



Agenda

Meeting: **Finance and Performance Scrutiny Sub-Committee**
Date: **11 October 2022**
Time: **7.00 pm**
Place: **Council Chamber - Civic Centre, Folkestone**

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

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

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

This meeting will be webcast live to the council's website at <https://folkestone-hythe.public-i.tv/core/portal/home>. Although unlikely, no guarantee can be made that Members of the public in attendance will not appear in the webcast footage. It is therefore recommended that anyone with an objection to being filmed does not enter the council chamber.

Please note there are 37 seats available for members of the public, which will be reserved for those speaking or participating at the meeting. The remaining available seats will be given on a first come, first served basis.

1. **Apologies for absence**
2. **Declarations of interest (Pages 3 - 4)**
3. **Quarter 1 Performance Report 2022/23**

Queries about the agenda? Need a different format?

Contact James Clapson – Tel: 01303 853764
Email: committee@folkestone-hythe.gov.uk or download from our
website
www.folkestone-hythe.gov.uk

This report provides an update on the Council's performance for the first quarter of the year covering 1st April 2022 – 30th June 2022. The report enables the Council to assess progress against the approved key performance indicators arising from the Council's new Corporate Action Plan.

Key performance indicators will be monitored during 2022-23 and reported to the Corporate Leadership Team and Members quarterly.

4. **General Fund Revenue Budget Monitoring - 2nd Quarter 2022/23**

This monitoring report provides a projection of the end of year financial position of the General Fund revenue budget, based on expenditure to the 31 August 2022.

5. **General Fund Capital Programme Budget Monitoring 2022/23**

This monitoring report provides an initial projection of the current financial position for the General Fund capital programme profiled for 2022/23, based on expenditure to 31 August 2022, and identifies variances compared to the latest approved budget.

6. **Housing Revenue Account Budget Monitoring Quarter 2**

This monitoring report provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 31 August 2022.

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 October 2022



Report Number **C/22/45**

To: Cabinet
Date: 20th October 2022
Status: Non Key Decision
Director: Charlotte Spendley – Director for Corporate Services
Cabinet Member: Councillor David Monk, Leader and Cabinet Members for Finance

SUBJECT: QUARTER 1 PERFORMANCE REPORT 2022/23

SUMMARY: This report provides an update on the Council's performance for the first quarter of the year covering 1st April 2022 – 30th June 2022. The report enables the Council to assess progress against the approved key performance indicators arising from the Council's new Corporate Action Plan.

Key performance indicators will be monitored during 2022-23 and reported to CLT and Members quarterly.

REASONS FOR RECOMMENDATIONS (*Cabinet only*):

- a) The Council is committed to monitoring performance across all of its corporate service ambitions to ensure progress and improvement is maintained.
- b) The Council needs to ensure that performance is measured, monitored and the results are used to identify where things are working well and where there are failings and appropriate action needs to be taken.

RECOMMENDATIONS:

- 1. To receive and note report C/22/45
- 2. To note the performance information for Quarter 1 2022-23 in Appendix 1.
- 3. To note the ongoing review work being undertaken into the call levels being answered by Customer Services set out in section 3.1
- 4. To approve the inclusion of the additional KPIs set out in section 4.1

1. QUARTER 1 PERFORMANCE REPORT 2022-23

1.1 The Council's new corporate plan 'Creating Tomorrow Together' 2021-30 was adopted by Full Council on 24th February 2021 (Report ref: A/20/10).

1.2 The Corporate Plan is built on 4 key service ambitions and 6 guiding principles. Each service ambition has a number of priority areas identified within it, these priorities will be the focus of Council activity over the coming three years to 2024. The service ambitions are set out below:

Service Ambitions

- Positive Community Leadership
- A Thriving Environment
- A Vibrant Economy
- Quality Homes and Infrastructure

1.3 The Plan also adopted 6 Guiding Principles, which would apply to the approach taken by the Council in undertaking its duties and these were Sustainable Recovery; Locally Distinctive; Greener Folkestone & Hythe; Transparent, Stable, Accountable & Accessible; Working Effectively with Partners and Continuous Improvement.

1.4 To support the council in delivering against its priorities documented in the corporate plan, a detailed action plan covering a three year period to 2024 and supporting KPIs for the current financial year was adopted by Cabinet on 20th October 2021 (Report ref: C/21/40).

1.5 The Quarterly Performance Report (Appendix 1) has been produced to summarise the Council's performance for Quarter 1 (1st April to 30th June 2022).

1.6 Quarterly Performance Reports enables Finance & Performance Scrutiny Subcommittee, 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 Action Plan.

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

1.8 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.

2. PERFORMANCE – EXCEPTION REPORTING

2.1 Service Ambition 1: Positive Community Leadership

2.1.1 The average number of days taken to process new claims for Housing Benefit has shown an improved position in Quarter 1 compared to the

same period last year, achieving 13.2 days. This is continuing to help residents on low income understand more quickly what support is available to them for their housing costs.

2.1.2 A total of 3 priority play areas were improved by the council during the quarter. The improvement works were undertaken in the following locations:

- *Lower Leas Coastal Park: The Bounty shipwreck was replaced with a new larger Ship modelled after The Santa Maria in May 2022.*
- *Cheriton Recreation Ground: The installation of a new 10m diameter rope climbing frame, new teen shelter adjacent to the basketball court and a replacement spring rocker was funded through COMF (Contain Outbreak Management Fund) funding in June 2022.*
- *Oak Drive play area in St Mary's Bay which is a SIPA (Strategically Important Play Area) underwent a full refurbishment in June 2022.*

2.1.3 The district offers a wide range of food business which includes restaurants, pubs, takeaways, the fishing industry, and food manufacturers, with 97.8% of premises being rated 3 stars or above in the quarter, the equivalent of satisfactory to very good.

2.1.4 A total of three community safety events/projects were delivered during the quarter. In May, the Community Safety Partnership hosted an event at the new F51 Skate Park with multi agency partners to review the community safety priorities for the district, identify joint priorities and working opportunities and plan community engagement events for the year. In the same month members of the CSU team, Kent Police and Home Start went on walk about in Folkestone town centre to speak to people leaving work to raise awareness of domestic abuse and violence against women and girls. In June as part of the Queen's Platinum Jubilee celebrations, the Community Safety team hosted a public engagement stall on The Leas providing information to the public on how to keep safe whilst out and about, report community issues and crimes anonymously as well details on how to access mental health and local youth services.

2.2. Service Ambition 2: A Thriving Environment

2.2.1 A total of 18 enforcement notices were issued by Environmental Enforcement Officers for offences relating to rubbish accumulations on private land, disposing of trade waste, dog control and noise.

2.2.2 33 fixed penalty notices were issued for low level environmental crime, including littering, fly-posting, failure to display smoke-free signs at premises and on vehicles and smoking within designated smoke-free premises and vehicles.

2.2.3 The Local Area Officer Team have supported a total of 17 community volunteer environmental events working with local community groups and schools including Hythe Environmental Group, Hawkinge Community Litter Pickers and Saltwood School. The volunteers attending these events have

collected 147 bags of litter to help keep local areas around the district clean and tidy.

- 2.2.4 A total of 1,278 'See it, Own it, Do it' interventions have been actioned by the Local Area Officer Team to help ensure the district remains a welcoming and attractive place to live, work and visit. The team have undertaken a variety of work in the quarter, including graffiti clearance, removal of flyposting and area clear ups.
- 2.2.5 The number of missed bin collections per 100,000 continues to show improvement during the quarter when compared with same period last year following the rectification of operational issues associated with the implementation of the new waste contract that was experienced during the first half of last year.
- 2.2.6 98.23% of streets surveyed were clear of litter during the quarter following inspection of various locations across the district undertaken by members of the Waste Services team.
- 2.2.7 A further 35 electric vehicle charging points have been installed within car parks in the district during the quarter bringing the cumulative total of operating points to 53 so far. The new units were rolled out across nine sites in Folkestone, Hythe, Lyminge, Dymchurch, New Romney and Lydd on Sea to further help residents and visitors to charge their electric vehicles in the district.
- 2.2.8 A further 161 street lights were converted to LED within the district during the quarter bring the cumulative total to 302 to improve energy efficiency as part of Council's wider ongoing work to increase its resilience against climate change. Further adoptable assets to support the rollout work are to be transferred to KCC in October.

To monitor:

- 2.2.9 The percentage of household waste recycled was under target when compared with the same period last year. The main likelihood of this decline is the increased home recycling tonnages previously experienced during the 2020-21 and 2021-22 coronavirus lockdowns that resulted in more people working from home have now fallen away this year as remaining restrictions were lifted and more hybrid working methods have been adopted.

2.3 Service Ambition 3: A Vibrant Economy

- 2.3.1 During Quarter 1 a total of £99,998 of funding was allocated from the high streets fund for nine applications. The approved applications consisted of a street exhibition hosted by Folkestone Town Council, building artwork in the Rendezvous Street area of Folkestone, five refurbishments of premises that had been empty, and two schemes where external improvements were being made to premises for businesses already residing there.
- 2.3.2 A total of 17 businesses have been engaged with in the district by the Economic Development team to help support business growth and

retention of local jobs. The business engaged with include: Alkaline UK Haulage, Folkestone Harbour & Seafront company, Romney Tweed, Basepoint Shearway, Charlier Construction, Romney Hythe & Dymchurch Railway, The Workshop, Stagecoach, Beresfords Accountants, Locate in Kent, Screen South, Motis Estates, Folkestone College, Oak Creative and Saga Group.

