



Agenda

Meeting: **Finance and Performance Scrutiny Sub-Committee**
Date: **3 November 2020**
Time: **7.00 pm**
Place: **Zoom - remote meeting**

To: Councillors Gary Fuller, Peter Gane, Connor McConville (Chairman), Patricia Rolfe and Rebecca Shoob

The committee will consider the matters, listed below, at the date and time shown above. The meeting will be open to the press and public and will be streamed live at bit.ly/YouTubeMeetings.

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. **Apologies for absence**

2. **Declarations of interest**

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

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

3. **Key Performance Indicators review 20/21 and Half Year performance report (Q1 and Q2)**

Report C/20/49 sets out a proposed list of Key Performance Indicators (KPIs) to be monitored during 2020/21 in line with the Council's current Corporate Plan strategic priorities and objectives. The report also sets out performance data for the first two quarters of the year against these proposed key performance indicators.

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

4. **Update to the 2020/21 General Fund Budget**

Report C/20/47 sets out the proposed amendments to the General Fund budget for 2020/21 to reflect the impact of COVID-19 on the Council's financial position in year.

5. **Update to the General Fund Medium Term Capital Programme**

Report C/20/46 updates the General Fund Medium Term Capital Programme for decisions which have occurred since the Council approved the budget on 19 February 2020. Changes to the Capital Programme are required to be submitted to full Council for consideration and approval.

6. **Briefing on the Medium Term Financial Plan**

A presentation will be given to committee members outlining the anticipated financial position of the Council over the coming four financial years.

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.

This page is intentionally left blank

This Report will be made public on 3 November 2020



Report Number **C/20/49**

To: Cabinet
Date: Wednesday 11th November 2020
Status: Non Key Decision
Responsible Officer: Charlotte Spendley – Director for Corporate Services
Cabinet Member: Councillor David Monk

SUBJECT: KEY PERFORMANCE INDICATORS REVIEW 2020/21 AND HALF YEAR PERFORMANCE REPORT (Q1 & Q2)

SUMMARY: This report sets out a proposed list of Key Performance Indicators (KPIs) to be monitored during 2020/21 in line with the Council's current Corporate Plan strategic priorities and objectives. The report also sets out performance data for the first two quarters of the year against these proposed key performance indicators.

REASONS FOR RECOMMENDATIONS:

- a) Relevant key performance indicators (KPIs) are essential to provide a 'golden thread' to the delivery of the Corporate Plan strategic objectives.
- b) The Council is committed to monitoring performance across all of its service areas to ensure progress and improvement is maintained.
- c) The Council needs to ensure that relevant aspects of performance is measured, monitored and the results are used to identify where services are working well and where improvement action needs to be taken.

RECOMMENDATIONS:

- 1. To receive and note report C/20/49.
- 2. To approve the proposed KPI measurements for 2020/21 in Appendix 1.
- 3. To note the performance information for Quarters 1 & 2 2020/21 in Appendix 3.

1. KEY PERFORMANCE INDICATORS 2020/21

- 1.1 The last review of KPIs was adopted by Cabinet in September 2019 and has shaped the quarterly performance reporting to members throughout the 2019/20 year.
- 1.2 The 2019/20 Annual Performance Report presented to Cabinet on 22nd July 2020 (C/20/25) made the following reference to KPIs in 2020/21:
- *The development of a ten year corporate plan alongside a district wide recovery plan provides an opportunity to fully review and reform our Key Performance Indicators (KPIs) to reflect the changing nature of our priorities as a council. Once a proposed set of objectives and priorities have been finalised for both plans, the next proposed step would be to undertake further engagement with both members of the working group and key officers on shaping a definitive list of KPIs that would reflect both our recovery and longer term corporate priorities. Work is progressing well with the Corporate Plan and we would anticipate being in a position to adopt by the end of the year with the development of a new suite of KPI's following soon after in readiness for the New Year.*
- 1.3 The ongoing work on the new corporate and recovery plan (due for council consideration in January 2021) means performance reporting will continue to be in-line with the priorities set out in corporate plan (2017-20), whilst a new suite of KPIs are developed. The 2020/21 year is a 'transitional year', allowing opportunity to review KPIs so they focus on the longer term refreshed priorities of the council set out in the new corporate and recovery plan.
- 1.4 The KPIs for 2020/21 are set out in appendix 1 and, for completeness and transparency, the changes made against 2019/20 are set out in appendix 2. In summary, the following fifteen are being removed:

More Homes:

- Number of homelessness preventions under Prevention Duty

More Jobs:

- % Increase in employment or turnover for businesses that participate in the Scale Up Folkestone & Hythe programme.
- Square metres of employment space granted permission

Appearance Matters:

- Maintain a 4+ rating on trip advisor for the Coastal Park
- Warning Letters issued (Environmental Protection and Enforcement)

Health Matters:

- Number of licensing complaints investigated
- Number of people engaged in Public Space Protection Order education and prevention activity

Achieving Stability:

- Total income received from delivery of East Kent apprenticeship programme
- Total income received from FHDC apprenticeships

Delivering Excellence:

- Reduction in abandoned calls
- % of dissuaded calls
- No of website unique visits
- % change in unique website visits
- Number of social media followers (Facebook, Twitter, Instagram, LinkedIn)
- Number of apprenticeships available for East Kent Authorities (Folkestone & Hythe, Thanet, Dover and Canterbury)

1.5 In summary, the following seven new KPIs have been proposed for monitoring in 2020/21:

More Homes:

- Number of homelessness approaches closed as 'homelessness prevented'
- Number of homelessness approaches closed as 'homelessness relieved'
- Number of main duty decisions issued in the quarter where housing duty was accepted

More Jobs:

- Allocation of Folkestone & Hythe High Streets Fund funding
- Number of Folkestone Town Centre initiatives led by F&HDC

Appearance Matters:

- Retain Green Flag awards for the Coastal Park, Royal Military Canal and Radnor Park sites

Achieving Stability:

- Total income from Apprenticeships and commercial work for TDC, CCC and DDC

2. HALF YEAR PERFORMANCE REPORT 2020/21

2.1 The Council's Corporate Plan (2017-20) for the district referenced six strategic objectives:

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

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

2.3 Quarterly Performance Reports enable the Cabinet, other Members of the Council and the public to scrutinise the performance of the Council against strategic deliverables and key indicators in accordance with the approved Corporate Plan.

2.4 The Quarterly Performance Report (Appendix 3) has been produced to summarise the Council's performance for Quarters 1 and 2 (1st April to 30th September 2020) during what has been a very challenging period as the Council responds to the COVID-19 pandemic.

2.5 Where the performance indicator is not being met, explanations have been given from the relevant Service Managers and noted in the report.

2.6 The performance indicators which have fallen below target are monitored by the Council's Performance & Improvement Specialist who will work with the relevant Service Manager to identify appropriate action that can be taken to resolve the situation.

3. PERFORMANCE – EXCEPTION REPORTING

3.1 More Homes

- The Council determined 75% of major planning applications within the statutory period during Quarter 1 and 86% in Quarter 2 helping to support the delivery of new housing and employment sites in the district.
- 99 private sector homes were improved during the first half of this year as a result of intervention by the Council and its partner agencies helping to continually improve the standards and compliance of properties within the sector.
- 42 long term empty homes were brought back into use in the first half of the year, compared with 12 in same period last year providing more good quality homes for local people.
- 33 private rental properties were provided through both the Social Lettings Agency and Property Solutions helping landlords to let their properties to households who contact the Council as homeless or threatened with homelessness at affordable rents, whilst ensuring their properties meet the required standards.

To monitor

- The number of homelessness approaches saw its highest increase in final quarter of 2019/20 and has fallen slightly, but continues to remain high with 317 approaches recorded in Quarter 1 and 348 recorded in Quarter 2. This can be attributed to the government's change in legislation that has extended the ban on evictions and the extension on notice periods from 2 to 6 months in all but serious anti-social behaviour and domestic abuse cases until March 2021. The change in legislation could increase the number of potential evictions accumulating if it is not extended beyond March 2021.
- The number of households in temporary accommodation has increased to 44 due to coronavirus measures designed to protect the most vulnerable street and hidden homeless (sofa surfers) within the district. Households considered as hidden homeless and residing with family and friends were asked to leave during lockdown due to health and safety concerns. The coronavirus pandemic has also slowed down the number of suitably sized and affordable properties becoming available for temporary and long term accommodation.
- The number of households in Bed and Breakfast accommodation, like temporary accommodation, has increased due households requiring accommodation under coronavirus measures. Bed and Breakfast accommodation is being used to house single persons and couples. Families are continuing to be placed in self-contained accommodation, unless it is an emergency and no self-contained accommodation is available. Where this is the case move-on accommodation is used once this can be secured.

3.2 More Jobs

- The business engagement programme in its usual form was suspended as result of the coronavirus lockdown, however virtual meetings were used during the first half of the year with three key local businesses: Saga, Plamil Foods and GoPak. The Economic Development team ensured that engagement activity was focused on communicating with businesses to inform them of the support and grants made available to assist them during the lockdown period. The team has also administered the Folkestone & Hythe Discretionary Business Grant scheme that utilised £1.2 million 'top-up' funds provided by the government, and successfully allocated this to 161 businesses.
- A total of 7 grant applications from businesses were approved for funding from the Folkestone & Hythe High Streets Fund during Quarter 2 totaling over £57,000.

3.3 Appearance Matters

We know the appearance of the district is important to local residents and businesses. In first half of the year:

- The percentage streets surveyed for being clear of litter has improved from 83% in Quarter 1 to 96% in Quarter 2 as result of resources being reprioritised following the easing of lockdown restrictions.

- More than 1,346 hours were spent by Environmental Enforcement officers on patrol. The number of Fixed Penalty Notices issued for fly tipping, litter, dog control and Covid-19 legislation breaches were 151, compared to 75 in the same period last year.
- The Area Officer team provided much needed support to the local community hubs during the lockdown period and as restrictions eased have continued to work with local members, businesses and community groups to maintain and improve the appearance of the district. In first two quarters of this year, the team completed 2,181 'See it, Own it, Do it' jobs across the district to ensure it remains a welcoming and attractive place to live, work and visit.
- A total of 345 community volunteers helped to collect 510 bags of litter as part of 17 Council supported community environmental events.
- The district's local businesses also played a very active part in supporting local communities, with a total of 355 corporate social responsibility hours completed to end Q2. This focused on town centre improvements following the easing of lockdown restrictions, weeding, litter picking and paint railings. Participating businesses and organisations included Abbey Well Vets, The Clifton Hotel, McDonalds, Network Rail (HR department), Oriental Buffet (Folkestone) and Landau Ski Sports.

