



Agenda

Meeting: **Folkestone & Hythe District and Parish Councils' Joint Committee**

Date: **16 January 2020**

Time: **7.00 pm**

Place: **Council Chamber, Civic Centre, Folkestone**

To: **All members of the Folkestone & Hythe District and Parish Councils Joint Committee**

The committee will consider the matters listed below at the date, time and place shown above. The meeting is 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.

1. **Appointment of chairman**

The committee must appoint a district councillor to chair the meeting.

2. **Apologies for absence**

3. **Declarations of interest (Pages 3 - 4)**

Members of the Council should declare any interests which fall under the following categories*:

- a) discloseable pecuniary interests (DPI)
- b) other significant interests (OSI)
- c) voluntary announcements of other interests

4. **Minutes (Pages 5 - 8)**

To receive the minutes of the meeting held on 19 September 2019.

Queries about the agenda? Need a different format?

Contact Kate Clark – Tel: 01303 853267
Email: committee@folkestone-hythe.gov.uk or download from our
website
www.folkestone-hythe.gov.uk

5. **Budget Strategy and Draft General Fund Budget 2020/21 (Pages 9 - 16)**

Report FH/19/01 sets out the Council's Draft General Fund budget for 2020/21 as well as summarising the overall Budget Strategy for the same period. The report seeks to outline the proposals being consulted upon.

In accordance with the Local Government Finance Act 1992 full Council will consider and agree the budget and council tax for the coming financial year 2019/20, this meeting will be held on 19 February 2020. Both the draft budget and the Budget Strategy will build into the final position, which is also affected by the Local Government Finance Settlement.

6. **Highlights of the work carried out to reduce dog fouling offences**

A verbal update will be given by the District Council's Environmental Protection Team Leader.

7. **Parish By-Elections**

A presentation will be given by the Democratic Services & Elections Lead Specialist

8. **High Street Fund Initiative**

A presentation will be given by the District Council's Chief Economic Development Officer.

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

Folkestone & Hythe District and Parish Councils' Joint Committee

| | |
|-----------------------|--|
| Held at: | Council Chamber, Civic Centre, Folkestone |
| Date | Thursday, 19 September 2019 |
| Present | Councillors Graham Allison, Emily Arnold-Newing, Laszlo Dudas, Frank Hobbs, Mrs Jennifer Hollingsbee, Christopher Mason, Terence Mullard, Martin Sweeney and Paul Thomas |
| Apologies for Absence | Councillor Neil Matthews |
| Officers Present: | Kate Clark (Committee Services Officer), Amandeep Khroud (Assistant Director) and Andrew Hatcher (Revenues and Benefits Strategic Manager) |
| Others Present: | |

7. **Appointment of chairman**

Councillor Frank Hobbs was appointed Chairman for the meeting.

8. **Declarations of interest**

There were no declarations of interest.

9. **Minutes**

The minutes of the meeting dated 18 July 2019 were submitted, approved and signed by the Chairman.

10. **Council Tax**

Mr Andrew Hatcher, Revenues and Benefits Strategic Manager, gave a short briefing on the range of discounts and benefits relating to council tax. He also provided some information on empty home exemptions.

He explained that discounts, benefit reductions and exemptions are reflected in the annual council tax base calculation for budget setting purposes.

Calculations for the district are based on Band D for council tax as this is considered a national average. He advised that information regarding council tax calculations are on the district's website.

Turning to Empty Home exemptions members were advised of the following:

- Empty and unfurnished properties are chargeable for council tax purposes.
- In addition to this, if a property is empty and unfurnished for two years or more a premium would be levied at 50%. From April 2019 this has now changed to 100%.
- There are exemptions to this charge, for example, if a resident moves to a care home or if an annex of the property is occupied.
- These charges are an incentive to ensure owners occupy or rent their properties and there are various grants available to help bring properties back into use.

Mr Hatcher went on to say that discounts and exemptions are incorporated into the budget setting, negating any perceived shortfall. The Single Occupancy Discount is the most prominent discount.

Council tax arrears are chased and summons issued accordingly.

11. **Councillors' Code of Conduct**

Mrs Amandeep Khroud, Assistant Director and Monitoring Officer, gave a presentation of the Code of Conduct. She expressly relayed to members, that discussions on individual cases will not be part of this meeting and if any members had personal concerns, they were welcome to contact her directly after the meeting.

