3.50	4.00
Providing electronic copies (PDF or equivalent)	per sheet	S	0.83	1.00		0.83	1.00
<b>Lost/Unreturned ID cards</b>							
Charge to staff		E	7.50	7.50		7.50	7.50
Charge to contractors		E	7.50	7.50		7.50	7.50
<b>Court Costs</b>							
Summons & Liability Order - council tax		E	100.00	100.00		100.00	100.00
Summons & Liability Order - business rates		E	174.00	174.00		174.00	174.00
Failure to submit Completion of Means Enquiry Form		E	70.00	70.00		70.00	70.00

Car Parking Fees and Charges 2020/21

VAT KEY OS Outside the scope of VAT  
S Standard Rated 20%  
E Exempt

Appendix 3

Service	Further Information	VAT Category	Charges for 2019/20 Net of VAT if applicable £	Charges for 2019/20 with VAT if applicable £	Charges for 2020/21 Net of VAT if applicable £	Charges for 2020/21 with VAT if applicable £
Charges apply 8am - 6pm unless otherwise indicated						
FOLKESTONE						
SHORT STAY Upper Payers Park, Shellons St., Foresters Way, Playdell Gardens						
Hourly charge with linear per minute charging.	30 mins	S	0.50	0.60	0.50	0.60
Minimum stay 30mins and maximum stay 3 hours	1 hour	S	1.00	1.20	1.00	1.20
	3 hour	S	3.00	3.60	3.00	3.60
LONG STAY Tram Road and Harbourside						
Hourly charge with linear per minute charging	1 hour	S	1.00	1.20	1.00	1.20
	All day	S	6.67	8.00	6.67	8.00
LONG STAY Sandgate Road Car Park (formerly Leas Cliff Hall)						
	Up to 2 hours	S	0.83	1.00	1.25	1.50
	Up to 4 hours	S	1.67	2.00	2.08	2.50
	Up to 5 hours	S	2.50	3.00	2.92	3.50
	All day	S	3.33	4.00	3.75	4.50
OTHER FOLKESTONE & HYTHE AREAS						
SHORT TERM						
Hythe:						
Mount Street:	Up to 30 mins	S	0.67	0.80	0.00	0.00
Hourly charge with linear per minute charging	Up to 1 hour	S	1.00	1.20	1.00	1.20
Minimum stay 1 hour and maximum stay 3 hours	Up to 2 hours	S	1.92	2.30	Linear per minute charging	0.00
	Up to 3 hours	S			3.00	3.60
New Romney:						
Church Road:	Up to 1 hour	S	0.83	1.00	0.83	1.00
Hourly charge with linear per minute charging.	Up to 2 hours	S	Linear per minute charging		Linear per minute charging	
Minimum stay 1 hour and maximum stay 3 hours	Up to 3 hours	S	2.50	3.00	2.50	3.00
LONG TERM						
Sandgate: Lower Sandgate Road West (Seasonal - 1st April-30th September) 8am-8pm						
	Up to 1 hour	S	1.00	1.20	2.50	3.00
	Up to 4 hours	S	Linear per minute charging		10.00	12.00
	Up to 12 hours	S	6.67	8.00	16.70	20.00
Sandgate: Lower Sandgate Road West (Seasonal - 1st October-31st March) 8am-6pm						
	Up to 1 hour*	S	1.00	1.20	1.00	1.20
Hythe: Military Road, The Paddocks						
	Up to 2 hours **	S	Linear per minute charging		Linear per minute charging	
Dymchurch: Martello, High Knocke, Central						
	Up to 3 hours	S				
Greatstone: Jolly Fisherman						
	Up to 4 hours	S				
Littlestone: Coast Drive						
	Up to 5 hours	S				
New Romney: West Street * £1 for first hr; ** 2hrs £2.40						
	Up to 6 hours	S				
	Up to 12 hours	S	6.67	8.00	6.67	8.00