To monitor

- The percentage of household waste recycled in Quarter 1 was 48% against a target of 50%. Household recycling centres were closed and more people were working from home as result of the coronavirus lockdown. Following a change in government guidance in May allowing people travel further afield from their homes saw the district receive an increase in visitor numbers during the summer months and as a result more litter being generated that impacted on the provisional recycling rate achieved during Quarter 2. Further ways to encourage more recycling and a review of the provision of litter bins across the district will be undertaken to improve the overall rate.
- The percentage of returns to empty a missed bin by the end of the next working day if reported within 24 hours reduced from a target of 95% to 80% in Quarter 1 as a result of prioritising household collection services during the lockdown period. Quarter 2 has shown a notable improvement as lockdown restrictions were eased, but still remains under target. The Waste Services team is continuing monitor the situation moving forwards with Veolia. A new system will be fully implemented from Quarter 2 of next year that will have the ability to provide real time data on missed collections to improve overall contractor accountability.

3.4 Health Matters

- A total of 30 disabled facilities grants were issued during the first half of the year to pay for essential housing adaptations to help disabled people stay in their own homes.

- A total of 11 fixed penalty notices were issued under the public space protection order (PSPO) in first two quarters of this year compared with 5 over the same period last year.

To monitor

- The percentage of premises rated 3 or above for food hygiene has remained at 92% for both Quarters 1 and 2 against a target of 95%. In Quarter 1 inspections of premises were suspended under coronavirus legislation. In Quarter 2 as lockdown restrictions were eased remote assessments of premises were taking place with onsite visits only being undertaken where a serious public health risk had been identified in line with guidance issued by the Food Standards Agency (FSA). In addition, the implementation of COVID health and safety actions and responses to COVID related complaints has taken up significant resources and time within the team. A replacement Environmental Health and Licensing Senior Specialist has been recruited to start at the end of November and further additional resources are being considered to improve the resilience of the team.
- The number of visits and inspections to licensed premises has increased from 6 in Quarter 1 to 21 in Quarter 2, but remains under target. The low number of inspections achieved during Quarter 1 was as result of premises being closed due to the coronavirus lockdown and visits/inspections being undertaken on an urgent basis only and to those who were reported to be in breach of covid regulations. In Quarter 2 as lockdown restrictions eased, the majority of visits and inspections were undertaken to licensed premises who were reported as not adhering to revised covid regulations. In line with the new 10pm curfew for licensed premises there will be a planned increase in visits and inspections being undertaken by the licensing team during Quarter 3.
- The number of young people engaged in ASB diversionary activities has remained at zero during the first two quarters of the year as result of schools being closed, and KCC face to face engagement work and PCC funded projects being put on hold. A number of community safety projects are planned to increase engagement with young people during Quarters 3 and 4 including the Youth Safeguarding Conference, detached working with young people identified through the Community Safety Unit and The Tall Ships project due to start in the New Year.

3.5 Achieving Stability

- Both Business and Council Tax rates show positive cumulative trends towards their overall annual targets.
- The council's corporate property portfolio has generated over £1million of income during the first half of year against a target of £1.6million for the year.
- Over £188,000 in Community Infrastructure Levy receipts have been received during the first half of the year to help deliver the infrastructure needed across the District.

3.6 Delivering Excellence

- The percentage of service calls answered reached 97.1% in Quarter 1 and 91.8% in Quarter 2 compared with 86.6% and 84.6% achieved in the same periods last year.
- The webchat facility provides our customers with a quick and convenient way to get in contact with us regarding a range of essential services, including council tax, housing benefit and planning. The percentage of customers satisfied with the webchat facility achieved 94.1% in Quarter 1 and 93% in Quarter 2 against a target of 88%.
- The percentage of emergency repairs completed on time within council dwellings exceeded target in both quarters, reaching 99.75% in Quarter 1 and 99.78% in Quarter 2 against a target of 98%.

To monitor

- The Lifeline team has answered a total of 54,948 calls during the first two quarters of the year, however periodic connectivity issues with Skype and the Lifeline system (Jontek) has had a direct negative effect on the number of calls answered within targeted time frames. Further ways to improve the performance of systems are being investigated by the team.
- The average time taken to re-let council dwellings excluding major works increased to 40.4 days during Q1. Re-let times have been significantly affected due to coronavirus restrictions that has seen contractor staff furloughed and difficulties in sourcing materials. In light of lockdown restrictions easing in Q2 more viewings of properties have been taking place and Mears have brought their staff off furlough to complete necessary void works on properties. Delays caused during Q1 will have a knock-on effect on void times for the remainder of year, as the voids team need to catch up on existing repair work as well as turning around new voids ready for letting. However, the improvement in KPIs is encouraging and continues to reflect the hard work of our repairs team and Mears.
- The number of Subject Access Requests (SARs) and Freedom of Information (FOI)/ Environmental Information Requests (EIR) responded to within statutory timeframes remains below target during the first two quarters of the year. In Quarter 1 staff sickness, the postponed start date of a new team member and the sudden transition to remote working as a result of the coronavirus pandemic has impacted on overall performance. In Quarter 2 both KPIs have shown a notable improvement as result of staff training, the introduction of a previously recruited team member and adaptation to new home working requirements. In addition decision notices issued by the Information Commissioners Office (ICO) upholding the Council's position on vexatious refusals has freed up the team to refocus their resources on processing the Council's outstanding caseload.

4. RISK MANAGEMENT ISSUES

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

Perceived risk	Seriousness	Likelihood	Preventative action
The Council's strategic objectives are not met.	High	Medium	Monitor progress against performance indicators and take remedial action for those areas where targets and actions are unlikely to be achieved.
The key performance indicators (KPIs) do not link to the objectives of the Council's Corporate Plan.	High	Medium	Monitor progress against key performance indicators and take remedial action for those areas where targets and actions are unlikely to be achieved.

5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's Comments (NM)

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

5.2 Human Resources Comments (RB)

There are no direct Human Resource implications or risks emanating from this report. The council's People Strategy has been created to support the corporate plan and achievement of associated KPIs.

5.3 Finance Officer's Comments (LW)

There are no financial implications arising directly from this report.

Diversities and Equalities Implications (GE) - Equality Impact Assessments (EIAs) are systematically carried out for any services, projects or other schemes that have the potential to impact on communities and / or staff on the grounds of particular protected characteristics or socio-economic disadvantage. Over the course of the year, performance against some indicators might potentially have equality and social inclusion implications, if performance is not at an acceptable level. These will be

highlighted as necessary in the corporate performance reporting, along with details of the steps that will be taken to address these.

5.4 **Communications Comments (KA)**

The communications team will use these KPIs as appropriate in their promotion of council services.

6. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Gavin Edwards – Performance and Improvement Specialist

Tel: 01303 85 3436

Email: gavin.edwards@folkestone-hythe.gov.uk

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

Appendices:

Appendix 1: 2020/21 Proposed Key Performance Indicators

Appendix 2: Key Performance Indicators (2019/20 vs 2020/21 changes)

Appendix 3: 2020/21 Half Year Performance Report (Q1 & Q2)

APPENDIX 1

PROPOSED KEY PERFORMANCE INDICATORS - 2020/21	Time Period	TARGET	Service Area
MORE HOMES			
Number of new homes built within the District	Annual	738	Strategy and Policy
Council new builds and acquisitions started on site	Annual	20	Housing Services
Additional affordable homes delivered in the District by the Council and its partner agencies	Annual	80	Housing Services
Affordable homes provided in the District for low cost home ownership	Annual	32	Housing Services
Long-term empty homes brought back into use	Annual	70	Housing Services
Private sector homes improved as a result of intervention by the Council and its partner agencies	Annual	175	Housing Services
% of major planning applications to be determined within statutory period	Quarterly	60%	Development Management
% of non-major planning applications to be determined within statutory period	Quarterly	70%	Development Management
% of other planning applications to be determined within statutory period	Quarterly	85%	Development Management
Number of homelessness approaches (includes Triage, Prevention, Relief & Decision cases)	Quarterly	No target	Housing Services
Number of homelessness approaches closed as 'homelessness prevented'	Quarterly	No target	Housing Services
Number of homelessness approaches closed as 'homelessness relieved'	Quarterly	No target	Housing Services
Number of main duty decisions issued in the quarter where housing duty was accepted	Quarterly	No target	Housing Services
Average number of households in temporary accommodation	Quarterly	35	Housing Services
Average number of households in Bed and Breakfast accommodation	Quarterly	0	Housing Services
Number of private rental properties provided through the Social Lettings Agency & Property Solutions	Quarterly	No Target	Housing Services
Number of households registered on the Folkestone and Hythe Housing Waiting List	Quarterly	No Target	Housing Services
MORE JOBS			
Number of employment sites or schemes where new employment space has been delivered	Annual	2	Economic Development
External funding sources applied for to deliver better infrastructure or business accommodation within the district	Annual	3	Economic Development
Number of key employers met and supported as part of the business engagement programme	Annual	12	Economic Development
Allocation of Folkestone & Hythe High Streets Fund funding	Annual	£250,000	Economic Development
Number of Folkestone Town Centre initiatives led by F&HDC	Quarterly	At least 4 initiatives led by F&HDC	Economic Development
Value of Grant Funding Agreements agreed under the Folkestone Community Works SME Business Grant Scheme funding programme	Annual	£70,000	Folkestone Community Works
APPEARANCE MATTERS			
Retain Green Flag awards for the Coastal Park, Royal Military Canal and Radnor Park sites	Annually	3	Grounds Maintenance
Community environmental events (e.g. litter picks) held	Quarterly	15	Local Area Officers
Community environmental volunteer hours committed	Quarterly	600 hours	Local Area Officers
Corporate social responsibility environmental events held	Quarterly	5	Local Area Officers
Corporate social responsibility hours committed	Quarterly	240 hours	Local Area Officers
Number of recorded See It, Own It, Do it, interventions completed	Quarterly	1200	Local Area Officers
Average time for graffiti to be removed from the time of being reported (Local Area Officers)	Quarterly	48 hours	Local Area Officers
Number of enforcement notices served (e.g. Abatement Notices, Community Protection Notices)	Annual	100	Environmental Protection
% of successful prosecutions	Quarterly	100%	Environmental Protection
Fixed Penalty Notices issued	Annual	185	Environmental Protection
Enviro-crime patrol hours (dog fouling and littering)	Annual	2800hrs	Environmental Protection
% of unauthorised encampments successfully removed from FHDC Land	Quarterly	100%	Environmental Protection
Compliant air quality monitoring sites	Annual	16 sites	Environmental Protection
% of household waste recycled	Quarterly	50%	Waste
Number of missed collections per 100,000 population	Quarterly	50	Waste
% of street surveyed clear of litter within in the district	Quarterly	95%	Waste
% of returns to empty a missed bin by the end of the next working day if it is reported within 24 hours	Quarterly	95%	Waste
Number of days to remove fly tipped waste on public land once reported	Quarterly	3 days	Waste
Parking: Number of PCNs issued	Monthly	No Target	Transportation
Parking: British PCN recovery rate	Quarterly	60%	Transportation
Parking: Foreign PCN recovery rate	Quarterly	40%	Transportation
HEALTH MATTERS			
% of premises rated 3 or above for food hygiene	Quarterly	95%	Environmental Health and Licensing
Number of visits and inspections to licensed premises	Quarterly	30	Environmental Health and Licensing
Fixed Penalty Notices issued under the Public Space Protection Order	Quarterly	No Target	Communities
Number of young people engaged in ASB diversionary activities	Quarterly	100	Communities
Number of hospital admissions prevented or hospital discharges accelerated as a result of Private Sector Housing Team and partner intervention	Annual	100	Private Sector Housing
No of Disabled Facilities Grants administered	Quarterly	No Target	Private Sector Housing
ACHIEVING STABILITY			
Total annual income accrued from Oportunitas for the Council	Annual	£275,000	Finance
Total income collected from the Council's corporate property portfolio	Annual	£1.6 million	Estates & Assets