The presentation is attached to these minutes.

Members raised the following points:

- The process in raising a complaint. The initial step would be to complete a complaint form if the complaint cannot be dealt within the Town or Parish Council. This complaint form is then sent to the Monitoring Officer who will ask for further information if needed. An investigation officer will then be appointed to produce a report and refer back to the MO.
- Training in all aspects of the Code of Conduct for town and parish councillors. An external trainer would be best placed to provide this and Mrs Khroud will forward details of prospective trainers.
- LGA Report 2019 provides an update of the Code of Conduct for Town and Parish Councils which could form part of the training.

12. Joint Transportation Board Membership and voting rights

The Parish/Town representative for the Folkestone and Hythe Joint Transportation Board does not have any voting rights and is unable to add items to the agenda unless through another member. This is reflected in the current agreement with Kent County Council.

Mrs Khroud advised members that a revised version of the agreement has been produced, she will seek confirmation from the Leader, which contains the following:

- Town/Parish Council representatives to have rights to vote and add items to the agenda.
- No less than one voting member and no more than three voting members to sit on the Joint Transportation Board.

On a final note, the Chairman reminded members that the Green Infrastructure survey sent to Town and Parish Councils needs to be completed and returned to the District Council.

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This report will be made public on 8 January 2020



Report No: FH/19/01

To: Folkestone & Hythe District & Parish Councils' Joint Committee
Date: 16 January 2020
Head of Service: Charlotte Spendley, Director of Corporate Services
Cabinet Member: Councillor David Monk – Leader of the Council

SUBJECT: BUDGET STRATEGY & DRAFT GENERAL FUND BUDGET 2020/21

SUMMARY: This report sets out the Council's Draft General Fund budget for 2020/21 as well as summarising the overall Budget Strategy for the same period. The report seeks to outline the proposals being consulted upon.

In accordance with the Local Government Finance Act 1992 full Council will consider and agree the budget and council tax for the coming financial year 2019/20, this meeting will be held on 19 February 2020. Both the draft budget and the Budget Strategy will build into the final position, which is also affected by the Local Government Finance Settlement.

The objectives for consultation on the 2020/21 budget proposals will be to:

- (i) Engage with key stakeholder groups and local residents;
- (ii) Seek feedback on specific budget proposals for 2020/21; and
- (iii) Seek feedback on general spending and income generation priorities

1. BACKGROUND AND BUDGET STRATEGY

1.1 Council approved the Medium Term Financial Strategy 2020/21 to 2023/24 (MTFS) on 16 October 2019 and Cabinet agreed the Budget Strategy for 2020/21 on 13 November 2019. These reports considered the council's forecast budget position for 2020/21 from a strategic perspective. This report now sets out the detail for the draft General Fund budget, prior to Full Council approving the final budget proposals and the level of council tax at its meeting on 19 February 2020.

1.2 The budget proposals in this report been prepared assuming a 2.0% council tax increase in 2020/21. The final decision will not be confirmed until 19 February 2020. In addition, the following remain to be finalised:

- the forecast for council tax and net business rates income.
- the council tax base position.

- this council's share of Collection Fund balances.
- the Local Government Finance Settlement.

These items will be confirmed in the final budget report.

- 1.3 The MTFs identified that the Council faced a budget shortfall of £357k in 2020/21. The Corporate Leadership Team, Assistant Directors and Chief Officers have reviewed current budget allocations and savings proposals. Unavoidable budget growth of £816k and Transformation ICT costs of £454k were approved by Cabinet on 13 November. In addition the review of fees & charges and other identified savings resulted in savings of £1,152k (including £149k of additional income following the review of fees & charges) being identified through the Budget Strategy process. Furthermore use of reserves of £230k was agreed to fund one-off growth. The draft budget detailed in this report reflects the changes made as a result of these reviews.

2. CONTEXT

- 2.1 The context and financial climate have previously been set out in the MTFs and Budget Strategy reports. The Council continues to face challenging times and tight financial restraint is expected to continue to be applied across the public sector well over the medium to longer term.

Spending Round

- 2.1 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.

Local Government Finance Settlement

- 2.2 The provisional Local Government Finance Settlement for 2020/21 is expected in late December. Details of the technical consultation on the settlement were outlined within the Budget Strategy considered by Cabinet in November.