Car Parking Fees and Charges 2020/21			VAT KEY	OS	Outside the scope of VAT	Appendix 3	
				S	Standard Rated	20%	
				E	Exempt		
Service	Further Information	VAT Category	Charges for 2019/20 Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Charges for 2020/21 Net of VAT if applicable	Charges for 2020/21 with VAT if applicable	
Hythe: Battery Point, Twiss Fort, Seapoint Hourly charge with linear per minute charging, minimum stay 1 hour, all day £6	Up to 1 hour	S	0.83	1.00	0.83	1.00	
	Up to 2 hours	S	Linear per minute charging		Linear per minute charging		
	All day	S	5.00	6.00	5.00	6.00	
Sandgate, Castle Road	Up to 2 hours	S	0.83	1.00	0.83	1.00	
	Up to 4 hours	S	2.50	3.00	2.50	3.00	
	All day	S	4.15	5.00	4.15	5.00	
Cheriton: Broomfield Road, Elham: Pound Lane; Lyminge: Station Road	ALL DAY - Free	S	0.00	0.00	0.00	0.00	
Folkestone: East Cliff Pavilion; The Coastal Park	1 hour	S	1.00	1.20	1.00	1.20	
	All day		Linear per minute charging 6.67		Linear per minute charging 6.67		
Folkestone: Golden Valley; Sports Grounds,	ALL DAY - Free		0.00	0.00	0.00	0.00	
Lydd:The Lade, Coast Drive (east of), Lydd on Sea	Per hour	S	1.00	1.20	1.00	1.20	
	All day (6hrs+)		6.67	8.00	6.67	8.00	
Sandgate: Gough Road	ALL DAY - Free	S	0.00	0.00	0.00	0.00	
Sandgate: Wilberforce Road	Up to 2 hours	S	0.83	1.00	0.83	1.00	
	Up to 4 hours	S	2.50	3.00	2.50	3.00	
	Up to 12 hours	S	4.15	5.00	4.15	5.00	
COACH PARKING							
Littlestone: Coast Drive	Up to 5 hours	S	6.33	7.60	6.33	7.60	
	Up to 10 hours	S	11.67	14.00	11.67	14.00	
Dymchurch: Central	ALL DAY - Free		0.00	0.00	0.00	0.00	
CAR PARK SEASON TICKETS							
All Long Stay Car Parks							
Valid 7 days per week	Annual	S	547.50	657.00	547.50	657.00	
	6 month	S	274.17	329.00	274.17	329.00	
	3 months	S	137.50	165.00	137.50	165.00	
Valid 6 days per week	Annual	S	466.67	560.00	466.67	560.00	
	6 month	S	233.33	280.00	233.33	280.00	
	3 months	S	116.67	140.00	116.67	140.00	
Valid 5 days per week	Annual	S	390.00	468.00	390.00	468.00	
	6 month	S	195.00	234.00	195.00	234.00	
	3 months	S	97.50	117.00	97.50	117.00	
Valid 4 days per week	Annual	S	311.67	374.00	311.67	374.00	
	6 month	S	155.83	187.00	155.83	187.00	
	3 months	S	78.33	94.00	78.33	94.00	
Valid 3 days per week	Annual	S	233.33	280.00	233.33	280.00	
	6 month	S	116.67	140.00	116.67	140.00	
	3 months	S	58.33	70.00	58.33	70.00	