Total income from Apprenticeships and commercial work for TDC, CCC and DDC	Annual	£75,000	HR - Organisational Development
Business Rates collection target is met	Annual	97.50%	Corporate Debt
Council tax collection	Annual	97.3%	Revenue and Benefits
Council tax reduction collection rate	Annual	82.5%	Revenue and Benefits
Total value of Community Infrastructure Levy Liability notices	Annual	No Target	Planning Policy
Total value of Community Infrastructure Levy receipts	Annual	No Target	Planning Policy
DELIVERING EXCELLENCE			
% of all calls received are answered	Monthly	80%	Customer Services
Increase of customer self serve transactions (compared to 2019/20)	Annual	5%	Customer Services
% Customers satisfied with Web Chat service	Annual	88%	Customer Services
Lifeline - Number of calls answered within 60 seconds	Monthly	97.50%	Lifeline
Lifeline - Number of calls answered within 180 seconds	Monthly	100%	Lifeline
Average time taken to re-let council dwellings excluding major works	Quarterly	16.5 Days	Housing Services
Council Dwellings - % of emergency repairs completed on time	Quarterly	98%	Housing Services
Council Dwellings - % of routine repairs completed on time	Quarterly	90%	Housing Services
All complaints will be acknowledged within 5 days as required in the policy	Monthly	100%	Case Management
Average number of days taken to process new claims for Housing Benefit	Monthly	21 Days	Revenue and Benefits
All Freedom of Information / Environmental information Requests to be responded to within the statutory period of (20 working days or lawful extension).	Monthly	90%	Information Governance
All Subject Access Request responses to be provided within the statutory period (1 calendar month or lawful extension).	Monthly	100%	Information Governance
Number of absence days per employee (Per full-time equivalent)	Annual	7 Days	Human Resources
Employee Net Promoter score	Annual	Minus 20 or above	HR - Organisational Development

APPENDIX 2

KEY PERFORMANCE INDICATORS - Changes 2019/20 vs 2020/21	Time Period	TARGET	Service Area	Notes	Colour Key
MORE HOMES					Green - Same as Last year (2019/20) Revision to existing KPI New KPI Removed for 2020/21
Number of new homes built within the District	Annual	738	Strategy and Policy	Same KPI as last year - Revised target of 738 from 350.	
Council new builds and acquisitions started on site	Annual	20	Housing Services	Same KPI as last year	
Additional affordable homes delivered in the District by the Council and its partner agencies	Annual	80	Housing Services	Same KPI as last year	
Affordable homes provided in the District for low cost home ownership	Annual	32	Housing Services	Same KPI as last year	
Long-term empty homes brought back into use	Annual	70	Housing Services	Same KPI as last year	
Private sector homes improved as a result of intervention by the Council and its partner agencies	Annual	175	Housing Services	Same KPI as last year - Revised target to 175 from 150.	
% of major planning applications to be determined within statutory period	Quarterly	60%	Development Management	Same KPI as last year	
% of non-major planning applications to be determined within statutory period	Quarterly	70%	Development Management	Same KPI as last year	
% of other planning applications to be determined within statutory period	Quarterly	85%	Development Management	Same KPI as last year	
Number of homelessness approaches (includes Triage, Prevention, Relief & Decision cases)	Quarterly	No target	Housing Services	Same KPI as last year - Previously monthly target of 75.	
Number of homelessness preventions under Prevention Duty	Annual	550	Housing Services	This KPI has been succeeded by 'Number of homelessness approaches closed as 'homelessness prevented' set out below to clearly demonstrate the number of preventions being closed at the end of each quarter as prevented, in line with information being published on MFLP 6.	
Number of homelessness approaches closed as 'homelessness prevented'	Quarterly	No target	Housing Services	New KPI for 2020/21	
Number of homelessness approaches closed as 'homelessness relieved'	Quarterly	No target	Housing Services	New KPI for 2020/21	
Number of main duty decisions issued in the quarter where housing duty was accepted	Quarterly	No target	Housing Services	New KPI for 2020/21	
Average number of households in temporary accommodation	Quarterly	35	Housing Services	Same KPI as last year	
Average number of households in Bed and Breakfast accommodation	Quarterly	0	Housing Services	Same KPI as last year	
Number of private rental properties provided through the Social Lettings Agency & Property Solutions	Quarterly	No Target	Housing Services	Existing KPI that now reflects Property Solutions. Previous target of 60 annually replaced with no target.	
Number of households registered on the Folkestone and Hythe Housing Waiting List	Quarterly	No Target	Housing Services	Same KPI as last year	
MORE JOBS					
Number of employment sites or schemes where new employment space has been delivered	Annual	2	Economic Development	Same KPI as last year	
% Increase in employment or turnover for businesses that participate in the Scale Up Folkestone & Hythe programme	Annual	40%	Economic Development	Removed for 2020-21	
External funding sources applied for to deliver better infrastructure or business accommodation within the district	Annual	3	Economic Development	Same KPI as last year	
Number of key employers met and supported as part of the business engagement programme	Annual	12	Economic Development	Same KPI as last year	
Allocation of Folkestone & Hythe High Streets Fund funding	Annual	£250,000	Economic Development	New KPI for 2020/21	
Number of Folkestone Town Centre initiatives led by F&HDC	Quarterly	At least 4 initiatives led by F&HDC	Economic Development	New KPI for 2020/21	
Square metres of employment space granted permission-	Annual	20ha (Accumative over 20 years)	Strategy and Policy	Removed for 2020-21	
Value of Grant Funding Agreements agreed under the Folkestone Community Works SME Business Grant Scheme funding programme	Annual	£70,000	Folkestone Community Works	Same KPI as last year	
APPEARANCE MATTERS					
Maintain a 4+ rating on trip advisor for the Coastal Park	Annually	4+	Grounds Maintenance	To be made a PI instead of a KPI	
Retain Green Flag awards for the Coastal Park, Royal Military Canal and Radnor Park sites	Annually	3	Grounds Maintenance	New KPI for 2020/21	
Community environmental events (e.g. litter picks) held	Quarterly	15	Local Area Officers	Same KPI as last year	
Community environmental volunteer hours committed	Quarterly	600 hours	Local Area Officers	Same KPI as last year	
Corporate social responsibility environmental events held	Quarterly	5	Local Area Officers	Same KPI as last year	
Corporate social responsibility hours committed	Quarterly	240 hours	Local Area Officers	Same KPI as last year	
Number of recorded See It, Own It, Do it, interventions completed	Quarterly	1200	Local Area Officers	Same KPI as last year	
Average time for graffiti to be removed from the time of being reported (Local Area Officers)	Quarterly	48 hours	Local Area Officers	Same KPI as last year	
Warning Letters issued (Environmental Protection and Enforcement)	Annual	100	Environmental Protection	To be made a PI instead of a KPI	
Number of enforcement notices served (e.g. Abatement Notices, Community Protection Notices)	Annual	100	Environmental Protection	Same KPI as last year	
% of successful prosecutions	Quarterly	100%	Environmental Protection	Changed from 100% annually to 100% quarterly	
Fixed Penalty Notices issued	Annual	185	Environmental Protection	Target increased. Previously 150 annually.	
Enviro-crime patrol hours (dog fouling and littering)	Annual	2800hrs	Environmental Protection	Same KPI as last year	
% of unauthorised encampments successfully removed from FHDC Land	Quarterly	100%	Environmental Protection	Target Revised from 100% annually to 100% quarterly	
Compliant air quality monitoring sites	Annual	16 sites	Environmental Protection	Target increased to 16 from 14 sites.	
% of household waste recycled	Quarterly	50%	Waste	Same KPI as last year	
Number of missed collections per 100,000 population	Quarterly	50	Waste	Same KPI as last year	
% of street surveyed clear of litter within the district	Quarterly	95%	Waste	Same KPI as last year	
% of returns to empty a missed bin by the end of the next working day if it is reported within 24 hours	Quarterly	95%	Waste	Same KPI as last year	
Number of days to remove fly tipped waste on public land once reported	Quarterly	3 days	Waste	Same KPI as last year	
Parking: Number of PCNs issued	Monthly	No Target	Transportation	Same KPI as last year	
Parking: British PCN recovery rate	Quarterly	60%	Transportation	Same KPI as last year - Target reduced to 60% was previously 70%	
Parking: Foreign PCN recovery rate	Quarterly	40%	Transportation	Same KPI as last year - Target reduced to 40% was previously 50%	
HEALTH MATTERS					
% of premises rated 3 or above for food hygiene	Quarterly	95%	Environmental Health and Licensing	Same KPI as last year	
Number of licensing complaints investigated	Monthly	<100	Environmental Health and Licensing	To be made a PI instead of a KPI	
Number of visits and inspections to licensed premises	Quarterly	30	Environmental Health and Licensing	Target Reduced from 45 per quarter to 30.	
Number of people engaged in Public Space Protection Order education and prevention activity-	Quarterly	200	Communities	Removed for 2020-21	
Fixed Penalty Notices issued under the Public Space Protection Order	Quarterly	No Target	Communities	Same KPI as last year	
Number of young people engaged in ASB diversionary activities	Quarterly	100	Communities	Same KPI as last year	
Number of hospital admissions prevented or hospital discharges accelerated as a result of Private No of Disabled Facilities Grants administered	Annual	100	Private Sector Housing	Same KPI as last year	
Number of Disabled Facilities Grants administered	Quarterly	No Target	Private Sector Housing	Same KPI as last year	
ACHIEVING STABILITY					
Total annual income accrued from Oportunitas for the Council	Annual	£275,000	Finance	Same KPI as last year	
Total income collected from the Council's corporate property portfolio	Annual	£1.6 million	Estates & Assets	Same KPI as last year	
Total income from Apprenticeships and commercial work for TDC, CCC and DDC	Annual	£75,000	HR - Organisational Development	New KPI for 2020/21	
Total income received from delivery of East Kent apprenticeship programme	Annual	£100,000	HR - Organisational Development	Removed for 2020-21	
Total income received from FHDC apprenticeships	Annual	£8,000	HR - Organisational Development	Removed for 2020-21	
Business Rates collection target is met	Annual	97.50%	Corporate Debt	Same KPI as last year	
Council tax collection	Annual	97.3%	Revenue and Benefits	Same KPI as last year	
Council tax reduction collection rate	Annual	82.5%	Revenue and Benefits	Same KPI as last year	
Total value of Community Infrastructure Levy Liability notices	Annual	No Target	Planning Policy	Same KPI as last year	