2.3.3 Total funds allocated from the Folkestone Community Works programme reached 90% by the end of Quarter 1 with all funded projects having claimed expenditure worth £1,424,379 since the programme's inception in 2018 which aims to improve social and economic community cohesion in the wards of East Folkestone, Central Folkestone, Folkestone Harbour and part of Broadmead. The projects underway during Quarter 1 include:

- Open Doors & Step-Up: A project being delivered by Screen South, which is engaging with individuals to exploring careers in film making and associated creative media through practical sessions and for the more advanced participants real life experience in creating short films.
- Enterprising Opportunities: A project being delivered by Social Enterprise Kent is delivering business support in the form of 1-2-1 and group sessions to local businesses and start-ups. Topics have covered employing of staff, social media and monitoring cash-flow. In addition, potential entrepreneurs are receiving support on how they could turn an idea into a business.

2.4 Service Ambition 4: Quality Homes and Infrastructure

2.4.1 33 affordable homes were delivered by the Council and its partners during the quarter with over 70 further homes currently started on site within the district that are being delivered in conjunction with the Council's registered provider partners to help provide more homes for affordable rent and low-cost home ownership on sites in Cheriton, Sellindge and Folkestone during the current financial year.

2.4.2 77 private sector homes were improved during the quarter as a result of intervention by the Council helping to continually improve the standards and compliance of properties within the sector.

2.4.3 100% of blocks within the council's housing stock had valid fire risk and legionella assessments in place during the quarter.

2.4.4 The percentage of homelessness approaches closed as 'homelessness prevented' has shown an improvement on year-end with 40 preventions over the quarter, exceeding target.

To monitor

2.4.5 The number of homelessness approaches to the Council has fallen slightly since Quarter 4 of last year from 481 to 408 and the general trend is currently decreasing. The increasing trend in approaches throughout last year was in part due to the ending of the embargo on evictions that was originally put in place by the government during the lockdown period and

also due to the introduction of the Domestic Abuse Act that places duties on local authorities to provide safe accommodation to victims of abuse. The current negative economic outlook associated with ongoing cost of living crisis and any correlation between approaches will be kept under close review as this year progresses.

2.4.6 96.51% of properties that met the decent homes standard at the end of the quarter with a total of 118 failings outstanding, 21 of which are included on the Social Housing Decarbonisation Fund Wave 1 Programme to be upgraded this year. A planned programme of works is in place to bring these properties back to standard and meet target.

2.4.7 95.17% of blocks within the council's housing stock had a valid electrical safety certificate in place (EICR) at the end of the quarter. A total of seven blocks had outstanding electrical safety certificates. Certification has now been provided, but further remedial works are required to bring these blocks up to the required standard.

2.5 Transparent, Stable, Accountable & Accessible

2.5.1 In Quarter 1, a further 3,447 new customers registered for the My Account service equating to an additional 6.69% take up when compared to residential properties. Since the launch of the service in August 2020, over 33,800 customers have registered equating to 65.94% take up so far, helping residents to access a range of council information and services online.

2.5.2 No Data breaches were submitted to the Information Commissioner's Office (ICO) within a 72-hour period during the quarter. A total nine breaches were assessed by the Information Governance team firsthand during the quarter that were as a result of errors in working processes and controls and none were deemed severe enough to require further escalation to the ICO in line with their guidance. Individual mitigation measures were swiftly put in place in relation to these incidents in order to address weaknesses.

To monitor

2.5.3 The number of Freedom of Information (FOI)/ Environmental Information Requests (EIR) responded to within statutory timeframes has shown continued improvement when compared with the final quarter of last year (2021/22). A previously reported issue with the Salesforce platform that resulted in case response times being incorrectly calculated has now been rectified. In addition, the outstanding backlog of historic cases have now been cleared. Additional resource employed to the team at the beginning of the year and ongoing training is having a positive impact both on the overall performance of the team and case response times.

2.5.4 The number of subject access requests (SARs) responded to is continuing to show improvement when compared with final quarter of last year (2021/22). Additional resource employed to the team at the beginning of the year and ongoing training is having a positive impact both on the

overall performance of the team and case response times, helping to create a more streamlined communication process with third parties in the processing of these requests.

2.5.5 The percentage of data breaches assessed to decide if it is reportable to the ICO was under target during Quarter 1 as a result of an individual case not being assessed within the defined 72-hour period due to information on the breach not being passed on by a department to the Information Governance (IG) team within this dedicated timeframe. The breach once received by the IG team was assessed within 72 hours and was deemed to be non-reportable to the Information Commissioner’s Office (ICO). Individual mitigation measures were swiftly put in place in relation to this incident in order to address any weaknesses to working processes.

3. Update on call levels answered by Customer Services

3.1 Following on from concerns raised by Members in relation the level of calls answered by Customer Services, work is underway to review the overall position. This includes an analysis of the types and frequency of calls received and the impact of significant, unplanned events which may increase call levels and have an impact on call handling response times. This review will also reflect the key aims of the Customer Access Strategy and the Council’s commitment to increasing the level of online customer services and transactions thereby reducing call volumes to ensure that those customers who need to engage by telephone can do so more easily.

4. Additional KPIs for reporting in 2022/23

4.1 The following nine KPIs have been introduced under the following sections of the quarterly performance report with supporting data included in appendix 1:

KPI Description	To be included under report theme	Reason
Lifeline - Number of calls answered within 60 seconds	Transparent, Stable, Accountable, Accessible	Both performance measurements being published in quarterly reports will complement the evidence base provided for future TSA audits for the Lifeline service.
Lifeline - Number of calls answered within 180 seconds		
Properties with a valid LGSR	Quality Homes & Infrastructure	To provide greater awareness of performance against key housing compliance measures within quarterly performance reports to members. The six areas of compliance highlighted are ones that the Housing Service have a statutory obligation to report on. These KPIs also support the ‘building safety’ aspect of the new Tenant Satisfaction Measures set out in the Government’s ‘Charter for
Blocks with a valid Fire Risk Assessment	Quality Homes & Infrastructure	
Blocks with a valid Legionella Risk Assessment	Quality Homes & Infrastructure	
Blocks with valid (in date) Electrical Certificate (EICR)	Quality Homes & Infrastructure	
Domestic properties with a valid (in date) EICR	Quality Homes & Infrastructure	

		Social Housing Residents' White Paper (Nov. 2020)
Properties Asbestos compliant (Communal)	Quality Homes & Infrastructure	
Insurance visits completed on communal lifts (LOLER)	Quality Homes & Infrastructure	

5. RISK MANAGEMENT ISSUES

5.1 The following perceived risks are set out in the table below:

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 Action 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.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

- 6.1 **Legal Officer's Comments (EC)** - 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.
- 6.2 **Human Resources Comments (RB)** - There are no direct Human Resource implications emanating from this report. The council's People Strategy has been created to support the corporate plan and achievement of associated KPIs.
- 6.3 **Finance Officer's Comments (LK)** - There are no financial implications arising directly from this report.
- 6.4 **Climate Change (AT)** – No direct implications arising from this report. The report provides an update on the Council's performance covering 1st April 2022 – 30th June 2022. The report does not propose new projects, policies or strategies but provides an update on actions that are already in

progress. Some of the environmental projects that the council is currently undertaking are summarised in the report in Section 2.2 'A Thriving Environment' and in Appendix 1, Section 02 'A Thriving Environment'.

- 6.5 **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.
- 6.6 **Communications Comments (KA)** - The communications team will use these KPIs as appropriate in their promotion of council services.

7. 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: Quarter 1 2022/23 Key Performance Indicators Report

This page is intentionally left blank



Folkestone & Hythe District Council

Quarter 1 Performance Report (April- June 2022)

Your Cabinet Members



Cllr David Monk
Leader of the Council



Cllr Jennifer Hollingsbee
Deputy Leader of the
Council and Cabinet
Member for Communities



Cllr John Collier
Cabinet Member for
Property Management &
Grounds Maintenance



Cllr David Godfrey
Cabinet Member
for Housing and 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
Transport and
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 113,300 of which 57.4% (32,900) of female residents and 59.1% (33,100) of males are of working age.

Our principal town, Folkestone, is home to 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 businesses 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 innovative small and medium size businesses (SMEs) and is home to strong brand names including Saga, Eurotunnel, Holiday Extras, the Aspinall Foundation and Church & 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 shaping that future.



The Old High Street, Folkestone



Royal Military Canal, Hythe



Dungeness, Romney Marsh

Introduction

In February 2021, we published our new Corporate Plan '**Creating Tomorrow Together**', a 34-page document setting out our over-arching principles and service ambitions up until 2030 following approval by councillors.

The plan identifies the main priorities and themes of the council, including the key role we will play in leading the district's recovery from the coronavirus pandemic over the next three years.

The name of our corporate plan was inspired by the excellent relationships and networks which the council already has - and will continue to build on for the benefit of residents. It also alludes to the recovery work already being undertaken.

The plan was subject to public consultation in late 2020 and incorporates the key points raised during the consultation period to ensure it reflects the needs and ambitions of our residents, businesses and key stakeholders across the district.

The plan is focused on four service ambitions which are priority areas of action that relate to the key services that the council plans, delivers and commissions and six guiding principles that guide everything that we do (**see summary image**).

The adopted service priority actions as part of the plan have been further developed into a corporate action plan, with progress against the plan itself monitored annually, and the plan will be comprehensively reviewed in 2024 to ensure it remains appropriate for the district.