Car Parking Fees and Charges 2020/21

VAT KEY OS Outside the scope of VAT  
S Standard Rated 20%  
E Exempt

Appendix 3

Service	Further Information	VAT Category	Charges for 2019/20 Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Charges for 2020/21 Net of VAT if applicable	Charges for 2020/21 with VAT if applicable
Valid 2 days per week	Annual	S	155.83	187.00	155.83	187.00
	6 month	S	78.33	94.00	78.33	94.00
	3 months	S	39.17	47.00	39.17	47.00
Valid 1 days per week	Annual	S	78.33	94.00	78.33	94.00
	6 month	S	39.17	47.00	39.17	47.00
	3 months	S	20.00	24.00	20.00	24.00
HOTEL GUEST PERMITS		S	1.67	2.00	1.67	2.00
RESIDENT PERMITS						
Folkestone & Hythe District Car Park Resident Permits	12 months	S	50.00	60.00	50.00	60.00
On Street Parking Waiver	Daily	E	8.00	8.00	8.00	9.60
On Street Parking Waiver	Weekly	E	24.00	24.00	24.00	28.80
Parking permissions for Window Cleaners, pharmacists,	Annual	E	60.00	60.00	60.00	72.00
FOLKESTONE CONTROLLED PARKING ZONES						
1st Resident Permit		E	30.00	30.00	30.00	30.00
2nd Resident Permit		E	30.00	30.00	30.00	30.00
Resident Visitor Permit (5 sessions)		E	5.20	5.20	5.20	5.20
Business Permit		E	60.00	60.00	60.00	60.00
Replacement Permit		E	5.20	5.20	5.20	5.20
Special Permit - Free Health & Care Workers and Emergency services		E	0.00	0.00	0.00	0.00
Trade Permits (All Zones) (Yearly)		E	-	-	416.00	416.00
Trade Permits (All Zones) (6 monthly)		E	-	-	208.00	208.00
ON STREET CAR PARKING						
Folkestone Town Centre CPZ A1 and A2						
	Linear per minute					
	Min 30mins	E	1.20	1.20	1.20	1.20
	Max 3 hours					
Folkestone Seafront Zone C2	Min 1 hour	E	1.20	1.20	1.20	1.20
	Max 5 hours					
Princes Parade, Hythe	Minimum 30 minutes	E	0.50	0.60	0.50	0.60
	6 hours + (all day)	E	6.00	7.20	6.00	7.20
Parking Suspensions		E	£75 flat admin fee		£100 admin charge plus £12 per day per 6 metres	

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Statutory Charges Subject to Discretionary Fees 2020/21			VAT KEY	OS S E	Outside the scope of VAT Standard Rated Exempt	20%	Appendix 4
Service	Further Information	VAT category	Charges for 2019/20 Net of VAT if applicable	Charges for 2019/20 with VAT if applicable	Charges for 2020/21 Net of VAT if applicable	Charges for 2020/21 with VAT if applicable	
			£	£	£	£	
HOUSING SERVICES							
Licensing Application for Houses in Multiple Occupation Fees(renewals)	Properties with 2 - 8 units of accommodation	OS	568.00	568.00	579.00	579.00	
	Additional fee per unit over 8 units	OS	34.00	34.00	35.00	35.00	
Licensing Application for Houses in Multiple Occupation Fees(new applications)	Properties with 2 - 8 units of accommodation	OS	695.00	695.00	708.00	708.00	
	Additional fee per unit over 8 units	OS	34.00	34.00	35.00	35.00	
PLANNING SERVICES							
High Hedge Complaints	level of fee discretionary		400.00	400.00	400.00	400.00	
FINANCE, CUSTOMER & SUPPORT SERVICES							
Local Land Charges							
Residential							
Official search of the Local Land Charges Register (LLC1)		OS	20.00	20.00	20.00	20.00	
Basic Research Fee (CON29)		S	95.00	114.00	95.00	114.00	
Optional questions (CON29 Part II optional enquiries of local authority)		S	10.00	12.00	10.00	12.00	
Search of Building Control database		S	5.00	6.00	5.00	6.00	
Search of Planning database		S	10.00	12.00	10.00	12.00	
Additional parcels (An extra parcel of land in separate occupation or separately rated at the time of the search)		S	13.00	15.60	13.00	15.60	
Additional parcels where submitted as part of an LLC1 only		OS	3.00	3.00	3.00	3.00	
Submitted via NLIS							
Official search of the Local Land Charges Register (LLC1)		OS	20.00	20.00	20.00	20.00	
Basic Research Fee (CON29)		S	85.00	102.00	85.00	102.00	
Optional questions (CON29 Part II optional enquiries of local authority)		S	10.00	12.00	10.00	12.00	
Additional parcels (An extra parcel of land in separate occupation or separately rated at the time of the search)		S	13.00	15.60	13.00	15.60	
Additional parcels where submitted as part of an LLC1 only		OS	3.00	3.00	3.00	3.00	
Commercial							
Official search of the Local Land Charges Register (LLC1)		OS	20.00	20.00	20.00	20.00	
Basic Research Fee (CON29)		S	130.00	156.00	95.00	114.00	
Optional questions (CON29 Part II optional enquiries of local authority)		S	10.00	12.00	10.00	12.00	
Additional parcels (An extra parcel of land in separate occupation or separately rated at the time of the search)		S	13.00	15.60	13.00	15.60	
Additional parcels where submitted as part of an LLC1 only		OS	3.00	3.00	3.00	3.00	
Submitted via NLIS							
Official search of the Local Land Charges Register (LLC1)		OS	20.00	20.00	20.00	20.00	
Basic Research Fee (CON29)		S	120.00	144.00	85.00	102.00	
Optional questions (CON29 Part II optional enquiries of local authority)		S	10.00	12.00	10.00	12.00	
Additional parcels (An extra parcel of land in separate occupation or separately rated at the time of the search)		S	13.00	15.60	13.00	15.60	
Additional parcels where submitted as part of an LLC1 only		OS	3.00	3.00	3.00	3.00	