3. GENERAL FUND BUDGET 2020/21

- 3.1 The draft budget for 2020/21 is presented in detail at Appendix 1 compared to the original budget for 2019/20. It includes the Council's contribution to the Folkestone Parks and Pleasure Grounds Charity, the cost of which determines the special expense falling on Folkestone and Sandgate taxpayers.
- 3.2 The budget estimates are presented on a 'controllable' basis only; all inter service area recharges, capital charges and certain other technical accounting adjustments are excluded. Focus can therefore be on real changes in expenditure and income within a service area.
- 3.3 Table 1 below sets out a summary of the budget.

Table 1: General Fund Summary

| | 2019/20 Original Budget £ | 2020/21 Original Budget £ |
|---|---------------------------------|------------------------------------|
| SUMMARY OF NET EXPENDITURE | | |
| Service Heads | | |
| Director of Corporate Services | 354,240 | 236,790 |
| Leadership Support | 700,370 | 589,150 |
| Governance, Law & Service Delivery | 5,983,150 | 6,410,390 |
| Human Resources | 597,040 | 656,840 |
| Finance, Strategy & Support Services | 7,578,480 | 7,810,230 |
| Strategic Development | 925,840 | 818,300 |
| Economic Development | 596,480 | 544,060 |
| Planning | 513,400 | 504,060 |
| Environment & Corporate Assets | 2,544,140 | 1,433,590 |
| Recharges | (1,980,500) | (1,900,500) |
| Vacancy & Savings Target | (340,000) | (24,000) |
| TOTAL HEAD OF SERVICE NET EXPENDITURE | 17,472,640 | 17,078,910 |
| Internal Drainage Board Levies | 461,830 | 471,067 |
| Interest Payable and Similar Charges | 431,000 | 486,000 |
| Interest and Investment Income | (848,000) | (793,200) |
| New Homes Bonus Grant | (1,542,740) | (1,195,675) |
| Other non-service related Government Grants | (1,815,160) | (1,815,608) |
| Town and Parish Council Precepts | 2,313,103 | 2,359,365 |
| TOTAL GENERAL FUND OPERATING NET EXP | 16,472,673 | 16,590,859 |
| Net Transfers to/(from) Earmarked Reserves | 2,110,247 | (2,488,080) |
| Contribution from General Reserve | (3,000,000) | - |
| Minimum Revenue Provision | 373,370 | 874,000 |
| Capital Expenditure funded from Revenue | 138,000 | 1,909,000 |
| TOTAL TO BE MET FROM LOCAL TAXPAYERS | 16,094,290 | 16,885,779 |
| Transfer to/(from) the Collection Fund | - | - |
| Business Rates Income | (3,495,940) | (3,576,117) |
| TOTAL TO BE MET FROM DEMAND ON THE COLLECTION FUND & GENERAL RESERVE | 12,598,350 | 13,309,662 |
| Council Tax-Demand on Collection Fund | (12,598,350) | (12,953,256) |
| (SURPLUS)/DEFICIT FOR YEAR | - | 356,406 |

Service Budget Changes 2020/21 Compared to 2019/20

3.4 Forecast Head of Service net expenditure has decreased by £393,730 (2.25%):

| | Budget £ |
|--------------------------------------|---------------------|
| Original 2019/20 General Fund Budget | 17,472,640 |
| Original 2020/21 General Fund Budget | 17,078,910 |
| Decrease | 393,730 |

The Budget includes approved growth and savings, which represents the changing requirements of the Council as well as additional income and efficiency gains. These items have been outlined in full within Appendix 1.

4. RESERVES

4.1 The forecast balance on the General Reserve was reported to Cabinet through the Budget Strategy in November 2019 and will be updated to reflect planned use and 2019/20 outturn predictions for inclusion in the final budget reports to Cabinet and Council on 19 February 2020