A copy of our new corporate plan can be found here: [Creating Tomorrow Together – Corporate Plan 2021-30](#)



Creating Tomorrow Together: Corporate Plan 2021-30

Service ambition 1: Positive community leadership Priorities in the next three years	Service ambition 2: A thriving environment Priorities in the next three years	Service ambition 3: A vibrant economy Priorities in the next three years	Service ambition 4: Quality homes and infrastructure Priorities in the next three years
Improve physical and mental health & wellbeing	Ensure an excellent environment for everyone	Reinvigorate the high streets	Improve outcomes & support for homeless people
Safer communities	Grow the circular economy & reduce waste	Support a vibrant & diverse business community	Deliver sustainable, affordable housing
Supporting & empowering our communities	Increase our resilience to climate change	Help people access jobs & opportunity	Deliver a safe, accountable housing service
		Grow the skills we need for the future	Digital inclusion & connectivity
			Deliver a sustainable new development at Otterpool Park

In everything we do we will follow these guiding principles:

Sustainable recovery We will do all we can to ensure a strong recovery for the district from the effects of COVID.	Locally distinctive We will protect the special distinctive and diverse nature of our district - working with our key partners to enhance it.	Greener Folkestone & Hythe We will encourage and create a more sustainable district consuming fewer natural resources.	Transparent, stable, accountable and accessible We will be financially sustainable and communicate effectively with our communities in an accessible way.	Working effectively with partners We will engage with partners to understand the vital role they play and work collaboratively with them to ensure the best outcomes for our residents.	Continuous improvement We will embed a culture of continuous improvement, seeking feedback and being innovative and creative to find new ways to deliver services.
--	---	--	---	---	--

Above: Corporate Plan - Service Ambitions and Guiding Principles

01 Positive Community Leadership

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Number of new priority play areas improved by the Council	0	3				1 site per year	✓
	<p><i>The following improvement works on priority play areas were complete in Quarter 1:</i></p> <ul style="list-style-type: none"> <i>The installation of a new 10m diameter rope climbing frame, new teen shelter adjacent to the basketball court and a replacement spring rocker at Cheriton Recreation round funded through COMF (Containment Outbreak Management Fund) funding June 2022.</i> <i>The Bounty shipwreck in the Lower Leas Coastal Park replaced with a new larger Ship modelled after The Santa Maria completion in May 2022.</i> <i>Oak Drive in St Mary's Bay which is a SIPA (Strategically Important Play Area) full refurbishment completed in June 2022.</i> 						
Average number of days to process new claims for Housing Benefit from the date complete evidence is received.	3.4	4.5				7 Days (Monthly)	✓
Average number of days taken to process new claims for Housing Benefit	14.7	13.2				17 Days (Monthly)	✓
% food premises broadly compliant (equivalent to 3 rating)	Figure unavailable	97.8%				95% (Quarterly)	✓
Number of community safety events held and projects delivered	0	3				10 (Annual)	✓

01 Positive Community Leadership

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
	<p>In Quarter 1, a total of three community safety events or projects were delivered by the Community Safety Unit:</p> <ul style="list-style-type: none"> • Walk and Talks (DA and VAWG): Members of the CSU team, Kent Police and Home Start went on walk about in Folkestone town centre in May to speak to people leaving work to raise awareness of domestic abuse and violence against women and girls. The team issued safety information, asked for peoples' views on how safe they felt in the district and gave out personal safety alarms. • Mapping events for the year (CSP event): A Community Safety Partnership event was hosted at the new F51 Skate Park in May with multi agency partners to review the community safety priorities for the district, identify any joint priorities and working opportunities and plan community engagement events for the year. • Folkestone Platinum Jubilee Celebrations: A public engagement stall was hosted by members of the Community Safety team on The Leas in Folkestone where information was given out to members of the public on how to keep safe whilst out and about, report community issues and crimes anonymously as well details on how to access mental health and local youth services. 						

02 A Thriving Environment

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Retain Green Flags for the Coastal Park, Royal Military Canal, Kingsnorth Gardens and Radnor Park sites	-	-	-	-	-	4 (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>					
Number of enforcement notices served (e.g. Abatement Notices, Community Protection Notices)	14	18				*70 (informal) (Annual)	✓
Number of Community Protection Warnings (CPWs) issued	-	15				15 (Annual)	✓
Fixed Penalty Notices issued for Low level Environmental Crime (littering, dog control)	-	33				*300(informal) (Annual)	✓
Fixed Penalty Notices issued for High level Environmental Crime (large Fly-tipping)	-	5				*25(informal) (Annual)	✓
Percentage of street surveyed clear of litter within in the district	Figure Unavailable	98.23%				95% (Monthly)	✓
Number of community environmental volunteer events supported	17	17				15 (Quarterly)	✓
Number of recorded See it, Own it, Do it (SOD It) interventions completed	2,510	1,278				1200 (Quarterly)	✓
Average time for anti-social or offensive graffiti to be removed from the time of being reported	24 hours	48 hours				48 Hrs (Quarterly)	✓
Number of new electric vehicle charging points installed within district owned car parks	-	53 (cumulative) 53 now installed out of 94 planned)				2 charging points per car park (Annual)	✓

02 A Thriving Environment

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
	<p>A further 35 new EV charging points have been installed and are now fully operational within nine district owned car parks bringing the cumulative total to 53 so far. The new units are operational in the following locations:</p> <ul style="list-style-type: none"> Sandgate Road Car Park, Folkestone x 6 Dymchurch Central Car Park x 6 Church Road Car Park, New Romney x 4 Station Road Car Park, The Sidings, Lyminge x 4 Upper Payers Car Park, Folkestone x 4 Mount Street Car Park, Hythe x 3 Lade Car Park, Lydd on Sea x 4 Shellons Street Car Park, Folkestone x 2 Military Road Car Park, Hythe x 2 <p>A further 13 sites identified will see the remaining units commissioned during this financial year.</p>						
Percentage of street lighting within the district converted to LED	-	27.9% (cumulative)				100% completion by March 2023	✓
	<p>A total of 302 out of a total of 1,063 lights have been converted to LED so far within the district. This equates to 27.9% of the total number of lights required to be converted by the March 2023. The further adoptable assets to support the rollout work should be transferred to Kent County Council in October 2022.</p>						
Number of missed bin collections per 100,000	109.2	40.77				50 (Monthly)	✓
Percentage of household waste recycled	50%	47.7%				50% (Monthly)	X
	<p>Recycling tonnages in Quarter 1 2022/23 have seen a decline compared to the same period last year. The main likelihood of this decline is the increased home recycling tonnages previously experienced during the 2020-21 and 2021-22 coronavirus lockdowns that resulted in more people working from home have now fallen away this year as remaining restrictions were lifted and more hybrid working methods have been adopted.</p>						

02 A Thriving Environment

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Number of days to remove fly tipped waste on public land once reported	2	1				3 Days (Monthly)	✓
Percentage of compliant air quality monitoring sites	100%	100%				100% (Quarterly)	✓
Enforcement - Percentage of successful prosecutions (Incl Fly tipping and Littering)	100%	100%				100% (Quarterly)	✓
Page 23	<p>A total of two successful prosecutions were secured during Quarter 1 for the following:</p> <ol style="list-style-type: none"> 1) Various waste related offences, including fly-tipping commercial waste. The outcome of the prosecution resulted in: <ul style="list-style-type: none"> • 18-month community order with 150 hours unpaid work • 20 Rehabilitation Activity Requirement days • £1761 costs (including compensation costs) • CBO issued for 5 years with requirements. 2) Fly-tipping. The outcome of the prosecution resulted in: Outcome: Fine - £300, Costs - £450, Victim Surcharge - £34 						

03 A Vibrant Economy

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Total Folkestone & Hythe High Streets funds allocated	51% - <i>(allocated since fund inception)</i> £151,446 <i>allocated in Q1</i>	76.42% <i>(allocated since fund inception)</i> £99,998 <i>allocated in Q1</i>				100% of the funds allocated	✓
Page 24	<p><i>During Quarter 1 a total of £99,998 of funding was allocated from the high streets fund for nine applications. These consist of six applications in Folkestone, along with one application for each of Sandgate, Hythe & Dymchurch areas. One of the approvals was for a street exhibition by Folkestone Town Council. There was one approval for building artwork in the Rendezvous Street area of Folkestone. Of the seven approvals remaining, there was five refurbishments of premises that had been empty, and two schemes where external improvements were being made to premises for businesses already residing there.</i></p>						
Number of engagements undertaken by the Folkestone & Hythe Place Panel on projects of scale or strategic significance.	-	4				3 (Annual)	✓
Total funding allocated from the Romney Marsh Business Hub grant support scheme	-	7.14% <i>(allocated since fund inception)</i> £9,981 <i>allocated in Q1</i>				70% of available funds allocated in 2022-23	✓
	<p><i>A total of two applications for the Romney Marsh Business Hub (RMBH) grant support scheme were brought forward to the decision panel for consideration during Quarter 1, one application was formally approved, and the other application requires further details from applicant.</i></p>						

03 A Vibrant Economy

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Number of Folkestone & Hythe businesses accessing business support and grants from public sector programmes	32	19				10 (Annual)	✓
	<p><i>During Quarter 1, a total of 19 applications were received from our internal leg grant schemes. This comprises of the following: six High Streets Fund applications, two Romney Marsh Business Hub grant scheme applications, three Green Business Grant Scheme applications and eight Folkestone Community Works grant schemes.</i></p>						
Number of businesses or potential entrepreneurs/ new start-ups signposted to support programmes and events to facilitate growth	14	65				50 minimum (Annual)	✓
Page 25	<p><i>A total of 65 businesses noted comprise of communication with the council, and businesses within our district liaising with other relevant Kent organisations. Internally, communications were a mixture of in persons meetings and telephone/ teams conversations and included enquiries from businesses wishing to expand/ re-locate and also from start-ups. Externally, a significant number of the enquiries were regarding grants & funding. Other common enquiries included business growth, coronavirus support and premises enquiries.</i></p>						
Number of businesses engaged with in the district to support growth and retention of local people	8	17				12 (Annual)	✓
	<p><i>During Quarter 1, 17 businesses were directly engaged with to support growth and the retention of local people. These include: Alkaline UK Haulage, Folkestone Harbour & Seafront company, Romney Tweed, Basepoint Shearway, Charlier Construction, Romney Hythe & Dymchurch Railway, The Workshop, Stagecoach, Beresfords Accountants, Locate in Kent, Screen South, Motis Estates, Folkestone College, Oak Creative, Saga Group</i></p>						
Total funds allocated from the Folkestone Community works Programme	71% (cumulative)	90% (cumulative)				100% of the allocated funds spent by end of 2022/23	✓

03 A Vibrant Economy

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target

The KPI is an accumulative figure for the programme which has been running since 2018 and the figure represents the amount of European Structural Investment Funding (ESIF) allocated to the funded projects that has been spent. Funded projects have to defray allocated funds by 31 March 2023.