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This Report will be made public on 12 November 2019



Report Number **C/19/33**

**To:** Cabinet  
**Date:** 20 November 2019  
**Status:** Key Decision  
**Responsible Officer:** Tim Madden  
**Cabinet Member:** Cllr Meyers

**SUBJECT: PROPOSED CHANGES TO ICT SERVICE DELIVERY**

**SUMMARY:** *This report relates to the provision of a future ICT service and the end of the current outsourced ICT contract. Due to changes in technology that are driving digital transformation the 10 year ICT outsourced service contract that was entered into in 2012 is becoming unfit for purpose in a number of ways as it was designed to support a working model of a largely static workforce based in a number of fixed offices. The contract does not take account of the range of devices that are increasingly being deployed and the uptake of the use of mobile working to drive efficiency are changing the requirements for supporting a modern workforce, nor does it take account of technologies such as cloud computing.*

*The ICT contractor, Sopra Steria, have approached the council to discuss possibility of a mutually agreed early termination of the contract as they are operating at a loss. Officers believe that there are advantages to agreeing to this request in that it will allow the ICT service to be reshaped to fit with the council's wider transformation plans and provide the necessary support moving forwards as new technology is adopted.*

#### **REASONS FOR RECOMMENDATIONS (Cabinet only):**

This reports highlights a number of issues with the current long term ICT outsourced contract and the advantages to the Council of agreeing to the contractors request to consider a mutually agreed early termination two years prior to the natural end date of March 2022.

#### **RECOMMENDATIONS:**

1. To receive and note report C/19/33.
2. To agree to the mutual termination of the current, 10 year ICT contract prior to the natural end date of March 2022 so that the ICT Service can be brought back in house enabling a new support model to be created that better fits to the Councils requirements to support new technology and digital transformation.
3. To delegate authority to the Corporate Director – Customers, Support and Specialist Services in consultation with the Cabinet Portfolio

**Holder for Digital Transformation and Customer Services to agree the ending of the contract at a time which is appropriate for the Council.**