Total value of Community Infrastructure Levy receipts	Annual	No Target	Planning Policy	Same KPI as last year
DELIVERING EXCELLENCE				
% of all calls received are answered	Monthly	80%	Customer Services	Revised KPI wording - same target as last year. Previously worded: Calls served (versus volumes of calls received)
Reduction in abandoned calls	Annual	18% or less	Customer Services	To be made a PI instead of a KPI
Increase of customer self serve transactions (compared to 2019/20)	Annual	5%	Customer Services	Same KPI as last year
% of dissuaded calls	Annual	2% or less	Customer Services	To be made a PI instead of a KPI
% Customers satisfied with Web Chat service	Annual	88%	Customer Services	Same KPI as last year
Lifeline - Number of calls answered within 60 seconds	Monthly	97.50%	Lifeline	Same KPI as last year
Lifeline - Number of calls answered within 180 seconds	Monthly	100%	Lifeline	Same KPI as last year
Average time taken to re-let council dwellings excluding major works	Quarterly	16.5 Days	Housing Services	Same KPI as last year
Council Dwellings - % of emergency repairs completed on time	Quarterly	98%	Housing Services	Same KPI as last year - EKH Reference Removed in description
Council Dwellings - % of routine repairs completed on time	Quarterly	90%	Housing Services	Same KPI as last year - EKH Reference
All complaints will be acknowledged within 5 days as required in the policy	Monthly	100%	Case Management	Same KPI as last year
Average number of days taken to process new claims for Housing Benefit	Monthly	21 Days	Revenue and Benefits	Same KPI as last year
All Freedom of Information / Environmental information Requests to be responded to within the statutory period of (20 working days or lawful extension).	Monthly	90%	Information Governance	Same KPI as last year
All Subject Access Request responses to be provided within the statutory period (1 calendar month or lawful extension).	Monthly	100%	Information Governance	Same KPI as last year
No of website unique visits	Quarterly	>100,000	Communication and Engagement	To be made a PI instead of a KPI
% change in unique website visits	Quarterly	5% increase	Communication and Engagement	To be made a PI instead of a KPI
Number of social media followers (Facebook, Twitter, Instagram, LinkedIn)	Quarterly	>36,000	Communication and Engagement	To be made a PI instead of a KPI
Number of absence days per employee (Per full-time equivalent)	Annual	7 Days	Human Resources	Same KPI as last year
Number of apprenticeships available for East Kent Authorities (Folkestone & Hythe, Thanet, Dover and Canterbury)	Annual	26	HR - Organisational Development	Removed for 2020-21
Employee Net Promoter score	Annual	Minus 20 or above	HR - Organisational Development	Same KPI as last year



Folkestone and Hythe District Council Quarter 1 & 2 Performance Report 2020/21: April-September 2020

Page 19



Your Cabinet Members



Cllr David Monk
Leader of the Council



Cllr Jenny Hollingsbee
Deputy Leader
Cabinet Member for
Communities



Cllr John Collier
Cabinet Member for
Property Management &
Grounds Maintenance



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



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



Cllr Lesley Whybrow
Cabinet Member for the
Environment



Cllr Tim Prater
Cabinet Member for
Revenues, Benefits, Anti-
Fraud and Corruption



Cllr David Wimble
Cabinet Member for the
District Economy



Cllr Ray Field
Cabinet Member for
Digital Transformation

Your district – an overview

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

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

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

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

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

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

Introduction

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

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

The first four objectives are externally focused and detail how the Council will contribute to the district and its communities. The last two objectives are internally focused to identify the priorities required for the Council to ensure its stability and excellence in service delivery. An accompanying Corporate Delivery Plan provides the detail of what the Council plans to achieve over the next three years to support the objectives and priorities of the Corporate Plan 2017-20.

As a district council with big ambitions, we will continue to deliver a range of major projects and initiatives ensuring we are progressive and innovative in our strategic approach by:

- Working with our businesses and communities to promote and invest in our assets - a beautiful coastal district with great connections to London and Europe
- Developing a thriving economy for our residents and attract new people; supporting activities to develop jobs, homes and healthy living
- Designing our services from our customers' perspective and using technology to best effect
- Using the next year to continue working together with customers and staff to further modernise the Council to help achieve our ambitions and continuously improve the way we do business

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

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020-21	Q2 Actual 2020-21	Q3 Actual 2020-21	Q4 Actual 2020-21	Target
Number of new homes built within the District	-	-	-	-			738 (Annual)
			<i>This indicator is collated on an annual basis and not available quarterly. A figure will be available at the end of Quarter 4.</i>				
Council new builds and acquisitions started on site	1	0	3	3			20 (Annual)
Additional affordable homes delivered in the District by the Council and its partner agencies	16	13	3	3			80 (Annual)
Affordable homes provided in the District for low cost home ownership	0	4	0	0			32 (Annual)
			<i>There were no affordable homes for low cost home ownership delivered in the district during quarters 1 and 2. During the remainder of 2020/21, a further 70 affordable homes for rent and shared ownership are due to complete on sites in Cheriton, Folkestone, New Romney, Sellindge and Stelling Minnis and Hawkinge. However, our development partners have advised that the Covid 19 Pandemic is likely to delay some of the completion dates.</i>				
Long-term empty homes brought back into use	4	8	29	13			70 (Annual)
Private sector homes improved as a result of intervention by the Council and its partner agencies	48	51	33	66			175 (Annual)
% of major planning applications to be determined within statutory period	83.3%	81.8%	75%	86%			60% (Quarterly)
% of non-major planning applications to be determined within statutory period	50.9%	45.9%	78%	76%			70% (Quarterly)
% of other planning applications to be determined within statutory period	46.6%	43.9%	93%	89%			85% (Quarterly)
Number of homelessness approaches <i>(includes Triage, Prevention, Relief & Decision cases)</i>	396	357	317	348			No Target
			<i>In Quarter of 2019/20 there were 415 approaches, the highest number to date. Although the approaches have dropped in Quarters 1 & 2 this can be attributed to the government's change in legislation that has extended the ban on evictions and extended notice periods from 2 to 6 months in all bar serious anti-social behaviour and domestic abuse cases until March 2021. The change in legislation could increase the number of potential evictions accumulating if it is not extended beyond March 2021.</i>				
Number of homelessness approaches closed as 'homelessness prevented'	-	-	14	10			No Target
Number of homelessness approaches closed as 'homelessness relieved'	-	-	41	40			No Target
Number of main duty decisions issued in the quarter where housing duty was accepted	-	-	2	0			No Target

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020-21	Q2 Actual 2020-21	Q3 Actual 2020-21	Q4 Actual 2020-21	Target
Average number of households in temporary accommodation	25	24	44	44			35 (Quarterly)
			<i>The increased in households in temporary accommodation is due to coronavirus measures designed to protect the most vulnerable street & hidden homeless (sofa surfers) within the district. Many households, who were sofa surfing with family & friends, were asked to leave in lockdown due to space issues and health & safety concerns. The coronavirus emergency has also slowed down the number of suitably sized and affordable properties becoming available for temporary and long term accommodation.</i>				
Average number of households in Bed and Breakfast accommodation	1	1	16	12			0 (Quarterly)
			<i>Due to the numbers of households needing temporary accommodation under coronavirus measures, combined with a decrease in suitably available accommodation, bed & breakfast accommodation has been used for homeless single persons and couples. Families are continuing to be placed in self-contained accommodation, unless it is an emergency and no self-contained is available, and moved as soon as self-contained can be secured.</i>				
Number of private rental properties provided through the Social Lettings Agency and Property Solutions	13	35	14	19			No Target
Number of people on the housing waiting list	1,255 (as at end of June 2019)	1,237 (as at end of Sept 2019)	1,250 (as at end of June 2020)	1,169 (as at end of Sept 2020)			No Target