By the end of Quarter 1 (Apr-June) 2022, funded projects had claimed expenditure worth £1,424,379 which represents 90% of the funding allocated to them.

The projects underway during Quarter 1 include:

- Open Doors & Step-Up, a project being delivered by Screen South, which is engaging with individuals to exploring careers in film making and associated creative media through practical sessions and for the more advanced participants real life experience in creating short films.*
- Enterprising Opportunities, a project being delivered by Social Enterprise Kent is delivering business support in the form of 1-2-1 and group sessions to local businesses and start-ups. Topics have covered employing of staff, social media and monitoring cash-flow. In addition, potential entrepreneurs are receiving support on how they could turn an idea into a business.*

04 Quality Homes and Infrastructure

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Numbers of new homes built within the district	-	-				622 homes (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>						
Percentage reduction in homelessness	-	-				5% based on 2020 data	-
	<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>						
Number of homelessness approaches (includes Triage, Prevention, Relief & Decision cases)	373	408				No Target	-
	<i>Aim to minimise (no target). The council had a greater number of approaches in the first quarter, compared to the same period last year. Throughout 2021-22 there was a steady increase in the number of approaches to the service as the world opened back up after the pandemic. However, approaches have dropped since Quarter 4 (481) and the general trend is decreasing.</i>						
Percentage of homelessness approaches closed as 'homelessness prevented'	3.59%	9.76%				4%	✓
	<i>Aim to maximise (on target). The number of approaches closed as homelessness prevented has shown an improvement on year-end with 40 preventions over the quarter, exceeding target. The council previously recorded 22 preventions in Quarter 4 and 68 for the whole of the 2021-22 year.</i>						
Average number of rough sleepers in the period	4.2	11				<6	✗
	<i>Aim to minimise (off target). This is an area that is largely outside of the Council's control. However, the Council's outreach team is continuing to work to provide accommodation and long-term support to people who are found to be rough sleeping. A count is undertaken weekly, and an average calculated over the reported period. At the highest count mid-June, this stood at 15. This had reduced to 11 by the end of the Quarter one period.</i>						

04 Quality Homes and Infrastructure

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Average number of households in Bed and Breakfast Accommodation	2.3	2				0	X
	<p><i>Aim to minimise (off target). At its highest point in April, an average of six households were in Bed & Breakfast accommodation (B&B), but this had reduced to two by the end of the quarter. The Council would like to see no households in placed B&B accommodation and the Housing Options Team is continuing to work to enable these clients to move into suitable long-term accommodation in the district.</i></p>						
Average number of households in Temporary Accommodation	29.3	27				<35	✓
Page 28	<p><i>Aim to minimise (on target). At its highest point in April, an average of 37 households were in temporary accommodation, but this had reduced to 27 by the end of the quarter. The position has therefore improved by two overall since year-end and is within target (35). The aim is to enable households to move into suitable long-term homes, rather than temporary accommodation, and the Housing Options Team continue to work towards this.</i></p>						
Long-term Empty Homes brought back into use	8	9				70 (Annual)	✓
	<p><i>Works are on site to return a further, approximately 50 long-term empty homes back into use in the district through the No Use Empty initiative in partnership with KCC. The properties are located in Folkestone and Hythe. The Council's Private Sector Housing Team are also working to identify long-term term empty homes and to work with the owners to return them to use. The Schemes currently on site are due to complete toward the end of 2022/23.</i></p>						
Affordable homes delivered by the Council and its partners	27	33				80 (Annual)	✓
	<p><i>A further 70+ affordable homes are currently started on site in the district. The homes which are being delivered by the Council's registered provider partners and the Council, will help provide more homes for affordable rent and low-cost home ownership on sites in Cheriton and Sellindge. The homes are due complete throughout 2022/23. The homes will be delivered on sites in Cheriton, Sellindge and Folkestone.</i></p>						

04 Quality Homes and Infrastructure

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Affordable homes for low-cost home ownership delivered by the Council and its partners	0	17				32 (Annual)	✓
	<i>See comment above</i>						
Private sector homes improved as a result of intervention by the Council	54	77				200 (Annual)	✓
Council home new builds and acquisitions started on site	15	0				20 (Annual)	X
Page 29	<i>A total of 30 units are due to start on site at Highview, later this year, providing a further high quality Council homes for rent and shared ownership purchase.</i>						
Percentage of properties that meet the decent homes standard	99.97%	96.51%				99% (Monthly)	X
	<i>Aim to maximise (within 5% of target). The recent Stock Condition Survey, completed in 2021-22, highlighted additional properties that required work to meet the standard. At the end of June 118 failings were outstanding, 21 of which are included on the Social Housing Decarbonisation Fund Wave 1 Programme to be upgraded this year. Prior to the Survey, figures were based on a sample of properties only. The current position is therefore more accurate and allows us to plan programmes of work to bring these properties back to standard and meet target.</i>						
Properties with a valid LGSR	-	99.93%				100% (Monthly)	X
	<i>A total of two outstanding properties are being reviewed by the legal team to gain access to renew the LGSR certificates.</i>						
Blocks with a valid Fire Risk Assessment	-	100%				100% (Monthly)	✓

04 Quality Homes and Infrastructure

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Blocks with a valid Legionella Risk Assessment	-	100%				100% (Monthly)	✓
Blocks with valid (in date) Electrical Certificate (EICR)	-	95.17%				100% (Monthly)	X
	<p><i>A total of seven blocks had outstanding electrical safety certificates at the end of Quarter 1. Although certificates have been provided, further remedial work is being undertaken to bring these to the required standard.</i></p>						
Domestic properties with a valid (in date) EICR	-	92.14%				100% (Monthly)	X
Page 30	<p><i>We have a two-year programme to check all our domestic (i.e. tenanted) properties and provide them with an Electrical Safety Certificate (EICR). At the end of Quarter 1, 266 properties were outstanding. Of these: 28 had expired certification, 165 had no previous certification and 73 were non-compliant. The appointed contractor is continuing to work through this list of identified properties in order achieve full compliancy.</i></p>						
Properties Asbestos compliant (Communal)	-	100%				100% (Monthly)	✓
Insurance visits completed on communal lifts (LOLER)		100%				100% (Monthly)	✓
% of major planning applications to be determined within statutory period <i>(including any agreed extension of time)</i>	100%	83.33%				60% (Quarterly)	✓
% of minor applications to be determined within the statutory period <i>(including any agreed extension of time)</i>	81.94%	84%				70% (Quarterly)	✓
% of other planning applications to be determined within statutory period <i>(including any agreed extension of time)</i>	89.88%	88.45%				85% (Quarterly)	✓

Transparent, Stable, Accountable and Accessible

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
Council tax collection	28.55% (Cumulative)	28.39% (Cumulative)				97.3% (Annual)	✓
Business Rates collection rate	23.82% (Cumulative)	36.65% (Cumulative)				97.5% (Annual)	✓
Increased take up of My Account and online transactions	14.16%	6.69%				10% (Annual)	✓
	<p><i>In Quarter 1, a total of 3,477 customers have registered for My Account an increase of 6.69%. Since the launch of the service in August 2020, a total of 33,870 customers have registered for the service equating to 65.94% take up so far.</i></p>						
Page 51 Pafeline - Number of calls answered within 60 seconds	-	98.4%				97.5% (Monthly)	✓
Lifeline - Number of calls answered within 180 seconds	-	99.8%				99% (Monthly)	✓
All Freedom of Information / Environmental information Requests to be responded to within the statutory period of (20 working days or lawful extension).	82.38%	85.54%				90% (Monthly)	X
	<p><i>Performance has shown continued improvement when compared with the final quarter of last year (2021/22). A previously reported issue with the Salesforce platform that resulted in case response times being incorrectly calculated has now been rectified. In addition, the outstanding backlog of historic cases have now been cleared. Additional resource employed by the team at the beginning of the year and ongoing training is having a positive impact both on the overall performance of the team and case response times.</i></p>						

Transparent, Stable, Accountable and Accessible

Description	Q1 2021-22 Comparison	Q1 Actual 2022-23	Q2 Actual 2022-23	Q3 Actual 2022-23	Q4 Actual 2022-23	Target	On Target
All Subject Access Request responses to be provided within the statutory period (1 calendar month or lawful extension).	0%	70.59%				90% (Monthly)	X
	<p><i>The number of subject access requests (SARs) responded to is continuing to show improvement when compared with final quarter of last year (2021/22). Additional resource employed by the team at the beginning of the year and ongoing training is having a positive impact both on the overall performance of the team and case response times helping to create a more streamlined communication process with third parties in the processing of these requests.</i></p>						
Percentage of data breaches assessed within 72 hours to decide if it is reportable to the ICO.	100%	88.89%				100% (Monthly)	X
Page 32	<p><i>The percentage of data breaches assessed to decide if it is reportable to the ICO was under target during Quarter 1 as a result of an individual case not being assessed within the defined 72 hour period due to information on the breach not being passed on by a department to the Information Governance (IG) team within this dedicated timeframe. The breach once received by the IG team was assessed within 72 hours and was deemed to be non-reportable to the Information Commissioners Office (ICO).</i></p>						
Percentage of reportable data breaches that were submitted to the ICO within 72 hours.	100%	-				100% (Monthly)	✓
	<p><i>In Quarter 1, there were no data breaches that were required to be submitted to the Information Commissioners Office (ICO).</i></p>						

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 a 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 go 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 and mobile.