DRAFT

## **1. BACKGROUND**

- 1.1 Prior to December 2000 the Council's ICT service was provided by Ashford Borough Council however at the time that adoption of ICT was on the increase, personal computers were appearing on every desk and paper based systems were being replaced by computerised business applications. It was felt that ICT support would be better placed under the direct control of the council and an in house service was created. For 12 years the in house team introduced and maintained many new systems and received awards for its development work under the e-government programme.
- 1.2 In 2010 the council looked at alternative ways to provide a number of its services, including the ICT service, in order to reduce costs. A number of models for ICT service delivery were considered including, reducing the in house team, shared services with other local authorities and outsourcing to the private sector. Following an options appraisal it was decided that the latter was the preferred option. This led to a fairly resource intensive 18 month contract procurement exercise which was signed off by council in December 2011 with a 10 year contract being awarded to the current supplier, Steria (now Sopra Steria) with a start date of 1<sup>st</sup> April 2012.
- 1.3 The in house ICT team transferred under TUPE arrangements into Steria while the council retained ownership of all hardware and licence assets and retained control over ICT procurement and budgets. Steria moved some of the support that was previously provided by the in house team to other areas of their business, for example the first line support helpdesk was moved to a call centre at Warrington.
- 1.4 The contract that was entered into in 2012 did successfully create some savings and helped realise some key benefits at the time in that it underpinned the Council's Ways of Working project that introduced (amongst others):
  - Home working and hot desking which rationalised the Civic Centre office space.
  - Electronic document management replaced many hundreds of thousands of paper records.
  - Improved web based services for customers.
- 1.5 More recently however it has been increasingly difficult to apply the contract as intended in 2012 due to changes in technology, changes to the supplier's business model and changes to the way the council wants to work in future. Sopra Steria have asked the Council to consider a mutual termination of the contract as that may be beneficial to both sides.

## **2. Request from Contractor for early termination**

- 2.1 Sopra Steria have made the request to consider an early termination for a number of reasons:
  - 2.1.1 Firstly they claim they are operating the contract at a loss which is unsustainable for them. This is probably not unusual for many companies

providing contracted services to the public sector in the current economic climate who in the past would have expected to generate additional income to supplement the base charges during the term of the contract from undertaking new projects and rationalising elements of the service. However, new projects are undertaken less frequently than previously may have been the case, and at the time of the outsourcing many cost savings from ICT had already been achieved.

2.1.2 Secondly, since Steria merged with Sopra in 2014 they have made changes to their operating model and they have made a wider business decision to withdraw from the outsourced services market across a number of small accounts in favour of providing much larger centralised contracts that don't rely on having staff located in small pockets at remote sites.

2.1.3 Thirdly, changes in technology and ways of working are increasingly highlighting difficulties in applying a contract that was designed around a largely static, office based workforce who accessed computing resources and legacy applications hosted in the Civic Centre on a limited number of desk based computers. The uptake of mobile and flexible working on a wider range of laptop, tablet and smartphone devices all connecting via cloud technology that is replacing legacy systems is fast becoming the norm and this is reflected in the council's forward looking ICT strategy 2018 - 2023 which is now being delivered. This rapid change in technology is increasingly difficult for the supplier to support within the constraints of the contract.

- 2.2 Sopra Steria had previously suggested that some parts of the service, such as the onsite team could be brought back in house while other parts, such as the remote service desk, could remain with Sopra Steria. In practice it is difficult to see how this would work without considerable re-working of the contract. Sopra Steria had also previously suggested centralising some functions like network and server support across a number of client sites and providing them as a completely remote service however this model increases the risk to the Council of the service becoming less responsive than it currently is through a dilution of skills, lack of knowledge of the local infrastructure and an inability to programme in changes when it suits the council.

### 3. Advantages to the council of agreeing to early termination

- 3.1 As the council aims to transform itself with more digitally enabled working and improved customer self-service it seems an opportune time to consider Sopra Steria's request to mutually terminate the contract and bringing the ICT service back in-house enabling it to be re-shaped so that it is fit for purpose to meet the support the councils digital transformation aspirations. There are a number of reasons why the council would consider an early termination as an advantage:

3.1.1 **Avoid contract run down.** During the procurement of the service it was recognised that a 10 year contract was the maximum viable length for an ICT outsourcing contract and with hindsight 7 years may have been a better option. Irrespective of the difficulties of applying the current contract to modern technology, any long contract will lose its momentum in the final years especially if the supplier knows they will not be re-tendering. With less than 30

months to run on the current contract planning for the future of ICT service provision is something that the Council would have to start in 2020 ready for an exit in 2022 in any event, so a long run down of the contract can be avoided.