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

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020-21	Q2 Actual 2020-21	Q3 Actual 2020-21	Q4 Actual 2020-21	Target
Number of employment sites or schemes where new employment space has been delivered	0	0	0	0			2 (Annual)
			<p><i>During Quarters 1 and 2 work has continued to be progressed by the Economic Development team this year to prepare for the following schemes, although impact of the coronavirus pandemic slowed this down:</i></p> <ul style="list-style-type: none"> <i>Mountfield Road – Confirmation of the Magnox socio-economic grant towards the employment hub has been confirmed. The Council and East Kent Spatial Development Company (EKSDC) have agreed a joint venture for delivery of the business hub, building contractors have been appointed and are due to start on site in November with completion in Autumn 2021. Additional funding has been secured from the Getting Building Fund during this period, therefore allowing the project to be extended to include phase two which will bring forward a further five hectares of employment land for development.</i> <i>16 Bouverie Place – EKSDC have now finalised the European Regional Development Fund (ERDF) Grant Funding Agreement (GFA) with the Council during this period and the refurbishment work commenced in September. Completion is due in Spring 2021.</i> <i>Biggins Wood – Discussions are ongoing between the Council and contractor regarding a Joint Venture for the scheme, but this has been delayed due to uncertainty over the Homes England grant required for site remediation.</i> 				
External funding sources applied for to deliver better infrastructure or business accommodation within the district	0	0	0	1			3 (Annual)
			<p><i>An application was made to the Getting Building Fund announced in June 2020 for Mountfield Road Phase 2 infrastructure investment to bring forward the remaining 5 hectares of employment land. The application was prioritised for the funding by KMEP and the South East Local Enterprise Partnership (SELEP). A £3.5 million grant is now being progressed and due to be confirmed by end November 2020.</i></p>				
Number of key employers met and supported as part of the business engagement programme	5	3	1	2			12 (Annual)
			<p><i>The business engagement programme in its usual form was put on hold during the lockdown, but some virtual telecalls were completed during this time with some key local businesses, including Saga, Plamil Foods and GoPak.</i></p>				

			<i>The focus of engagement with businesses during this period was on communications with a much wider set of businesses to inform them of the support and grants available during the lockdown period. The ED team also administered the Folkestone & Hythe Discretionary Business Grant scheme – using the £1.2 million ‘top-up’ funds provided by the government, which was allocated to a total of 161 businesses.</i>				
Allocation of Folkestone & Hythe High Streets Fund funding	-	-	-	£57,340			£ 250,000 (Annual)
			<i>During the lockdown period the High Streets Fund remained open to applications but all decisions on grants were put on hold at this time, so no grants were issued during Quarter 1. The decision panels resumed making decisions in September when 7 applications were approved totalling £57,340.</i>				
Number of Folkestone Town Centre initiatives led by F&HDC	-	-	0	2			4 (Quarterly)
			<i>During the lockdown the Economic Development team took on the new initiative to ensure the Reopening of High Streets Safely (RHSS), with ERDF funding provided by the government. The lockdown impacted on the progress of some internally led Folkestone Town Centre initiatives in Quarter 1, but the initiative to install window vinyls for the Folca building was completed. During quarter 2 the progress and momentum of delivery of initiatives has gathered speed despite the restrictions and demands of RHSS. Initiatives being taken forward include heritage lighting, signage, other public realm and on meanwhile uses for Folca. The team continued over the last two quarters to work closely with members of the independent retail community and is in the process of delivering a new monthly Vegan market which will be subject to a six month trial. The delivery of a new Place Plan brief with the Planning team has also progressed.</i>				
Value of Grant Funding Agreements agreed under the Folkestone Community Works SME Business Grant Scheme funding programme	£101,636	No GFAs agreed in Q2	No GFAs agreed in Q1	No GFAs agreed in Q2			£70,000 (Annual)
			<i>The plan for a further Call for SME business grants was delayed as result of the lockdown as it was decided to be inappropriate at that time. However, after clarification from MHCLG that the SME business grant could be used by businesses to make adaptations due to the pandemic, a new call was launched in August 2020 and 12 applications were received requesting £62,242 ERDF. The Council will make decisions on these applications by mid October 2020.</i>				

Appearance Matters - Provide an attractive and clean environment

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020-21	Q2 Actual 2020-21	Q3 Actual 2020-21	Q4 Actual 2020-21	Target
Retain Green Flag awards for the Coastal Park, Royal Military Canal and Radnor Park sites	-	-	-	-			3 (Annual)
			<i>This indicator is collated on an annual basis and not available quarterly. A figure will be available at the end of Quarter 4.</i>				
Community environmental events (e.g. litter picks) held	23	21	2	15			15 (Quarterly)
			<i>Quarter 1: The number of community environmental events were below target due a number of planned events being cancelled as result of the coronavirus lockdown. Two socially distanced litter picking events took place towards the end of the quarter. The resources of Local Area Officer team for majority of the quarter were diverted to support the local emergency response through the work of community hubs.</i>				
Community environmental volunteer hours committed	916	658	286	404			600 hours (Quarterly)
			<i>Quarter 1: See comment above.</i>				
			<i>Quarter 2: The number of community volunteer hours has shown improvement during the quarter as lockdown restrictions eased with a total of 15 events adhering to social distancing guidelines taking place.</i>				
Corporate social responsibility environmental events held	5	5	0	5			5 (Quarterly)
			<i>Quarter 1: No corporate social responsibility events took place during the quarter as a result of the coronavirus lockdown. The resources of Local Area Officer team were diverted to support the local emergency response through the work of community hubs.</i>				
Corporate social responsibility hours committed	267	328	0	355			240 hours (Quarterly)
			<i>Quarter 1: See comment above</i>				
Number of recorded See It, Own It, Do it, interventions completed	3,096	3,258	263	1,918			1200 (Quarterly)
			<i>Quarter 1: The number interventions completed was significantly lower in quarter compared with the same period last year as result of the of the coronavirus lockdown. The resources of Local Area Officer team were diverted to support the local emergency response through the work of community hubs.</i>				
Average time for graffiti to be removed from the time of being reported (Local Area Officers)	48 hours	24 hours	48 hours	48 hours			48 hours (Quarterly)
Number of enforcement notices served (e.g. Abatement Notices, Community Protection Notices)	39	43	13	12			100 (Annual)

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020-21	Q2 Actual 2020-21	Q3 Actual 2020-21	Q4 Actual 2020-21	Target
Enforcement - % of successful prosecutions	No prosecutions in Q1	100%	-	100%			100% (Quarterly)
			<p>Quarter 1: No prosecutions took place during the quarter.</p> <p>Quarter 2: A court order was obtained by the Environmental Enforcement Officers to remove an unauthorised encampment within the district which resulted in a successful removal that did not require bailiffs.</p>				
Enforcement - Fixed Penalty Notices issued	38	37	59	92			185 (Annual)
Enviro-crime patrol hours (dog fouling and littering)	426	415	747	599			2,800hrs (Annual)
% of unauthorised encampments successfully removed from FHDC Land	100%	100%	100%	100%			100% (Quarterly)
Compliant air quality monitoring sites	16	16	18	18			16 Sites
% of household waste recycled	50%	48%	48%	47%* no Sept data			50% (Quarterly)
			<p>Quarter 1: There has been a 12% increase household waste being collected with residual waste during the quarter. Whilst additional recycling has been collected this has not offset the increase in residual waste collected during the quarter. Increased tonnages can be attributed to factors, including household waste recycling centres being closed and the new 'working from home' environment brought about by the national lockdown. From May, following a change in government guidance the district saw an increase in visitor numbers resulting in more litter being generated. (this tonnage also counts towards the recycling rate). Tonnages are continuing to be monitored alongside ways to encourage more recycling, including reviewing the provision of litter bins across the district and where a replacement recycling bins can be installed.</p> <p>Quarter 2: Recycling data for September is currently unavailable as this is provided by Kent County Council due to all recycled household waste being sent to one of their managed sites for processing. The amount of non-recyclable waste being collected is beginning to drop based on data confirmed for the months of July and August following a noted increase during the previous quarter. A continued increase in visitors over the summer period has also impacted on the recycling target as the litter produced by visitors to our district is taken into account for this target.</p> <p>The Waste Services team are currently in the process of asking residents not to put out additional non-recyclable waste and this will no longer be collected from mid-October.</p>				
Number of missed collections per 100,000 population	9.5	7.52	8.22	11.47			50 (Quarterly)

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020-21	Q2 Actual 2020-21	Q3 Actual 2020-21	Q4 Actual 2020-21	Target
% of street surveyed clear of litter within in the district	95%	93%	83%	96%			95% (Quarterly)
			<p>Quarter 1: There was a decline in the number of inspections undertaken during Quarter 1 as waste collections were reprioritised due to an increase in refuse being put out for collection by households. Cleansing resources within team were also diverted to high footfall areas across the district to ensure they remained clean. Resources will kept under continual review by the Waste Services team and progress reported at monthly contract meetings.</p>				
% of returns to empty a missed bin by the end of the next working day if it is reported within 24 hours	92%	99%	80%	90%			95% (Quarterly)
			<p>Quarter 1: Service provision was reprioritised during Quarter 1 to ensure that household collection services were maintained as a top priority during lockdown, therefore returns for missed collections within the 24hr period has suffered as a result. Discussions regarding this are ongoing with Veolia and standards are now improving. The system for recording the data is now being revised as part of the new contract award, whereby new systems will be able to provide 'real time' evidence of this performance indicator from Quarter 2 2021/22 which will make the contractor more accountable.</p> <p>Quarter 2: Returns to reported missed bins by the end of the next working day has shown improvement on previous quarter as service provision in totality has adjusted to a new normal following the restriction of our movement within the district for all but essential travel. The Waste Services team is continuing to monitor the situation an engage with Veolia on how standards can be continually improved.</p>				
Number of days to remove fly tipped waste on public land once reported	2.8	1	1.2	1.1			3 Days (Quarterly)
Parking: Number of PCNs issued	5,387	5,697	2,643	5,653			No Target
Parking: British PCN recovery rate	66.5%	64.6%	46.2%	62.9%			60% (Quarterly)
			<p>Quarter 1: In light of the Coronavirus pandemic recommendations from the British Parking Association and the LGA were for councils to put all outstanding PCN cases on hold during the Coronavirus lockdown period in recognition of the difficulties many people may be in. Bailiff enforcement was also suspended. This has impacted on the recovery figure for achieved during Quarter 1.</p> <p>Case progression recommenced on the 13th May 2020, but with a flexible approach towards taking payments. Bailiff enforcement recommenced on the 24th August 2020, but with a flexible debt recovery approach as recommended by the government.</p>				
Parking: Foreign PCN recovery rate	45.2%	41.9%	32.2%	47.6%			40% (Quarterly)
			<p>Quarter 1: Foreign registered vehicles (FRVs) are more likely to contravene traffic and parking regulations than drivers of UK registered vehicles – and are less likely to pay the penalty charges which they incur. It has often proved challenging to trace the owners of FRVs and, even when they can be traced, there is no legal process by which they can be made to pay civil penalties.</p>				

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020-21	Q2 Actual 2020-21	Q3 Actual 2020-21	Q4 Actual 2020-21	Target	
			<p><i>In light of the Coronavirus pandemic recommendations from the British Parking Association and the LGA were for councils to put all outstanding PCN cases on hold during the Coronavirus lockdown period. Bailiff enforcement was also suspended.</i></p> <p><i>Bailiff enforcement recommenced on the 24th August 2020, which has allowed for outstanding cases to be pursued.</i></p>					