Website: www.folkestone-hythe.gov.uk

Facebook: FolkestoneandHytheDC

Twitter: @fstonehythedc

Instagram: @folkestonehythedc



This page is intentionally left blank

This Report will be made
public on 3.10.2022

Report Number **C/22/41**

To: Cabinet
Date: 20 October 2022
Status: Non-Key Decision
Head of Service: Charlotte Spendley – Director of Corporate Services
Cabinet Member: Councillor David Monk - Cabinet Member for Finance

SUBJECT: GENERAL FUND REVENUE BUDGET MONITORING – 2ND QUARTER 2022/23

SUMMARY: This monitoring report provides a projection of the end of year financial position of the General Fund revenue budget, based on expenditure to the 31 August 2022.

REASONS FOR RECOMMENDATIONS:

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

RECOMMENDATIONS:

1. To receive and note Report C/22/41.

1. INTRODUCTION AND BACKGROUND

- 1.1 This report updates Cabinet on the likely projected outturn on the General Fund Revenue budget for 2022/23.
- 1.2 The projections are made against the latest approved budget and based on data received as at 31 August 2022. Some caution therefore needs to be exercised when interpreting the results due to the early stage of the financial year, however, a thorough budget monitoring exercise has been carried out.

2. GENERAL FUND REVENUE 2022/23 - PROJECTED OUTTURN

- 2.1 The Quarter 2 projected outturn for service areas shows a forecast of £26,130k against the latest approved budget of £24,291k resulting in a variance of £1,840k (projected overspend). It should be noted that this projection includes £1,247k of service expenditure which is to be funded from reserves included below the net cost of services.
- 2.2 When taking into account other entries such as Earmarked Reserves, Other Service Grants and Collection Fund Income, the total projected outturn is a projected underspend of £19k.
- 2.3 The following table summarises the latest projected outturn position:

General Fund Net Cost of Services	Latest Approved Budget	Projected Outturn	Variance
	£'000	£'000	£'000
Finance, Strategy & Corporate Services	7,767	8,620	853
Human Resources	573	556	(17)
Governance & Law	2,614	2,794	180
Leadership Support	721	784	63
Place	6,271	6,148	(123)
Economic Development	1,067	1,490	423
Planning	157	79	(78)
Operations	2,070	2,653	583
Housing	3,246	3,007	(239)
Sub-Total – Heads of Services	24,486	26,131	1,645
Unallocated Net Employee Costs	(195)	-	195
Total – Heads of Service	24,291	26,131	1,840
Internal Drainage Board Levies	493	493	-
Interest Payable and Similar Charges	801	759	(42)
Interest and Investment Income	(1,320)	(1,206)	114
New Homes Bonus Grant	(745)	(745)	-
Other Non-Service Related Government Grants	(1,858)	(2,847)	(989)
Town and Parish Council Precepts	2,659	2,659	-
Minimum Revenue Provision	1,667	1,667	-
Capital Expenditure Financed from Revenue	2,545	2,514	(31)
Net Revenue Expenditure before Use of Reserves	28,533	29,425	892
Net Transfer to/from(-) Earmarked Reserves	(5,740)	(6,055)	(315)

Total to be met by Taxpayers	22,793	23,370	577
Business Rates Income	(2,816)	(3,151)	(335)
Demand on the Collection Fund	(13,592)	(13,853)	(261)
Surplus (-)/Deficit for the year	6,385	6,366	(19)

2.4 The main variances are shown below:

	£'000
Service expenditure to be funded from reserves:	
Covid Funding expenditure (carried forward from 2021/22)	411
High Street Innovation Fund (carried forward from 2021/22)	387
Customer Access Point (carried forward from 2021/22)	217
Dowry payments	150
Climate Change	82
Services:	
Recycling, Cleansing & Household Waste Collection	452
Strategic Projects - Corporate consultancy services	90
Council Tax Collection - Reduction in Court Costs income	75
Planning - Professional advice and fees	70
Off-Street Parking - Ringo processing fees	55
Lifeline Facilities – Reduction in income	52
Otterpool (Developer) - Garden Communities Grant	(525)
Rent Rebates - Lower rent rebate payments and related subsidy	(51)
Other Items (below the Net Cost of Services):	
Other Non-Service Related Government Grants	(989)
Business Rates Income	(335)
Movement in Earmarked Reserves	(315)
Demand on Collection Fund	(261)
Interest Payable & Similar Charges	(104)
Interest & Investment Income	114
Capital Expenditure Financed from Revenue	31
Increase in bad debt provision	62
Admin budgets (including vacancy factor)	122
Other net variances	191
Total net projected General Fund Reserve decrease	(19)

2.5 Explanations for the main variances are detailed below:

2.5.1 Service expenditure to be funded from reserves

Covid Funding Expenditure - The Council received grants in 2021/22 specifically for Contain Outbreak Management Fund and unspent funding

was transferred to earmarked reserves at the end of the year and is expected to be fully utilised in 2022/23.

High Street Innovation Fund – Anticipated spend on High Street projects this financial year which is to be funded from the High Streets Regeneration reserve.

Customer Access Point - Civic Centre Relocation project carried forward from 2021/22.

Dowry Payments – Relating to the transfer of play parks to Town Councils as part of the Play Area Strategy and to be funded from the VET Reserve.

Climate Change – Consultancy costs associated with delivery of decarbonisation and preparing the bid for the second wave of Social Housing Decarbonisation funding.

2.5.2 Services

Recycling, Cleansing & Household Waste Collection – The increase in the annual contract cost has arisen due to a higher rate of inflation than anticipated along with a review of property numbers. Outside of the main contract there are variances relating to reduced garden waste income due to the existing customer rebates issued as a result of the service suspension last year, however it should be noted that the council are in the process of claiming this loss of income back from Veolia and that an updated position will be reported at Quarter 3. Furthermore, there are additional costs relating to replacement bins and weed spraying works.

Strategic Projects - Corporate consultancy services in respect of examining options for the future use of Folca and providing advice on Ship Street and the Civic Centre.

Council Tax Collection – Reduction in court costs income due to reduced court hearings as a result of work carried out on recovery of debt or write off prior to court summons.

Planning – Professional advice and fees relating to Planning Performance Agreement on Folkestone Seafront and Nutrient Neutrality.

Off - Street Parking – Increase in the use of RingGo resulting in higher processing fees.

Lifeline Facilities - reduction in various income streams, notably a reduction in lifeline rentals this is partly off set by staff vacancies.

Otterpool (Developer) - Garden Communities Grant to fund Otterpool masterplanning. These costs are capitalised and are included in the projection for Capital Expenditure Financed from Revenue below the net cost of services.

Rent Rebates - This is based around DWP's expectations in claims and the related subsidy, due to legislative limits on temporary accommodation expenditure is not always matched by subsidy.

2.5.3 Other Items (below the Net Cost of Services)

Other Non-Service Related Government Grants - Increase in s31 grants based on NDR reliefs awarded.

Business Rates Income – A reduction in income due to increased mandatory and unoccupied reliefs awarded and a reduction in gross rates payable £367k, offset by pool benefit (£604k)

Movement in Earmarked Reserves - The key movements are (£872k) assumed use of monies carried forward from 2021/22, £576k net impact of the General Fund capital programme being re-profiled to 2023/24. (£150k) use of VET reserve to fund the transfer of play parks to Town Councils and (£82k) use of the Climate Change reserve to fund consultancy costs associated with the delivery of decarbonisation.

The latest forecast Earmarked Reserves position is shown in the table below:

Reserve	Balance at 1/4/2022 £'000	Latest Budget £'000	Projection £'000	Change £'000	Balance at 31/3/2023 £'000
Earmarked					
Business Rates	2,662	(803)	(1,021)	(218)	1,641
Leisure Reserve	447	50	50	0	497
Carry Forwards	1,356	(144)	(144)	0	1,212
VET Reserve	287	(217)	(214)	3	73
Maintenance of Graves	12	0	0	0	12
New Homes Bonus (NHB)	1,997	(1,589)	(1,589)	0	408
Corporate Initiatives	960	(18)	26	44	986
IFRS Reserve	5	0	0	0	5
Economic Development	1,985	(1,546)	(915)	631	1,070
Community Led Housing	310	(55)	(55)	0	255
Lydd Airport	9	0	0	0	9
Homelessness Prevention	958	(21)	(21)	0	937
High Street Regeneration	1,575	(543)	(418)	125	1,157
Climate Change	4,880	(854)	(880)	(26)	4,000
Covid Recovery	3,526	0	(874)	(874)	2,652
Total Earmarked Reserves	20,969	(5,740)	(6,055)	(315)	14,914

Demand on the Collection Fund - Additional Council Tax income is projected based on current collection rates.

Interest Payable & Similar Charges - Lower interest payable as a result of reduced borrowing due to delays in planned capital expenditure.

Interest and Investment Income - A reduction in interest from Otterpool Park LLP and Oportunitas due to loans being utilised later than originally forecast,

partly offset by the net impact of higher than anticipated returns on short term cash investments.

Capital expenditure financed from revenue – Variance is due to the reprofiling of capital expenditure from 2021/22 offset by Otterpool Masterplanning costs funded from the Gardens communities grant.

Bad debt provision - Estimate based on 21/22 charge and the current year arrears and write offs figures.

Admin - This represents variances across all service areas within the administration budgets which mainly relate to staffing costs. This position is net of the agreed vacancy factor amount budgeted for each year.

Other net variances - aggregate of variances below £50k.

3. Virement

3.1 As stated in the Council’s virement policy, all virements will be reported retrospectively to Cabinet as part of the Council’s budget monitoring procedures.

3.2 A virement of £20k between ICT operation cost codes to cover the extension of the O365 Contractor authorised by the Director of Corporate Services.

4. CONCLUSIONS

4.1 The projected outturn shown for the General Fund Revenue account for 2022/23 reflects the position based on actual expenditure and forecasts at 31 August 2022 and projects an underspend of £19k.

5. RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks follows:

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

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (NM)

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

6.2 Finance Officer's Comments (CI)

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

6.3 Diversities and Equalities Implications

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

6.4 Climate Change Implications (OF)

As this report deals entirely with financial matters, there is no climate change impact.

6.5 Communications implications (KA)

There are no communications implications arising from this report.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

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

Leanne Knight, Finance Specialist

Telephone: 01303 853515 Email: leanne.knight@folkestone-hythe.gov.uk

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

Budget projection working papers.

This page is intentionally left blank



This Report will be made public on 3 October 2022

Report Number **C/22/42**

To: Cabinet
Date: 20 October 2022
Status: Non-Key Decision
Head of Service: Charlotte Spendley – Director of Corporate Services
Cabinet Member: Councillor David Monk, Leader and Portfolio Holder for Finance

SUBJECT: GENERAL FUND CAPITAL PROGRAMME BUDGET MONITORING 2022/23

SUMMARY: This monitoring report provides an initial projection of the current financial position for the General Fund capital programme profiled for 2022/23, based on expenditure to 31 August 2022, and identifies variances compared to the latest approved budget.

REASONS FOR RECOMMENDATIONS:

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

RECOMMENDATIONS:

1. To receive and note report C/22/42.

1. INTRODUCTION AND BACKGROUND

- 1.1 As part of the council's normal budget monitoring process this report updates Cabinet on the current position for the General Fund capital programme profiled for 2022/23, based on expenditure to 31 August 2022, compared to the latest approved budget. Specifically, this report;-
- i) identifies variances on planned capital expenditure for 2022/23 and provides explanations for these differences, and
 - ii) considers the impact any changes to the overall capital programme will have on the financing resources required to fund it.
- 1.2 Cabinet is reminded that Full Council approves a rolling five year General Fund Medium Term Capital Programme (MTCP) annually as part of the overall budget process. This monitoring report considers the latest projected expenditure for 2022/23 against the profiled budget for the year.
- 1.3 Full Council approved the current General Fund Medium Term Capital Programme (MTCP) for the rolling five year period to 31 March 2027 on 10 February 2022 (minute 57/21-22 refers). The latest approved budget for 2022/23 includes £8.115m of planned capital expenditure reprofiled from 2021/22 due to slippage on schemes and is consistent with the position previously reported to Cabinet on 16 June 2022 in the General Fund Capital Programme Provisional Outturn 2021/22 report (minute 4 refers). Additionally, Full Council approved an update to the MTCP on 28 September 2022 (minute 37/22-23 refers) and this is also reflected in the latest approved budget for 2022/23.
- 1.4 The projections shown in the report are made at a relatively early stage in the financial year and will be subject to further change which will be reported to Cabinet as part of the on-going budget monitoring process.

2. CAPITAL PROGRAMME 2022/23 – PROJECTED OUTTURN

- 2.1 The latest projection for the total cost and funding of the General Fund capital programme for 2022/23 is £30,847,000, a decrease of £14,060,000 compared to the latest budget of £44,907,000. Full details are shown in Appendix 1 to this report and the following table summarises the position across the Service Units and also outlines the impact on the capital resources required to fund the programme:

General Fund Capital Programme Q2 2022/23	Latest Budget 2022/23	Projection 2022/23	Variance Budget to Projection
	£'000	£'000	£'000
Service Units			
Operations	24,204	16,443	(7,761)
Corporate Services	3,364	2,094	(1,270)
Housing	1,555	1,555	-
Governance, Law & Regulatory Services	9	9	-
Economic Development Place	867	867	-
	14,908	9,879	(5,029)
Total Capital Expenditure	44,907	30,847	(14,060)
Capital Funding			
Capital Grants	(6,267)	(5,867)	400
External Contributions	(1,376)	(1,376)	-
Capital Receipts	(6,132)	(5,187)	945
Revenue	(2,545)	(2,514)	31
Borrowing	(28,587)	(15,903)	12,684
Total Funding	(44,907)	(30,847)	14,060

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

Variances – 2022/23 Latest Budget to Q2 Projected Outturn			
1	Reprofiling between 2022/23 and 2023/24	£'000	£'000
i)	Biggins Wood Site Land Remediation Works	(536)	
ii)	Ship Street Site Folkestone	(45)	
iii)	Princes Parade Leisure Centre	(5,860)	
iv)	Electric Vehicle Chargepoints	(40)	
v)	East Cliff Landfill Protection (FPPG Charity)	(1,200)	
vi)	The Stade Rental Huts	(100)	
vii)	Otterpool Park	(5,029)	
viii)	Oportunitas Funding	(1,270)	
			(14,080)
2 Overspends			
i)	Lifeline Capitalisation	20	
			20
Total change in overall capital programme for 2022/23			(14,060)

2.3 As the variance analysis in the table above shows, there is a significant projected reprofiling of budgets from 2022/23 to 2023/24 and beyond. Notably, £5.86m of planned expenditure for the Princes Parade Leisure

Scheme is to be reprofiled over the planned construction period to the summer of 2024. Similarly, just over £5m of expenditure to deliver Otterpool Park is expected to be reprofiled to 2023/24 or beyond. There is now an anticipated delay of at least 9 months, until September 2023, for the completion of phase two of the Royal Victoria Hospital site development which Oportunitas Limited are acquiring from the developer. The Oportunitas Board has yet to consider the impact this will have to its business plan and it will be separately reported to Cabinet in due course. Typically property related capital schemes are more difficult to project accurately in terms of the timing of expenditure due to external factors such as planning, legal and procurement. However, it is important to remember that the council controls its capital expenditure against the sums approved within the MTCP rather than the profiled amounts for each year.

- 2.4 A review of the impact of cost inflation for the General Fund capital programme in 2022/23 has been undertaken as part of the monitoring exercise. In summary, inflation is not expected to have a material impact on delivering the planned expenditure within budget for the year. However, the risk of cost inflation is being closely monitored and will be considered as part of the budget process by Cabinet through the Medium Term Financial Strategy later this autumn and the update to the MTCP to 2027/28 in January 2023.

3. IMPACT OF PROGRAMME CAPITAL FUNDING RESOURCES

- 3.1 One of the key principles underlying the council's Medium Term Financial Strategy is the capital programme is funded from available or realised capital resources and that new borrowing should only be used where it is prudent and affordable. The only exception to this is where a scheme is subject to grant funding or external contributions in which case no commitment is made against these until the funding is confirmed. The 2022/23 projected outturn for the General Fund capital programme conforms to this key principle.

- 3.2 As summarised in section 2 of this report, the council's projected capital expenditure for 2022/23 requires a significant level of borrowing to support it. The capital schemes in 2022/23 planned to be supported by borrowing are:

	£'000
i) Princes Parade Leisure Centre	4,690
ii) Coast Drive Seafront Development	883
iii) Coastal Park Toilet and Concession	147
iv) Otterpool Park	8,847
v) Veolia Waste Contract	29
vi) Oportunitas Phase 2 funding	1,200
vii) Temporary Accommodation	107

Total	15,903
-------	---------------

- 3.3 The borrowing required is consistent with the council's approved Capital Strategy for 2022/23.
- 3.4 The latest position regarding the council's available capital receipts to fund capital expenditure is shown in the following table:

Capital Receipts Position Statement	£'000
Total receipts in hand at 31 August 2022	10,027
Less:	
Committed towards General Fund capital expenditure	(5,609)
Committed towards HRA capital expenditure	(3,727)
Ring-fenced for specific purposes	(78)
Contingency for urgent or unforeseen capital expenditure	(500)
Balance available to support new GF capital expenditure	113

- 3.5 Full Council approved the Flexible Use of Capital Receipts Strategy 2022/23 on 27 July 2022 (minute 24 refers). In line with this, £0.549m of capital receipts is projected to be applied towards qualifying capital expenditure in year and this is included within the £5.187m shown under paragraph 2.1 above. The difference of £0.422m between the £5.187m and the £5.609m shown above relates to expenditure in periods after 2022/23.

4. CONCLUSIONS

- 4.1 The projected outturn shown for the General Fund capital programme for 2022/23 reflects the position based on actual expenditure and forecasts at 31 August 2022. The projected outturn will be reviewed, updated and reported to Cabinet as part of the budget monitoring process for 2022/23. Although there is projected significant reprofiling in capital schemes in the MTCP, at this stage there is no material increase in forecast cost to the overall programme.

5 RISK MANAGEMENT ISSUES

- 5.1 A summary of the perceived risks follows:

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

			Schemes supported by grant funding will only commence once fully approved and committed by the relevant body. Prudential borrowing is only used for capital schemes expected to generate a net revenue benefit and/or future capital receipts
Cost of new projects may exceed the estimate.	High	Medium	Capital monitoring procedures in place allowing prompt early action to be taken to manage the risk effectively. Cost inflation risk has been identified in the report and the position is being closely monitored as part of the council's budget process.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (NM)

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

6.2 Finance Officer's Comments (LW)

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

6.3 Communication Officer's Comments (KA)

There is likely to be media interest in the timeline of the Royal Victoria Hospital site development and the comms team will prepare a response accordingly.

6.4 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.

6.5 **Climate Change Implications** (AT) [*Pilot reporting period*]

There are no climate change implications arising directly from this report. The report is a monitoring report that provides an initial position against the latest approved budget. It updates Cabinet on this position following decisions taken at Cabinet and Full Council. Climate change implications of the various projects referenced in the report will be assessed as part of the development and implementation phases of those projects through the appropriate decision-making process.

7. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Lee Walker, Group Accountant

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

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

None

Appendices:

Appendix 1 – General Fund Capital Programme 2022/23 Projected Outturn

This page is intentionally left blank

APPENDIX 1 - GENERAL FUND CAPITAL PROGRAMME PROFILED PROJECTED OUTTURN 2022/23

By Head of Service

Item Scheme	Latest Approved Budget	Latest Projection	Variance	Comments
	£000	£000	£000	
<u>Andy Blaszkowicz - Director of Housing & Operations</u>				
1 Lifeline Capitalisation	50	70	20	Purchase of additional units required to match the demand for the service and support the net revenue stream for it
2 Royal Military Canal Enhancements	20	20	0	10 year annual planned programme of work. On target for 2022/23
3 Biggins Wood Site Land Remediation Works	2,680	2,144	(536)	Contract let and works due to commence from Autumn 2022 and be completed by the Summer 2023. Balance of budget reprofiled to 2023/24
4 Ship Street Site Folkestone	471	426	(45)	Detailed design works in progress to support planning application. Balance to be reprofiled to 2023/24
5 Area Officer Vans	30	30	0	On target
6 Princes Parade Leisure Centre	15,410	9,550	(5,860)	Expenditure reprofiled to reflect the contract to deliver the decontamination and infrastructure works to the whole site to facilitate the disposal of land for the housing development and to construct the new leisure centre, planned for opening during the summer of 2024
7 On Street Pay & Display Car Park Machines	75	75	0	On target
8 Electric Vehicle Chargepoints	40	0	(40)	Scheme now expected to commence in the Spring of 2023 and will take place once the installation of EV charging points to the council's car park is complete. Budget reprofiled to 2023/24
9 Coast Drive Seafront Development	883	883	0	Scheme awaiting planning consent and now likely to commence during early 2023 and be completed for next summer. Scheme may require partial reprofiling to 2023/24
10 Coastal Park Play Equipment (FPPG Charity)	62	62	0	On target
11 Coastal Park Toilet and Concession	147	147	0	Scheme planned to be completed by March 2023
12 East Cliff Landfill Protection (FPPG Charity)	1,200	0	(1,200)	Scheme is subject to obtaining grant funding to help meet the cost. To date no progress has been made and the scheme is now being reprofiled to 2023/24

APPENDIX 1 - GENERAL FUND CAPITAL PROGRAMME PROFILED PROJECTED OUTTURN 2022/23

By Head of Service

Item Scheme	Latest Approved Budget	Latest Projection	Variance	Comments
	£000	£000	£000	
13 Hawkinge Depot Upgrade	75	75	0	Scope of works required has increased and the scheme is now expected to cost £150k. A separate growth bid for the additional £75k is planned to be made to Cabinet as part of the budget process.
14 Units 1-5 Learoyd Road New Romney	196	196	0	On target to be completed in 2022/23
15 Connect 38 Office CAT A Works	240	240	0	The budget is provided to allow adaptations to be made to the layout of the unused office space in the building to accommodate new tenants. Although there are currently no planned works, the position is subject to change.
16 District Street Lights	745	745	0	Scheme in progress to be completed in year
17 Park Keepers Van	40	40	0	Vehicle on order
18 Replacement Asset Management System	60	60	0	On target to be spent in 2022/23
19 Radnor Park Footpath Resurfacing (FPPG Charity)	40	40	0	On target to be spent in 2022/23
20 The Stade Rental Huts	100	0	(100)	Scheme has been put on hold due to planning constraints and reprofiled to 2023/24
21 Toilet Cleaner's Van	20	20	0	On target to be spent in 2022/23
22 Play Area Equipment (COMF)	176	176	0	The three schemes at Oak Drive, St Mary's Bay, Morehall Recreation Ground, Folkestone and Cheriton Recreation Ground, Folkestone have been completed
23 Coast Protection, Coronation Parade Folkestone	749	749	0	On track to be spent later in 2022/23 or early in 2023/24 depending on contractor availability.
24 Coast Protection, Greatstone Dunes Management & Study	15	15	0	On target
25 Beach Management 2020-2025	385	385	0	Profiled works for the year on target to be spent.

APPENDIX 1 - GENERAL FUND CAPITAL PROGRAMME PROFILED PROJECTED OUTTURN 2022/23

By Head of Service

Item Scheme	Latest Approved Budget	Latest Projection	Variance	Comments
	£000	£000	£000	
26 Coronation Parade Annual Monitoring	4	4	0	On target
27 Public Toilet Enhancement	291	291	0	Pleydell Gardens and High Knocke toilets - works to commence in September 2022. Further smaller scale refurbishments will be completed prior to year end but there may be some carry over into Q1 2023.
Total - Director of Housing & Operations	24,204	16,443	(7,761)	
<u>Ewan Green - Director of Place</u>				
28 Otterpool Park	14,401	9,372	(5,029)	Slippage relates mainly to provision for further land and property acquisition costs required to deliver the development
29 Veolia Waste Contract	29	29	0	Misc cost related to the capital purchase of the new vehicle fleet.
30 Mountfield Road Employment Land	478	478	0	On target to be completed in 2022/23
Total - Director of Place	14,908	9,879	(5,029)	
<u>Charlotte Spendley - Director of Corporate Services</u>				
31 PC Replacement Programme	35	35	0	On target to be spent in 2022/23
32 Server Replacement Programme	60	60	0	On target to be spent in 2022/23
33 Oportunitas Funding	2,470	1,200	(1,270)	Funding to support the acquisition of phase 2 of the Royal Victoria Hospital site scheme which is now expected to be completed later in 2023

APPENDIX 1 - GENERAL FUND CAPITAL PROGRAMME PROFILED PROJECTED OUTTURN 2022/23

By Head of Service

Item Scheme	Latest Approved Budget	Latest Projection	Variance	Comments
	£000	£000	£000	
34 FHDC Transformation	105	105	0	Completed
35 ICT improvement costs (externally hosted Revenues & Benefits system)	314	314	0	On target to be spent in 2022/23
36 Replacement Website Content Management System	130	130	0	On target to be spent in 2022/23
37 Folkestone & Hythe Green Business Grant	250	250	0	Applications are starting to be received and assessed
Total - Director of Corporate Services	3,364	2,094	(1,270)	
<u>Amandeep Khroud - Head of Governance, Law & Regulatory Services</u>				
38 Electoral Management System	9	9	0	
Total - Head of Governance, Law & Regulatory Services	9	9	0	
<u>Katharine Harvey - Head of Economic Development</u>				
39 CLLD ERDF Captital Projects	867	867	0	Scheme funded from European Regional Development Fund (ERDF) Grant
Total - Head of Economic Development	867	867	0	

APPENDIX 1 - GENERAL FUND CAPITAL PROGRAMME PROFILED PROJECTED OUTTURN 2022/23

By Head of Service

Item Scheme	Latest Approved Budget	Latest Projection	Variance	Comments
	£000	£000	£000	
<u>Gill Butler - Head of Housing</u>				
40 Temporary Accommodation	107	107	0	Waiting for suitable property to purchase
41 Disabled Facilities Grants	1,000	1,000	0	For 2022/23 there is a welcome increased demand from qualifying local home owners for grants and loans from this scheme and it is possible the budget will be exceeded. However, the total expenditure can be contained from within the grant funding allocated from central government. The position will continue to be monitored during 2022/23.
42 Home Safe Loans	148	148	0	Projection will be monitored throughout the year, as work is ongoing and reliant on client circumstances.
43 Empty Home Initiatives	300	300	0	Payments to KCC will utilise all budget
Total - Head of Housing	1,555	1,555	0	
TOTAL GENERAL FUND MEDIUM TERM CAPITAL PROGRAMME	44,907	30,847	(14,060)	

This page is intentionally left blank

This Report will be made
public on 3 October 2022

Report Number **C/22/43**

To: Cabinet
Date: 20 October 2022
Status: Non-Key Decision
Head of Service: Charlotte Spendley, Director of Corporate Services
Cabinet Members: Councillor David Monk, Leader of the Council and
Councillor David Godfrey, Housing, Transport and
Special Projects

SUBJECT: HRA Budget Monitoring Quarter 2

SUMMARY: This monitoring report provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 31 August 2022.

REASONS FOR RECOMMENDATIONS:

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

RECOMMENDATIONS:

1. To receive and note Report C/22/43.

1. INTRODUCTION

- 1.1 This report informs Cabinet of the likely projected outturn on HRA revenue and capital expenditure for 2022/23.
- 1.2 The projections are based on actual expenditure and income to 31 August 2022. Some caution therefore needs to be exercised when interpreting the results due to the early stage of the financial year, however, a thorough budget monitoring exercise has been carried out.

2. HOUSING REVENUE ACCOUNT REVENUE 2022/23 (see Appendix 1)

- 2.1 The table below provides a summary of the projected outturn compared to the latest budget for 2022/23.

	Latest Budget £'000	Projection £'000	Variance £'000
Income	(17,258)	(17,218)	40
Expenditure	13,059	13,929	870
HRA Share of Corporate Costs	175	175	0
Net Cost of HRA Services	(4,024)	(3,114)	910
Interest Payable/Receivable, etc	1,722	1,578	(144)
HRA (Surplus)/Deficit	(2,302)	(1,536)	766
Revenue Contribution to Capital	6,658	4,487	(2,171)
HRA Share of pension reserve movement	(295)	(295)	0
Decrease/(Increase) to HRA Reserve	4,061	2,656	(1,405)

- 2.2 The table shows that overall at quarter 2 there is a projected decrease in net expenditure of £1.4m on the HRA.