**3.1.2 Changing support models.** According to a recent report by the Local Government IT professional body SocITM, amongst local authorities outsourcing ICT to the private sector is on the decline because of the lack of flexibility to meet changing needs in such contracts, the inability for contractors to make sufficient profit margin and the rise 4 or 5 years ago of shared services operated between groups of authorities. It also points to the fact that those shared service arrangements that were in vogue are now at risk of breaking up as parties to the agreements may not always want to follow the same technology model in the long term, perceive them to be too inflexible in terms of service delivery or are not returning value for money for all partners. An in house core team providing stability and retaining key knowledge, backed up by 3<sup>rd</sup> party contracts for specialist skills that are not easily available, would offer the best ICT support model for the council.

**3.1.3 Ability to shape the service.** The council's digital agenda and ICT strategy of moving services to the cloud will require a different type of ICT service in the future, with a reduction in the need to support on premise infrastructure but with an increased need to manage and liaise with external suppliers at a technical level. This model would be best served by a strong cadre of in house ICT staff (including support for Systems and the Digital agenda) backed up by 3<sup>rd</sup> party specialists where additional expertise is required. Partnership working within Kent Connects and Kent Public Service Network would continue as long as it remains a cost effective way of providing connectivity to the internet and the Public Services network and various layers of Internet security as it currently does.

**3.1.4 More efficient use of resources.** The current cost of the Sopra Steria contract is £376k per annum. This is broadly comparable to the costs (£394k) of bringing the service back in house as is, without taking into consideration any savings that could be made through transforming the service. Better service provision and resilience for developing and supporting technical solutions can be achieved by merging ICT and the internal Systems Support teams into a new ICT/ Digital service as part of the current transformation. This would maximise the efficient use of resources available, though some reskilling to support new technology will be required. As the technology model described in the ICT strategy of reducing on premise infrastructure in favour of cloud services and by centralising business applications is delivered, savings in support costs will be realised over the medium (3 – 5 years) to long term (5 years +).

**3.1.5 Certainty of costs.** Since the acquisition of Steria by Sopra their business model has changed and they now seek to recharge for some elements that it could be debated were originally intended to be part of the contract, this is generally what is referred to as “Business as Usual” projects. Prior to the acquisition Steria operated more in the spirit of collaboration that

was intended under the contract rather than strictly what was defined and there was greater flexibility for the inclusion of certain works. Furthermore, there has been a tendency recently for Sopra Steria to propose prices for additional work (that the council considers part of the contract) that appear to be higher than the market rate or what the council could potentially obtained elsewhere outside the contract. This may be because Sopra Steria are running the contract at a loss and could be seeking to offset costs on of the day to day service other works. The council could obtain better value for money elsewhere for some of these works if it chose to do so but with the current contractual arrangement that could cause further dispute over responsibility for support thereafter.

**3.1.6 Ability to take advantage of new technology.** As the technology moves further away from the model that was in place at the start of the contract, it is getting increasingly difficult to clearly define what is or isn't a legitimate project for the supplier to undertake within contract costs and what could be chargeable work. This has led to some fairly lengthy discussions which have detracted from getting on and actually providing the service in some cases. Cloud technology is not covered in the contract neither is the growing demand for different types of user devices or mobile working. Some projects the council may wish to undertake, such as a move to Office 365, would require considerable negotiation and this is probably not a worthwhile use of time and resources at this point in the contract.