4.2 Estimates of changes to Earmarked Reserves are shown below:

| Reserve | Balance 1/4/2019 £'000 | 2019/20 Movement £'000 | Balance 1/4/2020 £'000 | 2020/21 Movement £'000 | Balance 31/3/2021 £'000 |
|-----------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|
| Business Rates ¹ | 5,496 | 367 | 5,863 | (765) | 5,098 |
| Carry Forward | 723 | (344) | 379 | 0 | 379 |
| Corporate Initiatives | 404 | 454 | 858 | (68) | 790 |
| IFRS ¹ Reserve | 38 | (7) | 31 | (2) | 29 |
| Invest to Save | 366 | 0 | 366 | 0 | 366 |
| Leisure | 197 | 50 | 247 | (100) | 147 |
| New Homes Bonus (NHB) | 2,524 | (164) | 2,360 | (18) | 2,342 |
| VET ² Reserve | 637 | (331) | 306 | 28 | 334 |
| Economic Development | 2,901 | 1,120 | 4,021 | (1,100) | 2,921 |
| Otterpool | 2,129 | (1,300) | 829 | (463) | 366 |
| Maintenance of Graves | 12 | 0 | 12 | 0 | 12 |
| Community Led Housing | 437 | 0 | 437 | 0 | 437 |
| Lydd Airport | 9 | 0 | 9 | 0 | 9 |
| Homelessness Prevention | 319 | 0 | 319 | 0 | 319 |
| High Street Regeneration | 0 | 3,000 | 3,000 | 0 | 3,000 |
| Total | 16,192 | 2,845 | 19,037 | (2,488) | 16,549 |

Notes:

¹ IFRS = International Financial Reporting Standards

² VET = Vehicles, equipment and technology

5. BUDGET PREPARATION – NEXT STEPS

5.1 The following items remain subject to confirmation:

- Final Local Government Finance Settlement.

- Council Tax Base position
- The council's share of the Collection Fund surplus or deficit.
- Town and parish precepts.
- Business rates income forecast.

5.2 These will be covered in the final budget reports to Cabinet and Council on 19 February 2020, along with details of the special expense charged to Folkestone and Sandgate taxpayers.

6. ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

6.1 The Local Government Act 2003 requires the Council's Chief Finance Officer to formally give an opinion on the robustness of the budget and adequacy of reserves.

6.2 The Chief Finance Officer's statement will be presented to Council when it considers the budget for 2020/21 on 19 February 2020; it will set out the assumptions used to arrive at the final budget recommendations.

7. CONCLUSION

7.1 Any feedback provided through the budget consultation will be reported to Cabinet through the final budget report in February, which will determine the proposed budget and council tax levels for the forthcoming financial year.

8. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

8.1 Legal Officer's Comments (AK)

Subject to Cabinet ensuring best value and having regard to its general fiduciary duties and those relating to equality, transparency and efficiency, there are no legal implications arising directly out of this report.

8.2 Finance Officer's Comments (CS)

The Budget for 2020/21 will be submitted for approval by Cabinet and Full Council in February 2020. This report is the latest stage in the detailed budget process and will be used to inform the preparation of the final budget proposals.

8.3 Diversities and Equalities Implications (CS)

The budget report to Council in February 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

Charlotte Spendley, Director of Corporate Services
Tel: 07935 517986
E-mail: charlotte.spendley@folkestone-hythe.gov.uk

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

- Medium Term Financial Strategy 2020/21 to 2023/24
- Budget Strategy 2020/21
- Draft General Fund Budget 2020/21

Appendices:

Appendix 1 – 2020/21 General Fund Revenue Growth & Savings Proposals

| Portfolio | Description of Proposal | £ |
|--|---|---------------------------------|
| Property Management and Grounds Maintenance | | |
| 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 |
| Leader | | |
| 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 |
| Housing, Transport and Special Projects | | |
| 8 | Increase in rents & rates of car parks | 29,500 |
| 9 | Parkmap system for Traffic Regulation Orders | 23,863 |
| Communities | | |
| 10 | Safeguarding Officer | 17,000 |
| 11 | Community Projects | 10,000 |
| Economy | | |
| 12 | Folkestone Town Centre Regeneration Scheme | 100,000 |
| 13 | Mountfield Road Business Centre | 30,000 |
| Enforcement Regulatory Services, Waste and Building Control | | |
| 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 |
| Digital Transformation and Customer Services | | |
| 20 | Transformation ICT improvement costs | 454,000 |
| Total Revenue Growth Proposals 2020/21 | | <u><u>1,269,963</u></u> |
| Proposed amendments to Revenue Income Budgets for 2020/21 | | |
| 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 |
| | | <u><u>-1,003,399</u></u> |