Health Matters - Keeping our communities healthy and safe

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020/21	Q2 Actual 2020/21	Q3 Actual 2020/21	Q4 Actual 2020/21	Target	
% of premises rated 3 or above for food hygiene	97%	94%	92%	92%			95% (Quarterly)	
			<p><i>Quarter 1: A total of 59 New premises are awaiting inspection at the end of Quarter 1. This figure is much larger than normal due to suspension of premises inspections under COVID legislation.</i></p> <p><i>Quarter 2: The suspension of premises inspections due COVID has increased to 72 as national lockdown rules changed. In line with current Food Standards Agency (FSA) guidance remote assessments of premises are taking place with onsite visits only being undertaken where a serious public health risk has been identified. Local authorities have been given a high, medium & low priority list of proactive surveillance by the FSA. The implementation of COVID health and safety actions and responses to COVID related complaints has taken up significant resource time within the team. A replacement Environmental Health and Licensing Senior Specialist has been recruited to start at the end of November and further additional resources are being looked at to improve the resilience of the team moving forwards.</i></p>					
Number of visits and inspections to licensed premises	8	24	6	21			30 (Quarterly)	
			<p><i>Quarter 1: The 6 reported visits and inspections consisted of:</i></p> <ul style="list-style-type: none"> <i>• 2 animal welfare licence inspections</i> <i>• 4 premises licence inspections (under Licensing Act 2003)</i> <p><i>Lockdown restrictions meant that number of visits and inspections has been significantly lower than the defined target due a number of premises within the district being closed and those that were open only being visited on an extremely urgent basis. A total of six visits were made during in the quarter consisting of two animal premises, one that urgently needed a licence and one that had been reported as trading without a licence. The other four visits were to licensed premises reported to be operating outside Covid Regulations.</i></p>					

			<p>Quarter 2: The 21 reported visits and inspections consisted of:</p> <ul style="list-style-type: none"> • 3 animal welfare licence inspections • 18 premises licence inspections (under Licensing Act 2003) <p>The number of visits and inspections has shown improvement during the quarter as lockdown restrictions changed allowing pubs and restaurants to reopen. Visits were undertaken to three licensed animal premises and eighteen to licensed premises that we had received complaints about non adherence to the Covid Regulations. An increase in visits and inspections are planned to take place moving into Quarter 3 with more evening visits planned to licensed premises across the district in line with new Covid Regulations to ensure the 10pm curfew is being up held.</p>				
Fixed Penalty Notices issued under the Public Space Protection Order	4	1	4	7			No Target
Number of young people engaged in ASB diversionary activities	125	100	0	0			100 (Quarterly)
			<p>Due to COVID-19 there has been no engagement with young people directly by FHDC during Quarters 1 and 2. This has been mainly to do with schools not being open, KCC face to face work has not been taking place for our detached working and PCC funded Projects have been on hold. However the partnership working has continued to take place with, in particular high risk young people highlighted through CSU and the fortnightly District Contextual Safeguarding Meeting.</p> <p>Through Quarters 3 and 4 it is hoped that there will be an increase with engagement of young people through Community Safety projects planned within schools, PCC funded projects such as the Youth Safeguarding conference and detached working with young people identified through CSU and hot spot locations. The Tall Ships project is also due to start in the new year.</p>				
Number of hospital admissions prevented or hospital discharges accelerated as a result of Private Sector Housing Team and partner intervention	65	79	92	27			100 (Annual)
No of Disabled Facilities Grants administered	17	20	13	17			No Target

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

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020/21	Q2 Actual 2020/21	Q3 Actual 2020/21	Q4 Actual 2020/21	Target
Council tax collection	29.38% (cumulative)	56.67% (cumulative)	28.82% (cumulative)	55.53% (cumulative)			97.3% (Annual)
Council tax reduction collection rate	23.62% (cumulative)	45.49% (cumulative)	27.25% (cumulative)	49.09% (cumulative)			82.5% (Annual)
Business Rates collection	34.37% (cumulative)	58.57% (cumulative)	32.94% (cumulative)	56.83% (cumulative)			97.5% (Annual)
Total annual income accrued from Oportunitas for the Council	-	-	-	-			£275,000 (Annual)
			<i>This indicator is collated on an annual basis and not available quarterly. A figure will be available at the end of Quarter 4.</i>				
Total income collected from the Council's corporate property portfolio	£425,901	£434,720	£433,301	£621,593			£1.6 million (Annual)
Total income from Apprenticeships and commercial work for TDC, CCC and DDC	-	-	£6,646	£36,884			£75,000 (Annual)
Total value of Community Infrastructure Levy Liability notices	£60,369.63	£519,212.80	£52,347	£283,415			No Target
Total value of Community Infrastructure Levy receipts	£106,292.20	£57,021.90	£15,425	£173,548			No Target

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

Description	Q1 2019/20 Comparison	Q2 2019/20 Comparison	Q1 Actual 2020/21	Q2 Actual 2020/21	Q3 Actual 2020/21	Q4 Actual 2020/21	Target
% of calls received are answered	86.6%	84.6%	97.4%	91.8%			80% (Monthly)
Increase of customer self-serve transactions (compared to 2019/20)	-	-	-	-	-	-	5% (Annual)
			<i>This indicator is collated on an annual basis and not available quarterly. A figure will be available at the end of Quarter 4</i>				
% of customers satisfied with Web Chat service	90%	90%	94.1%	93%			88% (Annual)
Average number of days taken to process new claims for Housing Benefit	20	15.2	20.9	17			21 Days
Lifeline - Number of calls answered within 60 seconds	98.5%	98.2%	97.4%	97.1%			97.5% (Monthly)
			<i>The Lifeline team has answered 54,948 calls during Quarters 1 and 2. The number of calls answered fell short of targeted timeframes in both Quarters due to technology issues associated with remote working. Periodical issues with Skype and the Lifeline system (Jontek) have been experienced through loss of connectivity which has a direct negative effect on the answering of calls within the target timeframes. Further ways to improve the performance of systems are being investigated by the team.</i>				
Lifeline - Number of calls answered within 180 seconds	100%	99.9%	99.7%	99.7%			100% (Monthly)
			<i>See comment above</i>				
Council Dwellings -Average time taken to re-let council dwellings excluding major works	24.65 days	15.8 days	40.4 days	25.5 days			16.5 Days (Quarterly)
			<i>Re-let performance has been significantly affected by Covid-19 restrictions. Furloughed contractor staff and difficulty in sourcing materials during April-July is the main cause for an increase in void time, but delays to viewings/ re-lettings have also had an impact.</i> <i>In light of lockdown restrictions lifting in Quarter 2 more viewings of properties have been taking place and Mears have brought their staff off furlough to complete necessary void works. Delays caused at the beginning of the year will have a knock-on effect on void times for the remainder of year, as the voids team need to catch up on existing repair work as well as turning around new voids ready for letting. However, the improvement in stats is encouraging and continues to reflect the hard work of our repairs team and Mears.</i>				
Council Dwellings - % of emergency repairs completed on time	99.62%	99.28%	99.75%	99.78%			98% (Quarterly)

Council Dwellings - % of routine repairs completed on time	97.66%	99.61%	99.67%	99.20%			90% (Quarterly)
All complaints will be acknowledged within 5 days as required in the policy	100%	99%	100%	100%			100% (Monthly)
All Freedom of Information / Environmental Information Requests to be responded to within the statutory period of (20 working days or lawful extension).	93.1%	90.7%	64.8%	87.4%			90% (Monthly)
			<p><i>Quarter 1: Performance decreased in early Q1 due to a combination of factors including, the sudden transition to exclusive remote working, staff sickness and the postponed start of a new team member due to being transferred to community hub work as a result of the coronavirus pandemic, which therefore impacted on the performance of the Information Governance team.</i></p> <p><i>Quarter 2: Performance has shown notable improvement due to the introduction of a previously recruited new team member, staff training, and adaptation to new home working requirements. Workload complexity has also eased following decision notices issued by the Information Commissioners Office (ICO) that upheld the Council's position on vexatious refusals, therefore freeing up the team to refocus their resources on processing the Council's outstanding caseload, which has put the team on a far firmer footing to achieve high performance moving forwards.</i></p>				
All Subject Access Request responses to be provided within the statutory period (1 calendar month or lawful extension).	55.5%	58.7%	16.6%	88.8%			100% (Monthly)
			See comments above				
Number of absence days per employee (Per full-time equivalent)	0.81	0.9	1.24	0.77			7 days (Annual)
Employee Net Promoter score	-	-	-	-			-20 or above (Annual)
			This indicator is collated on an annual basis and not available quarterly. A figure will be available at the end of Quarter 4.				

Online anytime at www.folkestone-hythe.gov.uk

Register for **'My Account'** - The easy way to access Council Information:

- Pay your council tax and view your previous council tax bills
- Find your bin collection day
- See planning applications within 500m radius of your registered property
- Report missed bins and dog fouling
- View a history of your council tax reductions and housing benefits
- View details of your local councillors.... and more!

To register and to find out more information about **'My Account'** please visit:

www.folkestone-hythe.gov.uk/myaccountinfo

It's clear, simple and fast and is also available on your tablet or mobile.

Website: folkestone-hythe.gov.uk

Facebook: FolkestoneandHytheDC

Twitter: @fstonehythedc

Instagram: @folkestonehythedc



This Report will be made public on 3 November 2020

Report Number **C/20/47**

To: Cabinet
Date: 11 November 2020
Status: Key Decision
Head of Service: Charlotte Spendley, Director of Corporate Services
Cabinet Member: Councillor David Monk, Leader

SUBJECT: UPDATE TO GENERAL FUND BUDGET 2020/21

SUMMARY: This report sets out the proposed amendments to the General Fund budget for 2020/21 to reflect the impact of COVID-19 on the Council's financial position in year.

REASONS FOR RECOMMENDATIONS:

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

- a) The Local Government Finance Act 1992 requires authorities to set a balanced budget. Whilst a balanced budget was set in February for the financial year 2020/21 a number of financial pressures have emerged since due to the global pandemic. This paper seeks to address how the emerging budget gap will be managed.
- b) Cabinet has the authority to approve virements to the in-year budget.

RECOMMENDATIONS:

1. To receive and note Report C/20/47.
2. To approve the virements to the 2020/21 General Fund budget as set out within this report.
3. To note the current reserves position and the potential requirement upon them.