**3.1.7 Flexibility and resilience.** As Sopra Steria is running the service on below zero profit margins (in their view) they are reluctant to bring in additional, centralised resources to progress some works with the expediency required resulting in a backlog of maintenance projects, some systems are approaching end of life and it is difficult to have any additional works programmed in. The backlog problem not helped by the fact the onsite team seen a reduction in resources or have received little or no training in the last 7 years making it difficult for them to keep up to date with the technology they are now being asked to support. A well-resourced and well-skilled in house team backed up by a number or smaller 3<sup>rd</sup> party contracts where necessary would be able to provide a more flexible and resilient service and would be better able to take advantage of any new technology the council wishes to deploy more quickly than is currently the case.

**3.1.8 Reduce risk through retaining key knowledge and skills.** An early exit of the contract would reduce the risk of the council losing the key skills and knowledge of the councils systems held by the current on site team as those staff (some of whom have been with the council for nearly 20 years) would transfer back to the council under TUPE rules. The longer the contract runs towards the end date in 2022 the greater the risk of those staff with key skills being moved to other areas of Sopra Steria's business and this could impact future service delivery post contract.

**3.1.9 Other benefits.** When compared with an outsourced service provider whose primary concern is to generate a profit, the aim of an in house ICT team is to provide good service to internal customers while the council retains full



control of service delivery and resources are dedicated to the council rather than the contractor's organisation. The workforce is generally more stable and loyal and take a greater degree of ownership of problems through to resolution. In house staff may also undertake extra duties with a degree of good will e.g. working late at short notice, and may be available to undertake other duties often at short notice (Civic emergency, elections etc.).

#### 4.0 Timescales

- 4.1 Sopra Steria have suggested that the service could be returned within 6 weeks, however, it is the view of officers that this needs to be extended as pension and TUPE arrangements would take longer to arrange. The contract has a formal exit schedule which sets out a 6 month transition plan to allow for a technical, legal and HR issues to be dealt with adequately; 31st March 2020 may be a more realistic date depending on transfer arrangements. This would tie in neatly to the anniversary of the contract start and end dates.

#### 5. RISK MANAGEMENT ISSUES

- 5.1 There are number of risks involved in running the contract to the current end date in March 2022.

Perceived risk	Seriousness	Likelihood	Preventative action
Contractors' support wanes as the end of the contract draws closer. This is common in long contracts where the contractor does not want to retender for the business	medium	medium	Contract financial penalties can be applied for continued breach of service agreements however supplier may accept the penalties rather than try and improve the service
Contractor increasing seeks to recover costs in other ways by disputing what is and isn't covered by the contract	medium	high	There have already been examples where the contractor disputes what is covered by the contract. Strong supplier management can help but it is increasingly difficult to match the contract model to the new technology the council wishes to use.
ICT service does not meet the councils changing demands	medium	medium	The supplier maintains a small number of staff on site to provide a level of day to day service which would be

moving forward as technical model described in the contract is outdated and does not support new working methods and digital transformation			largely unaffected however the ability to deliver projects and updates to, and replacements of current systems would be affected. The council may have to pay to bring in expertise from elsewhere while continuing to pay Sopra Steria.
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## **7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **7.1 Legal Officer's Comments**

External legal advice will need to be sought if the decision to terminate the contract early is agreed. In addition to dealing with the termination of the contract, external legal advice may be required in relation to the pension and TUPE arrangements for the current Sopra Steria staff whose employment will be transferred to the Council

### **7.2 Finance Officer's Comments**

The additional annual cost of providing an in house ICT service is £16k, as detailed in section 3.1.4. This will be factored into the budget setting process for 20/21. Bringing the service back in house will provide the opportunity for future cost savings to be identified.

### **7.3 Diversities and Equalities Implications**

There are no equalities implications directly arising from this report

## **8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Steve Makin, ICT Contracts Officer  
 Telephone: 01303 853541  
 Email: [steve.makin@folkestone-hythe.gov.uk](mailto:steve.makin@folkestone-hythe.gov.uk)