The main reasons for this are as follows:-

	£'000
Decrease in revenue contribution to capital (see 2.3 below)	(2,171)
Increase in interest and investment income (see 2.4 below)	(144)
Increase in depreciation charges of fixed assets (see 2.5 below)	685
Increase in supervision and management (see 2.6 below)	105
Increase in repairs and maintenance (see 2.7 below)	80
Decrease in rental income (see 2.8 below)	40
Total net projected Housing Revenue Account increase	<u>(1,405)</u>

- 2.3 The decrease in revenue contribution to capital mainly relates to re-profiling of the new build and acquisition programme with anticipated schemes being delayed to 2023/24 (see 3.3).
- 2.4 The increase in interest and investment income is due to the increase in bank base rate currently at 2.25% and higher than anticipated interest-earning balances on the HRA.
- 2.5 The movement in depreciation charges for fixed assets is due to an increased asset valuation of council stock of approximately 20% at 31 March 2022, after the budget for 2022/23 was set. This has the effect of increasing the depreciation charged. It should, however, be noted that the increased depreciation charge provides a matched increase to the Major Repairs Reserve (see table at 3.6 below) which is used to fund capital spending. In turn, a corresponding saving has been made to the projected outturn for the revenue funding of capital expenditure, offsetting the increase in the depreciation charge.
- 2.6 The increase in supervision and management largely relates to an increased projection in utility costs to reflect both actual and projected inflationary price increases.
- 2.7 The increase in repairs and maintenance relates to unbudgeted costs for disrepair compensation claims and projected contract inflation for Mears.
- 2.8 The decrease in rental income is largely due to void garages. Note, however, that the impact on income has been partially mitigated through a reduction in void garages from Q1 to Q2 owing to improvement works on the garage stock. Work is continuing on the remaining garages but there remains a projected decrease in income of £44k at 31 March 2023.

Further note that rental income for garages may be volatile due to the current economic climate as tenants relinquish their garages to reduce their current expenditure as this may not be classed as an essential outgoing.

- 2.9 Overall, the HRA reserve at 31 March 2023 is expected to be £7.3m compared with £5.9m in the latest budget.

3. HOUSING REVENUE ACCOUNT CAPITAL 2022/23 (see Appendix 2)

- 3.1 The latest budget for the HRA capital programme in 2022/23 is £14.7m and the projected outturn for the year is £12.7m, an underspend of £2.0m.
- 3.2 The reasons for the decrease in expenditure are as follows:-

£'000

New Builds/Acquisitions (see 3.3 below)	(1,257)
Re-roofing (see 3.4 below)	(400)
Windows & Doors (see 3.5 below)	(332)
Total decrease against Latest Budget	<u>(1,989)</u>

- 3.3 The decrease in new build/acquisition expenditure relates to the re-profiling of the Highview scheme which has not progressed as quickly as anticipated and is now expected to commence during December 2022 with an expected completion date of June 2024. This is due to redesigning the scheme to deliver homes that are as close as possible to zero carbon in use. The team have been exploring new technology and construction methods to deliver a flagship scheme for the HRA following the Council declaring a climate emergency.
- 3.4 The decrease in re-roofing expenditure relates to delays in the procurement process, with tender documents due to be issued in September 2022. The delay in awarding the contract and the time of year when works can commence i.e. potentially unfavourable weather conditions, has resulted in the reduction of projected spend.
- 3.5 The projected windows & doors expenditure relates to the procurement contract with Wrekin which totals £400k; re-procurement for the remainder of the budget is in progress with a commencement date of 1st April 2023, resulting in the variance noted for this year.
- 3.6 The following table compares the resources required to finance the projected outturn for the HRA capital programme in 2022/23. The total variation shown below corresponds to the figure in section 3.1, above.

2022/23 HRA	1-4-1 Capital Receipts	Revenue Contribution	HRA Other Capital Receipts	Major Repairs Reserve	Total
	£'000	£'000	£'000	£'000	£'000
Projected Outturn	1,776	4,487	3,384	3,084	12,731
Approved	2,279	6,658	3,384	2,399	14,720
Variation	(503)	(2,171)	0	685	(1,989)

4. CONCLUSION

- 4.1 The HRA revenue outturn projection for 2022/23 forecasts £1.4m lower expenditure than the latest approved budget for the reasons set out at section 2.2 of this report.

- 4.2 The HRA capital outturn projection for 2022/23 forecasts £2m lower expenditure than the latest approved budget due to capital re-profiling as outlined at section 3 of this report.
- 4.3 The projected outturn for both the HRA revenue expenditure and capital programme for 2022/23 reflects the position based on actual expenditure and forecasts at 31 August 2022.

5. RISK MANAGEMENT ISSUES

- 5.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The latest projection of the outturn could be materially different to the actual year end position.	Medium	Medium	Areas at greater risk of variances are being closely monitored and an update will be made to Cabinet if appropriate when this report is considered to allow action to taken.
Capital receipts (including right to buy sales) not materialising	Medium	Low	The capital programme uses realised capital receipts only.
Insufficient capacity to manage delayed expenditure along with new year programme	Medium	Medium	The 2022/23 to 2023/24 capital programme will need to continue to be reviewed to take account of the capacity to manage the programme. 2022/23 planned expenditure will need to be reviewed to determine whether any expenditure will fall into 2023/24 and beyond.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Specialist's Comments (NM)

There are no legal implications arising from this report.

6.2 Finance Specialist's Comments (JS)

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

6.3 Diversities and Equalities Implications (DA)

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

6.4 **Climate Change Implications (OF)**

There are no climate change implications arising from this report.

Consideration should be given to ensure that houses are built, repaired and upgraded using materials and techniques that are suitable to our changing climate.

6.5 **Communications and Engagement Implications (KA)**

There are no communication implications arising from this report.

7. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Jonathan Smith, Senior Accountant

Tel: 01303 853780 Email: jonathan.smith@folkestone-hythe.gov.uk

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

Budget projection working papers.

Appendices:

[Appendix 1](#) Housing Revenue Account revenue budget monitoring report at 31 August 2022.

[Appendix 2](#) Housing Revenue Account capital budget monitoring report at 31 August 2022.

HOUSING PORTFOLIO	LATEST APPROVED BUDGET £000	PROJECTED OUTTURN £000	VARIANCE £000	REASON
INCOME				
Dwelling rents	15,817	15,854	-37	
Non-dwelling rents	342	298	44	
Charges for services and facilities	1,047	1,014	33	
Contributions from general fund	52	52	0	
Total Income	17,258	17,218	40	
EXPENDITURE				
Repairs and maintenance	4,091	4,171	80	Unbudgeted costs and contract inflation (see report note 2.7)
Supervision and management	6,425	6,530	105	Inflationary price increases & void costs (see report note 2.6)
Rents, rates and taxes	22	22	0	
Depreciation charges of fixed assets	2,399	3,084	685	Increased depreciation charge following asset revaluation (see report note 2.5)
Debt management expenses	23	23	0	
Bad debts provision	100	100	0	
Total Expenditure	13,059	13,929	870	
Net	-4,199	-3,290	910	
HRA Share of Corporate and Democratic Costs	175	175	0	
Net Cost of HRA Services	-4,024	-3,114	910	
Interest payable	1,633	1,633	0	
Interest and investment income	-11	-155	-144	Increased interest rates (see report note 2.4).
Pension Interest Cost	100	100	0	
Premiums and discounts	0	0	0	
(SURPLUS)/DEFICIT	-2,302	-1,536	766	
MOVEMENTS IN HRA BALANCE FOR 2022/23				
Repayment of debt	0	0	0	
Revenue contribution to capital	6,658	4,487	-2,171	Re-profiling of the new build and acquisition programme (see report note 2.3)
HRA Share of pension reserve movement	-295	-295	0	
Surplus/deficit for the year	-2,302	-1,536	766	
Increase/Decrease in Net Movement in HRA Balance	4,061	2,656	-1,405	
HRA Reserve balance brought forward	-9,928	-9,928	0	
HRA Reserve balance carried forward	-5,867	-7,273	-1,405	

This page is intentionally left blank

PORTFOLIO AND SCHEMES	LATEST APPROVED BUDGET	PROJECTED OUTTURN	VARIANCE	COMMENTS
HOUSING PORTFOLIO	£'000	£000	£000	
1. Planned Improvements				
Windows & Doors	732	400	-332	Additional procurement required for remainder of budgeted spend and now re-profiled to commence April 2023 (see report note 3.5) Procurement contract delay and unfavourable timing (weather conditions) - (see report note 3.4)
Re-roofing	800	400	-400	
Replacement Double Glazing Units	0	0	0	
Heating Improvements	649	649	0	
Kitchen Replacements	580	580	0	
Bathroom Improvements	444	444	0	
Voids Capital Works	300	300	0	
Disabled Adaptations	450	450	0	
Sheltered Scheme upgrades	80	80	0	
Rewiring	437	437	0	
Contract Specification	0	0	0	
Lift Replacement	60	60	0	
Thermal Insulation	1,130	1,130	0	
Fire Protection Works	800	800	0	
Enhanced Capital Programme	0	0	0	
Smoke/CO/ Smoke Detectors	38	38	0	
Door Block Entry	409	409	0	
Communal Areas	104	105	0	
Ross House	900	900	0	
SHDF Wave 1	320	320	0	
	8,233	7,502	-732	
2. Major Schemes				
External Enveloping *	392	392	0	
Garages Improvements	150	150	0	
Treatment Works	110	110	0	
Broadmead Road	0	0	0	
	652	652	0	
3. Environmental Improvements				
Environmental Works	30	30	0	
New Paths	50	50	0	
Play Areas	10	10	0	
	90	90	0	
4. Other Schemes				
New Builds/Acquisitions	5,697	4,440	-1,257	Re-profiled spend due to project delays arising from tender process and evaluation of costs (see report note 3.3).
EKH Single System	48	48	0	
Cash Incentive Scheme	0	0	0	
	5,745	4,488	-1,257	
TOTAL	14,720	12,731	-1,989	
FUNDING				
Major Repairs Reserve	2,399	3,084	685	
Revenue Contribution	6,658	4,487	-2,171	
1-4-1 Capital Receipts	2,279	1,776	-503	
HRA Other Capital Receipts	3,384	3,384	0	
TOTAL FUNDING	14,720	12,731	-1,989	

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

This page is intentionally left blank