1. BACKGROUND

- 1.1 This report sets out revisions to the general fund revenue budget for 2020/21. The original 2020/21 budget was built and agreed following an extensive process including revisions to the Medium Term Financial Strategy for the period 2020/21 to 2023/24 (reported to Cabinet 16 October 2019); development of the Budget Strategy 2020/21 (reported to Cabinet 13 November 2019); updates to the General Fund Medium Term Capital Programme (considered by Cabinet on 22 January 2020) and consultation & scrutiny on and the adoption of the detailed revenue budget during December 2020 & January 2021.
- 1.2 The final General Fund revenue budget for the year (2020/21) was recommended and adopted by Cabinet and Full Council (A/19/29) on 19 February 2020.
- 1.3 It is worth noting that when the Council's budget is adopted, in order to set the council tax we take into account precepts from Kent County Council, Kent Police & Crime Commissioner and Kent & Medway Fire & Rescue Service; the special expenses in respect of the Folkestone Parks and Pleasure Grounds Charity and individual town and parish council precepts. No changes are proposed to any of these items, nor are there any proposals to amend the level of Council tax for the district. The proposals contained within this report seek to allow the council to operate within the budget & Council tax requirement set in February 2020.
- 1.4 Since the budget for 2020/21 was adopted the COVID-19 pandemic has had a significant economic impact and the Council has not been immune from these financial challenges. Following an initial briefing paper in June to Cabinet outlining the potential scenarios, this paper now proposes some amendments to the 2020/21 budget for the general fund.

2. IMPACT OF COVID-19 ON GENERAL FUND REVENUE

- 2.1 The Council's overall financial position coming into this crisis was strong. However, all authorities are experiencing financial challenges due to the scale of the economic impact of the pandemic and Folkestone & Hythe is not immune to these issues.
- 2.2 The financial impacts include:
 - Unbudgeted costs to manage the response required to support the community, residents and the economy of the district
 - Reduced income from the many of key fees and charges collected by the Council
 - Reduced income collected on behalf of the Council and all preceptors for Council Tax and Business Rates
 - The cashflow implications of being a billing authority
 - Maintaining the solvency of the Council both during 2020/21 and future financial years.
- 2.3 The report to Cabinet in June outlined the evolving picture at that time, and the requirements placed on local authorities have continued to grow. To

date they have included housing the street homeless, opening community hubs, providing support to the vulnerable in our district, administration of NNDR reliefs, award of mandatory and discretionary business grants, supporting the safe re-opening of high streets and track and trace programme, as well as the administration of the new self isolation payments & discretionary scheme. In addition to the requirements being placed on the Council centrally other pressures have arisen during this time, such as the additional enforcement requirements placed on the district due to our coastal geography.

- 2.4 At the time of writing the June paper many factors were unknown, including how quickly income streams may recover and what level of Government funding we could anticipate to receive.
- 2.5 The paper outlined differing scenarios but the mid-case scenario identified a potential budget gap of £4.93 million in 2020/21. At the time of writing the Council had been allocated total grant funding of £1,194k.
- 2.6 Now at the mid point of the year, our understanding of the impact is greater, and whilst there remain unknown impacts (such as the impact of furlough ending on 31 October), we are now able to establish a position to update the budget.
- 2.7 Cabinet considered an update to the General Fund revenue monitoring position in October. This anticipates a (net after funding known at the time) projected outturn at year end of £1.322 million. It is proposed that the revisions to the budget are based upon these assumptions.

3. FUNDING RECEIVED TO DATE

- 3.1 The table below outlines the funding received from Government to date in respect of the response to the pandemic:

	£
Tranche 1 funding (street homeless)	65,737
Tranche 2 funding	1,128,417
Tranche 3 funding	219,926
Reopening High Streets funding	100,751
Emergency assistance grant (via KCC allocation)	61,521
Enforcement grant	62,559
Track & trace grant (via KCC allocation)*	50,000
Anticipated Fees & Charges reimbursement (April-July)	347,850
Administration of self-isolation payments	27,738
New Burdens Grant	170,000
Rough sleeping grant	7,500
	2,241,999

*awaiting confirmation

- 3.2 Since the quarter 2 budget monitoring position was determined further announcements have been made regarding tranche 4 funding, and the

Council has been awarded a further £609,785. This will reduce the Quarter 2 projected outturn position to £712k.

- 3.3 Further funding (75% of losses after 5% top-slice) for fees and charges for the remainder of the year is anticipated to be made available which would also reduce the anticipated year end gap, the quantum of this is not known at this stage.

4. GENERAL FUND REVENUE BUDGET 2020/21

- 4.1 The projected year end deficit is a net position, building in all known grants, income and expenditure at this time. In year variance is to be expected however the level of variance this year is unprecedented for the Council. It is proposed to rebalance the 2020/21 budget through reductions in service budgets where the impact can be carefully managed and has minimal impact on residents.
- 4.2 To address the deficit the following service operational budgets are proposed to be reduced / grant funding applied as follows:

	£
Member Training	5,000
Conducting Elections (postponed due to COVID)	30,000
Legal Services – ICT Iken upgrade (alternative funding identified)	5,000
Planning Policy – Professional fees	1,500
Spotlight funding	30,000
Financial system upgrade (alternative funding identified)	54,000
Reduced postage costs	14,000
ICT Maintenance	10,000
Mobile telephones	5,000
DWP New burdens grant funding	150,000
VEP grant funding	18,800
Public conveniences	43,000
Pumping stations – transport costs	5,000
Pesticide motion (delayed to 2021/22)	30,000
Memorial Arch – maintenance costs	4,000
Car Parks – planned maintenance	20,000
Programme planned maintenance	50,000
Corporate estate – repairs & maintenance	25,000
Parks – materials	2,850
Royal Military Canal – planting	1,000
Royal Military Canal – drainage maintenance	3,000
Royal Military Canal – bridge maintenance	22,480
Engineers – Professional advice	20,000
	549,630

- 4.3 The proposed changes will be virements to the base budget and will reduce the anticipated year end deficit from £712k to £162k. Cabinet have the authority to approve virements to the budget.

5. RESERVES

5.1 The Council has a strong track record of managing its financial position prudently and effectively. As a result the Councils reserves are in a healthy position coming into this crisis. However, reserves can only be applied once and they may be challenging to replenish over the short term, they should therefore be deployed conservatively.

5.2 The current Earmarked reserves position is projected to be:

Earmarked Reserve	Balance at 1/4/2020	Forecast 2020/21 Movement	Estimated Balance at 1/4/2021
Business Rates	5,699	(4,300)	1,399
Carry Forward	681	(158)	523
Corporate Initiatives	998	(752)	246
IFRS Reserve	30	(23)	7
Invest to Save	366	(366)	0
Leisure	497	50	547
New Homes Bonus (NHB)	2,360	(19)	2,341
VET Reserve	257	(50)	207
Economic Development	4,384	(3,958)	426
Otterpool	1,570	(1,570)	0
Maintenance of Graves	12	0	12
Community Led Housing	418	(52)	366
Lydd Airport	9	0	9
Homelessness Prevention	401	0	401
High Street Regeneration	3,000	(934)	2,066
Climate Change	0	4,960	4,960
	20,682	(7,172)	13,510

5.3 In addition the Council holds General reserves of £3.31 million.

5.4 The Council holds reserves for four reasons main reasons:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- A contingency to cushion the impact of unexpected events or emergencies.
- A means of building up funds to meet known or predicted liabilities.
- A means of setting aside sums for future identified uses and / or investments

5.5 After the application of the tranche 4 funding and the proposed virements, the remaining anticipated gap in 2020/21 is £162k. This is a manageable sum for the Council to operate within, and officers are working towards minimising costs so that there is no year end gap.

However, Members should note that if the remaining gap cannot be closed the use of reserves would be appropriate given the circumstances. There are no current identified plans for the use of the remaining Corporate

Initiatives earmarked reserve therefore it is proposed to utilise the remaining £246k should the year end position be an anticipated deficit.

5.6 The Council reallocated a number of reserves for 1 April 2020 to create the Climate Change reserve. This reserve is the largest earmarked reserve the Council holds. The current projected outturn position remains an early estimate and the full impact of the recovery is not yet known. There are no current plans to utilise this reserve to address the financial pressures of COVID-19 on the Council, but should the situation worsen the Council may need to consider the application of this reserve. Should this be required a further report will be brought forward.

5.7 Furthermore small year end variances can be managed through the Council's General Reserve as long as we maintain the reserve at a level of at least £2.5 million.

6. CONCLUSION

6.1 Cabinet is asked to agree the virements outlines within 4.2, and note both the government funding position and the potential application of reserves in respect of the General Fund budget for 2020/21. These amendments can be summarised as:

	£'000	£'000
Balanced budget 2020/21		0
Projected overspend (Q2)		1,322
		1,322
Tranche 4 funding	(610)	
Virements to identified budgets (4.2)	(550)	
		(1,160)
Revised projected overspend		162

6.2 The remaining projected overspend is anticipated to be funded from a combination of further fees & charges reimbursement (August onwards); prudent approach to spending; and potential application of reserves if required.

7. RISK MANAGEMENT ISSUES

7.1

Perceived risk	Seriousness	Likelihood	Preventative action
Deteriorating economic climate	Medium	High	Setting of a prudential budget and continuing strong financial control in the Council's decision making. The enhanced monitoring of the budget will continue for the remainder of the financial year.

Perceived risk	Seriousness	Likelihood	Preventative action
No further Government grants awarded	Medium	Medium	Monitor closely Government announcements and identify early action to address any potential issues. Lobby where necessary. Scope provided within recommendations for a marginal worsening of the position.
MTFS becomes out of date.	High	Low	The MTFS is currently being reviewed for reporting to Cabinet / Council in the Autumn.
Demand for services on behalf of the government continues without associated funding	High	High	Funding announcements will be closely monitored. Any requests for support will be evaluated and discussed with the relevant Portfolio Holder. We will seek to utilise base establishment resources in the first instance.
Assumptions may be inaccurate.	High	Medium	Budget monitoring is undertaken regularly and financial developments nationally are tracked. Assumptions are regularly reviewed.

8. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

8.1 Legal Officer's Comments (AK)

The Council must consistently comply with the Local Government Finance Act 1992 (as amended) and associated legislation. All the legal issues have been covered in the body of this report.

8.2 Finance Officer's Comments (CS)

The Financial implications are detailed in the report.

8.3 Diversities and Equalities Implications (CS)

There are no direct diversities and equalities implications resulting from the recommendations of this report.

15. 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

Telephone: 07935 517986

Email charlotte.spendley@folkestone-hythe.gov.uk

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

- 16 October 2019 - Report to Cabinet and Council - Medium Term Financial Strategy for the period 2020/21 to 2023/24
- 13 November 2019 - Reports to Cabinet - Budget Strategy 2020/21 and Fees & Charges 2020/21
- 11 December 2019 - Report to Cabinet - Draft General Fund Original Revenue Budget 2020/21
- 19 February 2020 – General Fund Revenue Budget 2020/21 and Council tax setting
- 24 June 2020 – Financial Impact on 2020/21 of COVID-19
- 21 October 2020- General Fund Revenue Budget Monitoring – 2nd quarter 2020/21

This Report will be made public on 3 November 2020

Report Number **C/20/46**

To: Cabinet
Date: 11 November 2020
Status: Key Decision
Head of Service: Charlotte Spendley – Director of Corporate Services
Cabinet Member: Councillor David Monk, Leader and Portfolio Holder for Finance

SUBJECT: UPDATE TO THE GENERAL FUND MEDIUM TERM CAPITAL PROGRAMME

SUMMARY: This report updates the General Fund Medium Term Capital Programme for decisions which have occurred since the Council approved the budget on 19 February 2020. It also considers a proposal to provide loan funding met from prudential borrowing to Veolia Environmental Services Limited for the provision of the new fleet and equipment required for the new Waste, Recycling and Street Cleansing Contract. Changes to the Capital Programme are required to be submitted to full Council for consideration and approval.

REASONS FOR RECOMMENDATIONS:

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

- a) 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.
- b) Proposed changes to the General Fund Capital Programme need to be considered before being submitted to full Council for approval.

RECOMMENDATIONS:

1. To receive and note report C/20/46.
2. To seek full Council approval to update the General Fund Medium Term Capital Programme for the changes outlined in section 2 of the report.
3. To seek full Council approval to include a budget of £4,052,000 in the General Fund Medium Term Capital Programme to provide loan funding met from prudential borrowing to Veolia Environmental Services Limited for the provision of the fleet and equipment required for the new Waste, Recycling and Street Cleansing Contract.
4. The Director of Place to be authorised to incorporate terms within new the Waste, Recycling & Street Cleansing Contract to provide funding of the new vehicle fleet in return for contract savings as outlined.

1. INTRODUCTION AND BACKGROUND

- 1.1 Full Council approved the current General Fund Medium Term Capital Programme (MTCP) for the five year period to 31 March 2025 on 19 February 2020 (minute 101 refers). Since then there have been several decisions taken regarding General Fund capital schemes which have a budget impact and require being submitted to full Council for consideration and approval to update the MTCP. This report summarises the changes to the individual capital schemes arising from these decisions including the impact to the capital budgets and financing resources for them.
- 1.2 This report also outlines a proposal, in conjunction with Dover District Council (DDC), to provide loan funding met from prudential borrowing to Veolia Environmental Services Limited (VES) for the provision of the new fleet and equipment required for the new Waste, Recycling and Street Cleansing contract which will generate an annual saving to the Council over its eight year term.

2. CAPITAL PROGRAMME CHANGES

- 2.1 The capital schemes where decisions have occurred since the current MTCP was approved are summarised in the table below:

Scheme	Decision	Budget Increase	Funding Change
1. Purchase of former Debenhams Building, Folkestone	11/03/2020 - Urgent decision under Council's scheme of delegation. Purchase completed 01/05/2020.	£2,346,000	Met from the Economic Development and High Street Regeneration Reserves
2. Mountfield Road Industrial Estate Phase 2 – To provide infrastructure and services to a 5 hectare site enabling its use to provide much needed employment space creating up to 450 new jobs	August 2020 - Approval in principle by South East Local Enterprise Partnership of a £3.5m grant from its 'Getting Building Fund' to fully fund the site infrastructure costs.	£3,500,000	Met entirely from the SELEP Getting Building Fund grant
3. Biggins Wood Development – Land remediation	September 2020 - Approval in principle by Homes England	£1,150,000	£1,016,000 from the Homes England Grant

and infrastructure works to enable the Commercial and Housing developments to proceed.	of a grant of £1.016m towards the estimated cost of £1.7m. The Council has already provided £0.55m towards this cost in the existing MTCP budget		£134,000 from the Economic Development Reserve
4.Electric Vehicle Charging Points	Scheme approved by Cabinet on 21 October 2020 (Report no. C/20/37 refers)	£40,000	Met from the Climate Change Reserve
Total Budget Increase		£7,036,000	

2.2 Both the SELEP Getting Building Fund grant and the Homes England grant have been agreed in principle. No work to be funded from these grants will commence until the final funding agreements are in place. The use of the revenue reserves outlined above has been factored into the Council's medium term financial planning.

3. WASTE, RECYCLING AND STREET CLEANSING CONTRACT – FUNDING OF FLEET REQUIREMENTS

3.1 Background

3.1.1 Cabinet on 22 July 2020 agreed the award of the new joint Waste, Recycling and Street Cleansing Contract to VES. Included within the overall contract cost of the new agreement was the provision of new fleet vehicles and other equipment to service the contract for the waste collection and street cleansing operations.

3.1.2 During the procurement dialogue stages the option was discussed with bidders for the councils (FHDC and DDC) to fund the capital purchase of the new vehicle fleet and other equipment. This option was included in the final tender document and bidders were asked to provide a revised contract cost with the councils providing the funding of the new fleet.

3.1.3 The intention was to consider this option post award as the financial benefits would need to be assessed based on current borrowing rates. For the procurement award the contract price evaluation was completed on the basis that the contractor will fund and purchase the new fleet.

3.1.4 The councils have not committed to fund the purchase of the new vehicle fleet and all decisions to award the contract have been made on the default position that the contractor will fund. The decision to be considered is whether it would be financial advantageous to borrow to fund the vehicles in return for a reduced annual contract cost.

3.2 Financial Assessment

- 3.2.1 As this it is a joint contract with DDC the following figures are the combined cost for both authorities. The new fleet requirements are similar for both councils and operationally vehicles are used across the districts. The proposal is for both councils to provide loan funding to VES to enable them to purchase the fleet and equipment required for the contract. VES would retain ownership of the fleet and equipment and they would repay the loan and provide a rebate to the annual contract cost to reflect the saving on the interest cost to the councils.
- 3.2.2 In summary, the annual cost of the Waste, Recycling and Street Cleansing Contract is £10.023m. VES have estimated over the 8-year contract term of the total capital expenditure for new fleet and equipment to be £8,119,440. The majority of this funding (£7,757,777) is required in Year 1 with further funding (£361,663) in Year 5. If the councils took on the vehicle funding then the annual contract cost would reduce to £8.754m. This Council's share of the capital cost will be £4,052,000.
- 3.2.3 This type of funding arrangement for the purchasing of new fleet has been adopted by other councils on their waste contracts but would be new to FHDC and DDC. External financial advice was obtained from the treasury management specialists Arlingclose Ltd.
- 3.2.4 Arlingclose consider the financial risk of providing the funding to VES for the purchase of the new fleet and the potential savings that could be achieved. The report conclusions were:-
- i) VES is a credit worth company due to the size, spread and diversification of its financials and business operations.
 - ii) VES is credit rated by the three main credit rating agencies all who have assigned a stable outlook to the company and indicated resilience of its three main revenue sources.
 - iii) The credit rating assigned to VES would typically indicate a low default rate on loans made to the company.
 - iv) Significant savings ranging between about £1.42m and £1.97m over the life of the contract, or £178k to £246k, can be made by FHDC and DDC by meeting the purchase cost of the new fleet from prudential borrowing depending on the type of loans used, based on current interest rates.
 - v) The credit risk inherent in the contract of purchasing and funding the new fleet is matched by the value of the savings to be achieved by the Councils.
- 3.2.5 For FHDC the annual saving from using prudential borrowing to fund its share of the fleet cost will be in the range of £89k to £123k. Given the range in borrowing costs used by Arlingclose, it would be reasonable to assume the annual saving to FHDC will be approximately £100k over the 8 year life of the contract.
- 3.2.6 There is no provision within the existing approved Medium Term Capital Programme for the financing of the new fleet. The Council's Constitution

requires full Council to approve the capital budget of £4,052,000 for the loan to VES and also the use of prudential borrowing to finance this cost.

3.2.7 The increase in the prudential borrowing can be comfortably contained within the Council's existing authorised borrowing limit for 2020/21 of £180.1m. The increase in the Council's Capital Financing Requirement arising the prudential borrowing will be offset by the loan repayments from VES over the 8 year life of the contract.

3.2.8 Womble Bond Dickinson (UK) LLP, the legal consultants employed by the councils for the Waste Project have reviewed the proposal in terms of state aid implications. They are satisfied that there are no implications as all bidders at tender were offered the same opportunity to provide bids with the vehicle acquisition funded by the council.

4. CONCLUSIONS

4.1 The total value of the General Fund MTCP and the financial resources to support it from 2020/21 to 2024/25 incorporating the changes outlined in sections 2 and 3 of this report are summarised in the table below:

MTCP	Existing Budget £'000	Changes £'000	Updated Budget £'000
Total Cost	133,172	11,088	144,260
Capital Funding			
Capital Grants	(8,315)	(4,516)	(12,831)
External Contributions	(3,776)	-	(3,776)
Capital Receipts	(23,157)	-	(23,157)
Revenue	(2,374)	(2,520)	(4,894)
Borrowing	(95,550)	(4,052)	(99,602)
Total Funding	(133,172)	(11,088)	(144,260)

4.2 Full Council approval is required for the changes to the Capital Programme outlined above.

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	Schemes supported by grant funding will only commence once fully approved and committed by the relevant body. Revenue resources required to fund capital expenditure are covered by Earmarked Reserves and have been factored into the Council's medium term financial planning
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.
Veolia Environmental Services Ltd defaulting on loan obligations	High	Low	Independent financial appraisal undertaken confirming strong credit rating of company

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (NM)

The legal implications of providing borrowing to Veolia Environmental Services Limited are set out in the 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 officers prior to the meeting:

Lee Walker, Capital and Treasury Senior Specialist

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

Andrew Rush, Regulatory Services & Corporate Contract Lead Specialist

Tel: 01303 853271 email: andrew.rush@folkestone-hythe.gov.uk

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

- 1) Arlingclose Ltd – FHDC & DDC Waste Capital Financing Report

This page is intentionally left blank